



# Climate Finance: Road to Baku

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# State of Climate Finance

**USD 100 Billion Goal Achievement:** Report claims USD 115.9 billion mobilized in 2022, surpassing the goal for the first time.

**Definition Issues:** Lack of a consistent definition for climate finance; operational definitions vary, leading to discrepancies in reported figures.

**Imbalance in Financial Instruments:**

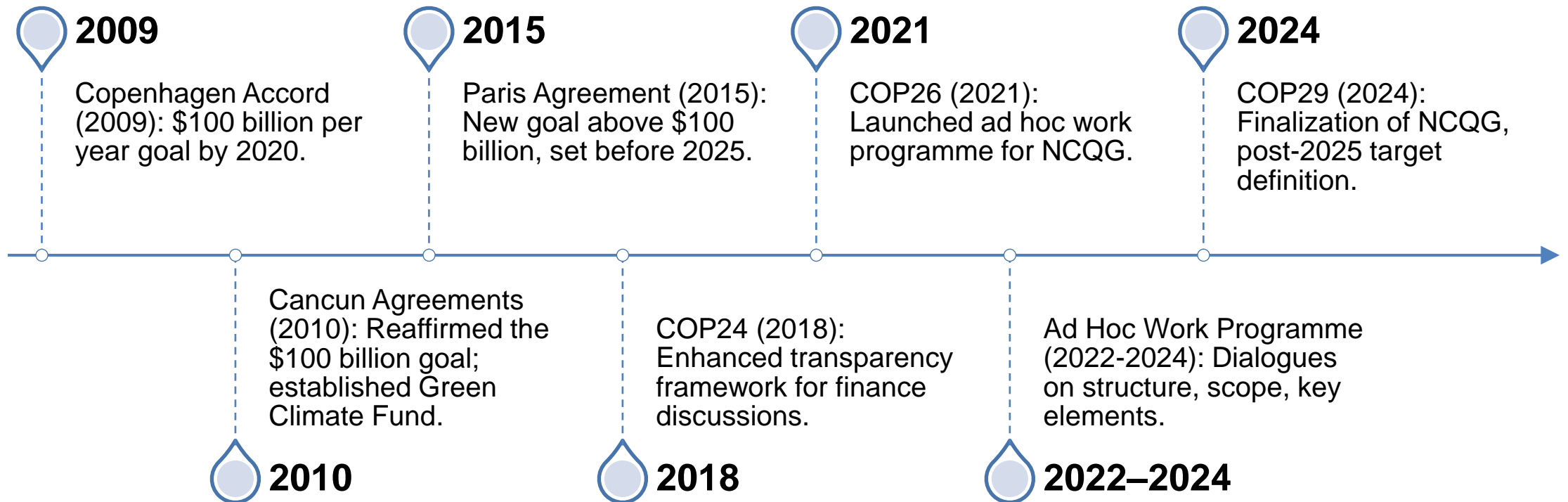
- Loans dominate (69% of finance) over grants (28%).
- High debt levels for recipient countries.

**Multilateral Finance Growth:** Significant increase in multilateral finance, especially from multilateral development banks (226% increase).

**Methodological Concerns:** Inconsistent accounting practices and reliance on preliminary data reduce reliability and transparency.

**Adaptation vs. Mitigation Imbalance:** Less than 30% of climate finance directed towards adaptation, despite growing needs.

# New Collective Quantified Goal on Climate Finance - NCQG



# NCQG Process

2022				2023				2024			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TED 1	TED 2	TED 3	TED 4	TED 5	TED 6	TED 7	TED 8	TED 9	TED 10	TED 11	TED 12

1st High-level Ministerial Dialogue

COP 27  
CMA.4

2nd High-level Ministerial Dialogue

COP 28  
CMA.5

3rd High-level Ministerial Dialogue

COP 29  
CMA.6

# Convergences and Divergences

## Developed Country Position

- Broaden contributor base – global efforts for Article 2.1(c) of PA
- More focus on low GHG emissions and climate-resilient development – outcome-based
- Innovative financing; More focus on alignment and mobilization; private sector
- Timeframe: Flexible approach and adaptability.

## Developing Country Position

- Responsibility of developed nations – CBDR-RC and equity
- Balance between adaptation, mitigation, and loss and damage – needs-based
- Quantitative targets; Public finance, grants, and concessional loans
- Timeframe: Specific short-term (5 years) or medium-term (10 years), predictable and measurable goals.

# Conclusion

- Too many options, too little time
- 11<sup>th</sup> TED (09 - 12 Sep 2024): To discuss preamble and context, goal formulation, quality, and transparency arrangements
- First Need Determination Report: 42% costed needs cumulatively amounted to USD 5.8–5.9 trillion considering the timeframe of 2030.
- Need for standardized definitions and methodologies.
- Increased focus on grants, concessional loans and adaptation finance.
- Greater transparency and accuracy in reporting.
- The politically sensitive aspect of the contributor base
- Addressing diverse priorities.
- Match climate change response with finance.



**Thank you**