



United Nations
Climate Change Conference
Bonn, Germany

Options for the post-2025 climate finance goal

Online Seminar, 10 December 2020



1 | Introduction

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2 | Options for the post-2025 climate finance goal

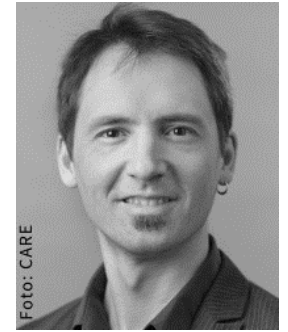
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3 | Q&A

Moderation: Björn Dransfeld (CFAS)



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the greenwerk.



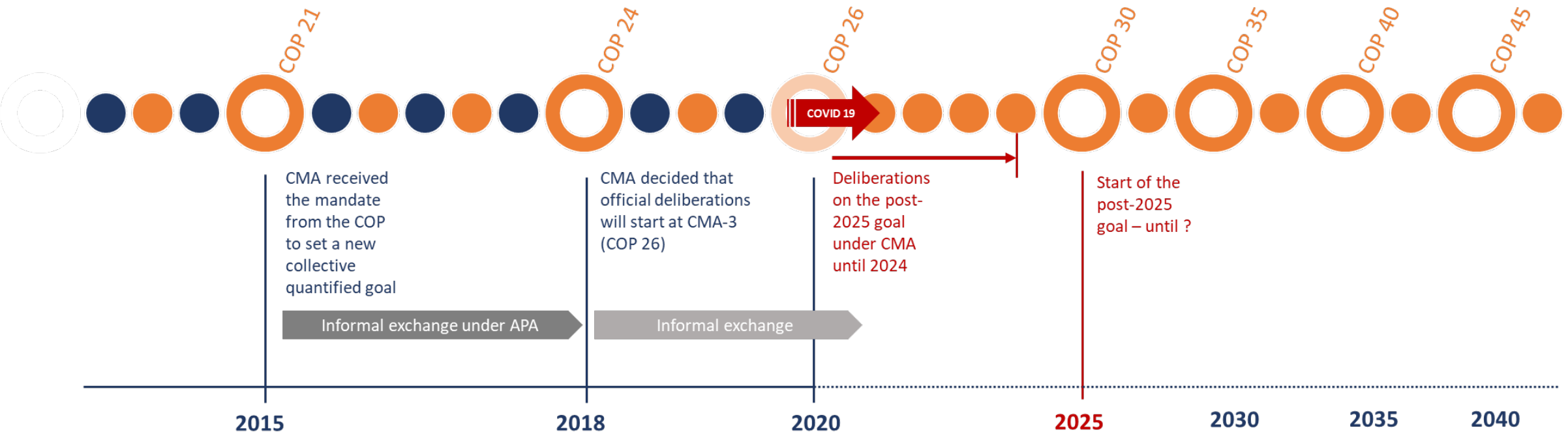
2 | Options for the post-2025 climate finance goal



2 | Background on the post 2025 goal

Mandate by the Paris Agreement and Katowice decision

- CMA mandated at COP 21 to guide process on defining post-2025 goal
- process should start with CMA-3 at COP 26 ► **shifted due to COVID 19**
- informal exchange under APA and recently under the COP 26 Presidency



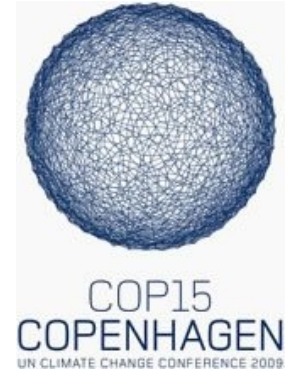
2 | Lessons learned from the USD 100 bn goal

Background on the USD 100 bn goal

- agreed at COP15 in Copenhagen
- USD 100 bn / year from 2020 onwards
- public and (mobilized) private finance



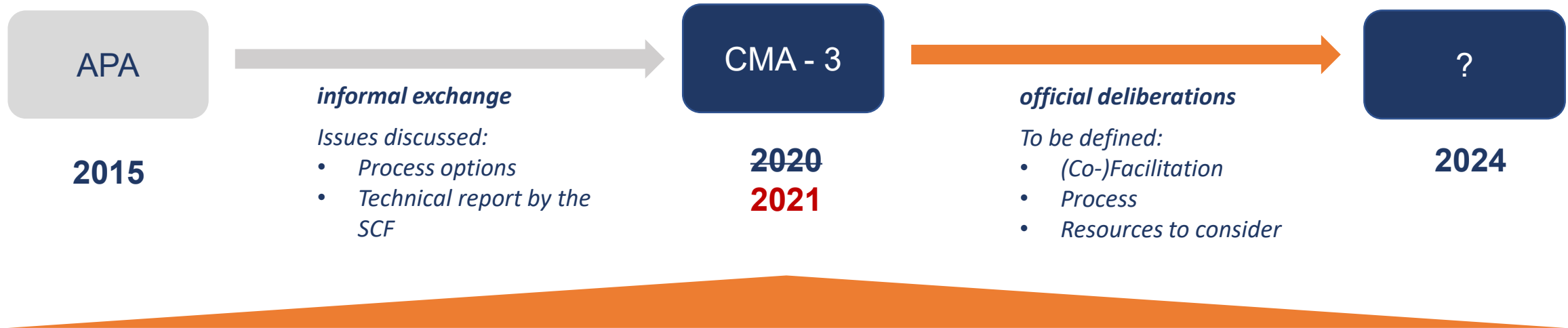
Source: IISD



Lessons learned

- The volume was below multiple scientific assessments of what would be needed.
 - ▶ A scientific basis is still highly relevant for technical discussions on the topic.
- Tensions among Parties arose due to diverging views (esp. on the volume).
 - ▶ Compromise should be build on sufficient consultations.
- Decision-making on the USD 100 bn target under pressure and dominance of some Parties
 - ▶ A robust and and inclusive negotiation process is needed, including strong facilitation.

2 | Process to approve a new goal

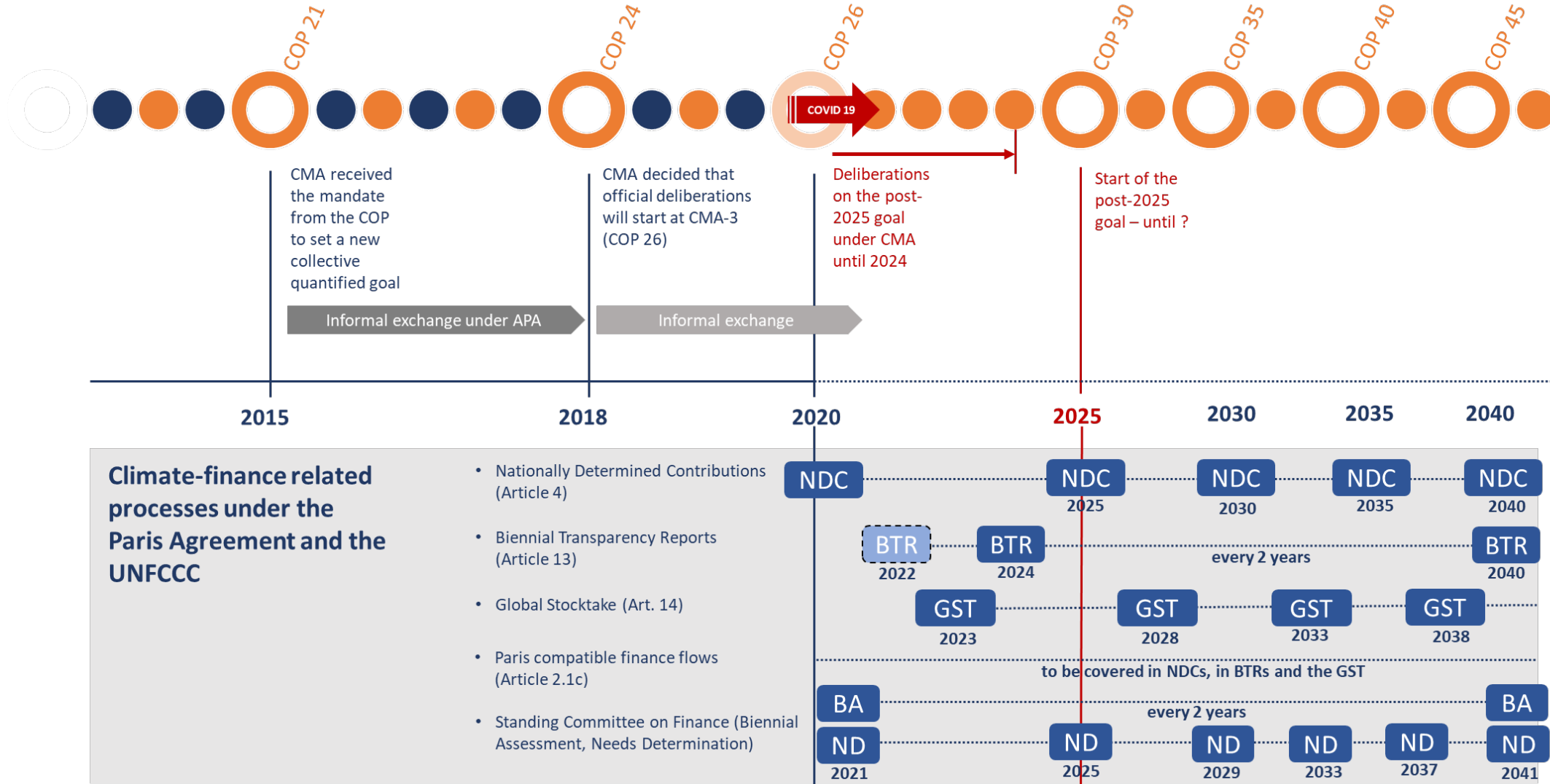


Elements influencing the process for the post-2025 goal:

- **External:** budgetary processes of Parties (examples: Germany, United States)
- **Internal:** interlinkages with other elements of the Paris Agreement or the Convention



2 | Process to approve a new goal



2 | Core elements of the post-2025 goal

The goals timeframe?

- Single year targets or medium-term corridors
- 5-year cycle might be preferable, aligned to other PA processes
- Second half of 2020s decisive, obvious role for 2030 target



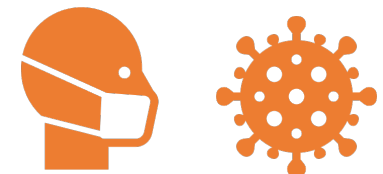
What does the goal look like?

- Absolute number – with defined currency (e.g. USD) and a specific reference date (e.g. 2030)
- Roadmap with several intermediate goals (e.g. 2027, 2030, 2035 etc.)
- Goal in relation to other aspects of climate policy or development



Uncertainties affecting the goals' promise?

- Disruptive events (economic crisis, COVID-19)
- Role of appropriate environments and frameworks



2 | Core elements of the post-2025 goal

Accounting rules?

- Potential to improve existing accounting standards and methodologies
- Building on lessons learned from the USD 100 billion goal, including:
 - common definition of climate finance and eligible activities
 - more precise guidance on applicable accounting methodologies, including e.g. minimum benchmarks for tracking approaches and financial instruments
 - modalities for appropriately differentiating the finance flows and avoiding double-counting (i.e. include more disaggregated information at the project level)
 - opportunity to more precisely define the role of channels, including bilateral, multilateral, and private sources



Contributors?

- Continuation of previous goal, developed countries take the lead
- PA talks of developed countries, beyond historic categorization of Annex I/non-Annex I countries
- Consideration of additional countries as “developed”
- Could contributions from developing countries leverage an increased goal?



2 | Core elements of the post-2025 goal

Thematic (sub-)goal(s)? Potential goal matrix

- Current data and reporting systems (OECD, UNFCCC reporting), within their existing limitations, would allow for sub-goals
- Thematic options: mitigation, adaptation, others (loss and damage, gender equality, etc.?)
- Art. 9.5. specifically mentions “considering the need for public and grant-based resources for adaptation” in the context of referring to groups of particularly vulnerable developing countries
 - Geographic: global approach or rather entity-based (e.g. GEF, GCF)?
 - Grants, (non-)concessional loans, private finance mobilised



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Framework Convention on
Climate Change



2 | Core elements of the post-2025 goal

Potential goal matrix

	Grant-based/grant-equivalent	Mobilised through public finance (including private finance flows)
Mitigation	[X] bn USD	[X] bn additional
Adaptation	[X] bn USD (with 50 + X % allocated to Art. 9.5 countries)	[X] bn additional
Cross-cutting		
Others (e.g. gender equality, loss and damage)	To be assessed	To be assessed
SUM	[100] bn +	[100] bn + [X] bn

2 | Conclusions and recommendations

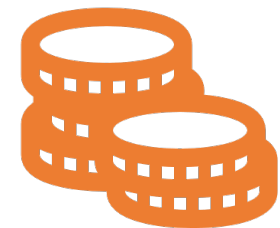
Process for the post-2025 goal

- designing a work plan for defining a new collective goal (and potential sub-targets) in a timely manner
- backing the post-2025 goal through technical processes and scientific assessments
- ensuring an inclusive and transparent process
- elaborating a common understanding of the Katowice decision (2.1c, SD, poverty eradication)
- clearly naming linkages to other processes and bodies under the Paris Agreement and the Convention
- initiating a starting point for upcoming negotiations (e.g. technical report)



Elements for the post-2025 goal

- alignment with other relevant processes under the Paris Agreement for future revisions (e.g. NDCs)
- coming up with more than just a number (multidimensional target)
- chance to improve accounting standards
- potential for broader base of donors





3 | Q & A



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Thank you for participation !



The development of the policy brief and the Online Seminar was supported by:



The policy brief and the recorded Online Seminar can be found on our website:

www.cfas.info

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