



United Nations  
Climate Conference

# Determining the needs of developing countries to implement the Paris Agreement and the UNFCCC

Webinar, 26 November 2019

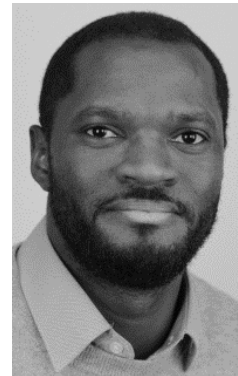


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# 1 | Introduction





## 2 | Determining the needs of developing countries

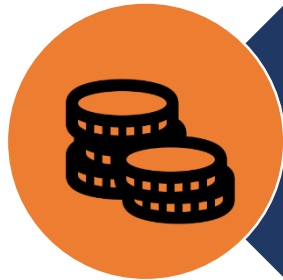




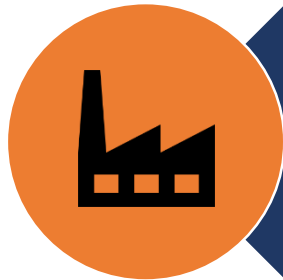
## 2 | Why it matters to determine the needs



- **Facing the climate change challenge:** developing countries cannot face the impacts of climate change and meet the sustainable development goals with their domestic resources only – they need scaled up financial & non financial international support
- **The Paris Agreement reaffirms the obligation for developed countries** to assist developing countries' efforts to achieve mitigation and adaptation goals
- **Developed countries have committed to support developing countries'** efforts by providing them with the necessary finance, knowledge, technology development and transfer, assistance for their adaptive capacity as well as capacity building
- **COP24 mandate to the SCF:** SCF is requested by the COP to prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the UNFCCC (the Convention) and the Paris Agreement



Financial needs



Technology development and transfer



Capacity-building



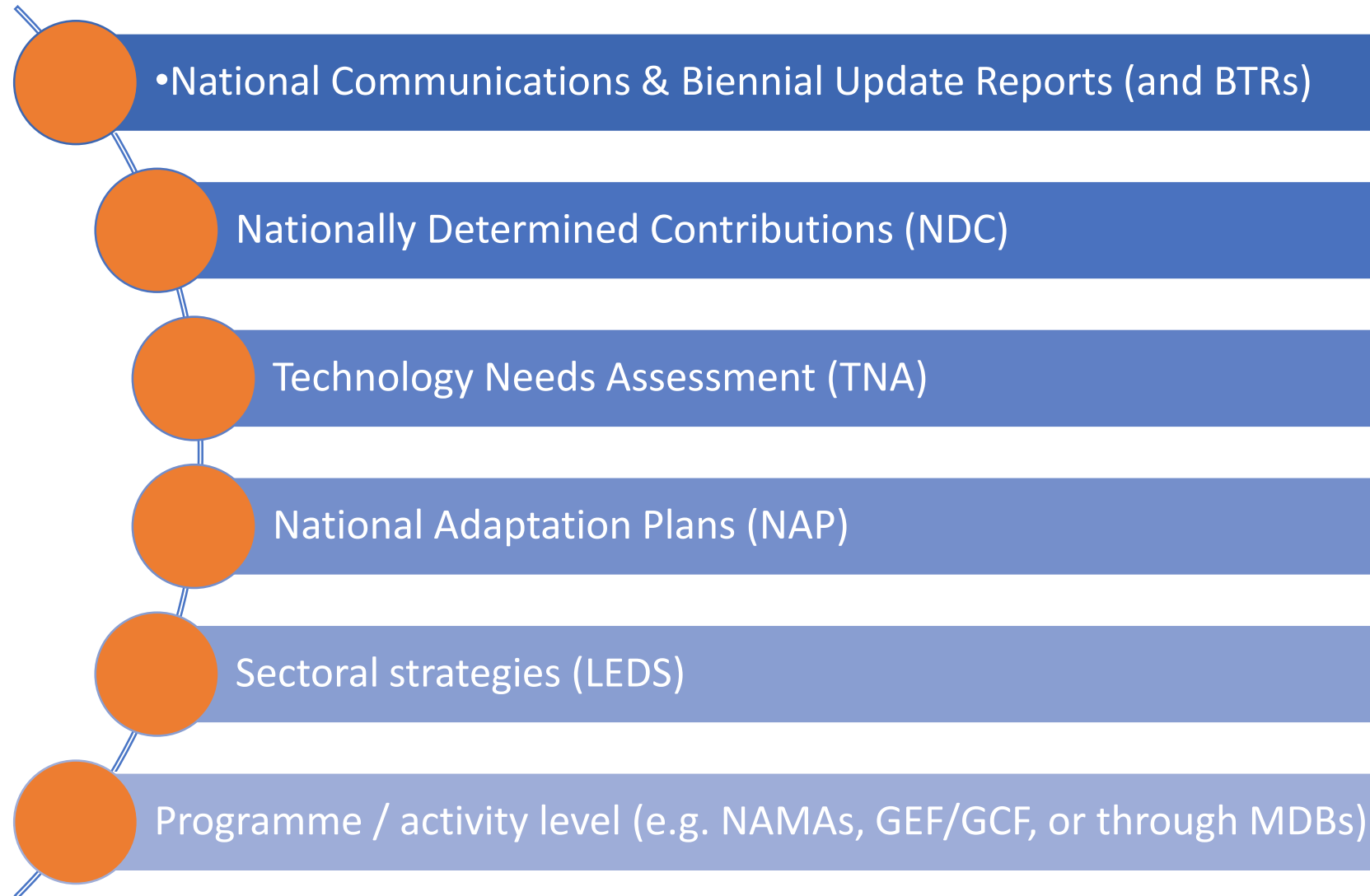
## 2 | What has already been done on the matter



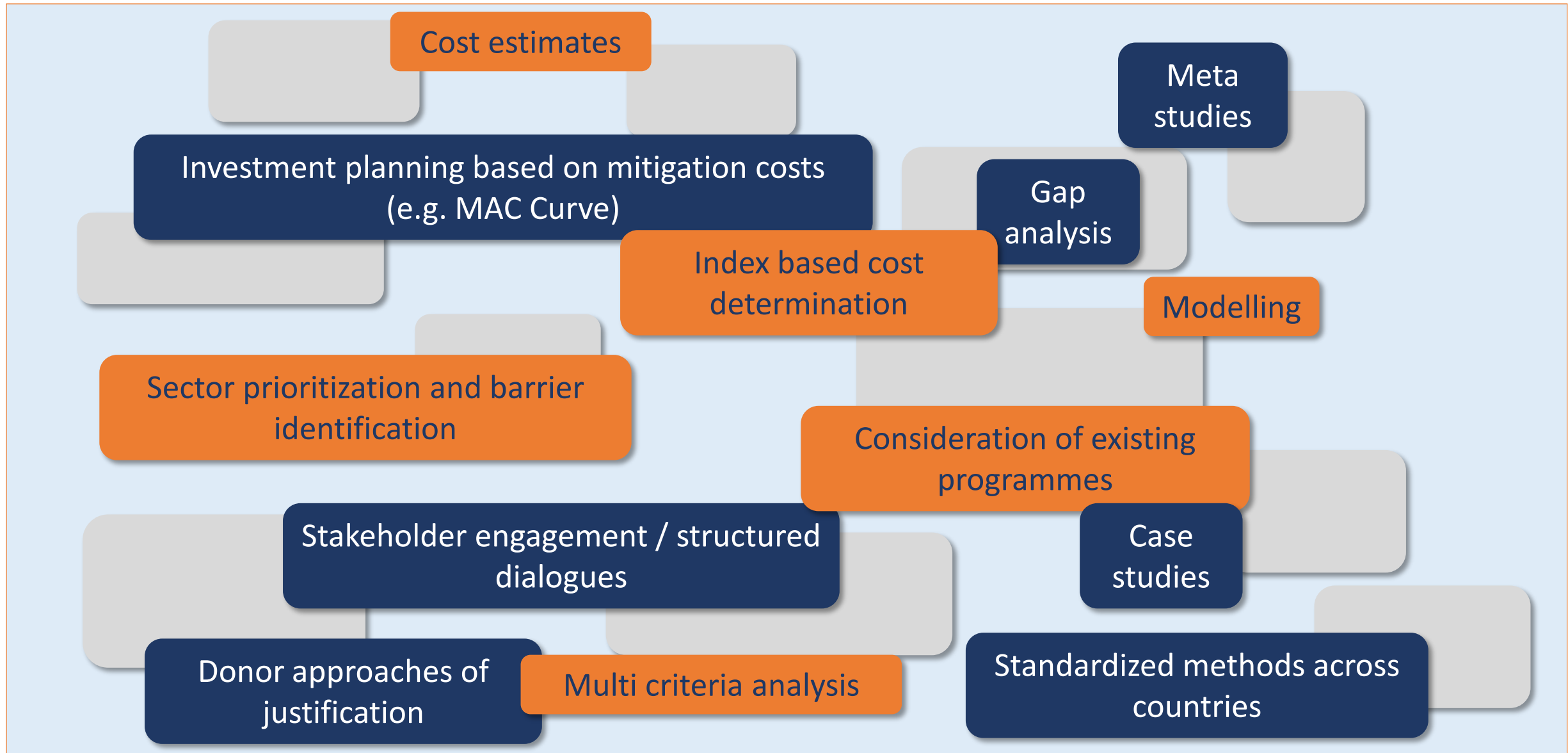
- **The National Economic, Environment and Development Study (NEEDS) for Climate Change project:** country study reports on the financial needs assessments for mitigation and adaptation focused on eleven developing countries
- **The Needs-based Finance (NBF) project:** assists developing countries in assessing their needs and priorities, in a country-driven manner, including technological and capacity-building needs, and in translating climate finance needs into action, in accordance with goals outlined in NDCs, NAPs & other relevant policies or strategies
- **Enhanced transparency framework, established under the Paris Agreement:** the modalities, procedures and guidelines (MPGs) on what to report in compliance with the enhanced transparency framework for action and support include the provision on reporting of information on financial, technology development and transfer and capacity-building support needed and received by developing country Parties.

- **Mitigation:** NDCs state needs between USD 3.5 and 4.4 trillion from domestic and international sources (majority for mitigation)
- **Adaptation:** USD 50+ billion annually between 2020-2030, USD 140 billion - 300 billion by 2030, USD 280 billion - 500 billion by 2050 (UNEP Adaptation Gap Report 2018)
- **Sectoral:** Example energy - Global average annual energy related investment costs to range from USD2010 1.6 – 3.8 trillion (IPCC)
- **Programme level example:** USD 16.3 bn support through GCF requested (various scopes, instruments and purposes)
- **Regional:** Example Asia - Investment Gap for infrastructure investments in Asia 2016-2020 is 2.4% of GDP (5% w/o China) (ADB)
- **Technology needs:** Example TNA process:
  - Mitigation - USD 5.2 billion accumulative budget estimate (varying budgets)
  - Adaptation: USD 2.4 billion accumulative budget estimate (varying budgets)





## 2 | Methodologies of needs determination





## 2 | Challenges of needs determination

- **Rag rug** of requirements, formats, channels and approaches exists
- No systematic approach => unstructured provision of incomplete, fragmented and intransparent information of varying quality
- **Comparison of needs** between countries rather difficult
- **Quantification & qualification** of needs is challenging
- Various approaches used by MDBs / international organizations / research: **modelling** and other workarounds to close information gaps
- **Success factors:**
  - *structured approaches* with robust and transparent underlying **data**,
  - *prioritization* of activities,
  - *consultative processes* that allow a **bottom-up estimation** of support needs.
- A more **standardized approach** for support needs determination - guided by the **SCF report**.



## 2 | Investments, needs, etc.

- Needs, costs, investments: important to understand what we talk about
  - **Investments:** an amount invested (e.g. for an RE installation), ideally with net returns
  - **Additional/incremental costs:** compared to baseline investments
  - **(Support) needs:** need of financial support to implement certain actions
- **Can not just be translated into “needs”** by recipient countries, which would be possibly covered through international climate finance support
- „Cost scenarios” usually **fail to have a holistic perspective**, that means they lack an integration of societal co-benefits which may result in lower other costs
- Some additional investments might be covered through **project-specific support**, but others will happen by governments setting policy frameworks
- **Addressing and reducing some of the costs** can also happen through wise and smart planning for example by government institutions
- No realistic expectation that ALL climate related costs in ALL developing countries (including relatively advanced ones) would/can be covered by international climate finance



# 3 | Initial recommendations



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## 3 | Initial recommendations

- Needs determination relevant for a) post-2025 climate finance target; b) Global Stocktake, c) Loss and damage mechanism d) enhanced transparency framework
- Key tasks for Standing Committee on Finance:
  - **Identify success factors for needs determination** that have worked in contexts of various countries, instruments and scopes, incl. in UNFCCC-related determination processes;
  - Aim towards a **standardized approach** for global comparability of information provided;
  - **Learn** from donor-driven approaches and identify potential champions such as the NAMA Facility or the Green Climate Fund;
  - Understand **how information gaps can be addressed** through application of proven methodological approaches;
  - Ideally asking for **maximum transparency** of numbers i.e. sources and the respective methodological approach in deriving the numbers
  - Continue the **inclusive process for sharing lessons and experiences**;
  - focus on methodologies that ensure **bottom-up processes of needs determination**, such as consultative processes or project cost determination



# 4 | Q & A



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Thank you for participation !



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The policy brief and recording of the webinar can be found on our website: [www.cfas.info](http://www.cfas.info)