Submission to the UNFCCC ahead of the first Technical Dialogue of the Global Stocktake

Submitted by: Independent Global Stocktake (iGST) Consortium
Formally submitted by observer organization ClimateWorks Foundation on behalf of the iGST consortium.

In Response to: "Call for inputs…to the first global stocktake," issued 14 September 2021

www.independentgst.org

Contact: igst-info@climateworks.org

Executive Summary

This submission is made on behalf of the independent Global Stocktake (iGST) consortium. We are a community of analysts and advocates that have been following the development of the formal global stocktake (GST).[1] We appreciate all of the careful work that has gone into the GST to date and hope that our submission can offer useful insights and data to fill remaining gaps, as the process moves forward.

OBJECTIVE

This submission **lays out a set of problem statements** for consideration by Parties in the first Technical Dialogue (TD1), alongside **a summary of research from the iGST independent community that may help advance dialogue around these key issues** and a **set of recommendations under each thematic area,** which we encourage the GST to take up. We intend to supplement this submission with more specific data and recommendations for the second Technical Dialogue (TD2), depending on the needs articulated as an outcome of TD1.

OUTLINE

Pages 1-4 below offer a summary of inputs. The remaining pages provide a deeper dive on the topics of Process (p. 6), the cross-cutting theme of Equity (p. 8), Adaptation (p. 13), Means of Implementation and Support (p. 16), Mitigation (p. 21), and insights on the Latin America and Caribbean region (p. 24). The treatment of these themes is not meant to be comprehensive across all, but instead, offer insights around key problem areas that a set of independent actors identified through collaboration and dialogue over the past several years.

In addition to this written content, the iGST has been developing a network of experts working on the GST since 2018 and would be happy to facilitate connections to practitioners for follow up engagements.

SUMMARY OF INPUTS

(1) Problem Statements Regarding Remaining Open Questions:

As requested by the co-facilitators, civil society participants in the iGST consortium have formulated a set of problem statements about remaining areas of complexity or disagreement that would benefit from dialogue during the GST:

Equity:

- To conduct the GST "in light of equity" it will be essential to set its scope appropriately. In addition to finding ways of including all of mitigation, adaptation, loss and damage, finance and support, and capacity building, the GST will need to find ways of accommodating the dynamic nature of global goals for adaptation and loss and damage as these are dependent on global achievements across mitigation, finance and support, and capacity building.

[1] See list of authors on page 26. While this submission reflects the combined thinking of iGST members, it is not formally representative of the institutional views of the institutions with which they are affiliated.

- The GST must open into high-quality assessments in the light of equity. This means that, though the GST outcomes are themselves mandated to be collective, the GST will need to create a context within which the global community can move towards a shared understanding of the principles and benchmarks appropriate to assessing the equity, and inequity, of individual national pledges and individual national actions. The challenge of just differentiation, after all, has not gone away.

Adaptation:

- The GST must address the understanding of 'adequate and effective' adaptation in relation to the Global Goal on Adaptation, and in order to be able to measure against it in future GSTs.
- The GST must consider how best to integrate non-state actor adaptation data such as that from the private sector. This type of data is currently largely absent from country submissions to the GST; how should the GST integrate this information to create a holistic view of existing efforts, and to increase ambition?

Means of Implementation and Support:

- The GST will need to address a number of quantitative and qualitative aspects of climate finance. Poor clarity on the scope of climate finance has led to ongoing frustration and tension for both developed and developing country Parties. Going beyond the definition and amounts of climate finance, the technical phase of the GST will need to transparently address, for example, if climate finance is meeting developing countries' needs in order to implement the long-term goals of the Paris Agreement, if access modalities are appropriate, and the impact finance is having on developing countries' debt sustainability and development progress.
- The GST must surface the perceptions of fairness and justice in climate finance provision and access. Equity is and will remain critically important to the functioning of the ambition, or ratchet mechanism of the Paris Agreement. The technical phase of the GST will need to establish an evidence base for loss and damage finance, define principles of just transition financing, and explore how means of implementation and support can accelerate climate-consistency of broader finance flows without detracting from minimum quantified support commitments of developed countries, or putting undue conditions on support; key finance sub-topics that place differing obligations and expectations on Parties.

Mitigation:

- Global-scale, techno-economic mitigation information–which is broadly available–has dominated the current stocktaking conversations. Societal and institutional factors at the country-level are essential to enhancing climate ambition and action. However, this type of information is under-represented in the GST. The focus on the more widely available techno-economic data may hinder the effectiveness of the GST by supporting incomplete or biased conclusions.
- Bottom-up, in-country assessments of mitigation needs–including those from subnational and non-governmental actors–are important complements to top-down national or global evaluations, but are insufficiently incorporated in the formal stocktake process. Current efforts to measure global mitigation progress and ability to achieve mitigation success are also largely driven by developed-country institutions, and therefore lack developing-country perspectives on climate mitigation and development.

(2) Abstracts:

The following set of abstracts summarizes information from the full inputs for each thematic submission included in this document. You can find the full inputs beginning on Page 5.

Process Recommendations:

The iGST and partners make the following suggestions for the TDs based on previous scholarship: TD1 must maintain a clear vision to TDs 2 and 3, including specific information in the summary report from TD1 outlining what new data is needed for TD2 inputs; the TDs must be open and transparent for Parties and non-party stakeholders (NPS), including clarity on how NPS will be selected to participate and support for the inclusion of under-represented stakeholders; the UNFCCC and TD co-facilitators should consider how to extend the GST to regional and sectoral contexts, including through engagement at the regional climate weeks and through engagement with other international organizations.

Equity:

The mandate to accelerate and assess climate progress "in the light of equity" is central to the global stocktake. Equity must be foregrounded throughout the GST because inequity is a defining background condition of modern life, and a fundamental constraint on the ability of the global community to achieve the goals of the Paris Agreement. The UNFCCC regime must systematically contribute to equitable access to sustainable development, even as it systematically seeks global climate stabilization. Equity, if appropriately built into the GST, provides a compass that can be used to guide effective and ambitious climate action. While equity is a cross-cutting theme across all areas of the GST and the iGST itself, the equity section of the submission provides three distinct contributions to Parties: 1) it lays out a framework of guiding elements to provide a direction of travel towards equity and ambition; 2) it outlines some key issues that must be included in the GST across the core areas of mitigation, adaptation, loss and damage, finance and support, and capacity building; and 3) it provides initial guidance for adequately supporting the assessment of specific issues "in the light of equity".

Adaptation:

The private sector's contributions towards and needs for adaptation should not be overlooked by the GST. However, information about the private sector adaptation is largely absent from country submissions to UNFCCC, and discussions on how to integrate private sector adaptation into the GST are very limited. The iGST explored the landscape of current private sector adaptation reporting, as inputs for future iterations of the GST. We found that the landscape includes reporting: 1) to external stakeholders via climate-related corporate disclosure; 2) to databases documenting non-state climate action; and 3) to national governments. Analysis shows that, (A) the main limitations in the information generated by private sector reporting include limited datasets and biased reporting, not capturing all types of actions, and difficulty in aggregating adaptation actions and outcomes; and (B) in terms of the linkages between private sector reporting and the GST, the main gaps are the lack of clear pathways for aggregating reported data and defining the opportunities for the GST. Climate-related corporate disclosures are increasingly becoming comprehensive and comparable, and could hence represent the most promising source of input for assessing private sector adaptation. Lastly, a series of recommendations are suggested for different stakeholders to bridge these gaps.

Means of Implementation and Support:

We are collectively falling short of the financing necessary to implement the objectives of the UNFCCC and the Paris Agreement. Climate ambition must be financed if we are to limit the rising costs of losses and damages caused by the adverse effects of climate change. As the GST seeks to address its mandate on 'means of implementation and support' it faces many ill-defined elements of climate finance commitments. The exercise to understand collective progress will need to accommodate multiple viewpoints and diverging world views as it seeks to answer questions on quantitative and qualitative successes and failures, as well as progress the agenda on loss and damage and just transitions finance. The GST must therefore be rigorously transparent in the choices it makes and allow for, or even construct, pathways that allow those with different view-points to deliberate given the centrality of finance in international cooperation towards climate ambition.

Mitigation:

A top-down, global-scale, and techno-economic-oriented stocktaking process may hinder the effectiveness of the GST by supporting incomplete or biased conclusions. Societal and institutional factors at the country-level are essential to enhancing climate ambition and actions. However, these have received relatively less attention. Bottom-up, in-country assessments of mitigation needs–including those from subnational and non-governmental actors–are important complements to top-down national or global evaluations, but are insufficiently incorporated in the formal stocktake process. Current efforts to measure global mitigation progress and ability to achieve mitigation success are also largely driven by developed-country institutions, and therefore lack developing-country perspectives on climate mitigation and development. In response, the GST should incorporate societal and institutional dimensions, forge a community to produce inclusive metrics on mitigation progress, and complement the formal GST process with country-driven, bottom-up stocktaking practices.

Latin America Regional Perspective:

As the first GST cycle begins, it is necessary to identify and evaluate information sources that can serve as the basis for this global assessment. The Latin America and the Caribbean Hub within the independent Global Stocktake (iGST LAC Hub) works to (1) identify and define priority climate action areas in the LAC region and (2) to determine local non-party stakeholders' needs from, and opportunities to contribute to, the GST process. The LAC Hub has conducted initial work to map available data, lessons learned, and needs of civil society in the region, in line with the guiding questions for the technical assessment component of the GST. The results of this work will allow regional civil society to build valuable regional and independent inputs for the formal GST process and thus, to promote a comprehensive, inclusive, and useful "global stocktaking" that improves the climate action of the Parties to the Paris Agreement. This independent regional stocktaking exercise is currently in progress and will be reported in future submissions to the TDs.

Full Thematic and Regional Submissions: Navigation

Process Recommendations for the Technical Dialogues

The iGST and partners have analyzed the potential of the GST, and how to ensure its impact. The following concrete suggestions for the Technical Dialogues (TDs) stem from this scholarship[i]:

Robust framing with a vision to TD2 and TD3, and beyond

The technical assessment will take place over the course of three successive meetings of the subsidiary bodies (SBs), with TDs organized during each of the three SB meetings. For success, the TDs must cohesively lead to the GST's final stage: the consideration of outputs.

The organizational approach for the TDs consider the TDs as one dialogue, over three sessions, rather than three separate and distinct dialogues. The co-facilitators for the TDs should outline a clear through-line which extends across all three TDs so that each builds upon and leverages the previous dialogues.

For example, when concluding TD1, there should be a clear outline and vision for TD2 and what it needs to accomplish. With inputs requested three months in advance of each TD (and thus requested from two to three months following the previous TD), a clear through-line of the TDs is vital given the limited time to prepare tailored inputs ahead of subsequent TD–especially inputs that build upon the summary reports prepared by the co-facilitators after each TD.

The modalities for the GST emphasize the importance of learning-by-doing and refining the GST's process over time (19/CMA.1, paras. 15-16). The TDs may wish to acknowledge that this is the first GST and note considerations for improvement in future GSTs.

Non-Party Stakeholder (NPS) Participation

The TDs will benefit from wide-ranging participation of non-party stakeholders.

Experts from civil society, particularly voices from countries most at-risk from climate change, can provide key technical insights for the TDs and should be invited to participate.

The TDs should ensure that the full set of constituencies, with particular attention to representatives from the global south, young people, and indigenous groups, are able to participate. To ensure equitable representation, we encourage due attention to the differentiated support that different stakeholders may require to participate.

As planning is underway for the TDs, it would be helpful for the co-facilitators to clarify the criteria for NPS invitations to participate in TD1. This clarity would allow other NPS to ensure relevant perspectives are reflected in submitted inputs and through additional fora.

Extending GST to regional and sectoral contexts

While the TDs will be held over successive sessions of the SBs, they should not be the only fora for convenings about the GST or assessments of collective progress.

While maintaining focus on collective, and not national progress, there can be value in organizing events or discussions at the regional level. For example, the GST could leverage the UN Climate Change Regional Climate Weeks as a platform to socialize the GST, broaden the base of stakeholders, and enable greater participation. These events could lead to a fuller up-take of GST outcomes and contribute to the GST's outcome per Article 14.3 of the Paris Agreement, to inform updating and enhancement of actions and support. If the Secretariat is not able to directly organize or support such regional convenings, this should be communicated early during the process so that stakeholders and the independent community could organize events and continue GST-related conversations throughout the year.

The GST may also be able to drive updated and enhanced action and support at the sectoral level. International organizations could assist in ensuring the messages from the TDs reach sectoral conversations about opportunities for enhanced action and support, as well as contribute usefully to information gaps.

Expectations from the first Technical Dialogue summary report

The co-facilitators of the TDs will summarize TD outputs in summary reports. These summary reports should be forward-looking, building upon inputs received and dialogues to highlight best practices and transformative solutions for climate action and support.

If certain issues, topics, or knowledge areas are not sufficiently covered during TD1, the summary reports should provide clarity on how those issues can be addressed in the successive dialogues and/or whether additional targeted inputs are needed. The summary reports can then encourage Parties and NPS to provide specific inputs in advance of future TDs so that all issues, topics, and knowledge areas are adequately addressed during the GST.

In the summary reports, the co-facilitators should include references to the consideration of outputs final phase of the GST, including highlighting elements which should be captured in the GST's final outputs, including already taking steps to identify opportunities for and challenges in enhancing action and support and recommendations for strengthening action and enhancing support.

Equity: Building Equity into the Global Stocktake

The mandate to accelerate and assess climate progress "in the light of equity" is central to the global stocktake (GST). This is as it must be. Equity must be foregrounded throughout the GST because inequity — between countries, generations, classes and castes – is a defining background condition of modern life, and a fundamental constraint on the ability of the global community to achieve the goals of the Convention and the Paris Agreement. The UNFCCC regime, to succeed, must systematically contribute to equitable access to sustainable development, even as it systematically seeks global climate stabilization. Equity, if appropriately built into the GST, provides a compass which can be used to guide effective and ambitious climate action.

This summary provides three contributions to Parties as they move towards the first global stocktake: 1) it lays out a framework of guiding elements to provide a direction of travel towards equity and ambition; 2) it outlines the scope of issues that must be included in the GST; and 3) it provides initial guidance for adequately supporting the assessment of specific issues "in the light of equity".

Guiding Elements for the Direction of Travel

The Paris Agreement's mandate to conduct the GST "in the light of equity" stems directly from the goals of the Convention. Any effort to "prevent dangerous anthropogenic interference with the climate system" cannot be pursued without recognition of the many ways in which persistent global inequities drive climate destabilization. The challenges of building equity into the GST minimally suggests three guiding necessities:

- Climate action **must prioritize the needs of the poorest and most vulnerable**, for they are and will be the first to suffer the dangers and damages of climate destabilization. It must similarly **hold those who caused and continue to cause damage to the environment accountable** for their actions.

- Climate action must **avoid shifting burdens to poor and vulnerable people, developing countries, and future generations**, who have historically contributed least to the accumulation of greenhouse gases. Mitigation strategies must positively contribute to sustainable development, and to the reduction of both poverty and inequality.

- Ambitious **global action demands equitable effort sharing, for it will only be possible if it is broadly seen as fair**. In particular, action at the scale necessary to achieve 1.5°C or 2°C targets requires greatly increased international support and cooperation, designed to achieve effective climate action in a way that also helps those facing massive development challenges to effectively meet these challenges.

Creating the Appropriate Scope for Building Equity into the GST

Given the defining context of global inequity, for it to help mobilize adequate and equitable climate action, equity issues must be effectively mainstreamed in the following five core areas of the GST:

Mitigation: The assessment of mitigation plans and actions **must consistently focus on the short-term actions (e.g., 2030) needed to achieve the long-term decarbonization (e.g., through 2050)** required by the Paris temperature goals. Inadequate mitigation is a contravention of any meaningful conception of equity for it will differentially hurt those who are already most vulnerable and who have contributed least to the climate problem. From an equity perspective the assessment of mitigation in the GST must be wide enough in scope to include at least the following features of this challenge:

- Concrete progress towards a fair global fossil fuel phase-out that extends beyond a focus on coal to include oil and gas as well, within a framework that meaningfully acknowledges differential development contexts, and includes both eliminating fossil fuel demand and a just transition away from fossil fuel production.

- Approaches to global net-zero CO2 (and, indeed, GHG) strategies that ensure they deliver on their promise, rather than decaying into delaying tactics. This must include both strong short-term goals and differentiated access to the substantial support that a globally just transition to net-zero will require. At the same time, they must be both realistic in scale and just in execution – reliance on "negative emissions", in particular, must be limited by the availability of land, water, and other resources on which human communities and ecological systems depend, and by the imperative of respecting human rights.

- Recognition of the distinct transition challenges that are encountered in specific country contexts including but not limited to: public revenue for social services; institutional development; needs for labor market restructuring; shifts in human resources, education, and skilling; and financial sector restructuring amongst others.

Adaptation: A global adaptation goal is integral to any adequately broad GST for two reasons: 1) global adaptation needs stem from inadequate mitigation, and 2) as illustrated by the COVID-19 pandemic, vulnerability is not containable within national borders. Adaptation is a shared global responsibility because its success or failure has inherently global ramifications. Key features relevant to adaptation within the GST include:

- Recognition that vulnerability is not innate but created by unjust governance systems, which unfortunately operate at local, national, and global levels.

- Recognition that vulnerability is intimately tied to development, and that adaptation can only be understood as an aspect of development. Internationally, equity requires a comprehensive effort to rapidly achieve the planetary Sustainable Development Goals, while domestic efforts within all countries – wealthy and developing – to lift their poorest communities should be recognized as contributions towards the global adaptation goal.

- Adaptation needs assessments should begin with particularly vulnerable countries, but must include vulnerable populations everywhere, including within wealthier countries, which often include pockets of extremely disadvantaged people. The GST must seek, in its assessments, to make shortfalls everywhere visible.

- Recognition that the global adaptation goal is and must be dynamic and composite, and cannot be siloed. It is inherently entwined with progress both towards adequate mitigation and access to sustainable development, and it opens seamlessly into the even broader challenges of loss & damage.

Loss & Damage: Large scale loss & damage is increasingly recognized as a now inevitable feature of global climate change due to sustained inadequacy of mitigation effort and the associated intensification of climate impacts beyond what adaptation efforts can handle inadequate support for both mitigation and adaptation in developing countries contributes directly to loss & damage. This has to be recognized by its inclusion within the GST. At a minimum, recognition of loss and damage in the GST should include:

- Proper assessments of the financial scope of the loss & damage challenge, which must include recognition of the domestic resources that have been and should be reallocated within developing countries to manage both already incurred destruction and loss and to prepare and prevent future loss & damage.

- Proper assessments of non-economic losses, which sprawl far beyond the capacities of financial assessment. Non-economic losses include impacts such as extinction and ecosystem degradation and associated cultural harms, territorial loss, socio-psychological trauma from rapid and slow onset impacts, and all the consequences of strained planetary boundaries. Importantly, these consequences are rarely contained within national borders.

- A serious exploration of pathways for dynamically assessing and providing adequate support for global loss & damage needs in the context of mitigation, adaptation, development, support, and capacity building. Forms of support should include, but not be limited to finance, other forms of international support and solidarity through a variety of means including domestic policy choices and partnerships. Nor can that solidarity remain merely aspirational – if the outcome of the GST is to be seen as fair, it must help to establish a substantial loss & damage funding, policy, and support stream as an equity-based means of supporting developing countries to address loss & damage as a key element in their national climate actions.

Capacity Building: Capacity underpins both effectiveness and justice. The GST must support the mobilization of existing capacities, identify which capacities need to be built or buttressed, and track international contributions to these efforts. Capacity “is not the ability to implement someone else’s agenda but the ability to set and pursue your own agenda” (Sokona 2020). International cooperation must empower those who need to take action by enhancing their personal, collective, and institutional capacity to respond to their own needs, as they see them.

In practice, this implies the need to support the creation of frameworks that facilitate the self-identification and communication of areas in which support for capacity building would be useful. Contributions to this could then be tracked. From this perspective the GST could:

- Develop a framework for eliciting capacity needs from developing countries. Key here is eliciting clear articulation of the capacities that must be developed, and strategies for doing so, if developing countries are to achieve the extremely ambitious mitigation and adaptation goals they are being asked to sketch out under the sign of “net zero” development.

- Develop a reporting structure to track support (financial and otherwise) that addresses these self-identified capacity needs. Support should be tracked in terms of quantity, duration, terms/conditionalities, and locus of decision authority and should cover all aspects of climate action (mitigation, adaptation and loss and damage)

Support: All these efforts will require support, and the GST must have the capacity to assess the adequacy of the support being made available against overall needs. This point is critical. The USD $100 billion per year finance goal was always meant to be only a beginning, but rather than building trust and momentum, the long failure of developed countries to achieve it has been poisonous beyond measure.

This must change, and to that end, the GST must help trigger a public finance breakthrough. In particular, **it must open a productive conversation between those who prioritize the provision of international public finance and those who focus on the mobilization of largely private (and often domestic) financial flows.** This could help to identify and track concrete forms of support, including and extending beyond finance.

There are many possibilities here, including:

- Sustained, comparable, and transparent assessments of concrete support needs across time and in a manner that is differentiated by country. This includes encouraging and linking domestic efforts to identify support needs into global assessment processes.
- Evaluation and provision of support across all categories above: each must stand alone: none can be subsumed within another. Ensure that an equitable balance of funding between mitigation and adaptation is achieved and maintained, and that, in this context, funding for loss & damage is elevated to a first-tier priority.
- Ensure that rules of access to support enable access to and control of funds by those facing on-the-ground needs. The GST should track not only overall support flows but also flows differentiated by rules of access (i.e., grants vs loans, forms of conditionality, locus of decision authority etc.)
- Broad political-economic approaches that prioritize climate and development finance over often odious international obligations and transfers., including, inter alia, sovereign debt payments, IPR royalties for climate critical technology, and illicit financial flows of all types.
- Accounting approaches that include both private and public finance within unified but differentiated accounts, and the establishment of comparable and trackable processes fit for purpose for each type.
- Development and use of finance mechanism safeguards that can be reported in parallel to financial flows to minimize harm to vulnerable populations.

Strategies for Conducting Assessments "In the light of equity"

The GST must be able to conduct high-quality assessments appropriate to the full range of issues identified above so that the global community can move towards a shared understanding of the principles and benchmarks appropriate to assessing the equity, and inequity, of individual national pledges, and individual national actions.

However, the GST has been constrained by the Parties to collective assessments, and this would seem to make the assessment of individual pledges impossible. Fortunately, this is not precisely the case. For one thing, it is possible for independent actors outside the formal negotiations to conduct assessments of any kind, and to publicize their findings, including to the Parties themselves, even in formal submissions. And even within the limiting terms of reference of the formal GST, there are ways to move the process forward. These include but are not limited to:

- Negotiations that **seek broad agreement on the principles by which NDCs are most appropriately benchmarked**, including the equity principles that are directly relevant to the mitigation, adaptation and support needs identified in the NDCs, and to the loss & damage challenge.
- Sustained **focus on the necessary global transformation** – such as the need to reduce emissions by half by 2030 if we are to achieve the 1.5°C goal – **and the impossibility of maintaining the cooperation that will be needed, towards that transformation, unless the profound inequities that characterize the world**

system are simultaneously addressed, in a manner serious enough to establish real trust in the possibility of a just common future.

- The **development of accounting and benchmarking methodologies that consider domestic, sectoral, and international actions as aspects of a single integrated national effort**. The goal should be methodologies that allow national climate efforts to be meaningfully compared, while not allowing powerful actors – e.g., elites, transnational corporations – to evade scrutiny.

Beyond this, there are good ways to move towards more comprehensive kinds of equity assessment, **even within the formal process.** Possibilities include:

- **Assessments designed to improve the prospects of the global net zero strategy**. That is, the GST could push the Parties to recognize and quantify the *global* support gap that they have themselves defined by focusing on the global net zero 2050 goal, and to bridge that gap with new and innovative efforts to provide financial and technological support at the necessary scale. As the vaccine experience has taught us, this will require a true international breakthrough.

- To that end, the GST could **explicitly recognize the dynamic linkages between mitigation and adaptation and loss & damage** by setting out to design proper adaptation and loss & damage need assessment methodologies that leverage dynamic or conditional indicators tied to mitigation successes and failures.

- Further, the GST could **push for institutional innovations designed to encourage and support *extremely concrete requests* for and provision of support across mitigation, adaptation, loss & damage, capacity building and support/finance**. The challenge of support, after all, is far too important to have at an abstract level.

- And the GST could **advocate for non-economic and process-based indicators tied to actual actions** across the domains of mitigation, adaptation, loss & damage, capacity building and support. Has there been real and meaningful fossil subsidy reform? Progress on national just transition frameworks? Reforms of financial sector rules that facilitate innovative finance?

None of these moves would require agreement on specific equity benchmarks, but they would familiarize us all with the logic of equity assessment, and with its uses. At some point it may be possible for formal or semi-formal assessments to suggest, without prejudice, that a basket of common indicators could indeed support a more coherent debate on the challenges that will eventually have to be faced, if we in fact intend to achieve the Paris temperature goals.

Meanwhile, we must move quickly. The need for global transformation is urgent, and the GST must enable useful short-term assessments of action. 2050 is a key assessment date, but 2030 is even more important, and it should be the primary focus of assessments aimed not only at techno-economic decarbonization, but also at international and intranational just transition mobilization and planning.

Meanwhile, of course, the depth of global inequity extends far beyond the scope of the GST. To manage this mismatch, we should seek to orient the GST towards equity, recognizing that the implications will shift over time. The GST's modalities should be linked with broader efforts to recognize and countervail inequity. This is why process-based indicators may be of use along with greater attention to cross-cutting issues like capacity building and support.

Adaptation: Private Sector Reporting and the Global Stocktake

This section focuses on sharing insights from original research conducted by the iGST Adaptation Working Group (AWG) on private sector adaptation tracking and reporting, and how this data can be improved and feed into the GST. Future work from this group will also address the understanding of 'adequate and effective' adaptation action and links to the GGA and GST; this is not available yet but will be provided in later submissions to the GST.

Highlights:

1. As a key member of the broad-based coalition of actors required to adapt to climate change, **the private sector's contributions and needs should not be overlooked by the GST.** However, information about adaptation by the private sector is largely absent from country submissions to the UNFCCC, and discussions on how to integrate private sector adaptation into the GST are very limited.

2. iGST has explored whether **emerging sources of data being generated by various types of private sector reporting can be used as inputs** to be considered in future iterations of the GST. Through this work, it also found potential significant gaps in considering information generated by private sector reporting by the GST.[2]

3. The landscape of current private sector adaptation reporting can be categorized into three broad types: 1) Reporting to external stakeholders via climate-related corporate disclosure; 2) Reporting to databases documenting non-state climate action; and 3) Reporting to national governments.

4. Main gaps and limitations in the information being generated by private sector reporting processes:
    a. Datasets are likely to be limited in size and subject to reporting bias
    b. Information about adaptation action is likely to be difficult to aggregate
    c. Information about adaptation results will be difficult to aggregate, when available
    d. Adaptation reporting does not capture all forms of private sector adaptation

5. Main gaps in the linkages between private sector reporting and the GST:
    a. Clear pathways for aggregating reported data to the global level are missing
    b. Opportunities for the GST to consider information about private sector adaptation need to be defined

6. Looking forward, **climate-related corporate disclosures already generate large quantities of data**. And due to alignment with the TCFD recommendations, the data generated through this process is becoming increasingly comprehensive and comparable, and hence represents the most promising source of input for assessing private sector adaptation.

7. In order to enhance the availability and quality of adaptation-relevant information being reported, and to bridge the gap between private sector reporting and the GST, a series of recommendations are suggested for different stakeholders.

---

[2] See additional information in report "Private Sector Adaptation as a Source of Reporting in the Global Stocktake." From the Indian Institute of Management, Ahmedabad and the UNEP-DTU Partnership, December 2020. Available here: https://www.climateworks.org/report/global-stocktake-private-sector-reporting/

Context:

Over the past decade, the private sector has increasingly become aware of the additional risks posed by climate change, resulting in the notion that climate risks need to be incorporated into companies' wider business risk management. This is beginning to gain significant traction. The resilience of the private sector is recognized as being inherently important to the resilience of wider society, for example, as a provider of adaptation finance or a developer and provider of resilience-enhancing products or services that can make an impact at scale.

Although government-driven adaptation is recognized to only represent a fraction of the overall adaptation action required, in its present guise, the GST will be reliant on information generated through reporting by country Parties to the UNFCCC. **These state-led processes may under-report or miss altogether a significant share of adaptation progress and efforts by non-state actors, especially the private sector.** Tracking efforts by these actors however will be crucial if the GST is to more comprehensively and accurately capture broad progress being made in adaptation at the global level, beyond national government actions, and support enhanced adaptation ambition.

The problem:

The AWG explored the potential for assessing private sector adaptation using data being generated by existing private sector reporting processes, namely: (i) via climate-related corporate disclosures, (ii) to non-state climate action databases, and (iii) to national governments. The possible pathways through which the adaptation efforts from private sector may reflect into the GST are mapped (Figure-1).

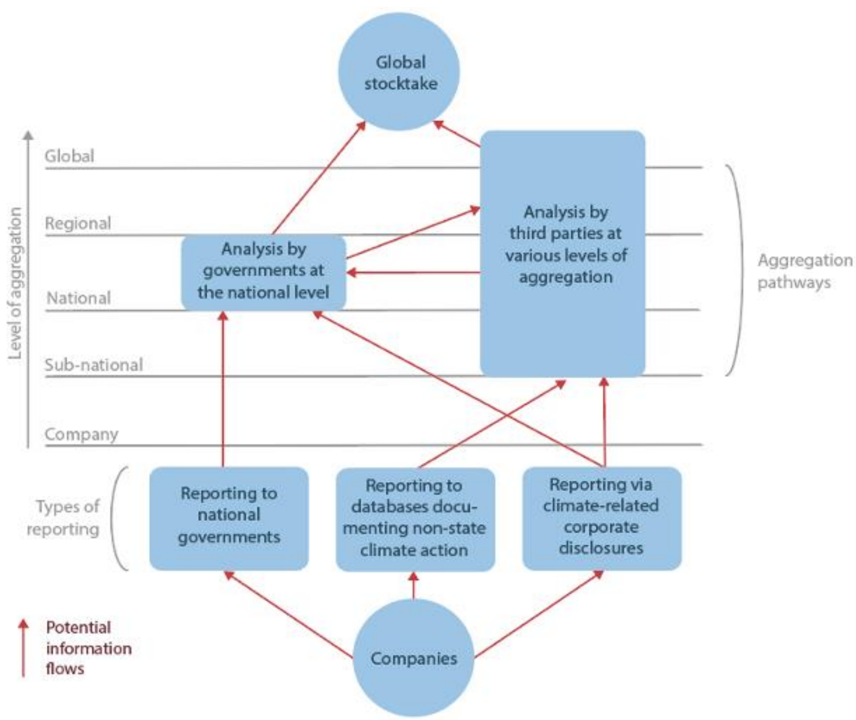

Figure 1: Information pathways for private sector's adaptation effort to GST

At present, **information related to adaptation being reported by the private sector is not being assessed with the purpose of evaluating the progress being made in adaptation by the private sector at the global level**. Nevertheless, information being disclosed via the three modes of reporting are – to different extents – being assessed at aggregated levels. Based on our exploration of the current reporting landscape, the potential for this to happen is **likely to be limited by gaps in two key areas**:

(1) Characteristics of the data itself, which has issues with:
- Quantity (excl. corporate disclosures) - Datasets are likely to be limited in size and subject to reporting bias; Information about adaptation action is likely to be difficult to aggregate
- Quality - Comparability and comprehensiveness
- Representativeness - Adaptation reporting does not capture all forms of private sector adaptation

(2) Linkages between company-level data and the GST (or lack thereof):
- The necessary mechanisms for aggregating adaptation-related information disclosed by individual companies, to the global stocktake are not in place
- It is unclear to what extent information about private sector adaptation would be considered by the GST.
    - For example, will it be able to prioritize private sector adaptation alongside other themes that are more prominent in the negotiations (e.g., loss and damage, or finance)?

Recommendations:

To enhance the availability and quality of adaptation-relevant information being reported by companies:

- Climate-related disclosure initiatives and other relevant business organizations need to place greater focus on building capacity for companies to report on physical risks and their management within corporate disclosures.
- The Global Climate Action Portal should seek to increase the extent to which it captures adaptation being implemented by the private sector.
- **National governments can play a role in increasing the quantity and quality of corporate disclosures** by mandating corporate disclosure in alignment with the TCFD recommendations.

To bridge the gap between the outputs of private sector reporting and the GST:

- The research community needs to develop and execute approaches for tracking and assessing progress in private sector adaptation at the global level.
- National governments can track and assess adaptation in their domestic private sectors through establishing bespoke reporting systems.
- **The GST should ensure it remains open to including information about progress in private sector adaptation.**

Means of Implementation and Support in the Global Stocktake

The Finance Working Group of the iGST (FWG) is an open partnership bringing together a range of expert perspectives from the global north and south on the progress made toward financing climate action in the context of the UNFCCC. This section provides insights of Finance Working Group members about the broad set of issues relevant to 'means of implementation and support' in the GST. It focuses on identifying problem statements to be advanced, via the GST.

Highlights

- The GST must emphasize that the ambition of climate finance needs to be in line with efforts to raise Parties ambition to meet the 1.5 degrees Celsius target;
- Finance, as a key element of means of implementation and support, is central to international cooperation and the outcomes of the finance themes of the GST will have implications for many other COP and CMA agenda items;
- The GST will need to address both quantitative and qualitative aspects of climate finance. Going beyond the definition and amounts of climate finance, the GST will need to address, for example, if climate finance is meeting developing countries' needs, if access modalities are appropriate, and the impact finance is having on developing countries' debt sustainability and development progress;
- The findings of the technical phase of the GST must take into account the perceptions of fairness and justice in climate finance provision and access, in order for progress to be considered in light of equity.

Context

More ambitious climate targets are needed to meet a 1.5 degrees Celsius target.[ii] Yet estimates of finance for climate action fall far short of the estimated needs,[iii] We are collectively falling short of the amount necessary to implement the objectives of the United Nations Framework Convention on Climate Change (herein referred to as the Convention).[iv] More and better finance is needed to deliver the scale and necessary pace of the low-emission, climate resilient sectoral and societal transitions. This is particularly true given that insufficient climate ambition and finance for climate action will lead to rising costs of losses and damages caused by the adverse effects of climate change globally, given that the impacts of climate change, and the risks of tipping points, rise alongside global temperature increases.

The Convention commits developed countries to provide adequate and predictable financial resources for developing countries as they work towards its objectives. Such provision will be in accordance with a country's common but differentiated responsibilities, respective capabilities and national circumstances. The Paris Agreement - guided by and acting in pursuit of the Convention - calls for the provision of resources from developed countries to developing countries to achieve a balance between adaptation and mitigation, as well as to explicitly consider the needs and priorities of developing country Parties. In reiterating the specific needs and special circumstances of developing country Parties particularly vulnerable to the adverse effects of climate change,[3] the Paris Agreement calls for public and grant-based resources for adaptation. The Paris Agreement contains further provisions to make a just transition to low-emission, climate resilient economies an imperative,[4,]

---

[3] This includes low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems and least developed countries (LDCs). See UNFCCC (1991).

[4] COP26 in Glasgow resulted in the call for developed countries to at least double their provision of adaptation finance from 2019 levels by 2025.

[v] and recognizes the importance of averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, calling on Parties to enhance understanding, action and support on a cooperative and facilitative basis. The Paris Agreement further seeks to enhance the implementation of the Convention with an explicit goal towards "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".[vi] While, the preamble of the Paris Agreement is clear that when taking action to address climate change, Parties should respect, promote and consider human rights obligations, including those of indigenous peoples, local communities, children and the right to development, gender equality and intergenerational equity.

The challenge for the GST when fulfilling its mandate to address means of implementation and support,[5] is that **there are many elements of climate finance commitments made that are ill-defined that will challenge the outcome of the 2023 GST**.[6,vii] There is no multilaterally accepted definition of climate finance as a starting point, while further challenges include for example, what balance between adaptation and mitigation entails, the split between private and public finance in commitments and the acceptability of different financial instruments. Thus, **while the GST will be an exercise to understand collective progress, it will need to accommodate multiple viewpoints in understanding and even diverging world views.** As such, **the GST process will need to be rigorously transparent in the choices it makes and allow for, or even construct, pathways that allow those with different view-points to deliberate**, rather than talk against or past each other.

Problem statements to be addressed in the finance themes of the GST:

In response to the guiding questions of the GST, the FWG has identified a number of issues to be addressed, or conditions to be improved upon by the GST as follows:

- **The GST assessment of climate finance affects and is affected by wider finance deliberations** - The first GST in 2023 is a way-marker on the road to a new and bigger climate finance goal to be set prior to 2025, for which deliberations started at COP26 in 2021. Findings of the GST, not only on progress towards commitments, but also on climate finance effectiveness, should inform the new climate finance goal deliberations as well as reporting on the $100 billion commitment[7] and on countries Article 9.5 communications (that mandates developed countries to biennially communicate information on the projected levels of public financial resources to developing countries). This includes, for example, on how the provision of adaptation finance is elevated,[viii] linked to guiding question 9, as well as how to provide adequate finance to address, avert and minimize loss and damage in developing countries.

---

[5] At the Conference of Parties (COP) 24 in Katowice, Poland in 2018, Decision 19/CMA.1 (Matters relating to Article 14 of the Paris Agreement and paragraphs 99– 101 of decision 1/CP.21), paragraph 36(d) states that the GST will consider information at a collective level on: "The finance flows, including the information referred to in Article 2, paragraph 1(c), and means of implementation and support and mobilization and provision of support, including the information referred to in Article 9, paragraphs 4 and 6, Article 10, paragraph 6, Article 11, paragraph 3, and Article 13, in particular paragraphs 9 and 10, of the Paris Agreement". As such, while this section refers to the means of implementation and support, finance themes of the GST are considered to also include Article 2.1.c on making finance flows consistent with a pathway to low-emission, climate resilient development. See: UNFCCC (2018) Report of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on the third part of its first session, held in Katowice from 2 to 15 December 2018, Decision 19/CMA.1, Matters relating to Article 14 of the Paris Agreement and paragraphs 99–101 of decision 1/CP.21. UNFCCC. Available at: https://unfccc.int/sites/default/files/resource/CMA2018_03a02E.pdf

[6] This includes the Convention text, $100 billion goal set in Copenhagen in 2009 and subsequent Paris Agreement.

[7] In Copenhagen in 2009, and reiterated since, developed country Parties committed to mobilize at least $100 billion per year from public and private sources to help developing countries mitigate and adapt to climate change by 2020. UNFCCC, Report of the Conference of the Parties on its fifteenth session, held in Copenhagen from 7 to 19 December 2009. Addendum. Part Two: Action taken by the Conference of the Parties at its fifteenth session FCCC/CP/2009/11/ Add.1, 2010. Available at: https://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf

- **The GST will need to articulate what it considers to count and how to account for 'climate finance' in order to aid clarity and understanding -** A lack of clarity on the scope of climate finance has led to confusion and misunderstanding for both the developed and developing countries.[ix] There are a variety of views on what counts, that hinder the tracking of progress towards commitments from developed to developing countries and erode trust and cooperation. While definitional debates are underway and have not been concluded in other fora, transparency in what is being assessed as climate finance and related methodologies such as for balance and mobilised finance when progress is measured under the GST will be key.

- **The GST technical dialogue must unpack the difficulties in accessing climate finance by many developing countries** - The Paris Agreement states that institutions serving the Paris Agreement and UNFCCC "shall aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States."[x] However, countries are found to face complex, lengthy and costly access as a result of the modalities and procedures put in place, particularly from the multilateral climate funds such as the Green Climate Fund. Discussions on access have also focused on whether or not, and to what extent, climate finance reaches its intended beneficiaries directly and how much decision-making power local actors have over the use of these resources. This hinders their ambition, with many NDC targets conditionally tied to international support and emphasizes that the GST needs to consider both the quantitative and qualitative aspects of climate finance.[xi]

- **The GST can explore climate finance instruments to better meet developing country financing needs** - Climate finance provided by developing countries needs not only to be adequate and predictable, but also effective, meaning it must reflect developing countries' needs and be impactful. The first Needs Determination Report published in 2021 by the Standing Committee on Finance, found that while many developing countries have or are in the process of identifying financing needs for climate action, few have been able to specify how finance can meet their identified needs (i.e. the channels, sources and instruments of required).[8] It is clear, however, that comprehensive data analysis identifies more adaptation needs than mitigation needs in developing countries.[xii] In understanding the progress towards climate finance meeting developing country needs, the GST must address questions over the concessionality of finance flows (for example, the use of grants versus concessional and non-concessional loans, guarantees or equity instruments), and the wider impact they have on a country's debt and financial stability. Specifically recalling the Paris Agreement call for public and grant-based resources for adaptation for which the rationale for private sector engagement is often less clear. This is particularly relevant in light of the COVID pandemic which has emphasized inequalities, increased countries' debt, reduced fiscal space and lowered aid budgets.[xiii]

  Furthermore, financing commitments speak to public and private finance, and a wide variety of sources, including alternative sources and channels. The GST can provide a forum to debate how private finance can best be mobilized towards developing countries in different circumstances,[9] as well as the application of debt-for-climate swaps, social protection as a climate response, special drawing rights for climate, utilization

[8] The role of the Standing Committee on Finance is to assist the COP in relation to the Financial Mechanism of the Convention, with one function being to assist the COP with the measurement, reporting and verification of support provided to developing country Parties.
[9] There are gaps and missed opportunities for local private sector engagement in adaptation initiatives. Germanwatch (2022) illustrates the important role of grants in international climate finance to strengthen the engagement of micro-small and medium enterprises and their potential to leverage investments in adaptation, suggesting the level of local private sector engagement in adaptation should be part of assessing progress towards the Global Goal on Adaptation and thus should be part of the first global stocktake, requiring an approach that goes beyond looking at the pure mobilization of private co-finance for adaptation and the number of adaptation projects implemented by private entities.

of carbon border adjustment fees and other innovative finance channels and sources, that can be meaningfully progressed where appropriate.

- **The GST can lay the groundwork and provide a learning function for finance that averts, minimizes and addresses loss and damage** - Loss and damage refers to the economic and non-economic losses and damages due to the adverse effects of climate change. The GST will at a minimum consider loss and damage in the technical dialogues, including those for finance. Despite the persistent calls from developing countries to finance loss and damage and increasing articulation of loss and damage needs, there remain no processes for systematically collecting, recording or reporting information on loss and damage and related financial needs by countries under the UNFCCC: loss and damage has been historically separated from finance discussions.
  The Finance Working Group of the iGST has conducted research that indicates that the progression of the financing of loss and damage by national stakeholders and international climate finance providers, and its monitoring and tracking, faces technical and political challenges. This is not an excuse for delay, but a call for iterative learning in delivering an effective architecture, capacity and expertise for delivering effective loss and damage finance. The GST, in addressing guiding question 26, can lay out the evidence base – in conjunction with the Glasgow Dialogue[10,xiv] - around which discussions on loss and damage support, including finance needs, can be had.[xv]

- **The GST must accelerate the climate-consistency of finance flows -** It is not just a scaling up of finance for climate action that is needed, but a scaling down of finance flows that continue to support climate in-consistent actions (this also has relevance for the adaptation of guiding question 5 and 6). This scaling down includes for example fossil fuel finance, and particularly fossil fuel subsidies.[11, xvi]

  The GST technical dialogues will need to work to define a baseline against which progress towards the climate-consistency of finance flows can be measured. Acknowledging and giving countries the flexibility to accommodate their country contexts and therefore their own indicators and benchmarks in assessing progress is critical. As outlined in the FWG case studies in Rwanda, Colombia and Switzerland,[xvii] progress towards the climate-consistency of finance flows can be measured across four well-known government levers (financial policy and regulation, fiscal policy, public finance and information instruments) and re-assessment can identify if progress has been made across both these up-stream actions, and down-stream direct spending decisions.

  Private finance actors, as non-party stakeholders play a crucial role in the progress towards Article 2.1.c. This ranges from asset managers, institutional and private investors, through to corporations, companies, small-medium enterprises and developers. Progress measured by the GST towards this long-term goal is therefore, relevant to answering guiding question 29 that considers actions of non-Party stakeholders.[12, xviii, xix]

  As the only place in the UNFCCC process where progress towards Article 2.1.c will be addressed, the GST technical dialogues could further explore the role of means of implementation and support from developed to developing countries in accelerating the transition in all finance flows *without* detracting from support commitments of developed countries under Article 9, or putting undue conditions on climate finance. This

[10] The Glasgow Dialogue sets out that Parties, relevant organizations and stakeholders will discuss the arrangements for the funding of activities to avert, minimize and address loss and damage (Glasgow Climate Pact, 2021).
[11] The independent community has developed a methodological framework to support assessment of 2.1(c) consistency; the FWG has piloted a series of case studies using this framework to assess 2.1(c) consistency in disparate national contexts and would be keen to support Parties in taking up this framework.
[12] UNFCCC (2021) provides an assessment of actions towards Article 2.1.c in a dedicated chapter.

is relevant given the growing operationalization of the commitments of financial institutions providing climate finance, such as multilateral development banks and other international financial institutions to become 'Paris aligned',[xx] particularly in ensuring that climate finance does not come with conditionalities (but instead facilitates international cooperation as per guiding questions 31 and 32).

- **The GST is a platform to take a closer look at how to deliver equity in financing climate action** - Equity is enshrined as one of two overarching issues in the GST, but is a broad concept with differing interpretations. The Convention and Paris Agreement both refer to the differing obligations and expectations in countries in their activities to address climate change and their provision of finance to developing countries, but fall short of providing clarity to assess these provisions. As the GST will need to assess progress in implementation and in achieving this goal of equity, the GST must itself address questions of fairness and justice in climate finance. The perception of fairness and justice by Parties is critically important to the ambition, or ratchet mechanism of the Paris Agreement, as well as vital for the successful and long-lasting impact of climate actions that can deliver on the Convention's objectives (the Paris Agreement's legitimacy). The technical dialogues need to debate and be transparent in assessments of fair share in the provision of means of implementation and support, fair allocation of such support and justice in pace and which countries pursue climate-consistency of finance flows based on historical responsibilities. This further links to guiding question 20 on the just transition in developing countries as transition finance will need to be provided in a way that promotes ambitious decarbonization, but also respects certain principles and assures compliance to avoid greenwashing or perpetuation of fossil fuel financing as 'transition' fuels.[xxi]

It is recognized that the FWG, while engaging with 'finance' themes in the GST, has not sufficiently engaged in issues of technology transfer and capacity building to comment on guiding question 17 and 18. These remain critical topics to the provision of the means of implementation and support from developed to developing countries, and will need to be addressed by the GST.

Recommendations

Based on the above context and in light of the problem statements that the GST must address identified above, the FWG offers three recommendations with a view to contributing to successful discussions at the first technical dialogue of the GST outcome:

1. In considering global progress towards the financing of climate action, the technical process of the **GST must emphasize that ambitious action to reach a stabilization at 1.5 degrees Celsius above pre-industrial temperature levels will require more and better finance for climate action, including for just transitions, a reduction in climate-inconsistent finance flows, and a shift in rules guiding financial systems towards climate-consistency**.
2. The technical process of the **GST should progress debates that have long hindered climate finance deliberations, such as definition, access, needs, balance between mitigation and adaptation and finance for addressing, averting and minimizing loss and damage**. Sub-elements therefore address both quantity and quality of climate finance and the outcomes of the GST should influence wider finance deliberations, such as those on the new climate finance goal;
3. The GST technical process **must be clear and transparent in how it addresses equity in finance themes**. The perception of fairness and justice by Parties is critically important to the ambition, or ratchet mechanism of the Paris Agreement, as well as vital for successful and long-lasting impact of climate actions that can deliver on the Convention's objectives.

Mitigation: Beyond Techno-economic Indicators in the Global Stocktake

This section outlines findings from research and discussions undertaken by the iGST Mitigation Working Group (MWG), a group of researchers and policy practitioners focused on the GST as an opportunity to ratchet up real-world progress in climate mitigation.

Highlights

- A top-down, global-scale, and techno-economic-oriented stocktaking process may hinder the effectiveness of the GST.
- Societal and institutional factors at the country-level are essential to enhancing climate ambition and actions.
- Bottom-up, in-country assessments of mitigation needs–including those from subnational and non-governmental actors–are important complements to top-down national or global evaluations, but are insufficiently incorporated in the formal stocktake process. Current efforts to measure global mitigation progress and the ability to achieve mitigation success are also largely driven by developed-country institutions and therefore lack developing-country perspectives on climate mitigation and development.
- The GST should incorporate societal and institutional dimensions (such as political economy, capacity building, and behavioral change), support efforts to forge a community to produce inclusive metrics on mitigation progress, and complement the formal GST process with bottom-up stocktaking practices driven from within each country.

Context

The global stocktake (GST) serves as a regular review process for the implementation of the Paris Agreement. It aims to assess the collective progress made by the Parties and to help all actors better understand what is needed to increase ambition and action toward the global warming goals. However, while the first GST will take place in 2023, important gaps need to be filled to further facilitate mitigation ambition and action. Notably, the stocktaking conversation tends to be dominated by top-down, techno-economic assessments such as indicators of emissions, renewable energy deployment, energy use, and technology status at the global scale. Techno-economic information, which is broadly available, provides a strong physical and economic assessment of progress and lays a concrete foundation for the GST. However, it does not sufficiently address societal and institutional progress and challenges, including political economy, climate institutions, governance, and behavioral changes. These factors are critical for realizing transformative progress as they will determine how much additional progress can be made. The formal GST may therefore be hindered if it is solely focused on macro-level, techno-economic-oriented information. This often leads to partial conclusions about mitigation progress and may constrain our ability to identify future mitigation strategies.

In response, the iGST Mitigation Working Group has brought together a range of expert perspectives on this topic and seeks to advance a more inclusive stocktaking process.

Problem statements

The iGST MWG–through in-depth research and fruitful discussions with the research community and policy practitioners – has identified three major challenges that need to be addressed in the first technical dialogue of the GST:

1. Information on the societal and institutional dimensions of the mitigation progress is under-represented in the GST strategy and mitigation assessments in general. Progress on climate mitigation requires enabling societal and institutional conditions. The Talanoa Dialogue proposed three fundamental questions for global and national climate actions: (1) Where are we? (2) Where do we want to go? (3) How do we get there? The answers to these questions largely depend on understanding the political and socio-economic factors that facilitate or hinder the transition towards the global warming goals. The transition requires systemic changes involving a wide range of actors working under uncertainty, which inevitably creates both winners and losers as well as costs and benefits. In addition, institutions for climate mitigation can translate emissions targets into action by guiding policy development and implementation, and mediate political interests which are often barriers to implementing mitigation actions.[xxii]

For mitigation, techno-economic information is largely available at both collective and national levels. What these techno-economic indicators do not do, however, is characterize the enabling societal and institutional conditions. The modeling and analysis of future pathways used to help answer the questions of "where do we want to go" and "how do we get there" is based on simplified modeling frameworks that neglect these fundamental issues. However, information on the societal and institutional aspects of mitigation is not as available or amenable to inclusion in the GST. Additionally, this information is also more difficult to incorporate into processes associated with ambition-setting and developing action agendas. This lack of societal and institutional information limits our ability to identify answers to the question of "how do we get there?"

2. Measurability of societal and institutional information is less understood by the GST community. In addition to the lack of societal and institutional information on climate mitigation progress, there is also little formal measurement of these factors due to their complexity and data limitations. The research community has attempted to shed light on this issue and has developed various indicators to measure the societal and institutional factors. However, there is little consensus as data for these factors are usually qualitative, in contrast to techno-economic indicators, which are inherently numeric and objective. This does not mean that qualitative indicators are inconsequential, since they serve as preliminary examinations of local contexts before the collection of quantitative data, and they may be better tools for understanding processes and mechanisms. The challenge is to translate the qualitative evidence into systematically comparable quantitative data when evaluating societal and institutional progress towards the global warming goals. However, creating high-quality, quantifiable indicators for qualitative concepts has historically been difficult. There are many limitations in terms of data availability that need to be overcome in order to assess relevant dimensions and their associated indicators.

3. Bottom-up, in-country assessments and engagement are largely missing from the GST process. The current stocktaking strategy is to assess progress towards the Paris goals from a global level. Top-down national assessments such as NDCs are primary inputs of the formal GST. While NDCs may include some bottom-up perspectives, the degree to which they do so is uneven and often not transparent. As important complements to global evaluations, independent, bottom-up mitigation assessments including those from subnational and non-governmental actors are not sufficiently included in the formal process. More importantly, one of the most problematic characteristics of current efforts to measure progress is that they are largely driven by developed-country institutions and inherently embody a developed-country perspective on climate and development. In many developing countries, the data and analyses that are essential for stocktaking are often dominated by researchers and institutions from developed countries. This top-down, external approach often imposes a disconnected and less credible perspective on the internal progress and challenges of developing countries, especially since the interests of these external actors are not fully aligned with in-country interests. It also weakens the effectiveness of global collective actions by consciously or unconsciously "naming and shaming" the developing countries in the process. Therefore, bottom-up, in-country assessments need to be enhanced and systematically structured.

Recommendations

To bridge these important gaps, we propose three recommendations that can contribute to discussions at the first technical dialogue of the GST:

1. Incorporating societal and institutional dimensions into the GST process. A new narrative around successful mitigation, consolidating societal and institutional factors, needs to be defined in the formal GST. Such a narrative can better depict mitigation progress and challenges that go beyond the techno-economic. Important dimensions within this broader narrative include: (1) the institutional conditions and governance for action; (2) political economy barriers and solutions; (3) behaviors and behavioral change; (4) capabilities for engagement in the mitigation debate and the implementation of mitigation solutions.

2. Forging a community for producing inclusive metrics on mitigation progress. The GST should focus on the strengths and gaps in currently available information to support stocktaking. There is already a large number of independent efforts underway to produce metrics of progress in climate mitigation. This includes, for example, Climate Action Tracker, efforts through NDC ASPECTS and other European Commission projects, Circular Transition Indicators from the World Business Council for Sustainable Development, and the Systems Change Laboratory at WRI. All of these and more can provide a strong analytical basis for stocktaking. They will be most effective, however, when they are directed in a way that is most valuable for stocktaking and if they can be synergistic with one another. A stronger research community needs to be created for more effective measurements for stocktaking. The GST should facilitate collaboration among research institutions on the metrics of mitigation progress and encourage knowledge exchange around these issues to produce a set of measurable and robust indicators that go beyond techno-economic data. For instance, the iGST MWG has published a working paper on measuring political economy towards global warming goals[13]. It aims to shed light on the potential for assessing the political economy aspects of mitigation progress by identifying key political economy indicators and evaluating their measurability.

3.C omplementing the formal GST with country-driven, bottom-up stocktaking practices. The GST should support institutions and practices that bring forward in-country perspectives on mitigation progress and challenges. It is important for the GST to encourage national reporting that reflects bottom-up, in-country assessments of progress that can reach beyond the standard indicators. The bottom-up practices will be a complement to the largely top-down, macro-focused processes already well-incorporated in the process. In this regard, we suggest the following to support a global framework for bottom-up stocktaking; some of this might be incorporated as considerations in the Enhanced Transparency Framework structure, to support the work of future stocktakes: (1) In-country networks or frameworks need to be created for consistent information provision. This includes engaging in-country experts, influencers, and policy practitioners to provide first-hand, field-oriented information. These networks should help to identify the international and domestic enablers capable of enhancing climate ambition, share knowledge and lessons learned inside and across countries, and support better coordination of actions and a diversity of actors. (2) These networks or frameworks should evaluate country-level progress on a regular basis so that progress can be more readily tracked. (3) The information provided by the in-country network or framework should be transparent and broadly available to the international community.

[13] Zhu, M., Chaturvedi, V. Hultman, N, & Clarke, L. (2021). *Measuring Political Economy Progress Toward Global Warming Goals.* Working Paper. Center for Global Sustainability at the University of Maryland. Council on Energy, Environment and Water. 20pp. Available at: https://www.climateworks.org/report/measuring-political-economy-progress-toward-global-warming-goals/

Latin America and the Caribbean: Insights from Regional Stakeholders

This section describes work underway within the iGST Latin America Hub to collect comprehensive regional data in response to the guiding questions, and early findings. Additional data will be available in future submissions.

Highlights

- The iGST LAC Hub, a group of civil society actors in Latin America and the Caribbean, has conducted a review of the guiding questions for the technical dialogues of the GST. We have identified (1) which questions can be answered with existing data, and who has that data; (2) which questions cannot be answered today, but could with additional efforts by civil society; and (3) which questions reveal gaps, where we do not believe sufficient data will be available by 2023.
- While this synthesis is not available in time for the February 2022 submission deadline, the iGST LAC Hub does intend to synthesize the available data to answer the guiding questions for the LAC region, as outlined in items (1) and (2) above, and provide this to the UNFCCC for consideration in future technical dialogues for GST.
- As we are investing significant effort in supporting this stocktaking inventory exercise for our region, we kindly request additional clarity on how additional data of this kind from civil society will be used in the GST, and if parties are open to the inclusion of data from civil society actors.

Context

The iGST LAC Hub comprises civil society organizations from Latin America and the Caribbean that work on climate change issues in the region. In 2021, the Hub undertook research to identify where data exists to answer the 'guiding questions' identified for the GST --- and if it does not exist, if it is possible to develop. The main findings were:

1. Regional civil society organizations appear to have sufficient data and in-depth work regarding the **mitigation** theme, particularly in Argentina, Brazil, Colombia and Mexico.
2. There are more gaps in the area of **adaptation*;*** some organizations are working to fill these but in other cases no data is likely to be available by 2023.
3. Regarding **the means of implementation** and **cross-cutting sections**, some organizations and networks are working on these areas, but face challenges of shared methodologies and data comparability among countries, and more information is required for some countries.

The key finding is thus that the region already has valuable methodologies to assess specific indicators in different countries, and it will be possible to standardize existing data and fill most of the identified gaps, to build a comprehensive perspective on climate action in Latin America and the Caribbean.

The problem

The ambitious objective of assessing collective progress on climate action, established by the UNFCCC global stocktake within the Paris Agreement, is a process filled with possibilities and challenges. One key challenge is how to gather the extensive information that can be leveraged to improve policies and increase climate ambition in countries' NDCs.

Transparency, inclusion and quality must be key characteristics of this comprehensive data. They are also critical elements to guarantee that the global stocktake becomes a resource for the Parties to the Paris Agreement to enhance their climate action, in line with the Agreements' global targets. Stakeholders leading the process and the independent community understand that building a framework and methodology to achieve this is crucial.

Thus, the iGST LAC Hub has been developing inputs from a regional and a Global South perspective,-with the particular objectives of:

1. Identifying processes in the region concerning the four global stocktake assessment areas presented in the 'non-paper': mitigation, adaptation, means of implementation, and cross-cutting.
2. Identifying opportunities, challenges and gaps within the joint work of the LAC Hub organizations to define actions and workplans that allow the region to insert its needs within the GST.
3. Facilitating the connection between the work of civil society in the region with the work of the iGST.

Key messages

- A number of civil society organizations in Latin America have systematized and documented information to answer the guiding questions.
- Organizations can answer the guiding questions on mitigation, means of implementation and cross-cutting issues, in most LAC countries though with some exceptions.
- There are more gaps for the guiding questions on adaptation, though there is the possibility of building some new data to support additional answers.
- To build joint-regional inputs that may feed into the global stocktake, the existing data still needs review, with work needed to define and standardize methodologies to create a comprehensive regional vision and a proposal with comparable data between countries.
- All the organizations involved in the iGST Regional Hub for Latin America and the Caribbean carry out climate actions with particularities and valuable lessons for global climate action.
- While this synthesis is not available in time for the February 2022 submission deadline, the iGST LAC Hub does intend to synthesize the available data to answer the guiding questions for the LAC region, as outlined in items (1) and (2) above, and provide this to the UNFCCC for consideration in future technical dialogues for GST1.

Acknowledgements and Additional Resources

Authors[14]

This document was informed by research and discussion coming from numerous iGST partners, members of the thematic working groups, and members of the regional hubs. The primary authors for this particular document are listed below, but we extend our acknowledgement and gratitude to the large watershed of analysts and advocates who influenced the work presented here.

Equity Section
Jointly authored by the members of the iGST Equity Working Group.

As of this moment, the iGST Equity Working Group consists of Mohamed Adow, Tom Athanasiou, Navroz Dubash, Tasneem Essop, FEI Teng, Joyeeta Gupta, Christian Holz, Fatuma Hussein, Sivan Kartha, Sonja Klinsky, Andrew Marquard, Yacob Mulugetta, Xolisa Ngwadla, PAN Jiahua, Harpreet Paul, Lavanya Rajamani, Ambuj Sagar, Harjeet Singh, and Vicente Paolo Yu.

Adaptation Section
Jingjing Gao, Thomas William Dale, Susanne Konrad, and Lars Christiansen (UNEP-DTU Partnership); Vidhee Kiran Avashia and Amit Garg (Indian Institute of Management - Ahmedabad).

Means of Support and Implementation Section
Charlene Watson (Overseas Development Institute) and Raju Pandit Chhetri (Prakriti Resources Centre)

Mitigation Section
Mengye Zhu, Leon Clarke, and Nate Hultman (University of Maryland Center for Global Sustainability); Vaibhav Chaturvedi (Council on Energy, Environment, and Water).

Latin America Section
Mónica Valtierra, Jorge Villarreal, Analuz Presbítero (Iniciativa Climática de Mexico)

Process Section
Nathan Cogswell, Jamal Srouji (World Resources Institute)

Overall
Hannah Roeyer, Jason Anderson, Josefina Cobián, Casey Cronin (ClimateWorks Foundation); and Jamal Srouji (World Resources Institute)

For inquiries, please contact igst-info@climateworks.org

[14] While this submission reflects the combined thinking of iGST members, it is not formally representative of the institutional views of the institutions with which they are affiliated.

Recommendations build on scholarship including:

iGST Designing a Global Stocktake Discussion Series:

- **Synthesis Paper:** Dagnet, Y., Leprince-Ringuet, N., Mendoza, J.M., & Thwaites, J. (2020). *A Vision for a Robust Global Stocktake*. World Resources Institute. Available at: https://www.climateworks.org/wp-content/uploads/2020/09/iGST_A-Vision-for-a-Robust-Global-Stocktake_FINAL-1.pdf

- Obergassel, W., Hermwille, L., Siemons, A., & Förster, H. (2019). *Success Factors for the Global Stocktake under the Paris Agreement.* Wuppertal Institut. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Success-Factors-for-the-Global-Stocktake_iGST_Wuppertal.pdf

- Höhne, N., Jeffery, L., Nilsson, A. & Fekete, H. (2019). *Guiding Questions for the Global Stocktake: What we know and what we don't.* NewClimate Institute. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Guiding-Questions-for-the-Global-Stocktake_iGST_NewClimate.pdf

- Beuermann, C., Obergassel, W., & Wang-Helmreich, H. (2020). *Design Options for the Global Stocktake: Lessons from other review processes.* Wuppertal Institut. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Design-Options-for-the-Global-Stocktake_iGST_Wuppertal.pdf

- Christiansen, L., Olhoff, A., & Dale, T.W. (2020). *Understanding Adaptation in the Global Stocktake.* UNEP DTU Partnership. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Understanding-Adaptation-in-the-Global-Stocktake_iGST_UNEP-DTU.pdf

- Holz, C., Athanasiou, T., & Kartha, S. (2019). *Equity in the Global Stocktake and Independent Global Stocktake. Climate* Equity Reference Project. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Equity-in-the-Global-Stockate-and-Independent-Global-Stocktake_iGST_CERP.pdf

- Watson, C., & Roberts, L. (2019). *Understanding Finance in the Global Stocktake."*Overseas Development Institute. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Understanding-Finance-in-the-Global-Stocktake_iGST_ODI.pdf

- Clarke, L., & Hultman, N. (2020). *Mitigation Information and the Independent Global Stocktake.* Center for Global Sustainability, School of Public Policy, University of Maryland. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Mitigation-Information-and-the-Independent-Global-Stocktake_iGST_UMD-Center-for-Global-Sustainability.pdf

Reports from iGST thematic workstreams, including the following and additional forthcoming reports:

- Bingler, J. A., Kellenberger, S., Kolberg, S., & Watson, C. (2021). Consistency case study: actions supporting Article 2.1c of the Paris Agreement in Switzerland. Part of the 'Climate-consistency of finance flows: iGST case study series.' Available at: https://www.climateworks.org/wp-content/uploads/2021/03/iGST_21c_Case_Study_Switzerland.pdf

- Dale, T.W., Gao, J., Avashia, V.K., Konrad, S., & Garg, A. (2021). *Private Sector Adaptation Reporting as a Source of Input to the Global Stocktake.* UNEP DTU Partnership & Indian Institute of Management, Ahmedabad. Available at: https://www.climateworks.org/report/global-stocktake-private-sector-reporting/

- Gençsü, I. & Watson, C. (2021). *Seven ways the Global Stocktake can accelerate the phase-out of fossil fuel finance.* Part of the 'Financing Climate Action: iGST Discussion Series'. Overseas Development Institute. Available at: https://www.climateworks.org/wp-content/uploads/2021/11/iGST-7Reasons-Fossil-Fuels-final.pdf

- Lopez Carbajal, A, Rojas Squella, X. & Watson, C. (2021). *Consistency case study: actions supporting Article 2.1c of the Paris Agreement in Colombia*. Part of the 'Climate-consistency of finance flows: iGST case study series.' Available at: https://www.climateworks.org/wp-content/uploads/2021/03/iGST_21c_Case_Study_Colombia.pdf

- Pandit Chhetri, R., Schaefer, L., & Watson, C. (2021) *Exploring loss and damage finance and its place in the Global Stocktake*. Part of the 'Financing Climate Action: iGST Discussion Series'. Available at: www.climateworks.org/wp-content/uploads/2021/03/Loss-and-Damage-Finance-iGST.pdf

- Samo, J. et al. (2022). *Consistency case study: actions supporting Article 2.1c of the Paris Agreement in Rwanda.* Part of the 'Climate-consistency of finance flows: iGST case study series.' Available at: https://www.climateworks.org/wp-content/uploads/2022/02/iGST_21c_Case_Study_Rwanda.pdf

- Watson, C., et al. (2021). *Seven ways the Global Stocktake can strengthen the post-2020 climate finance agenda.* Part of the 'Financing Climate Action: iGST Discussion Series'. Overseas Development Institute. Available at: https://www.climateworks.org/wp-content/uploads/2021/05/iGST-7Ways-2021-Book.pdf

- Zhu, M., Chaturvedi, V., Hultman, N., & Clarke, L. (2021). *Measuring Political Economy Progress Toward Global Warming Goals.* Working Paper. Center for Global Sustainability at the University of Maryland. Council on Energy, Environment and Water. Available at: https://www.climateworks.org/report/measuring-political-economy-progress-toward-global-warming-goals/

Endnotes and Additional Works Cited

---

[i] Including: Dagnet, Yamide, N. Leprince-Ringuet, Mendoza, J.M., & Thwaites, J. (2020). *A Vision for a Robust Global Stocktake*. World Resources Institute || Obergassel, W., Hermwille, L., Siemons, A., & Förster, H. (2019). *Success Factors for the Global Stocktake under the Paris Agreement.* Wuppertal Institut || Beuermann, C., Obergassel, W., & Wang-Helmreich, H. (2020). *Design Options for the Global Stocktake: Lessons from other review processes*. Wuppertal Institut || Holz, C., Athanasiou, T., & Kartha, S. (2019). *Equity in the Global Stocktake and Independent Global Stocktake*. Climate Equity Reference Project.

[ii] Intergovernmental Panel on Climate Change. (2021). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the *Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. V Masson-Delmotte, P Zhai, A Pirani, et al. (eds.). Cambridge: Cambridge University Press. Available at: https://www.ipcc.ch/report/ar6/wg1/

[iii] United Nations Framework Convention on Climate Change. (2020) *Fourth Biennial assessment and overview of climate finance flows – 2020.* Bonn: UNFCCC Standing Committee on Finance. Available at: https://unfccc.int/topics/climate-finance/resources/biennial-assessment-of-climate-finance

[iv] United Nations Framework Convention on Climate Change. (1991). *The United Nations Convention on Climate Change.* Available at: https://unfccc.int/resource/docs/convkp/conveng.pdf

[v] The Glasgow Climate Pact, 1/CMA.3 para 32-35 further emphasizes the need for just transitions to net zero emissions by or around mid- century. Glasgow Climate Pact. (2021). CMA.3. Para 32-35. Available at: https://unfccc.int/sites/default/files/resource/cma3_auv_2_cover%20decision.pdf

[vi] United Nations Framework Convention on Climate Change. (2015). *Paris Agreement, Article 2.1.c.* Bonn: UNFCCC. Available at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf

[vii] Watson, C. & Roberts, L. (2019). *Understanding finance in the Global Stocktake.* Overseas Development Institute. Part of the iGST Designing a Robust Stocktake Discussion Series. Available at: https://www.climateworks.org/wp-content/uploads/2020/05/Understanding-Finance-in-the-Global-Stocktake_iGST_ODI.pdf

[viii] Glasgow Climate Pact. (2021). CMA.3. Para 18. Available at: https://unfccc.int/sites/default/files/resource/cma3_auv_2_cover%20decision.pdf

[ix] Weikmans, R. & Roberts, J.T. (2019). The international climate finance accounting muddle: is there hope on the horizon?, Climate and Development, 11:2, 97-111, DOI: 10.1080/17565529.2017.1410088

[x] United Nations Framework Convention on Climate Change. (2015). *Paris Agreement, Article 9.9.* Bonn: UNFCCC. Available at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf

[xi] Argueta, B. et al. (2021). *Access to climate finance for the most vulnerable.* Climate Finance Advisory Service. Available at: https://www.cfas.info/sites/default/files/anhang/CFAS_Policy_Brief_Access_to_climate_finance_0.pdf

[xii] United Nations Framework Convention on Climate Change. (2021*). First report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement*. Bonn: UNFCCC Standing Committee on Finance. Available at: https://unfccc.int/topics/climate-finance/workstreams/needs-report

[xiii] International Monetary Fund. (2020). *World Economic Outlook, October 2020: A Long and Difficult Ascent.* Washington DC: IMF. Available at: https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020

[xiv] Glasgow Climate Pact. (2021). CMA.3. Para 73. Available at: https://unfccc.int/sites/default/files/resource/cma3_auv_2_cover%20decision.pdf

[xv] Pandit Chhetri, R., Schaefer, L., & Watson, C. (2021) *Exploring loss and damage finance and its place in the Global Stocktake*. Part of the 'Financing Climate Action: iGST Discussion Series'. San Francisco, CA: ClimateWorks Foundation. Available at: www.climateworks.org/wp-content/uploads/2021/03/Loss-and-Damage-Finance-iGST.pdf

[xvi] Goritz, A., Nettersheim, C., & Ryfisch, D. (2021). *Making finance flows consistent with the Paris Agreement: Opportunities and challenges concerning Article 2.1.c*. Climate Finance Advisory Service. Available at: https://www.cfas.info/sites/default/files/anhang/CFAS_Policy_Brief_Making%20finance%20flows%20consistent%20with%20the%20Paris%20Agreement.pdf

[xvii] Samo et al. (2022). *Consistency case study: actions supporting Article 2.1c of the Paris Agreement in Rwanda. iGST*. Available at: https://www.climateworks.org/wp-content/uploads/2022/02/iGST_21c_Case_Study_Rwanda.pdf; Lopez et al. (2021). *Consistency case study: actions supporting Article 2.1c of the Paris Agreement in Colombia*. iGST. Available at: https://www.climateworks.org/wp-content/uploads/2021/03/iGST_21c_Case_Study_Colombia.pdf; and, Bingler et al. (2021). *Consistency case study: actions supporting Article 2.1c of the Paris Agreement in Switzerland.* Available at: https://www.climateworks.org/wp-content/uploads/2021/03/iGST_21c_Case_Study_Switzerland.pdf

[xviii] UNFCCC. (2021) *Fourth Biennial assessment and overview of climate finance flows – 2020.* Bonn: UNFCCC Standing Committee on Finance. Available at: https://unfccc.int/topics/climate-finance/resources/biennial-assessment-of-climate-finance

[xix] Dépoues, V., & Morgane, N. (2021). *Adaptation: Public financial institutions (also) have a role to play - a case study based on the French example*. Institute for Climate Economics (I4CE). Available at: https://www.i4ce.org/wp-core/wp-content/uploads/2021/11/I4CE-rapport_finadapter4_ENG.pdf

[xx] Cochran, I. & Pauthier, A. (2019). *A Framework for the alignment with the Paris Agreement: Why, What and How for Financial Institutions*. Available at: https://www.i4ce.org/wp-core/wp-content/uploads/2019/09/I4CE•Framework_Alignment_Financial_Paris_Agreement_52p.pdf

[xxi] Winkler et al. (2021). Just transition transaction in South Africa: an innovative way to finance accelerated phase out of coal and fund social justice. *Journal of Sustainable Finance & Investment.* Available at: https://doi.org/10.1080/20430795.2021.1972678

[xxii] Dubash et al. (2021). National climate institutions complement targets and policies. *Science* 374(6568) 690-693. Available at: https://www.science.org/doi/10.1126/science.abm1157