

9 June 2023

**UNFCCC Business and Industry NGOs (BINGOs)
TD1.3: Roundtable on Means of implementation and support
SB58 Bonn Climate Change Conference
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Thank you, Co-Facilitators, for the opportunity to Observers to contribute to the important endeavor of taking stock of global progress to date.

My name is Beth Burks, Director Sustainable Finance at S&P and I would like to provide some remarks on behalf of the Business and Industry Constituency. Although progress has not yet been sufficient particularly when it comes to finance, we welcome the focus on what we can all do next to increase our ambition at this roundtable.

In the last few years, and since Paris, there has been a huge exercise of capacity building taking place within the private sector. As with other parts of society, the sense of urgency to understand and implement solutions is palpable. A greater understanding of these topics is essential to implementation. The raising of awareness in the private sector is spurred on by voluntary and mandatory disclosure

requirements, both within financial institutions and within other businesses.

Private markets are using frameworks, taxonomies and labelling to separately track pockets of finance in an exercise of transparency. This increased transparency has been a successful impetus and incentive for scaling up finance. By one indicator, sustainability-labelled bonds make up approximately 13% of annual issuance in 2022, versus approximately 4% in 2018. Still, labels do not always allow us to identify green projects that are also optimized for social benefits, such as equity and affordability. Some investors seek context on such linkages from the financial flows of the entities accessing finance, although it is not systematic and remains challenging to measure. The context of Article 2.1(c) remains important in this regard. We cannot lose sight of these linkages between all aspects of the Paris Agreement and other COP decisions as we collectively move forward.

On the tracking of flows to developing countries within the private sector, we recognize that there could be technical hurdles to navigate. Particularly if it is desired to track whether the source of funding comes from developed countries in highly liquid markets. We respectfully

observe parties' guidance when it comes to tracking and reporting such flows.

Finally, the scale of the finance gap, whichever figure you choose, is enormous. There is no question that the private sector is needed to help bridge the climate finance gap. We look forward to continuing to work with you on closing it. Thank you.