EU statement at Roundtable 3: Means of implementation and support: Finance, technology, and capacity-building

CF 1. Scaling-up and aligning global financial flows for climate action in line with the Paris Agreement goals entails unlocking trillions of dollars to support the global transition, critically through the strategic use of public international finance, which remains a prime enabler for action in developing countries

- As part of a global effort, the EU continues to take the lead in mobilizing climate finance to developing countries from a wide variety of sources, instruments and channels (including instruments to unlock the huge potential of private finance through the targeted use of public climate finance) and a broad range of actions.

- But international public finance alone cannot deliver the trillions of dollars in investments towards achieving the Paris Agreement goals, while it plays an important role in support for the most vulnerable countries and communities, and also for the 'non-bankable' projects, playing a leverage effect for the mobilization of climate finance on a much larger scale. The scale of investments needed requires action by all countries to mobilize private investment and shift finance flows towards a low GHG emission and climate-resilient development. This is also what we all agreed to when we signed up to the Paris Agreement and all its articles.

- Scaling up international climate finance for vulnerable countries in need of support in their efforts to tackle climate change is of course key, but most of the enablers for aligning financial flows are at national jurisdiction and address the existing governance and regulation frameworks in the domestic context. National action can be a strong potential for enabling alignment of financial flows with the Paris Agreement. We are aware that developing countries, and LDCs and SIDS in particular, will need dedicated capacity-building support measures for the implement the Paris alignment of finance flows (Art. 2.1c) in their countries.

- 'Avoiding and reducing emissions while increasing our resilience to climate change needs to be mainstreamed into every economic and financial decision domestically and globally, as well as into national budgets and the development finance system.
- That's why, we would hope that the first 'emerging message' from the co-facilitators of this third roundtable would capture the complexity and the aspirational purpose of article 2.1c of the Paris Agreement, with a view to step

up our global effort to align all financial flows with the Paris Agreement long-term goals. Speaking of alignment, co-facilitator 1st message should not only focus on scaling-up climate finance which is of course necessary and imperative, but also on scaling down or out financial flows that create barriers to reach our mitigation and adaptation goals. (This includes abolishing fossil fuel subsidies and putting a price on carbon.)

- We would suggest rewriting the 'emerging message' RT3/CF1 with an alternative formulation, which we find more straightforward, simple and overarching: Ensuring that every economic and financial decision is consistent with the Paris Agreement goals.

- Indeed, the GST should help us to bring about a fundamental transformation of all economies and a major shift in the structure of the global economy, governance frameworks & regulations, financial markets and investments.

- In that perspective, the GST should help us to identify a framework of indicators and tools that could support countries and private actors to monitor the implementation of the objectives of article 2.1c. Maybe the Synthesis Report that will be published in September could suggest guidance on that framework.

- We also need opportunities for exchanging experiences and learning from each other. We look forward to Sharm El Sheikh dialogue on 2.1.c in July in Bangkok. Important to learn about different approaches.

CF 2. Achieving systemic transformations in pursuit of the 1.5 °C degree goal requires rapid deployment and adoption of cleaner technologies and accelerated innovation and development of new technologies, with growing access to these supported by appropriate enabling frameworks and international cooperation.

- Climate technologies play a key role to drastically reduce global greenhouse gas emissions and enhance efforts to climate change.

- Climate technologies will play an important role in Parties' efforts to drastically reduce global GHG emissions, to exit the use of fossil fuels, transforming to net-zero emission clean technology alternatives.

- The EU is a strong supporter of climate innovation including through the EU Innovation Fund and Horizon Europe

- Access to climate technologies can particularly support the most vulnerable in leapfrogging or transitioning sustainable societies thereby providing multiple co-benefits. The GST should identify effective and efficient options for enhanced development and diffusion of climate technologies.

- Many cost-effective climate technologies are already available today. The contribution of Working Group III to the IPCC AR6 assessed the mitigation options that cost USD 100/tCO2eq or less could reduce global emissions by at least half the 2019 level by 2030. This is at a comparable level to the current price levels of the EU Emission Trading System in 2022 and 2023.

- Overall the cost of climate technologies is decreasing, and technologies are today increasingly competitive compared to unsustainable business-as-usual technologies. However, continued and increased efforts are needed by all Parties to support the increased adoption of climate technologies, including through the establishment of enabling environments.

CF 3. Capacity-building is foundational to achieve broad-reaching and sustained climate action and requires country-led and needs-based effective cooperation to ensure capacities are enhanced and retained over time at all levels.

- While progress on capacity-building has been made in recent years, there are still capacity-building gaps and needs to achieve the goals of the Paris Agreement in the areas of mitigation, adaptation, transparency, Article 6, technology transfer, access to climate finance and the implementation of 2.1c, among others.

- We (EU and its Member States) work for building on local knowledge rather than transferring solutions that are not always suited to local circumstances. For the EU, country ownership and support for capacity building at various levels including national, regional and local level are key elements of support for developing countries. These elements also contribute to the retention of capacities in developing countries, which is as important as the enhancement of capacities.

- Country ownership must be at the heart of capacity building. Country ownership means that capacity-building support is based on the national needs and consistent with national priorities. Working with national research institutions and universities in developing countries with the model of "training of trainers" can also contribute to the retention of capacities, as these trainers will be able to deliver training to the rotating staff at national, regional and local governments.