

### **Roundtable 3: Means of implementation and support – finance, technology and capacity**

#### Scaling up and aligning global financial flows

The United Kingdom recognises that a continued scaling up of public support from developed to developing countries needs to be an important part of how we finance the global transition and is central to this discussion.

We consider that existing structures and process will be key to delivery here including reporting through the SCF and progress on the NCQG and existing and future commitments on international climate finance.

I want to reference the IPCC AR6 Working Group 3 report, which makes clear that public finance on its own will not be sufficient with global investment needs in the trillions of dollars per year.

There must be a focus on aligning flows through regulatory frameworks that account for both the fiscal and social challenges associated with green investments. As a part of this process the UNFCCC must progress work to establish globally consistent standards which will bolster domestic regulatory frameworks and enable the impact of climate finance to be greater than the sum of its parts.

Since Paris, we have seen relatively limited action on Article 2.1c, despite its crucial importance. This is a blocker to progress towards the transformation needed to bridge the global total investment gaps needed for all Parties to meet the Paris Agreement.

The GST is a clear opportunity to facilitate the scaling up of tracking and reporting of Article 2.1c under the UNFCCC process and works to support ongoing commitments under the Paris Agreement. The GST can further facilitate a forward-looking technical outcome for realigning financial flows which supports discussions on the NCQG and wider financial issues.

We do not see this as a process that will lead to reduced developed country responsibility for international support or lead to a top-down approach to national policy setting, but rather be a way to exchange best practices and agree on how to measure progress.

#### Achieving systematic transformations

Central to achieving systematic transformations will be creating the enabling conditions to attract investment.

This should include taking measures to ensure that investments are not only scaled up, but effective. This can be achieved in part by ensuring that policy making is supportive of innovative technologies and regulation rewards measures taken to support both mitigation and adaptation efforts.

We must also place emphasis on reforming international financial institutions to deliver on and increase the quantity of climate and nature finance, greater concessionality, address debt challenges and climate shocks, and to leverage international financial institutions' collective capacity to strengthen private sector mobilisation.

International Financial Institutions are a major source of support to emerging and developing economies. Combined with our wider efforts to green the financial system and enhance the effectiveness of the climate funds, this will be critical in ensuring an international system that

is able to deliver better for emerging and developing economies, specifically on the key challenge of mobilising finance for adaptation and nature.

We consider GST outcomes as central to progressing these systematic transformations. The GST offers an opportunity to demonstrate progress on the international financial institution reform agenda as a tangible example of how to operationalise Article 2.1c and should further facilitate reporting mechanisms that spell out the merits and challenges of enabling environments including areas where we have seen greater and lesser progression, and where the UNFCCC can support agreements in relation to shaping standards and where private sector actors are needed.

### Capacity building

We see enablers as critical to creating the environment for countries to better face current and projected climate risks. This includes finance, capacity building, technology transfer, wider governance, institutional arrangements, the list goes on.

Initiatives that support global ambition, accelerate investment, and build lasting capability and partnerships between public and financial institutions should be built upon as a part of a larger package for support. The NDC Partnership finance strategy for example, which the UK helped develop as co-chair sets out a robust plan that can support developing countries in accessing climate finance.

Addressing the funding gap in emerging and developing economies will be a critical enabler in meeting global finance needs which will include building long-term relationships to exchange learning, support national planning processes, and develop project pipelines. The UK's Green Finance Strategy sets out our efforts to meet this.

Underscoring the importance of international interoperability of regulatory frameworks, the UK is working to develop and promote the adoption of international standards and is providing green finance capacity building in emerging and developing economies. Efforts such as these should be scaled coherently across jurisdictions with recognition of the differing development pathways and circumstances between countries.