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Key messages

1.1. The global cost for climate change adaptation and mitigation are estimated at a staggering 4 trillion USD per year until 2030. The classical international climate financing instruments are far away from being able to cover this, thus both public and private investments in infrastructure, energy etc. will need to be aligned to the global climate targets (Climate-smart Agribusiness, Green Buildings, Smart Cities, Energy Storage, Green Bonds).

1.2. Aligning financial flows with low-emission sustainable development pathways is more relevant than ever to achieve the goals of the Paris Agreement and the implementation of the 2030 Agenda for Sustainable Development. Operating energy, transport, construction and water infrastructure accounted for more than 60 per cent of global greenhouse gas emissions. However, infrastructure has suffered from decades of chronic under-investment, in both developed and developing countries. OECD estimates that $6.9 trillion is needed to meet the climate and development goals. It is estimated that the annual cost of climate and development will be $6.9 trillion by 2030.

1.3. An unprecedented transformation of existing infrastructure systems is required. Investment deficits and the urgent challenge of climate change represent a unique opportunity to develop infrastructure systems that provide better services while protecting the environment and increasing resilience around the world. It is important to implement actions in Central Asia for greening the Belt and Road - the region's largest investments and reflect regional priorities and options to ensure sustainable development.

1.4. Harnessing the benefits of rapidly evolving technologies, new business models and financial innovation is essential to creating new trajectories towards a sustainable, low-emission future. Attracting public and private resources across the financial spectrum is an important part of generating the trillions of dollars needed for sustainable infrastructure. Public finance organizations, banks, institutional investors, corporations and capital markets all have a critical role to play, both individually and as part of the financial ecosystem as a whole. Governments need to provide the right incentives to move away from financing emission-intensive projects and adopt investment and climate policy frameworks that facilitate the rapid implementation of the radical changes required.

1.5. While some progress has been made, policies continue to promote a step-by-step approach to addressing climate change. The existing policy framework, budget revenues and economic interests are still linked to fossil fuels and intensive emissions activities. Greater efforts are needed that will lead to systemic change, help to overcome institutional inertia and dispose of the powerful circles that are often obstacles to low-emission sustainable development.

1.6. Enhanced international cooperation through the Paris Agreement and forums such as the G7 and G20 is an integral part of the transformation: almost all G20 countries have confirmed their readiness to embark on a global energy transition process in line with the climate and development goals of the G20's Hamburg Action Plan on Climate and Energy for Growth, adopted in 2017.

1.7. There is also a growing recognition that greater action on climate change must be accompanied by a fair and inclusive transition process to address inequalities and create equal opportunities for all segments of society. Governments need to ensure that transition benefits everyone and does not disproportionately affect of the poor and most vulnerable people.

1.8. It is certain that funding for climate initiatives in Central Asian countries within the framework of the GCF, private sources and bilateral partnerships will increase in the coming years. Accordingly, countries can envisage the possibility of preparing *regular national resource mobilization and expenditure reports* (e.g., Climate Change Public Expenditure Reviews), which will enable them to have a comprehensive picture of *climate financing, identify gaps and track progress on targets* in accordance with their own INDCs.

1.9. *Private investment* can be a powerful accelerator in attracting financial resources for climate change projects, especially in the area of reducing greenhouse gas emissions (energy efficiency, renewable energy development). In this respect, it is important to consider such financial flows alongside the funds that are allocated from specialized funds, and to make efforts to improve the enabling *policy and investment environment*, strengthen *institutional capacity*, and *improve monitoring* and *reporting*.

1.10. Considering the different progress and volume in attracting climate finance, as well as different types of national mechanisms (e.g., the emissions trading system in Kazakhstan), it is crucial to improve *information exchange between the Central Asian* countries and strengthen the capacity for *replication of projects* that have proven to be effective.

1.11. Recognizing that access to climate finance involves a variety of assistance and investments (loans, credits, loans, or grants), as well as specific application procedures and accreditation of national and regional structures, it is important to consider *resource mobilization opportunities for Central Asian countries in conjunction with capacity building processes.*

1.12. It is necessary to strengthen the interaction between *economic development* and *climate policy* at both national and regional levels; examples are the planned actions under the Astana Resolution (2018) on landscape restoration and the existing projects of the China Regional Initiative "One Belt, One Road".