How much progress are we making on implementing the third long-term goal of the Paris Agreement; TO MAKE FINANCE FLOWS CONSISTENT WITH LOW-EMISSION, CLIMATE RESILIENT DEVELOPMENT PATHWAYS?

We know that we need at least

$4 trillion of finance per year by 2030

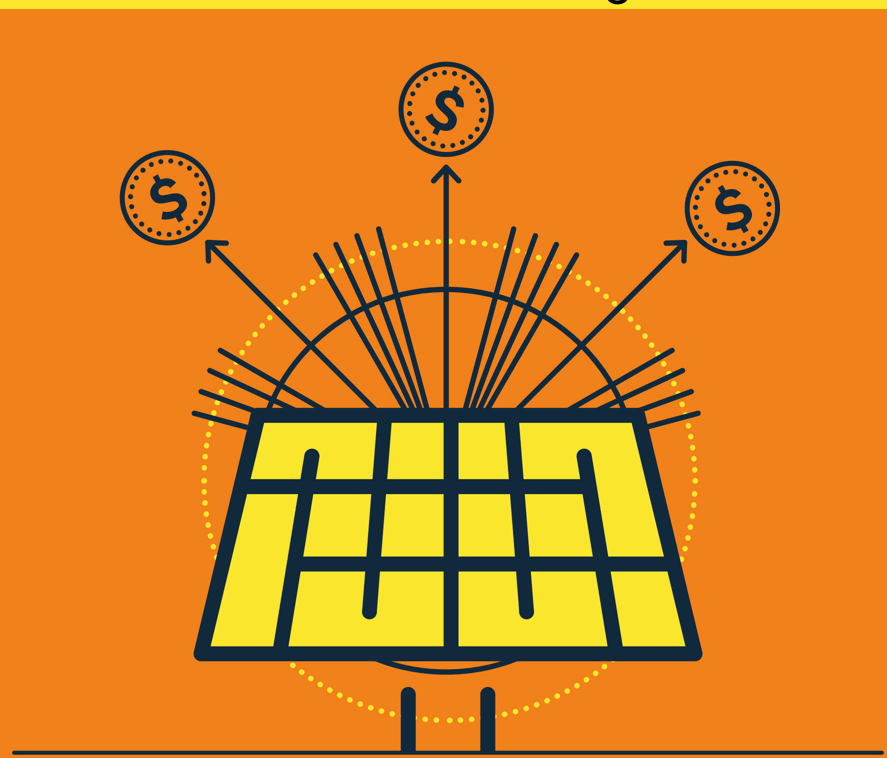
But by best estimates, current levels of investment are nowhere near enough to limit global warming to 1.5 °C. Over the last few years global climate finance flows reached $800 billion, but the growth rate has been too slow.[1]

1. A Decade of Data, Climate Policy Initiative (2022).

We need to ramp up the right kind of investment, making use of all levers and incentives at our disposal. Building a shared-understanding of what climate-consistent finance flows really are and how they can be delivered is a CRUCIAL PIECE OF THIS PUZZLE.

Once you start looking, we can see that since 2015, many governments and private actors have started putting in place incentives aimed at making their finance flows Paris-aligned.

In the EU, the Sustainable Finance Disclosure Regulation and Corporate Sustainability Reporting Directive will enhance financial sector transparency on ESG issues and see more companies provide detailed reporting on sustainability.



The Rwandan government are encouraging the development of off-grid solar power systems with innovative tax exemptions.

In Colombia, the use of a carbon tax on fuels created a voluntary carbon market; boosting emissions reductions in the forest sector and creating revenues for other environmental objectives.[2]

2. Six case studies of country actions towards climate consistency of finance flows can be found at www.independentgst.org

As the main UNFCCC-led initiative to explore collective progress towards the third long-term goal of the Paris Agreement

the Global Stocktake is a unique opportunity to ensure global finance is re-allocated towards climate action.

THE GST IS A CHANCE TO ASSESS THE EMERGING GUIDANCE AND FRAMEWORKS FOR SUPPORTING CLIMATE-CONSISTENT FINANCE FLOWS. BY REFLECTING ON PROGRESS MADE SINCE 2015, THE GST CAN IDENTIFY OPPORTUNITIES TO PUSH FORWARD TOWARDS MAKING FINANCE FLOWS TRULY CONSISTENT WITH A LOW-EMISSION, CLIMATE RESILIENT WORLD. BY LOOKING BACKWARDS, WE CAN PLOT THE BEST WAY FORWARDS.

iGST Independent Global Stocktake

Prakriti Resources Centre

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