Talanoa Dialogue: How do market mechanisms help us get there?

GIZ's worldwide experience in supporting transformation to low-carbon economies and climate-resilient societies

Innovate for Climate
22 May 2018
GIZ side event

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Agenda

- Introduction: Talanoa Dialogue
- Key note address: GIZ submission to the Talanoa Dialogue and its relevance for I4C
- Good practice cases:
  - India investment plans
  - NACAG
- Q&A
- Closing

Introduction

Talanoa Dialogue

Tobias Dorr
Advisor with Climate Policy Support Programme at GIZ
tobias.dorr@giz.de

The 2018 Talanoa Dialogue: Fijian tradition translated into climate action

Talanoa: *Inclusive, participatory and respectful dialogue, sharing stories to build empathy and to learn from each other*

- **COP21**: decision to convene a **facilitative dialogue** to take stock of the collective efforts of Parties in their NDCs
- **Parties** and **non-Party stakeholder** engage in Talanoa Dialogue
- Three questions: ***Where are we? Where do we want to got? How do we get there?***
- **Aim**: take stock of NDC efforts, share stories to **learn** from each other and **raise ambition**

TALANOA DIALOGUE
FOR CLIMATE AMBITION

Source: UNFCCC

Source: COP23 Twitter Account

Source: COP23 Twitter Account

Workplan 2018

- **Technical Phase**: January 2018 – COP24
  - *Submissions by Parties and Non-Party Stakeholders*
  - *Talanoa Sessions on the SB48*
  - *Summarising Report*

- **Political Phase**: COP 24 (3.-14.12.2018)
  - *Synthesis Report of Submissions*
  - *Ministerial dialogue*

Key outcomes of the Talanoa sessions at SB48

Source: COP23 Twitter Account

„If you want to walk fast, you walk alone; if you want to walk far, we walk together“
Frank Bainimarama, PM Fiji

- Sharing lessons learned: challenges prevail in climate action
- **Needed:**

  → Transformation across all sectors

  → Engagement of different stakeholders

  → Transparency and predictable finance

  → Political and institutional framework for private sector investment
- Urgency of action, ambition raising and long-term strategies

Key note address

GIZ submission to the third question of the Talanoa Dialogue: How do we get there?

“GIZ’s worldwide experience in supporting transformation to low-carbon economies and climate-resilient societies“

Dr. Sandra Schuster
Advisor with the climate change competence center at GIZ
sandra.schuster@giz.de

GIZ‘s climate portfolio

- **1/3** of GIZ‘s entire portfolio accounts for **climate related projects**

→ *more than 500 projects, with a volume of approx. EUR 1.9 billion*

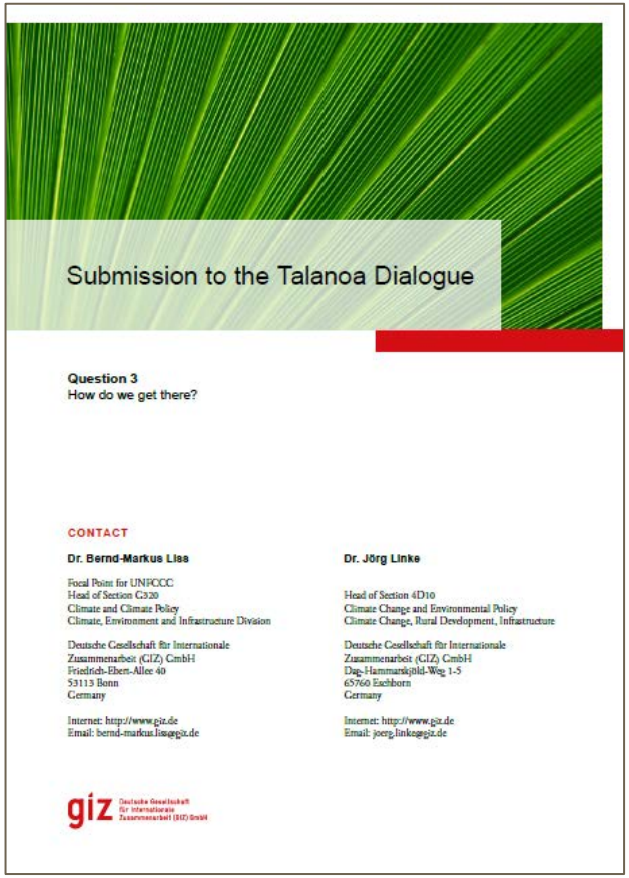
- Capacity development is key instrument
- Main clients for climate change-related projects:

Federal Ministry
for Economic Cooperation
and Development

Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

GIZ contributed to the third question of the Talanoa Dialogue: *"How do we get there?"*

- Basis of the submission: a **survey** among experts working on **climate- and transformation-related projects** at GIZ
- **40 contributions** on experiences and **challenges in climate action** and **good practice interventions**
- **GIZ Talanoa task force distilled 5 key messages** as important conditions for a successful transformation to a low-carbon economy
- **Sharing these key messages shall support stakeholders in:**
  → Effective NDC implementation → NDC ambition raising → Contribute to achieving the Paris Agreement



Submission to the Talanoa Dialogue

Question 3
How do we get there?

CONTACT

Dr. Bernd-Markus Liss

Focal Point for UNFCCC
Head of Section G320
Climate and Climate Policy
Climate, Environment and Infrastructure Division

Deutsche Gesellschaft für Internationale
Zusammenarbeit (GIZ) GmbH
Friedrich-Ebert-Allee 40
53113 Bonn
Germany

Internet: http://www.giz.de
Email: bernd-markus.liss@giz.de

Dr. Jörg Linke

Head of Section 4D10
Climate Change and Environmental Policy
Climate Change, Rural Development, Infrastructure

Deutsche Gesellschaft für Internationale
Zusammenarbeit (GIZ) GmbH
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn
Germany

Internet: http://www.giz.de
Email: joerg.linke@giz.de

Source: https://unfccc.int/documents/65012

Mobilising private sector investments

Key Message 1

- Taking stock of required investments (public/private) is key
- Early investment in climate action will save avoidable future burdens in various fields (fossil fuel stranded assets, health impacts, etc.)
- Access to and effective management of international climate finance presents a challenge but also an opportunity:
  - → Private sector climate finance is key for transformative investments in low-carbon technologies
  - → Mobilisation of funds on the capital market and direct investments by corporations is key in the context of NDC implementation
  - → Regulatory and incentive policies can enable and leverage private sector engagement

Measurement, reporting and verification (MRV)

Key Message 2

- Identification of sources of emissions and the mitigation potential of certain technologies and measures is a pre-condition for decision makers.
- This will enable them to set realistic and ambitious targets and adjust them over time.
  - → Solid data, national MRV and management systems are needed to identify effective policies
  - → Efficient implementation is key to access climate finance and support
- **Good practice cases:** Transport/mobility, energy, land use / Agriculture, cross-sectoral in Turkey, China, Vietnam, India, Sub-Sahara Africa

Peer-to-peer learning opportunities

Key Message 3

- Good practice experiences and peer-to-peer exchange platforms are available and ready to be used:
  - → Provide an important source of information and motivation
  - → Reduce transaction costs though studying what others have done
  - → Can speed up mitigation progress more cost efficiently
  - → Creates the confidence in developing a low-carbon pathway and at the same time addressing economic and development challenges
- **Good practice cases:** Land use/agrigulture, Cities, Forest and cross sectoral in Sub-Sahara Africa, India, Costa Rica, Mexico, Brazil, Fiji …

Political buy-in for transformation

Key Message 4

- Identification of sectoral mitigation targets and formulation of sectoral plans can mobilize stakeholders
  - → Emission reduction has sustainable development co-benefits (e.g. such as improved public health through reduced air pollution, job creation, technology transfer and many others)
  - → Sector plans increase ownership of line ministries
  - → Stronger links between climate change mitigation and sustainable development can be achieved
  - → Just transition (leave no one behind, integrating all parts of society in transition) is key and enhances ambition over time

Untapped mitigation potential

Key Message 5

- Several significant mitigation potentials are not yet covered by national policies
- Integrating them into NDCs can:
  - → Unlocking additional climate finance from public and private sources
  - → Enhanced awareness for sectors' climate relevance
  - → Increasing the countries NDC ambition
- **Good practice cases:** Industry, Refrigeration/Air Con, Waste, Water, Transport and Mobility.

Interlinkages between Talanoa Dialogue and I4C

- Bringing stakeholders together and **transferring the Talanoa spirit** to the dialogues at I4C
- **Innovative approaches** and new insights from I4C can be an inspiration for the ongoing Talanoa Dialogue
- Showing possible ways of **intervention through our cases**

  → **Entering new sectors** and **innovative approaches** in climate action, to **access untapped mitigation potential**

  → Importance of **innovative political** and **institutional frameworks**, that **enhance access of finance**, **private sector engagement** and **technological up-scaling**

Investment plans for the implementation of State Action Plans on Climate Change

Good practice case

Kundan Burnwal
Technical Advisor for Climate Change at GIZ India
kundan.burnwal@giz.de

Investment plans for the implementation of State Action Plans on Climate Change (SAPCC)

Challenge

- SAPCCs - **climate change relevant activities to be implemented** - prepared for all states in India
- **State budgetary sources** are **not sufficient** to fund all activities mentioned.
- **Lack of analysis** of the **current level** and **efficiency of climate relevant expenditure** is a barrier limiting effective utilization of existing financing
- Limited **awareness regarding private sector and international climate financing** along with capacity to access.

Investment plans for the implementation of State Action Plans on Climate Change (SAPCC)

Intervention

- Develop investment plans to **ascertain the current financing available**; assess the **effectiveness of this financing** in terms of expenditure on planned activities, **identify financing gap**
- **Prioritise and select ten activities** from the SAPCC as **demonstrative examples** to finance other SAPCC activities and providing detailed case studies along with **financial analysis and financing models**

Investment plans for the implementation of State Action Plans on Climate Change (SAPCC)

Outcome and relevance to ambition raising

- “Investment Plan for SAPCC” enabled state governments analyse climate relevant expenditure leading to **better planning, coordination and effective use of existing funding**.
- Enabled determining **appropriate funding instruments and sources**.
- Help states **revise their SAPCCs** and meet their targets in line with **NAPCC and NDC commitments of the country**

Support for the Nitric Acid Climate Action Group

Good practice case

Fabian Fennel
Component Manager at NACAG Secretariat, GIZ
fabian.fennel@giz.de

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Support for the Nitric Acid Climate Action Group (NACAG)

Challenge

- Production of nitric acid leads to the unwanted by-product nitrous oxide (N_2O)
- N_2O is a greenhouse gas 265 times more harmful to the climate than CO_2
- N_2O abatement requires investments without offering additional revenue streams

Support for the Nitric Acid Climate Action Group (NACAG)

Intervention

- NACAG offers financial and technical support for abatement measures to ODA countries
- Objective: All nitric acid plants worldwide equipped with abatement technology by 2020
- Condition for support: Partner countries must commit to the continuation of abatement activities after 2020

Support for the Nitric Acid Climate Action Group (NACAG)

Outcome and relevance to ambition raising

- Over 200 million tons of CO_2 equivalent can be mitigated in this way by 2020
- The alliance is triggering the transformation of the nitric acid industrial sector around the world towards climate friendly production
- Through financing the installation of abatement technology, NACAG is paving the way for countries to increase the ambition of the NDC by widening the scope of their NDC to include N_2O from nitric acid production.

Key messages of the GIZ submission to the Talanoa Dialogue

1. **Mobilising private sector investments**
2. Measurement, reporting and verification (MRV)
3. Peer-to-peer learning opportunities
4. **Political buy-in for transformation**
5. **Untapped mitigation potential**

Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Q&A

Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Thank you!