

Date and time	12 Jun. 2024 10:00h - 13:00h
Agenda item	First Workshop in 2024 under the Sharm el-Sheikh Dialogue on the scope of Article 2, paragraph 1(c), and its complementarity with Article 9 of the Paris Agreement
Session	Mandated event
Location	Genf, Main Building
Notes taken by	Dr Renuka Thakore, Future Earth, RThakore1@uclan.ac.uk ; ceo@gsgn.co.uk
Context	https://unfccc.int/event/first-workshop-in-2024-under-the-sharm-el-sheikh-dialogue-on-the-scope-of-article-2-paragraph-1c-and
Webcast	https://unfccc-events.azureedge.net/SB60_99898/agenda

Georgia – www.nbg.gov.ge – Salone Tvalodze, Head of Sustainable Finance Division, National Bank of Georgia
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- Taxonomy – but also guidelines
- Technical, climate change but also social dimension
- 2017-2019-2021-2024 – gradually achieved consolidating stage
- Financial group – working with everyone
- New year – everyone is in the process of developing the framework
- Sharing our experience with many countries

Nestlé's approach to climate-consistent financial flows-

- Company depending on agriculture
- 90% of emissions are scope 3 – a stable supply chain needed
- 2023 –
 - Continue to forest positive
 - Regenerative practices
 - Working with farmers and communities in the suite of just transition
- Financial flows in consistent with the Paris Agreement
 - Simultaneously address mitigation, adaptation, and resilience
 - 13.5 % down by the carbon emissions by 2018
- Case study: Nestlé's income accelerator plan in the cocoa supply chain
 - Direct access to finance
 - Inter-cropping - Diversifying incomes
 - Enrolment of children
 - Reach 30000 farms – all farms will be included in next 6 months
 - Implementing better agriculture practices
- Huge supply chain – investment needed
 - In-kind
 - Innovation
 - Resotring land in and around coffee farms
 - Awarding the better practices
 - Premium and incentives – micro insurance scheme – derisking – insurance has a significant role
- Switzerland – dairy and agriculture
 - Seed corn initiative
 - Universities do benchmarking

- Every stakeholders are playing their part according to their strengths
- Private sector – significant flows in private investment
 - Long term future business building
 - Many other companies must do the same
 - Policy framework to have confidence
 - Adaptation plans will scale up the policy environment.
 - Glasgow policy framework is good but must be enacted

Denmark government – lisa Holzhauer: lho@skm.dk

- Expected emissions in 2030 across sector – target of 70 pct. By 2030
- Reducing emissions from the agricultural sector
- Green tax reform for industries etc. in 2022
 - Need to take into account many things such as cost-effectiveness and balanced
 - Stick and Carrot approach – higher and more uniform taxes on co2 emissions
 - EU emission trading systems
 - Emissions not covered by EUETS – minimum price will gradually phased- in from 2025 until 2030 – time for companies to adapt –
- Green tax reform for agriculture (forthcoming)
- Cattle are the largest emission sector – so reduce sector emissions
- Designing of reforms underway
- 3 different models proposed
 - Model 1 – 100 euros – highest burden for farmers but lowest burden from the socio-economis costs
 - Model 2 – 50 euros –
 - Model 3 – 50/17 euros –
 - Model 2 and 3 include subsidiary schemes
- Process - Implementation – political agreement in a year
- Tax emissions from Agriculture have plenty of challenges
- Control – must make sure everyone is reporting correctly
- Additional resources from the government to help reforms in agriculture

Kauli Fund – Investing in climate adaptation – Combing solid social and environmental impact with attractive financial returns

- Farmer – original teacher – inherited farm from father
- 2022 – small loan and advice, solar energy, drip irrigation, organic input, increased resilience, reduced carbon footprint and boosted income
- Challenge – 500 million small farmer access resources to become more resilient and increase their income?
- Agronomists provide technical knowledge to finance organisations how to engage with the farmers
- Kauli fund has been designed to meet this 500 million challenge
- Liquidity is there – 150 trillion USD in AUM
- Impact investing manages about 1.2 trillion USD in AUM
- Ecosystem – Climate Adaptation Gap estimated to 300bn USD
- Multiple barriers
 - High risk perception
 - Ecosystem investment readiness
- Blended Finance and Technical Assistance

- Climate solutions are out there, build a project with technical assistance
- Climate adaptation priority, large capital pools exist, need for risk-taking capital, impact investing readiness, work to reduce risk perception, balance safeguards and speed

International Development Finance Club – secretariat@idfc.org

- IDFC has 26 members from over the world
- USD billion dollars in green finance in 2022
- Trillion total green finance since 2015
- Goals
 - Foster and increase cooperation between members and partners
 - Knowledge sharing and capacity building
 - Developing joint business opportunities
- Climate facilitating group – members from German government, GEF, biodiversity and SDG, development mechanism and international development agenda
- Advocacy, Research & Knowledge, accountability
 - Approaches – position papers, alignment, focusing, developing reports for members
- Financial flows to be consistent – government must supported
- Public development banks – translating strategies and financing plans into tangible actions – unique position
- Article 2.1 (c)
 - Overall global mitigation benefit through the design of instruments
 - By designing cooperation

Breakout group discussions – Group 1

- Climate finance must be different – locally led actions – additional money – must be done holistically – industry as a whole has agreed that the finance is huge
- Existing community – lessons learned
- Nestle has long journey – creating shared value
- Helping farmers more profitability
- Novel solutions for diverse communities
- Regulatory frameworks
- Do not fear regulations – making an effort is not consistent
- Voluntary steps are now at their limit
- In EU, scale of the regulations are considerable
- Not get carried out by the success – growth needs to be delinked from the carbon emissions
- Voluntary actions are not working unless they are well-designed
- Climate finance – intervening through the last 10 years and more, lot of concerns are voiced by the ODA, orienting the limited money from development to climate finance – issues related to additionality
- Align financial forms to stop the harm, regulations must be a major component, healthy discussion inviting all the sectors
- NDCs and NAPs must be doing much more than doing now
- Grant based finance – taxation – dialogue, planning, reskilling, socially embedded
- Blended finance – little public finance
- Life cycle analysis of the finance flows
- Carbon markets – completely de-franchised
- Just transition –
- Development definitions, practices must be changed.

- How to avoid externalities
- Corporate Sustainability due diligence reporting
- How opportunities are distributed are equalities