



Tracking climate finance

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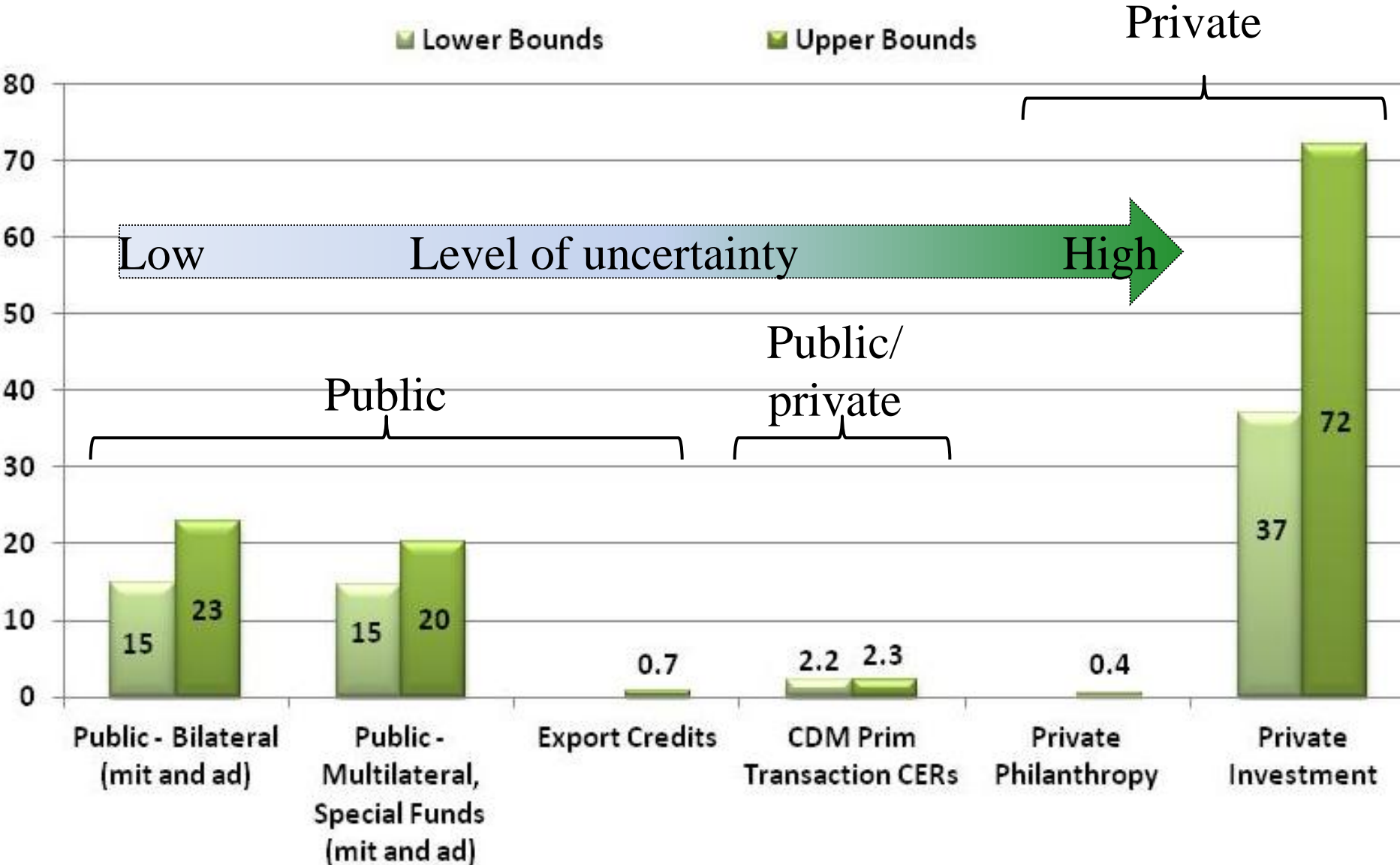
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Presentation outline

- What is climate support?
- Climate flows – theory and practice
- What are the gaps in M, R, V of climate support?
- Current guidelines
- Putting theory into practice...
- Conclusions

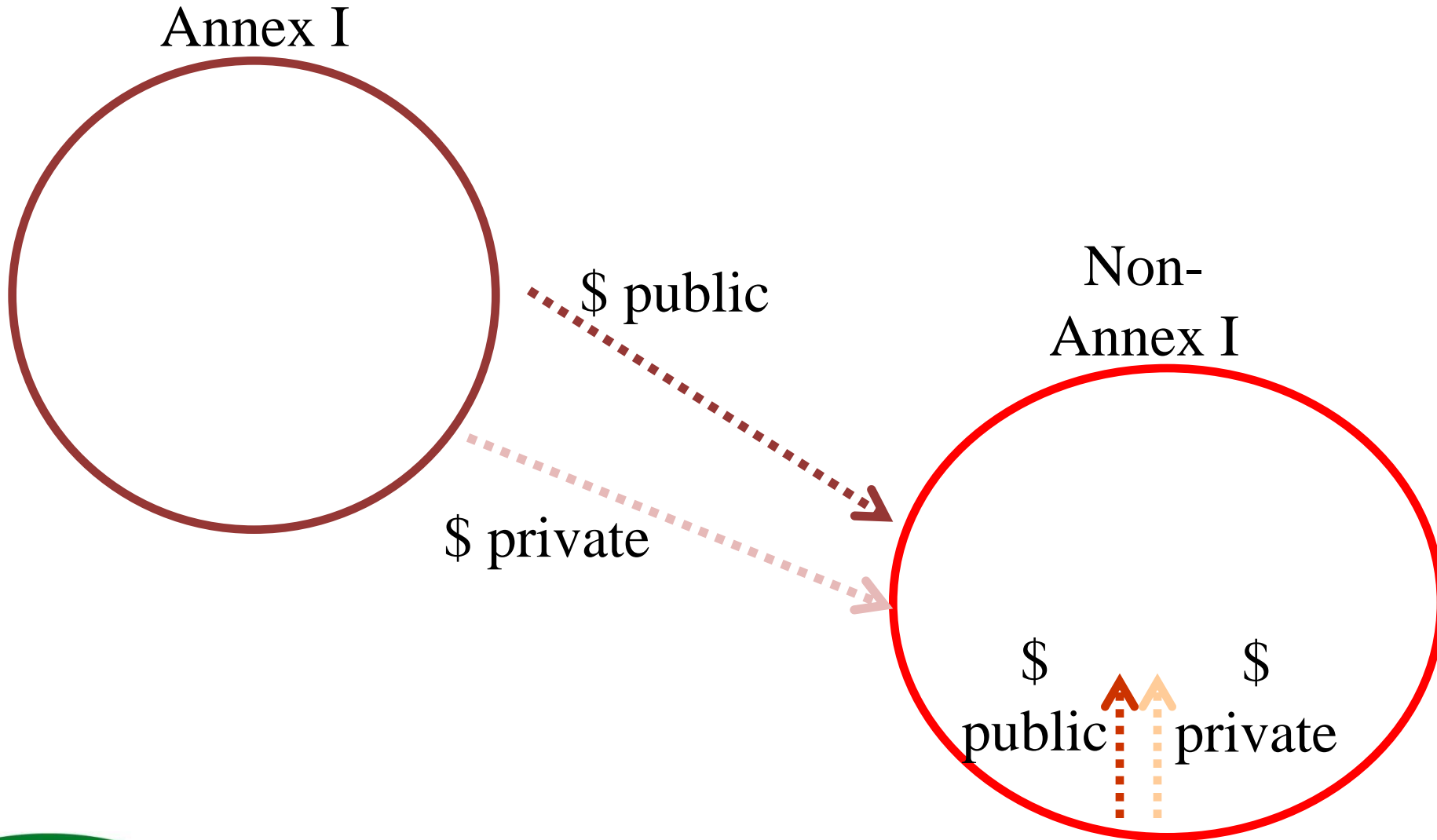
N-S Climate Finance: \$70-120bn p.a.



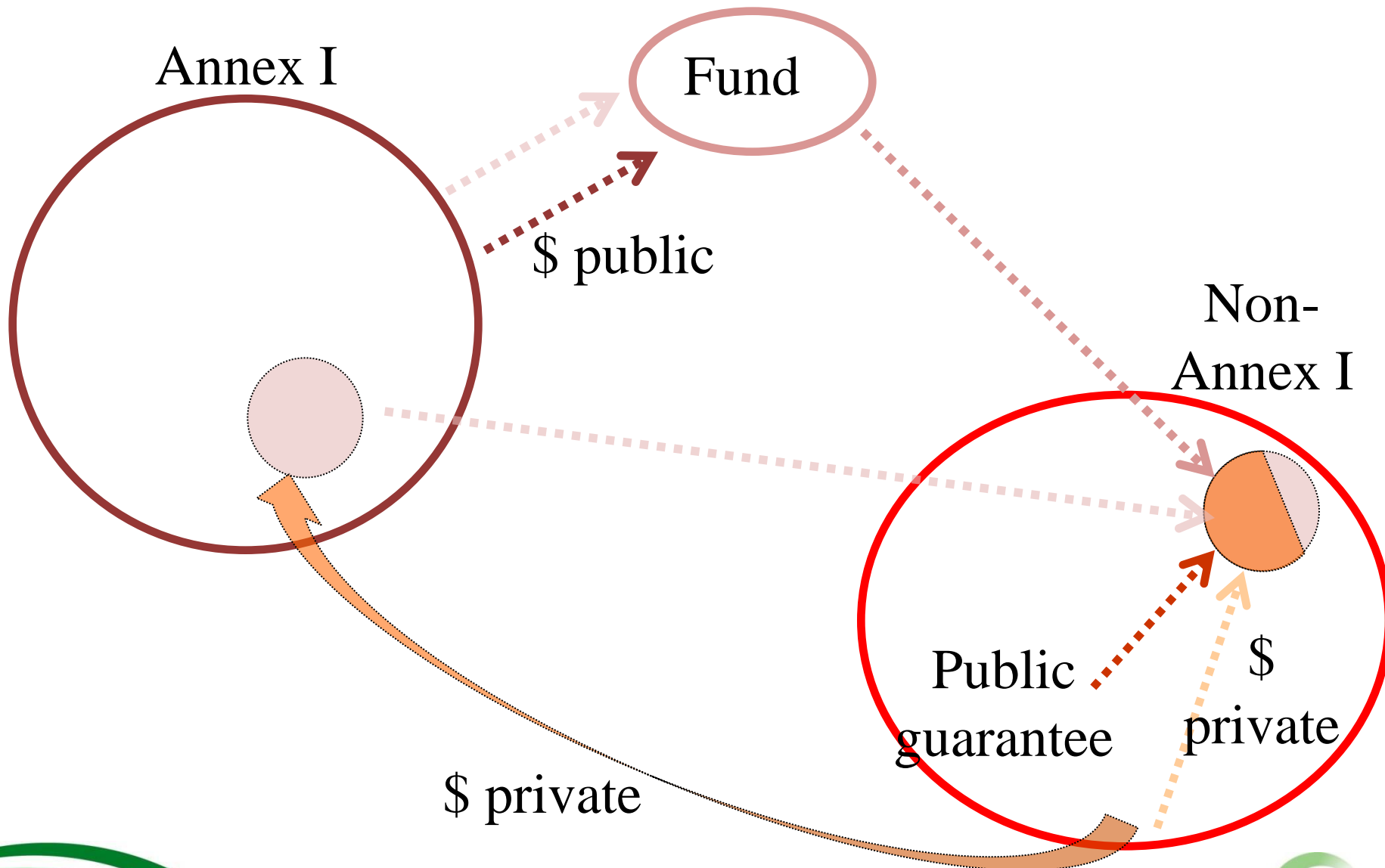
Why do we need to track climate finance?

- National (support needed):
 - ◆ To identify gaps, and facilitate their funding
- National (support received):
 - ◆ To direct support to priority areas
- International commitments:
 - ◆ National Communications, Biennial (update) reports
 - ◆ FSF, \$100bn commitment (developed countries)

Financial Flows: Theory



Financial Flows: Possible practice...



Challenges for Robust Tracking

- Lack of data, disparate and overlapping sources
- Reporting mandates – national vs international
- Intertwined flows
- Aggregation of different types of flows
- Double-counting
- Timing of measurement
- Impact of flow on climate
- Country of origin
- Bypassing government systems (where available)

Gaps in international reporting of climate support

- UNFCCC guidelines lead to incomplete picture of support provided and received:
 - ◆ Focus on public support
 - ◆ Donors other than Annex II countries (e.g. Korea) not required to report, though some do
 - ◆ Information on support received extremely patchy (although double-book keeping in principle)
 - ◆ Developed country reporting will be strengthened shortly (reporting tables expected at COP18)

Gaps in international reporting of climate support (2)

- Limited information on:
 - ◆ Private outflows from AI; inflows to NAI
 - ◆ MDB flows
 - ◆ Domestic NAI flows
- Difficult to disentangle private flows (AI/NAI; within AI)
- Inconsistent reporting:
 - ◆ No common definition of “new and additional”
 - ◆ Time periods covered (AI)



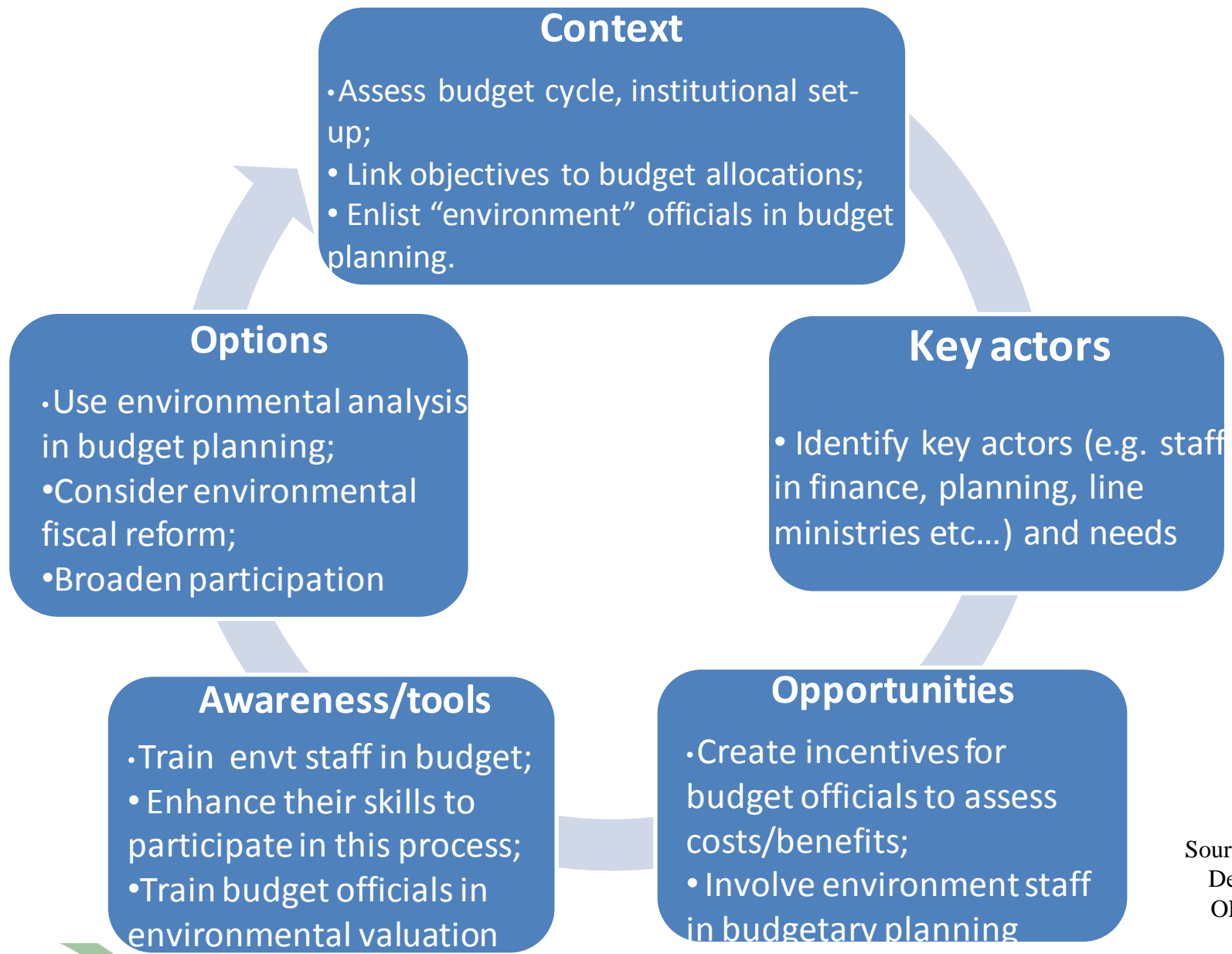
New guidelines (COP17)

NAI “should” provide in biennial update report:

- Constraints and gaps, and related financial, technical and capacity needs, including a description of support needed and received (from GEF, developed countries, multilaterals, GCF);
- Information on the level of support received to enable the preparation and submission of biennial update reports;
- Information on domestic measurement reporting and verification

NB in National Communication – also domestic funding

Greening budget planning



Source: Greening
Development
OECD, 2012

Conclusions

- Wide variety of climate support needs and flows
- There are gaps in reporting for climate support:
 - ◆ No internationally-agreed definition of climate finance (or what “mobilised” means)
 - ◆ No single integrated international system for storing and accessing financial data, although components exist (e.g. OECD-DAC)
 - ◆ Flows may frequently bypass government systems
 - ◆ Significant uncertainties on the largest flows

Conclusions

- M, R, V not straightforward as flows sometimes complex, not always direct
- Many political and technical questions remain, e.g.:
 - ◆ What counts to 100bn? (Flows, projects, instruments)
 - ◆ How to demonstrate causality/mobilised?
- All countries need to improve M, R and V for climate finance ... but will take time (and capacity)
- Improved transparency an important interim step
- Increased co-ordination can help to integrate climate into national budget ... and improve M, R, V

Key questions

- What is needed in-country in order to identify and quantify needed climate support (\$, Tech, CB)?
- What climate finance tracking is currently in place?
- When to track? (Commitments, disbursements)
- Are systems in place to systematically track inflows from AI Parties, GEF, GCF, multilaterals? Private sector? If not, how to establish this?
- How do we ensure consistency between information on inflows and outflows?
- How can we make data comparable?

Thank you



www.oecd.org/env/cc/ccxg

www.oecd.org/env/cc/mrv

www.oecd.org/env/cc/financing