

Tabular formats for climate finance reporting

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Based on: Falduto, C. and J. Ellis (2019)

*Reporting Tables: potential areas of work under SBSTA and options,
Part II – Financial support provided, mobilised and received*



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Presentation Outline

- 1**  **The Modalities, Procedures and Guidelines (MPGs) and current experience**
- 2**  **Current experience: challenges in reporting**
- 3**  **The OECD Development Assistance Committee**
- 4**  **Financial support provided: issues and options**
 -  In detail: the Grant Equivalent
 -  In detail: Inflows and Outflows
- 5**  **Financial support mobilised: issues and options**
- 6**  **Financial support received: issues and options**
- 7**  **Conclusions**

THE MODALITIES, PROCEDURES AND GUIDELINES

Who?	Item	Is its reporting mandatory?	Is the use of CTF mandatory?
Developed country Parties	Financial support provided (bilateral, regional and other channels)		
	Financial support provided (multilateral channels)		
Developed country Parties	Financial support mobilised (public interventions)		
Developing country Parties	Financial support received		

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CURRENT EXPERIENCE: CHALLENGES IN REPORTING

Key challenges

- No commonly agreed definitions and methodologies (scope, flows and coefficients);
- Multiple channels and instruments;
- Limited availability of data (tracking / capacity limitations, confidentiality concerns, ...);
- Risk of double counting different types of support;
- Potential overlaps: public vs private / developing vs developed

OECD Development Assistance Committee



Monitors, assesses, and reports data and information on ODA and other official and private flows communicated by DAC members.



**CRS
Database**

- The **most comprehensive data source** for international development finance;
- Based on **reporting from DAC members** (developed countries) and **multilateral development banks and funds**;
- Use of standard, internationally agreed definitions and methodologies;
- Data publicly available at the **activity-level**;
- **Sectoral** and **sub-sectoral** classifications;
- Tags for relevance to the Rio Conventions: **the Rio markers**

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A project / activity can be marked as:

- **Principally** targeting CC
- **Significantly** targeting CC
- **Not targeting** CC

FINANCIAL SUPPORT PROVIDED

Overview:

- Annex II Parties currently required (“shall”) to report information on financial support provided (Biennial Reports and National Communications)
 - CTF for Biennial Reports
- Existing CTF tables on financial support provided represent a good starting point.

FINANCIAL SUPPORT PROVIDED

Provision of public financial support: contribution through bilateral, regional and other channels in 20XX-3^a

<i>Recipient country/ region/project/programme/activity^b</i>	<i>Total amount</i>		<i>Status^{c,3}</i>	<i>Funding source⁴</i>	<i>Financial instrument⁵</i>	<i>Type of support⁶</i>	<i>Sector^{d,7}</i>	<i>Additional Information^e</i>
	<i>Climate-specific^{f,2}</i>	<i>Domestic currency</i>	<i>Committed Disbursed</i>	<i>ODA OOF Other^g</i>	<i>Grant Concessional loan Non-concessional loan Equity Other^g</i>	<i>Mitigation Adaptation Cross-cutting^h Other^g</i>	<i>Energy Transport Industry Agriculture Forestry Water and sanitation Cross-cutting Other^g</i>	
		<i>USD</i>						

FINANCIAL SUPPORT PROVIDED

Main challenges:

- Ensuring internal consistency at the national level (e.g. across different agencies) ;
- Reporting consistently on coefficients used for climate-specificity;
- Reporting detailed information on type of a contribution (mitigation, adaptation, cross-cutting);
- Two new optional reporting elements:
 - Grant equivalent (applies also to financial support mobilized)
 - Inflows and/or outflows (applies to multilateral support provided)

How can CTF help?

- By enhancing understanding of data;
- By facilitating the use of converging classifications.

THE GRANT EQUIVALENT

Captures the value of a contribution accounting both for its **principal repayment** and **interest payments**, but discounting them to obtain their equivalent in today's money.



OECD DAC Experience

- ODA bilateral loans to the official sector;
- ODA loans to multilateral institutions.

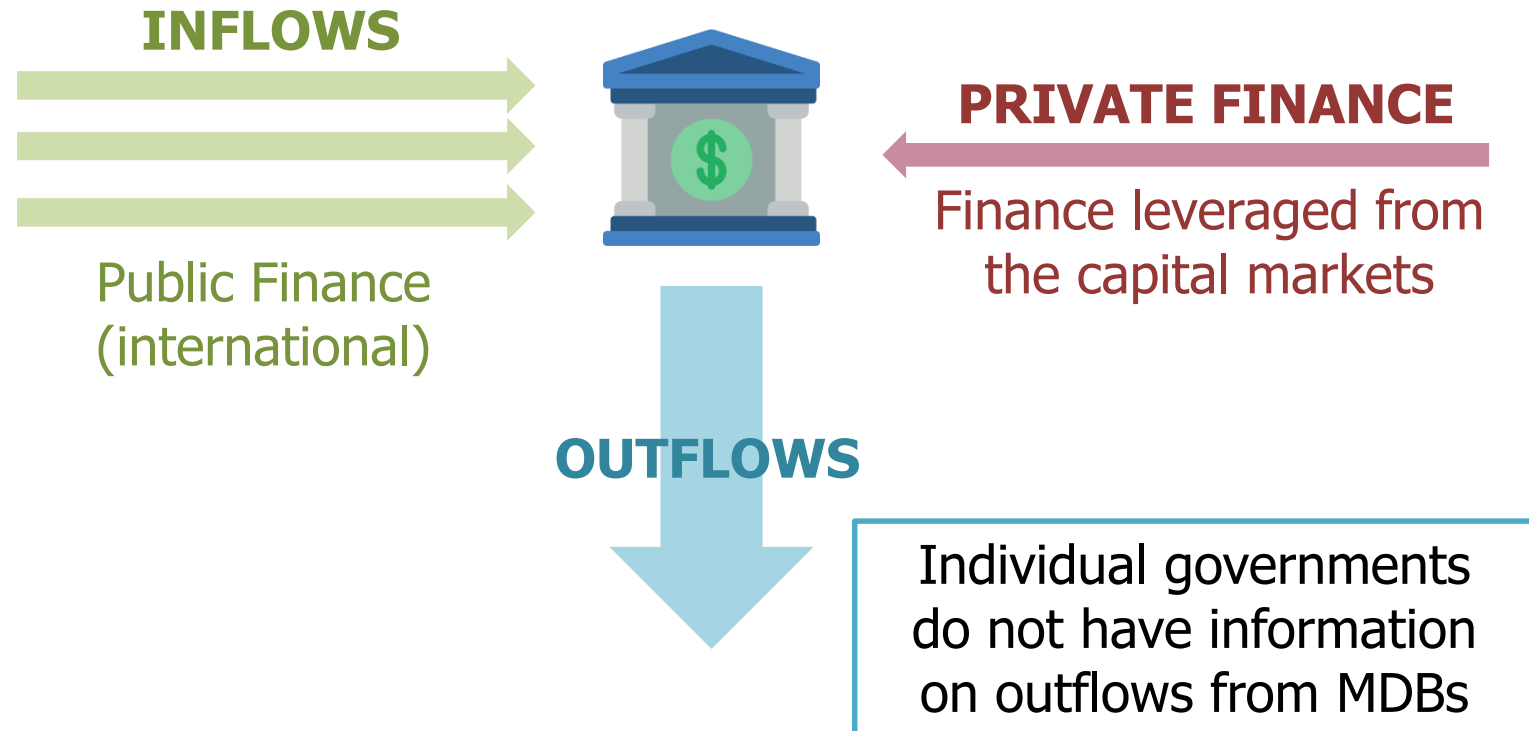
Challenges & Opportunities

- If available on a comparable basis, it provides a more consistent picture of the provider's effort;
- Facilitates comparison of different instruments;
- Lack of agreed methodologies for all except 2 instruments;
- Disconnect between GE and how the climate finance target is framed.

Financial support provided

Multilateral contributions

INFLOWS and OUTFLOWS



Financial support provided

Multilateral contributions

INFLOWS and OUTFLOWS

From developed Parties

From multilateral institutions



Un-earmarked contributions that Parties provide to multilateral organisations.

Donor Parties may not have visibility on details of their contributions at the project-level.

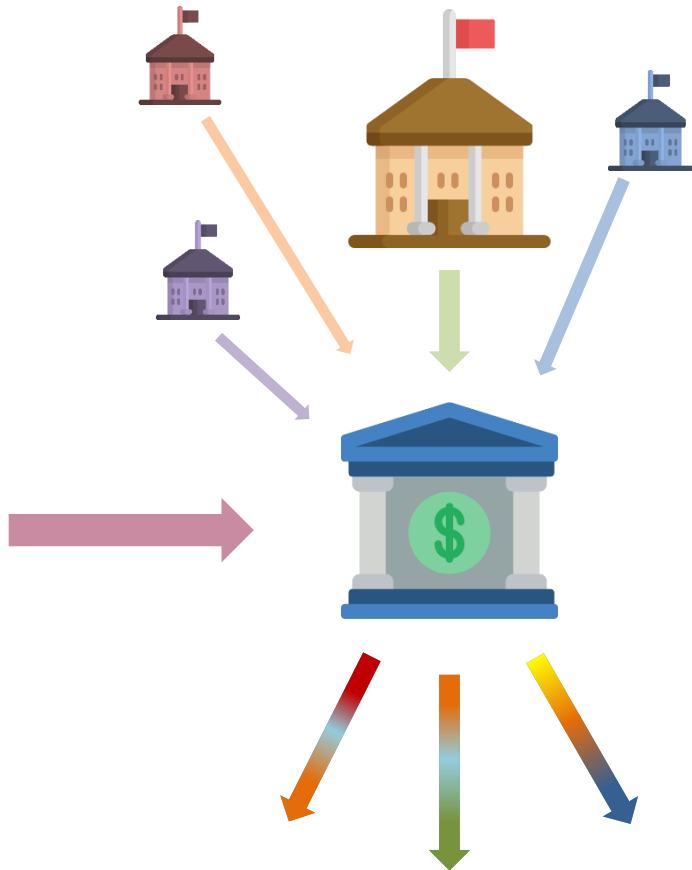
Financial support provided

Multilateral contributions

INFLOWS and OUTFLOWS

From developed Parties

From multilateral institutions



Total funds that flow from a multilateral organisation to a recipient Party.

Donor Parties do not have direct access to data on aggregate information on total outflows nor on their attributed share of an outflow.

FINANCIAL SUPPORT MOBILISED

Overview:

- Annex II Parties currently requested (“should”) to report information on financial support “leveraged” (Biennial Reports)
- Limited experience in reporting
 - Quantitative and/or qualitative information

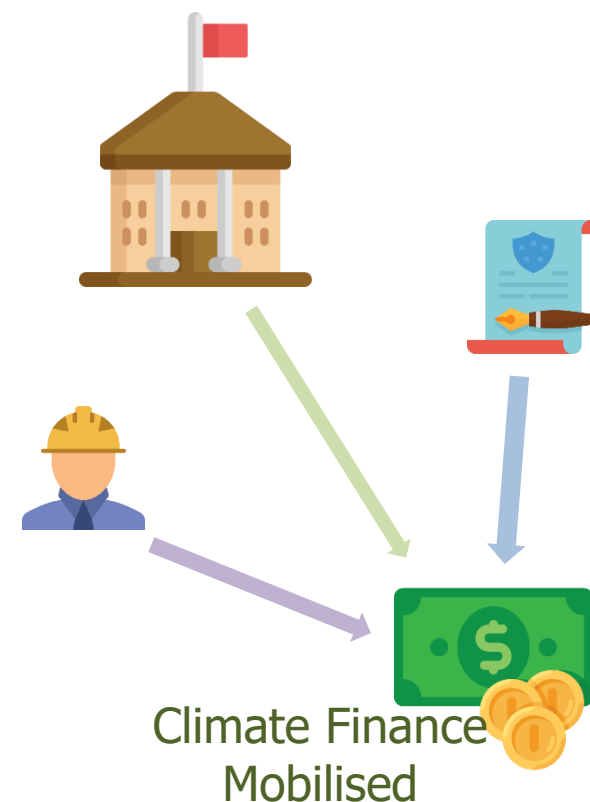
FINANCIAL SUPPORT MOBILISED

Main challenges:

- Systematising / institutionalising tracking of finance mobilised;
- Assessing causality and attribution and avoid double counting;
- Assessing amounts mobilised by multilateral contributions.

How can CTF help?

- By enhancing understanding of data;
- By facilitating the use of converging classifications.



FINANCIAL SUPPORT MOBILISED

Main challenges:

- Systematising / institutionalising mobilised;
- Assessing causality and attribution counting;
- Assessing amounts mobilised by multilateral contributions.

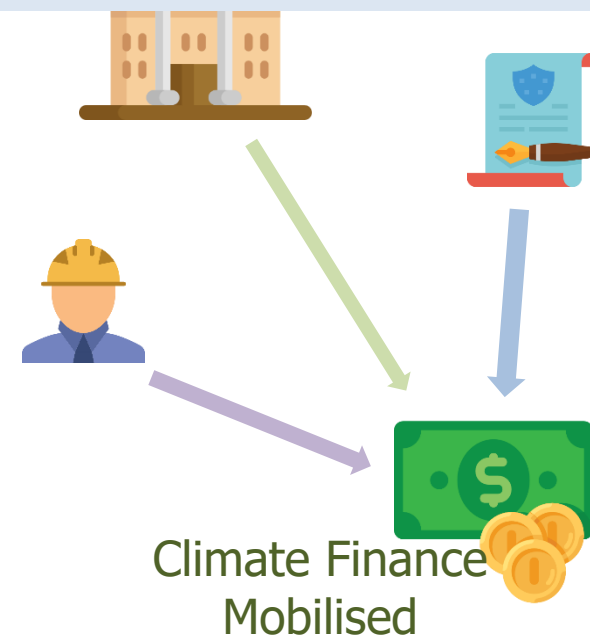
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- By facilitating the use of converging classifications.



OECD DAC Experience

Since 2017 regular collection of data on private finance mobilised for some official development finance instruments.



FINANCIAL SUPPORT RECEIVED

Overview:

- Non-Annex I Parties currently requested (“should”) to report information on financial support received (Biennial Update Reports and National Communications)
- Limited experience in reporting
 - Quantitative and/or qualitative information

FINANCIAL SUPPORT RECEIVED

Main challenges:

- Collecting data;
- Identifying climate finance;
- Multiple financial contributors;
- Providing information at the activity-level.



How can CTF help?

- By providing closed response options
- By allowing for different levels of detail
- By facilitating the provision of descriptive information

Conclusions

- The MPGs on climate finance reporting lay out **strengthened reporting requirements**, but will not allow for “double book-keeping”, or a complete picture of progress to the 100bn commitment.
- Some climate finance elements will be challenging to track, and therefore to report at Party level, particularly:
 - If **no tracking system** is in place at Party level for CF mobilised, received
 - For newly-introduced elements of **grant equivalent, outflows from multilateral institutions**
- Reporting on some elements will require further **work on methodologies**, and **improved co-operation and exchange of information** across different actors.
- Increased use of CTF tables (mandatory for CF provided by developed countries) can contribute to **enhanced reporting** and potentially **improved comparability** of data

Thank you!

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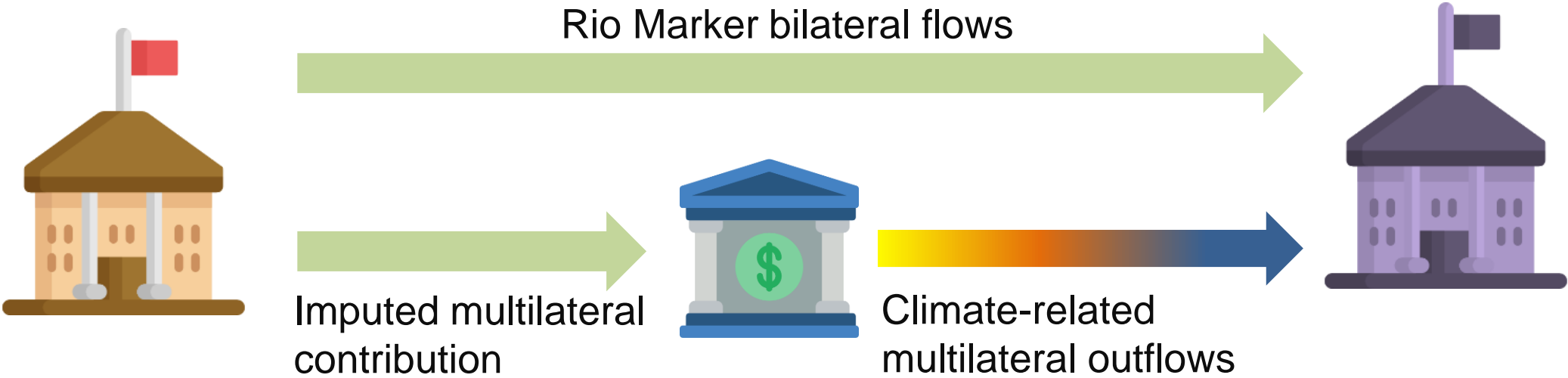
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Further readings:

- Ellis, J. and S. Moarif (2016), Enhancing transparency of climate finance under the Paris Agreement, OECD/IEA CCXG Papers, <https://doi.org/10.1787/2227779X>;
- Vallejo, L., S. Moarif and A. Halimanjaya (2017), Enhancing mitigation and finance reporting: Building on current experience to meet the Paris Agreement requirements, OECD/IEA CCXG Papers, <https://dx.doi.org/10.1787/5e354935-en>;
- Caruso, R. and J. Ellis (2013), Comparing definitions and methods to estimate mobilised climate finance, OECD/IEA CCXG Papers, <https://doi.org/10.1787/2227779X>;
- OECD-RC (2015), Estimating mobilised private climate finance, Policy Perspectives, OECD Publishing, Paris, <http://www.oecd.org/env/researchcollaborative>
- OECD-DAC (2018), Climate-related Development Finance Data, <https://bit.ly/2HmOcoa>

PROVIDER AND RECIPIENT PERSPECTIVE

For climate-related development finance



Ellis and Moarif (2016)