

1st Biennial Assessment and Overview of Climate Finance Flows (BA)

Seyni Nafo, Lima

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Mandates

Parties mandated the SCF to prepare the BA, to include information on the geographic and thematic balance of such flows. Subsequently, in preparing this first BA, the COP requested the SCF to consider the following:

- Relevant work by other bodies and entities on the MRV of support and the tracking of climate finance
- Ways of strengthening methodologies for reporting climate finance
- Ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance

Objectives guiding the work

SCF considers the reports on the BA as a meta-data studies of technical nature, with the 1st BA mainly approached from a gaps and limitations analysis angle. Specific objectives guiding the technical work include:

- To review existing and emerging methodologies used for measuring, reporting and verifying public and private finance flows, including use of climate finance definitions, and identify data gaps and limitations;
- To provide an overview of global climate finance flows, including trends on specific types of flows and sub-flows based on available literature
- To assess the quality of information and data on climate finance and the extent to which climate finance flows align with the objectives of the Convention, including considerations for future works



Scope of and structure of the 1st BA

Structure : the 1st BA consists of two main parts:

- a) The technical report on the 1st BA consisting of three core chapters and executive summary (ongoing)
- b) The conclusions and recommendations of the SCF drawn from the technical report included in the Report of the SCF to the COP(@ the 8th meeting of the SCF).

Scope: the technical report consists of the following:

- Synthesis of estimates on global climate finance flows and estimates of international climate finance flows, including sub-flows
- Description of the mechanics of tracking and reporting systems that are used to collect and aggregate the underlying data, including the associated operational climate finance definitions
- A high-level analysis which is applied to the above two sets of information to the extent possible (i.e. assess the extent to which climate finance flows are aligned with the objectives of the Convention and assess whether the quality, quantity and comprehensiveness of data on climate finance is improving over time, and presents the desired characteristics from a technical standpoint)
- Identification of gaps and limitations throughout the above



Some insights on the approach taken in preparing the technical report

- Collaboration with a number of IFIs, UN agencies, IOs and NGOs with experience in climate finance tracking and reporting (i.e. external contributors)
 - data-gathering and sharing of experiences in estimating and monitoring existing flows of climate finance through technical meetings and regular interaction)
- This technical report mainly covers climate finance flows for the period 2010–2012 . Where available, it includes information and data for 2013.
 - data are drawn and synthesised from existing analytical work and available data on climate finance flows in line with the meta-data study nature of the report on the BA
- This report covers two different, but related, categories of climate finance:
 - Global climate finance: all resources devoted to addressing climate change globally
 - International climate finance : total flows of climate finance from developed to developing countries, including bilateral multilateral sub-flows
- The work is organised in research tracks, each reviewing literature and gathering available data sets from primary and secondary data providers.
 - Research track I: reviews methodologies used to measure, report and verify different types of flow.
 - Research track II: collects data sets and any other relevant quantitative and qualitative information
 - Research track III: supports SCF to develop the assessment



Some Insights from the work on methodological issues

- An introduction to methodological issues, including operational definitions of climate finance adopted by international organisations: There are commonalities in the operational definitions adopted by data collectors and aggregators
- A description of approaches for reporting and reviewing climate finance data used by data collectors and aggregators: Differences in tracking and reporting approaches can result in variations in some estimates
- The work has identified ongoing efforts to improve sources and reporting of information on public and private finance : The technical report will highlight a number of methodological issues relating to reviewing of public finance from a technical standpoint

CHALLENGES AND LIMITATIONS

- Lack of common definition of climate finance
- Lack of, or inconsistent, reporting of climate finance to the UNFCCC, MDBs and other international finance institutions
- Inconsistent and incomplete reporting by developed countries of climate finance in NCs and BRs, particularly with regard to adaptation
- Lack of guidance for reporting financial support received by developing countries, including from MDBs and international funds, sub-national governments, NGOs, and private firms
- Inadequate capacity in developing countries to monitor international and domestic climate finance.
- Lack of information on private sector finance in sectors and subsectors other than renewable energy
- Lack of information about the role of developing countries in financing climate projects and programmes in other developing countries



Some Insights from the work on climate finance flows

- An overview of current climate finance flows following the structure of Onion diagram , including descriptions of the ranges of estimates of global climate finance, estimates of policy-relevant sub-flows by type and channel, including multilateral and bilateral, public and private, and mixed/hybrid flows.
- Estimates on geographic and thematic distribution of flows.
- Where discernible, the chapter highlights the underlying trends of global climate finance flows and sub-flows.

LIMITATIONS

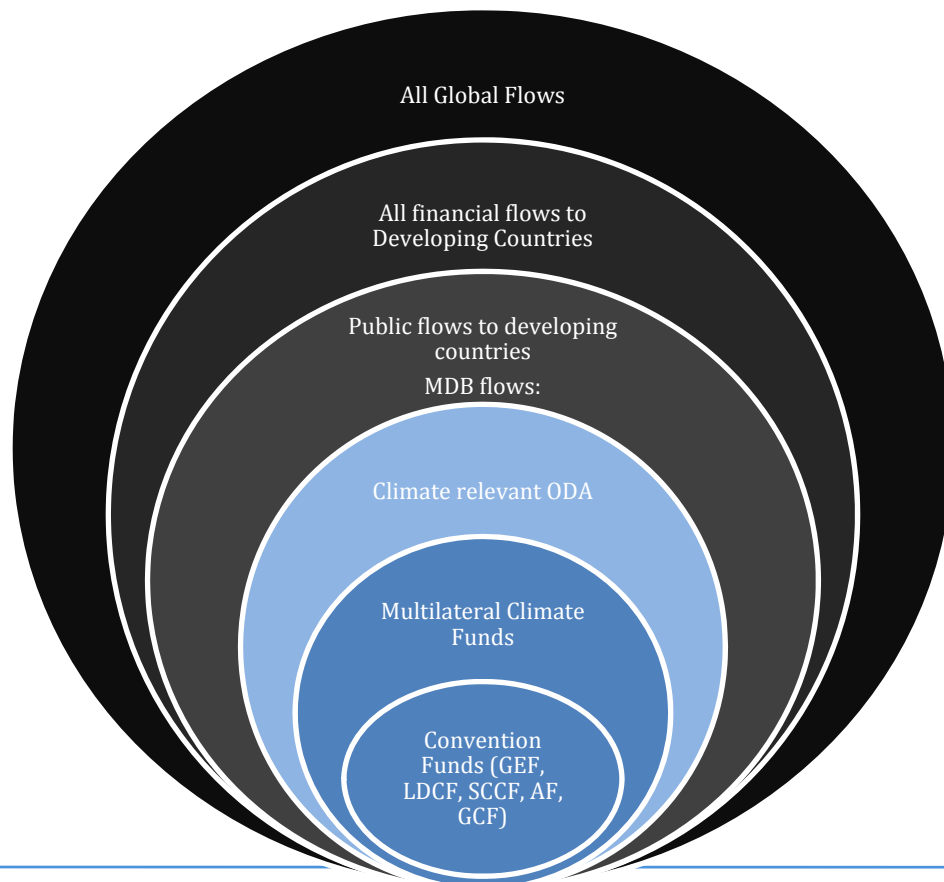
- the underlying data of the estimates of sub-flows are often not easily/immediately comparable

DATA GAPS

- available estimates of current global climate finance are limited by available data. For example, estimates of flows are made at different stages of climate finance cycle.



Indicative levels of certainty/uncertainty of estimates of climate finance flows



THANK YOU!

