

SBSTA item 12_Modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement

Bonn Climate Change Conference

16 – 26 May 2016



Section 1: Work undertaken under SBSTA

**Revisions to the common tabular format for biennial
reports(decision 9/CP.21)**



Background

- SBSTA 40 initiated its discussion on methodologies for the reporting of financial information by Annex I Parties, in accordance with decision 2/CP.17.
- The SCF, in accordance with decision 11/CP.20, included its recommendations on the methodologies for the reporting of financial information in its annual report to COP21 (FCCC/CP/2015/8, Annex VII).
- COP 21, on a recommendation by the SBSTA, welcomed the SCF recommendations and decided, inter alia, to adopt revisions to tables 7, 7(a) and 7(b) of the CTF (*decision 9/CP.21*).

- ❑ Developed country Parties shall use the revised electronic reporting application (for the revised CTF), taking into account their national circumstances, when preparing and submitting their **biennial reports in 2018** (*9/CP.21, para 8*)
- ❑ The SCF is requested to take into account the enhanced information provided by Parties included in Annex II to the Convention in its BA (*9/CP.21, para 13*)



Revision 1: Creation of reporting fields for the provision of information on definitions or methodologies used for reporting information in the following reporting parameters: **“climate-specific” or “core/general”, “status”, “funding source”... “financial instrument”, “type of support” and “sector”** (9/CP.21, para 6(a))

Table 7(a)

Provision of public financial support: contribution through multilateral channels in 20XX-3^a

New numerical footnotes for tables 7, 7(a) and 7(b)

Total amount		Status ^{b, 3}	Funding source ⁴	Financial instrument ⁵	Type of support ⁶	Sector ^{c, 7}
Core/general ^{d, 1}	Climate-specific ^{e, 2}			Grant		Energy Transport

Note: Explanation of numerical footnotes is provided in the documentation box after tables 7, 7(a) and 7(b).

Documentation box

1: Core/general
2: Climate-specific
3: Status
4: Funding source
5: Financial instrument
6: Type of support
7: Sector
Each Party shall provide an indication of what new and additional financial resources it has provided and clarify how it has determined that such resources are new and additional. Please provide this information in relation to tables 7(a) and (b).

Documentation box corresponding to footnotes (at the end of the tables) for provision of information on definitions or methodologies



Revision 2: Creating reporting fields for the provision of information on ...“activity”
(9/CP.21, para 6(a))

Table 7(b)

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

<i>Total amount</i>			<i>Total amount</i>		
<i>Climate-specific^f</i>			<i>Climate-specific^{f, 2}</i>		
<i>Recipient country/ region/project/programme^b</i>	<i>Domestic currency</i>	<i>USD</i>	<i>Recipient country/ region/project/programme/activity^b</i>	<i>Domestic currency</i>	<i>USD</i>

Reporting parameter “activity” added to table 7(b)- contribution through bilateral, regional and other channels

Revision 3: Aligning the categorization in the reporting parameter “status” of support (“pledged”, “committed” and “provided”) ...with the categorization used in other existing international methodologies (“**committed**” and “**disbursed**”) (9/CP.21, para 6(c))

Table 7(a)

Provision of public financial support: contribution through multilateral channels in 20XX-3^a

	Total amount				Status ^b	Func sou.
	Core/general ^d		Climate-specific ^e			
	Domestic currency	USD	Domestic currency	USD	Provided Committed Pledged	OL OC Oth
Donor funding						

^a Parties should explain, in their biennial reports, the methodologies used to specify the funds as provided, committed and/or pledged. Parties will provide the information for as many status categories as appropriate in the following order of priority: provided, committed, pledged.

	Total amount				Status ^{b, 3}	Fundi sourc
	Core/general ^{d, 1}		Climate-specific ^{e, 2}			
	Domestic currency	USD	Domestic currency	USD	Committed Disbursed	ODI OOI Othe
Donor funding						

Reporting parameter “status” of support revised from pledged/committed/provided to committed/disbursed for tables 7(a) and 7(b).



^a Parties should explain, in their biennial reports, the methodologies used to specify the funds as **disbursed and committed**. Parties will provide the information for as many status categories as appropriate in the following order of priority: **disbursed and committed**.

Section 2: Ongoing work under SCF

Part I: Biennial assessment and overview of climate finance flows (BA)



2014 BA Recommendations relating to MRV of support / Transparency of support

Methodologies

- Invite relevant data producers, collectors, aggregators, and experts from both developed and developing countries to offer suggestions for the enhancement of approaches for measuring and reporting climate finance through, inter alia, (i) introduction of formal data assessment processes; (ii) improvements in the use of common definitions, and; (iii) further efforts to develop common methodologies, particularly for the provision of information on adaptation finance and private climate finance, to the extent possible, disaggregated data to improve comparability of data;
- Request the SCF to cooperate with relevant institutions and experts, including from the private sector, to devise practical options for estimating and collecting data on private climate finance, taking into consideration the findings of the OECD Research Collaborative on Tracking Private Climate Finance;

Operational definition of climate finance

- Invite Parties to consider the definitional elements for future reporting under the Convention; and,
- Request the SCF, in collaboration with relevant international financial institutions and organizations, to continue technical work on operational definitions.

For the full summary and recommendations by the SCF on the 2014 BA, please refer to the SCF report to COP 20 (FCCC/CP/2014/5, Annex II)

Available at: <http://unfccc.int/resource/docs/2014/cop20/eng/05.pdf>



Work relating to MRV of support provided and mobilized in the context of the 2016 BA

The preparation of the 2016 BA is ongoing. The BA technical report will include a chapter on methodological issues, which may include relevant information, inter alia, including:

- Efforts aimed at harmonizing reporting approaches of institutions that produce and aggregate data and what they consists of, including convergences, if any, in the operational definitions of climate finance since the publication of 2014 BA;
- Insights on emerging approaches for tracking public and private climate finance co-financing, including estimation methods for mobilized private finance by public finance and interventions as well as domestic climate finance tracking and reporting systems;
- Understanding of the methodologies used to aggregate financial information on public and private finance mobilized
- Efforts aimed at developing common approaches for assessing impact of financed GHG emissions, low-carbon development and climate resilience;
- The extent to which financial information on public finance support provided in the second biennial reports have improved compared to the first biennial reports based on available information from the technical reviews;

For more information on the preparation on the 2016 BA, please refer to the “note by co-facilitators of the working group on the 2016 biennial assessment and overview of climate finance flows” prepared for the 12th meeting of the SCF, available at:

http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/ba_co-facilitators_note__4_april.pdf



Section 2: Ongoing work under SCF

Part II: SCF Workplan (2016-2017) on MRV of Support beyond the BA



In 2015, the Standing Committee on Finance (SCF) identified a number of gaps and areas for improvement in the current arrangements for measurement, reporting and verification (MRV) of support. The SCF will implement the activities presented in its 2016–2017 workplan to address the identified gaps and enable improved MRV of support under the Convention, including inter alia:

- Continue technical work to enhance the transparency and comparability and develop a better understanding of operational definitions of climate finance in collaboration with relevant international financial institutions and organizations
- Devising practical options for mobilized climate-related private finance
- Enhancing engagement of relevant data producers, collectors, aggregators, with a view to facilitating the development of common methodologies for collection of financial information

For the full workplan on MRV of support beyond the BA, please refer to the SCF report to COP 21 (FCCC/CP/2015/8, Annex VII)

Available at: <http://unfccc.int/resource/docs/2015/cop21/eng/08.pdf>



Section 3: Ongoing work under APA

Establishment of an enhanced transparency framework for (action and) support



Article 13 (Transparency) and respective decision paragraphs

Establishment of the transparency framework (Article 13, para 1)

In order to build mutual trust and confidence and to promote effective implementation, an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience is hereby established.

Purpose of the framework for transparency of support (Article 13, para 6)

The purpose of the framework for transparency of support is to provide clarity on support provided and received by relevant individual Parties ...and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake under Article 14.

Provision of information (Article 13, paras 9 and 10)

- Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer and capacity-building support provided to developing country Parties
- Developing country Parties should provide information on financial, technology transfer and capacity-building support needed and received...



Article 13 (Transparency) and respective decision paragraphs

Common modalities, procedures and guidelines (Article 13, para 13 and 1/CP.21, paras 91, 92, 94)

- CMA 1 shall, building on experience from the arrangements related to transparency under the Convention, and elaborating on the provisions in this Article, adopt common modalities, procedures and guidelines, as appropriate, for the transparency of action and support.
- APA to develop recommendations for modalities, procedures and guidelines in accordance with Article 13, paragraph 13, of the Agreement, and to define the year of their first and subsequent review and update, as appropriate, at regular intervals, for consideration by COP 24, with a view to forwarding them to CMA 1;
- APA, in developing the recommendations for the modalities, procedures and guidelines...to take into account, inter alia: the need to promote transparency, accuracy, completeness, consistency and comparability; the need to ensure that double counting is avoided...
- APA, in developing the modalities, procedures and guidelines, to consider, inter alia: support provided, enhancing delivery of support for both adaptation and mitigation through, inter alia, the CTFs for reporting support, and taking into account issues considered by the SBSTA on methodologies for reporting on financial information, and enhancing the reporting by developing country Parties on support received, including the use, impact and estimated results thereof; information in the BA and other reports of the SCF...



Article 13 (Transparency) and respective decision paragraphs

Technical expert review and facilitative multilateral consideration (Article 13, paras 11 and 12)

- Information submitted by each Party...shall undergo a technical expert review... In addition, each Party shall participate in a facilitative, multilateral consideration of progress...
- The technical expert review under this paragraph shall consist of a consideration of the Party's support provided, as relevant.. The review shall also identify areas of improvement for the Party, and include a review of the consistency of the information with the modalities, procedures and guidelines referred to in paragraph 13 of this Article, taking into account the flexibility accorded to the Party...

