



THE DEVELOPMENT ASSISTANCE COMMITTEE:  
ENABLING EFFECTIVE DEVELOPMENT

# Methodologies for Reporting Financial Information: Views from the OECD

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Information by Parties included in Annex I  
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# 4 key areas....

- 1. Basic concepts for financial reporting**
- 2. Identifying climate-related development finance: Rio marker methodology, definition and guidance**
- 3. Drawing on Rio marker data for more quantified reporting**
- 4. Estimating climate-specific multilateral flows**

# Basic Concepts for Financial Reporting

- Standardised financial data collection concepts provide a basis to support more consistent, comparable and transparent reporting

Table 7(b)

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

Recipient country/ region/project/programme <sup>b</sup>	Total amount		Status <sup>c</sup>	Funding source	Financial instrument	Type of support	Sector <sup>d</sup>	Additional Information <sup>e</sup>
		Climate-specific <sup>f</sup>		Provided, Committed, Pledged	ODA OOF Other <sup>g</sup>	Grant Concessional loan Non-concessional loan Equity Other <sup>g</sup>	Mitigation Adaptation Cross-cutting <sup>h</sup> Other <sup>g</sup>	Energy Transport Industry Agriculture Forestry Water and sanitation Cross-cutting Other <sup>g</sup>
	Domestic currency	USD						

- Existing DAC definitions and classifications for; Exchange rates, Commitments/disbursements, ODA and OOF, Financial Instrument, sector....

# Identifying climate-related activities

## “Rio markers” Climate mitigation and adaptation

- Indicate policy objectives i.e. activities targeting Climate Change as a *principal* objective, a *significant* objective, or not at all

## Work plan on improvements - “fine tuning” the definitions, eligibility and guidance\*

- **Aim:** Facilitate reporting on Rio markers, improve quality and harmonisation of reporting practices
- **Update terminology and developing indicative table** to guide marking by sector/sub-sector.
- **Enhancing common approaches and comparability with other tracking initiatives**, e.g. drawing on MDB positive list, 3-step adaptation approach, KfW guidance



Sub-sector	Mitigati	Adaptati	Rationale for scoring	Examples
Renewable energy	2	0	<p>The main objective of renewable energy production is typically to reduce GHG emissions, through project development or the creation of enabling environments for development and dissemination of the skills and technologies necessary to expand renewable generation.</p> <p>The rationale for projects to qualify as mitigation is that, in the absence of the renewable energy construction/rehabilitation, high GHG emitting energy sources would be used. Etc.</p>	<ul style="list-style-type: none"> <li>• Wind energy</li> <li>• Photovoltaic and concentrated solar power (CSP)</li> <li>• Geothermal</li> <li>• Biomass and biogas</li> <li>• Etc.</li> <li>• Hydropower only if net emission reductions can be demonstrated**.</li> <li>• Capacity development to expand renewable energy with the primary objective of reducing GHG emissions.</li> </ul>

Example of table to guide marking

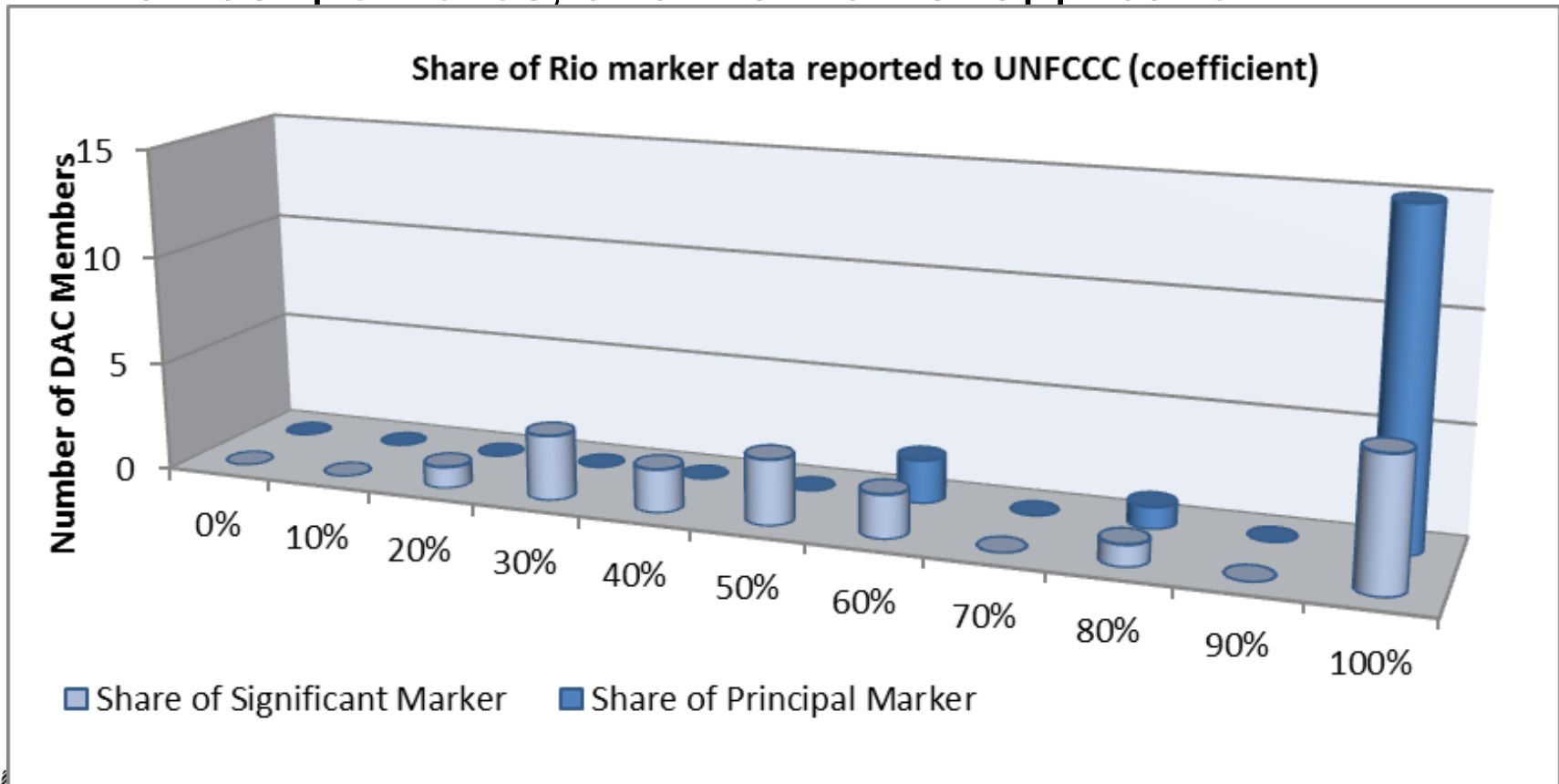


# Drawing on Rio marker data for more quantified reporting

- The Rio markers are **descriptive rather than strictly quantitative**
- Track mainstreaming and **allow for an approximate quantification of financial flows.**
- Majority of DAC members draw on Rio marker data as the basis for reporting to the UNFCCC on bilateral ODA.
- Many apply “coefficients” to scale down the share of finance reported

# Climate Finance “Coefficients”

- Most report 100% *principal*
- Varied treatment of *significant*, range 0-100%
- Different approaches may relate to the nature of different member portfolios, and the marker application.



# Estimating multilateral contributions

Estimate the climate-specific portion of core contributions to multilateral organisations, to provide a fuller estimate of provider effort

## 2 steps for calculating imputed multi contributions

1

Estimate the proportion of the activities undertaken by the multilateral organisation that aim to address climate change.

2

Apply this proportion to the donor's core contribution, to estimate which share is climate-specific.



### Estimates reflect providers climate-related ODA “inflows”

- do not add to multilateral outflows
- do not reflect or attribute finance funded through MDBs capital resources

Table 7  
Provision of public financial support: summary information in 20XX-3<sup>a</sup>

Allocation channels	Domestic currency			
	Core/ general <sup>c</sup>	Climate-specific <sup>d</sup>		
		Mitigation	Adaptation	Cross-cutting <sup>e</sup>
Total contributions through multilateral channels:				
Multilateral climate change funds <sup>g</sup>				
Other multilateral climate change funds <sup>h</sup>				





# Considerations on reporting mobilised private climate finance

- OECD-led Research Collaborative has for the past two years been exploring and assessing methods to estimate mobilised private climate finance, also considering implications in terms of reporting
- Data availability and confidentiality restrictions imply reporting requirements for private might need to differ compared to public finance e.g. the identity of private finance providers might remain unavailable; it might not always be technically feasible and meaningful to attribute a geographical origin to private finance.
- On-going pilot studies by OECD, MDBs, bilateral institutions and individual countries to estimate mobilised private climate finance to estimate mobilised private climate finance with results expected before the end of 2015.
- These pilots will yield practical findings in terms of instruments and activities for which at least partial reporting of mobilised private climate finance is possible and at what level e.g. individual countries/finance institutions versus collectively.
- Results from these pilots will also make it possible to identify next steps that could be initiated for improved coverage moving forward.

More information: [www.oecd.org/env/researchcollaborative](http://www.oecd.org/env/researchcollaborative)



## OECD DAC CRS Rio marker statistics and analysis

[www.oecd.org/dac/stats/rioconventions.htm](http://www.oecd.org/dac/stats/rioconventions.htm)

## OECD Submission

[http://unfccc.int/files/documentation/submissions\\_from\\_observers/application/pdf/500.pdf](http://unfccc.int/files/documentation/submissions_from_observers/application/pdf/500.pdf)

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