OECD submission to the UNFCCC Subsidiary Body for Scientific and Technological Advice [1]

This submission is provided in response to the UNFCCC Subsidiary Body for Scientific and Technological Advice's (SBSTA) call for inputs from observer organisations on *"modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement"*.

The Organisation for Economic Co-operation and Development (OECD) welcomes the opportunity to submit inputs based on its experience and expertise in measuring, reporting and analysing international climate finance flows, including through publication of the report *Climate finance in 2013-14 and the USD 100 billion goal*, and as part of on-going work of the OECD's Development Assistance Committee, the OECD-led Research Collaborative on Private Climate Finance, and the OECD/IEA Climate Change Expert Group. The OECD reiterates its interest and readiness to contribute to the UNFCCC's on-going work on the Measurement, Reporting and Verification (MRV) of support. The OECD Secretariat is open to discuss, partner and collaborate as appropriate, as well as to contribute to future expert meetings and discussion hosted by the SCF and UNFCCC.

1. Accounting modalities needed to ensure transparent and consistent reporting

Article 9.7 of the Paris Agreement stipulates that *"developed country Parties shall provide transparent and consistent information on support for developing country Parties provided and mobilized…"* on a biennial basis. Article 13.13 of the Paris Agreement stipulates that the modalities, procedures and guidelines to be adopted by CMA1 shall build on "experience from the arrangements related to transparency under the Convention".

Definitions of "transparent" and "consistent" have been developed under the UNFCCC, in the context of Annex I reporting of greenhouse gas emissions inventories. These definitions could usefully be built on for climate finance.

The latest reporting guidelines for Annex I national communications indicate that "transparency means that the data sources, assumptions and methodologies used … should be clearly explained, in order to facilitate the replication and assessment of the inventory by users of the reported information." Reporting to the UNFCCC could be made more complete and transparent through parties providing disaggregated data, and details on the methodological approach they have taken–for example, through notifying methodological information on the use of Rio markers , the coefficient used for reporting on financial resources flows, and information on financial resources provided to multilateral organisations.

The Annex I inventory reporting guidelines also indicate that "consistency means … internally consistent for all reported years in all its elements across sectors, categories … if the same methodologies are used for the base and all subsequent years and if consistent data sets are used …". Annex I Parties need to report climate finance information as part of their national communications, and as part of their biennial reports. A first step in improving consistency would be to ensure that the reporting guidelines for climate finance in these two reports are consistent with one another (as outlined in Ellis and Moarif, 2015)[2]. While there is an overlap between the two sets of guidelines, there are also some differences. A second step would be to remove ambiguities in the current reporting guidelines, which mean that different countries

[1] This submission provides input based on the OECD Secretariat's research, analysis and data. The information contained in this submission does not necessarily reflect the official views of the OECD or of the governments of its member countries.

[2] Available at: http://dx.doi.org/10.1787/5jm56w6f918n-en

currently use a range of approaches in estimating or reporting a specific item (e.g. commitments vs disbursements; inclusion or exclusion of "other official flows"; multilateral contributions; calendar vs fiscal year etc. see OECD 2015 for details).[3] This diversity of approaches means that information submitted by different countries is not always comparable.

OECD experience with its statistical system for tracking climate-related development finance shows that comparability across countries, as well as within countries across time, is important in order to be able to develop meaningful aggregates and monitor overall trends. In order to provide a complete picture of climate finance provided and mobilised, information on climate finance provided and mobilised by individual Parties needs to be supplemented with information on outflows from multilateral development banks.

2. OECD reporting practices and considerations for the development of accounting modalities under the UNFCCC

Current practices by the OECD in collecting, processing, analysing and disseminating information on climate-related development finance can be informative for Parties as they consider the accounting modalities needed to ensure transparent and consistent reporting of information on support for developing country Parties, provided and mobilised through public interventions.

The OECD has developed a "Quality framework and guidelines for OECD statistical activities" [STD/QFS(2011)1] which may be a useful source of standard information for the UNFCCC as Parties develop the accounting modalities needed to ensure transparent and consistent reporting. The OECD views quality in terms of seven dimensions: relevance, accuracy, credibility, timeliness, accessibility, interpretability and coherence (see Annex 2 for definitions of these terms). These dimensions may help to clarify the elements needed for "transparent" reporting in the UNFCCC context (see in particular the dimensions of "accessibility" and "interpretability") and for "consistent" reporting (see "coherence").

2.1 The DAC Statistical System

The OECD Development Assistance Committee (DAC) **Creditor Reporting System (CRS)** provides transparency through the collection, processing, analysis and publication of project-specific information on individual development finance activities. This information is freely available at *https://stats.oecd.org/qwids/*.

The CRS includes a policy marker system to identify information on development assistance that is "principally" or "significantly" focused on the objectives of the Rio Conventions on biodiversity, desertification, climate change adaptation and climate mitigation. Since 1998, the so-called Rio markers have tracked finance flow for climate change mitigation, and in 2010 a complementary marker for climate change adaptation was introduced (see discussion of Rio markers below). Totals are adjusted to ensure that there is no double counting for activities that address both mitigation and adaptation.[4] Information in the CRS database includes project-level data on climate-related development finance flows from 29 DAC member countries[5], three non-DAC countries[6], seven multilateral development banks (MDBs)[7], and six

[3] OECD (2015), *Climate finance in 2013-14 and the USD 100 billion goal*, a report by the OECD in collaboration with Climate Policy Initiative. http://www.oecd.org/environment/cc/OECD-CPI-Climate-Finance-Report.htm.

[4] Summaries available at www.oecd.org/dac/stats/climate-change.htm

[5] Australia, Austria, Belgium, Canada, Czech Republic, Denmark, European Union, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Republic of Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States.

other international organisations. [8] Consolidated activity level data for both bilateral and multilateral climate-related development finance is available for 2013 flows onwards.

The integrated data system collects financial flows from a range of channels (bilateral and multilateral), and tracks the status of implementation of activities, from commitments to disbursements. Information is collected on a calendar year basis. Consistency and robustness are ensured through the use of standardised definitions and bases of measurement across all flows[9], and the DAC Secretariat's review of the data provided. The DAC statistical framework and classifications avoid double-counting: bilateral donors report separately on their bilateral support and core support to multilateral organisations (multilateral development finance), and multilateral organisations report on their outflows (financed out of their core resources and money raised on capital markets). The fact that both bilateral and multilateral data are recorded and reconciled in the same system ensures that they are not double counted.

The DAC CRS database of flows to developing countries can be used to explore data from a provider or recipient perspective:

- **The "provider perspective"** presents each DAC member's bilateral contributions that flow to developing countries and multilateral contributions to multilateral development institutions. In the context of climate, a Rio marker system is used to identify relevant bilateral finance flows, and multilateral contributions for climate are estimated through the calculation of "imputed multilateral contributions".

- **The "recipient perspective"** presents flows benefiting the recipient originating from all sources, and therefore includes bilateral flows from bilateral providers and outflows from multilateral organisations. In the context of climate, Rio-marked bilateral flows collected from DAC members and other bilateral providers are presented together with multilateral climate finance outflows collected from the MDBs and other climate specific funds.

2.1.1 Definitions and classifications for climate finance data collection

Ensuring that individual countries use comparable definitions and classifications allows for meaningful aggregation of data. The OECD DAC statistical system is based on standardised definitions and classifications, for example for commitments, disbursements, financial instruments, exchange rates and sector codes (see Annex 1), and points of measurement. This provides rules and a base of measurement for financial data collection and reporting. It enables transparent, robust and consistent data collection over time, and facilitates statistical analysis and a clearer interpretation of the data. To guide scoring and improve consistency of reporting, an indicative table of likely scores by sector and examples of qualifying activities has been developed.[10]

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[6] Lithuania, Romania and the United Arab Emirates.

[7.] The African Development Bank (AfDB), the Asian Development Bank (AsDB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IADB), the World Bank (WB), and the International Finance Corporation (IFC).

[8.] The Adaptation Fund, Climate Investment Funds (CIFs), Global Environment Facility (GEF), International Fund for Agricultural Development (IFAD), Islamic Development Bank, and the Nordic Development Fund.

[9] Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire, DCD/DAC(2016)3/FINAL, ADD1 and ADD2, https://www.oecd.org/dac/stats/DCD-DAC(2016)3-ADD1-FINAL-ENG.pdf and https://www.oecd.org/dac/stats/DCD-DAC(2016)3-ADD2-FINAL%20-ENG.pdf.

[10] See www.oecd.org/dac/stats/rioconventions.htm.

In the CRS Rio markers, activities marked "principal" would not have been funded but for that policy objective; activities marked "significant" have other prime objectives but have been formulated or adjusted to help meet the policy objective. By identifying activities targeting climate change as a "principal" or "significant" objective, the markers provide an indication of the degree of mainstreaming of environmental considerations into development co-operation portfolios. As such, the markers are considered descriptive rather than strictly quantitative. In OECD DAC marker data presentations, the figures for flows targeting objectives as principal or significant can be shown separately, and the sum referred to as the "upper bound" of climate-related development finance.

Table 1: Rio marker definition and eligibility criteria of mitigation and adaptation

	Mitigation	**Adaptation**
Definition	An activity should be classified as climate-change mitigation related (score Principal or Significant) if: It contributes to the objective of stabilisation of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions or to enhance GHG sequestration.	An activity should be classified as climate-change mitigation related (score Principal or Significant) if: It intends to reduce the vulnerability of human or natural systems to the current and expected impacts of climate change, including climate variability, by maintaining or increasing resilience, through increased ability to adapt to, or absorb, climate change stresses, shocks and variability and/or by helping reduce exposure to them.
Eligibility criteria[11]	The activity contributes to a) the mitigation of climate change by limiting anthropogenic emissions of GHGs, including gases regulated by the Montreal Protocol; or b) the protection and/or enhancement of GHG sinks and reservoirs; or c) the integration of climate change concerns with the recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; or d) developing countries' efforts to meet their obligations under the Convention. The activity will score "principal objective" if it directly and explicitly aims to achieve one or more of the above four criteria.	a) The climate change adaptation objective is explicitly indicated in the activity documentation; and b) the activity contains specific measures targeting the definition above. Carrying out an assessment of vulnerability to climate variability and change, either separately or as an integral part of agencies' standard procedures, facilitates this approach. To guide scoring, a three-step approach is recommended as a "best practice", in particular to justify for a principal score: the activity sets out the context for climate risks, vulnerabilities and impacts; states the intent to address these; and demonstrates a clear link between the risks, vulnerabilities and impacts and the project activity.

OECD DAC members reporting to Rio conventions drawing on Rio marker data

The Rio markers were originally designed to help DAC members in their preparation of National Communications or National Reports to the Rio Conventions, by identifying activities that mainstream the

[11] Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire, DCD/DAC(2016)3/FINAL, ADD1 and ADD2, http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DCDDAC(2016)3FINAL.pdf, https://www.oecd.org/dac/stats/DCD-DAC(2016)3-ADD1-FINAL-ENG.pdf and https://www.oecd.org/dac/stats/DCD-DAC(2016)3-ADD2-FINAL%20-ENG.pdf.

Conventions' objectives into development co-operation. In recent years, however, related financial commitments have emerged that affect members' reporting requirements. On climate change, developed country Parties have committed to a goal of jointly mobilising USD 100 billion per year by 2020 from a wide variety of sources to address the needs of developing countries (Decision 1/CP.16)[12].

While most DAC members use the Rio markers as a basis for their financial reporting to the UNFCCC, a recent OECD stock-take on reporting practices revealed that the majority adjust the amounts reported[13]. The adjustments may be determined by the marker (e.g. climate change mitigation or adaptation), marker score (i.e. principal or significant) or by sector (e.g. energy or transport). For example, if a country reports to the UNFCCC only 40% of climate finance for projects with climate change adaptation or mitigation as their "significant" objective, then the level of climate finance for such projects will be 40% of that reported to the CRS. However, the specific coefficient(s) used is (are) not routinely reported to the UNFCCC. Details of adjustments used by provider countries for 2013-14 climate finance data are available in Annex C of OECD (2015).[14]

2.1.2 Modernisation of the OECD DAC development finance framework

The OECD DAC is modernising its statistical system. This includes in particular the use of grant equivalents as a basis for measuring and reporting Official Development Assistance (ODA), modernising how private sector instruments are measured, and expanding the coverage of its statistical system to also collect amounts mobilised by official development interventions from the private sector:

- **The treatment of loan concessionality**: modernising the reporting of concessional loans to introduce a grant equivalent system for the purpose of calculating ODA figures. Under the new reporting system, ODA counted and reported will be higher for a grant than for a loan, and concessionality will be assessed based on differentiated discount rates for lower and middle income countries.[15]

- **Private sector instruments**: modernising the measurement of donor effort involved in the use of "private sector instruments" (PSIs) e.g. loans, guarantees, and equity to private sector entities. For PSIs to qualify as ODA, criteria include: i) an assessment of the developmental mandate and objectives of providing institutions, and whether finance provided is additional to that provided by the market; ii) the provision of data in the OECD DAC statistical system at the activity level; and iii) the publication of data under agreed transparency provisions and rules on data disclosure.

- **Mobilisation**: expanding the coverage of the DAC statistical system to also collect amounts mobilised by official development interventions from the private sector. See section 2.3.1 below.

[12] http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2

[13] OECD (2014), ENVIRONET-WP-STAT Task Team Room Document 1, Draft Stock Take Report on Members' Reporting Practices on Environment-related Official Development Finance and Reporting against International Obligations, (unpublished).

[14] OECD (2015), *Climate finance in 2013-14 and the USD 100 billion goal, a report by the OECD in collaboration with Climate Policy Initiative*, www.oecd.org/environment/cc/OECD-CPI-Climate-Finance-Report.htm

[15] For more information see www.oecd.org/dac/financing-sustainable-development/modernisation-dac-statistical-system.htm

Systematic data collection in the DAC system on PSI and amounts mobilised is expected to start in 2017. This is expected to improve the coverage and quality of DAC statistics by i) improving transparency of reporting on development activities with the private sector, including climate-related development activities, and ii) increasing the coverage of data on climate-related development finance mobilised by these development activities with the private sector.

In addition, the DAC is working on a measure for "total official support for sustainable development" (TOSSD). Though still being developed, it is expected that it will capture broader official and officially supported resource flows beyond ODA, such as total resource flows to developing countries in support of development, regardless of the types of instruments used and associated terms. Public consultations currently underway will determine the future components and features of the TOSSD measurement framework, which is likely to focus on i) cross-border officially supported flows provided to developing countries and ii) officially supported flows at global, regional and/or country level that support development enablers (including environmental sustainability) and address global challenges as set out in the Sustainable Development Goals (including climate change).[16]

2.2 Approaches for measuring multilateral climate finance

2.2.1 Reporting multilateral finance

Large volumes of climate finance are channelled through the multilateral financial system. It is, therefore, important that accounting and reporting modalities in this area are designed in a way that takes into account the characteristics of multilateral flows. Multilateral finance can be analysed and measured from two points of measurement:

- **Inflows to multilateral organisations**. A member country can provide core funding to multilateral organisations (or un-earmarked contributions). The climate share of such funds can be estimated by applying the share represented by climate activities in the organisation's overall portfolio to individual un-earmarked contributions. A member country can also provide non-core (or earmarked) resources to multilateral agencies for a specific country, project, region, sector or theme e.g. climate change. Where funds are earmarked for a specific country or region, known as "multi-bi" flows, they are reported as bilateral in the OECD DAC system and separately identifiable.[17] However, they are sometimes combined with the reporting of core (multilateral) contributions in country reporting to the UNFCCC.

- **Outflows from multilateral organisations.** These are the total funds flowing from multilateral organisations to recipient countries in a specified period. They comprise the finance provided (inflows) to these organisations by both developed and developing member countries plus any additional funds received or raised by the multilateral organisations. The latter may represent a significant share of total outflows in some cases, for example when individual multilateral development banks raise resources from international capital markets.

The main difference in estimates resulting from using the inflow- and outflow-based methodologies stem from the non-concessional lending activities of MDBs: non-concessional activities are mainly

[16] TOSSD Compendium for public consultation, www.oecd.org/dac/financing-sustainable-development/TOSSD%20Compendium2016.pdf.

[17] Through the "channel of delivery" dimension in the CRS. See Annex 1.

financed through borrowing on the international capital markets.[18] Climate finance estimates based solely on inflows to MDBs from their member countries do not include the funds raised by multilateral development banks on capital markets.

2.2.2 Options for attributing multilateral finance to countries

Attributing multilateral climate finance to specific countries (or a group of countries) is important in the UNFCCC context of tracking developed countries' progress towards their joint commitment to provide and mobilise climate finance for developing countries. However, attribution entails methodological choices. There are two main categories of methods:

- **Attribution based on inflows (known as "imputed multilateral contributions"):** Contributions – or inflows – to the general budgets of multilateral institutions are not earmarked. As such, they do not provide an indication on the use of the funds and do not allow for an estimation of a climate-related share. The share of climate-related projects in multilateral institutions' portfolios can be estimated by dividing climate-related outflows by the total portfolio of the institution. This climate-related share can then be multiplied by un-earmarked contributions from member countries to estimate how much of these contributions were used for climate-related projects.

- **Attribution based on outflows:** outflows are considered as having been "mobilised" by the shareholders. This attribution can be done in different ways, and results will vary depending on the methodological choice e.g. using a country's proportion of historical or recent paid-in contributions, or "callable capital", or a combination. Furthermore, the concessional and non-concessional operations of multilateral institutions can be treated differently to reflect the different ways in which country contributions are used in each case. Concessional windows (e.g. the World Bank's International Development Association, as well as dedicated climate funds such as the Climate Investment Funds) operate on a "money-in, money-out" model: they do not raise funds in capital markets and have to be replenished regularly. Non-concessional windows (e.g. the World Bank's International Bank for Reconstruction and Development) raise funds from international capital markets, with the ability to do so depending on both paid-in capital (from countries) and capital available in the event of financial distress - so-called "callable capital".

Further information about attribution methodologies is available from OECD (2016 forthcoming),[19] (2015) and Technical Working Group (2015).[20]

2.3 Emerging approaches for measuring publicly-mobilised private finance

Under the Paris Agreement, developed country Parties "should continue to take the lead in mobilizing climate finance from a wide variety of sources", and provide "transparent and consistent" information n support "mobilized through public interventions". As such, being able to understand and measure (or

[18] Even though they care called non-concessional, these sources of finance nevertheless offer advantages relative to an entirely private sector loan for the same purposes, for example in terms of the timing and level of repayments and the duration of the loan.

[19] *Attribution of multilateral climate finance in the report "Climate Finance in 2013-14 and the USD 100 billion goal"*; the note will be available at www.oecd.org/env/cc/oecd-cpi-climate-finance-report.htm.

[20] "Joint Statement on Tracking Progress Towards the 100 billion Goal" and "Technical Working Group input to the OECD-CPI report", www.bafu.admin.ch/dokumentation/medieninformation/00962/index.html?lang=en&msg-id=58589

estimate) the mobilisation effect of public interventions on private investment is of primary importance. Under the UNFCCC, reporting requirements in this area focus on finance mobilised by "developed countries" for climate action in developing countries. Methodologies for estimating and reporting mobilised private finance should, however, take into account the role of all public actors, whether international or domestic, and from developed and developing countries alike. Quantifying publicly-mobilised private finance requires addressing a range of definitional and methodological issues (see for instance the decision point framework developed under the Research Collaborative on Tracking Private Climate Finance[21] and outlined in Jachnik et al., 2015).[22] Accounting modalities for such quantification need in particular to ensure the provision of transparent information on assumptions made in terms of accounting boundaries (including time boundaries), causality (between public interventions and private finance) and attribution (of mobilised private finance among public actors having jointly mobilised private finance to make sure that public interventions by both developed and developing country Parties are fully and fairly considered).

2.3.1 Modalities for measuring private finance mobilised by public finance

Existing accounting modalities

Significant efforts have already been made by the international community to start capturing and reporting private sector finance mobilised by public finance. Attributed private co-financing data (at the project-, activity- or fund-level) has for instance been used in a number of recent studies as the currently best-available proxy for estimating the direct mobilisation effect of public climate finance on private finance. This was most notably the case in the report *Climate Finance in 2013-14 and the USD 100 billion goal* (OECD, 2015), which covered a range of debt and equity instruments used by bilateral and multilateral providers of public climate finance.

The OECD Development Assistance Committee has been working to measure private investment mobilised by official development finance interventions, including climate-related ones. The DAC is taking an instrument and mechanism-specific approach. To date methodologies have been developed and activity-level survey data collected for measuring private finance mobilisation for public guarantees, syndicated loans and public equity shares in funds.[23] Methodologies for credit lines and direct investments in companies are being developed and survey data is being collected during the third quarter of 2016.[24]

[21] http://www.oecd.org/env/researchcollaborative

[22] Jachnik, R., R. Caruso and A. Srivastava (2015), "Estimating Mobilised Private Climate Finance: Methodological Approaches, Options and Trade-offs", *OECD Environment Working Papers*, No. 83, OECD Publishing, Paris. DOI: http://dx.doi.org/10.1787/5js4x001rqf8-en

[23] Benn, J., et al. (2016), Amounts Mobilised from the Private Sector by Official Development Finance Interventions: Guarantees, syndicated loans and shares in collective investment vehicles, OECD Development Co-operation Working Papers, No. 26, OECD Publishing, Paris. DOI: http://dx.doi.org/10.1787/5jm3xh459n37-en

[24] http://www.oecd.org/dac/stats/mobilisation.htm

On-going developments and corresponding challenges

Recent discussions jointly hosted by the OECD-led Research Collaborative and the DAC with experts from development finance institutions highlighted the need to distinguish and draw the boundaries between the concepts of "mobilisation", "co-financing" and "catalysation", even though doing so is sometimes difficult. While the concept of "total co-financing" can be considered more neutral[25], causality assumptions and some degree of attribution are necessary to avoid double counting across public finance providers. Continued work at the OECD is, therefore, being pursued to advance efforts to develop methodologies that strike a consensus and balance between practicality and accuracy. Such work includes for instance investigating the extent to which the instrument/mechanism-specific methodological approach to measuring mobilisation can capture all private finance that might be involved in the context of complex finance structures, where multiple instruments and mechanisms typically interact.

2.3.2 Modalities for estimating the catalytic effect of capacity building and policy-related public interventions

As with measuring the direct mobilisation effect of public climate finance, estimating the catalytic effect (or "indirect mobilisation effect") of capacity building and policy-related interventions requires addressing the core methodological decision points of accounting boundaries, causality and attribution. However, due to the inherent "indirect" characteristic of catalytic effects, the nature of these methodologies will differ from those appropriate for direct mobilisation. While initial exploratory work on possible bottom up[26] and top down[27] approaches has been completed under the Research Collaborative on Tracking Private Climate Finance, this very much remains a field of active exploration and research. As such, methods for estimating catalytic effects are likely to differ from activity-based monitoring and reporting of private finance mobilised directly. Accounting modalities for catalysation should, therefore, provide some flexibility in terms of reporting format (e.g. financial or impact indicators) but request information about whether and how underlying estimation methods tackle accounting boundaries, causality assumptions and attribution (double counting) issues.

[25] Joint-MDBs (2015), "Tracking Climate Co-Finance: Approach Proposed by MDBs", Briefing Document, www.ebrd.com/cs/Satellite?c=Content&cid=1395237690292&pagename=EBRD%2FContent%2FContentLayout.

[26] See for example: Brown, J. R. Jachnik, M. Stadelmann, D., Wang, L. Boni and T., Kato (2015), *Estimating Mobilized Private Finance for Adaptation: Exploring Data and Methods*, Climate Policy Initiative and OECD, http://climatepolicyinitiative.org/publication/estimating-mobilized-private-finance-for-adaptation-exploring-data-and-methods.

[27] See for example: Haščič, I., et al. (2015), "Public Interventions and Private Climate Finance Flows: Empirical Evidence from Renewable Energy Financing", *OECD Environment Working Papers*, No. 80, OECD Publishing, Paris. DOI: http://dx.doi.org/10.1787/5js6b1r9lfd4-en

Annex 1: Definitions in DAC Statistical Reporting Directives

Term	Definitions in DAC Statistical Reporting Directives[28]
Commitment	A commitment is a firm written obligation by a government or official agency, backed by the appropriation or availability of the necessary funds, to provide resources of a specified amount under specified financial terms and conditions and for specified purposes for the benefit of a recipient country or a multilateral agency. Donors unable to comply with this definition should explain the definition that they use. Commitments are considered to be made at the date a loan or grant agreement is signed or the obligation is otherwise made known to the recipient (e.g. in the case of budgetary allocations to overseas territories, the final vote of the budget should be taken as the date of commitment). For certain special expenditures, e.g. humanitarian aid, the date of disbursement may be taken as the date of commitment.
Disbursement	A disbursement is the placement of resources at the disposal of a recipient country or agency, or in the case of internal development-related expenditures, the outlay of funds by the official sector. Disbursement may be measured in various ways at different stages of the transfer process.
Financial instruments	New taxonomy of finance adopted in 2016. See Annex 10a of the Directives (includes definitions and detailed technical fiches).
Currency and exchange rates	The basis of measurement in DAC statistics is the US dollar. Data reported in the CRS in other currencies are converted to dollars by the Secretariat. The list of exchange rates is published at http://www.oecd.org/dac/stats/data.htm (under Data Tables, source: OECD ECO). The rates are an average of the yearly exchange rates and are published once a year. See also Deflator.
Sector classifications (purpose codes)	The purpose/sector of destination of a bilateral contribution should be selected by answering the question **"which specific area of the recipient's economic or social structure is the transfer intended to foster"**. The sector classification does **not** refer to the type of goods or services provided by the donor. See link for the list of codes: www.oecd.org/dac/stats/purposecodessectorclassification.htm There are 27 main categories and 197 subcodes, including climate-relevant sectors such as energy, water, transport and, environmental policy, etc.
Beneficiary countries	The DAC list of ODA Recipients shows developing countries and territories eligible for receiving Official Development Assistance (ODA). The list is designed for statistical purposes, not as guidance for development finance allocations, and is revised by the DAC every 3 years.
Delivery channel	The channel of delivery is the first implementing partner. It is the entity that has implementing responsibility over the funds and is normally linked to the extending agency by a contract or other binding agreement, and is directly accountable to it. Where several levels of implementation are involved (e.g. when the extending agency hires a national implementer which in turn may hire a local implementer), the first level of implementation as the channel of delivery should be reported. Where activities have several implementers, the principal implementer should be reported (e.g. the entity receiving the most funding). In the case of loans, the borrower should be reported as the channel of delivery (i.e. the first entity outside the donor country that receives the funds).[See Annex 9 of the Directives for the list of the major channels of delivery, including new additional channel codes for the private sector.]
Bilateral/ multilateral contributions	**Bilateral** contributions are flows from official (government) sources directly to sources in the recipient country. **Multilateral contributions** are core contributions from official (government) sources to multilateral agencies where it is then used to fund the multilateral agencies' own programmes. In some cases, a donor can contract with a multilateral agency to deliver a programme or project on its behalf in a recipient country. Such cases are typically counted as bilateral flows and are often referred to as Bi/Multi.

[28] Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire, DCD/DAC(2016)3/FINAL, ADD1 and ADD2: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DCDDAC(2016)3FINAL.pdf, https://www.oecd.org/dac/stats/DCD-DAC(2016)3-ADD1-FINAL-ENG.pdf and https://www.oecd.org/dac/stats/DCD-DAC(2016)3-ADD2-FINAL%20-ENG.pdf.

Annex 2: The dimensions of quality, as used in OECD statistical activity quality review.

Relevance	The relevance of data products is a qualitative assessment of the value contributed by these data. Do the data address the purposes for which they were designed for? Are processes in place to consult users, monitor the relevance and utility of existing statistics in the meeting their needs, and consider emerging needs and priorities?
Accuracy	The accuracy of data products is the degree to which the data correctly estimate or describe the quantities or characteristics they are designed to measure. For example, are source data, intermediate results and statistical outputs regularly assessed and validated?
Credibility	The credibility of data products refers to the confidence that users place in those products based simply on their image of the data producer, i.e. the brand image. For example, is there external pressure to include data of quality that may not match OECD standards?
Timeliness	The timeliness of data products reflects the length of time between their availability and the event or phenomenon they describe, but considered in the context of the time period that permits the information to be of value and still acted upon. For example, are users informed in advance of release dates?
Accessibility	The accessibility of data products reflects how readily the data can be located and accessed from OECD data holdings. For example, are data available through a number of different dissemination channels?
Interpretability	The interpretability of data products reflects the ease with which the user may understand and properly use and analyse the data. For example, are similar statistics from different areas of the OECD full explained to avoid confusing users?
Coherence	The coherence of data products reflects the degree to which they are logically connected and mutually consistent. For example, are statistics from different sources and periodicities comparable and reconcilable?

Annex 3: OECD contact points

The OECD is happy to provide information on progress in these and its other climate policy-related activities. We have indicated contacts on each work area below to facilitate future communication.

DAC statistics and climate-related development finance

- Contacts: **Nicolina Lamhauge** (Nicolina.Lamhauge@oecd.org) and **Valérie Gaveau** (Valerie.Gaveau@oecd.org)
- Website: www.oecd.org/dac/stats/rioconventions.htm

Research collaborative on tracking private climate finance

- Contact: **Raphaël Jachnik** (raphael.jachnik@oecd.org)
- Website: www.oecd.org/env/researchcollaborative

Climate Change Expert Group

- Contact: **Jane Ellis** (jane.ellis@oecd.org)
- Website: http://www.oecd.org/env/cc/ccxg.htm