

DRAFT TEXT

on

SBSTA agenda item 13

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

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

[COP/CMA Decision]

Option 1:

The Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement

Based on the mandate contained in Decision 1/CP.21, paragraph 57,

Recalling Articles 4 and 11 of the Convention;

Further recalling Articles 2, 3, 4, 7, 8, 9, 10, 11, 13 of the Paris Agreement

1. *[Takes note of decision XX/CMA on the information to be provided by Parties in their biennial communication of indicative support in accordance with Article 9, paragraph 5 of the Paris Agreement;]*
2. *[Confirms that the accounting reports by developed country Parties on financial resources provided through public interventions via the transparency framework will reflect the information provided in the biennial indicative communication of support;]*
3. *Endorses the modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with article 9, paragraph 7, [applicable to the information to be reported under article 13 of the Paris Agreement,] as included in Annex I to this decision.*
4. *[Reaffirms that the modalities build on existing reporting guidelines for developed country Parties, including those specified in decision 2/CP.17 and decision 9/CP.21;]*
5. *Decides that these modalities shall be applicable as of the first report of developed country Parties under the transparency framework.*
6. *[Confirms that the information provided by developed country parties in their respective reports as per Article 9.7 should reflect the progression in the provision of finance under the Paris Agreement;]*
7. *[Encourages other Parties that provide support to implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.]*

Option 2:

The below annex would be adopted by the CMA in the decision adopting the transparency MPGs, and not as a standalone CMA decision. This would ensure that the guidance is coherent with the rest of the MPGs. Under the current APA5 tool, it would be included as part of Section E of the MPGs.

Annex

1. a. [These modalities shall be applicable as of the first report of developed country Parties under the transparency framework.]
 - b. [Other Parties that provide support [should] [may] implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.]
- 1.bis [Parties that provide support] [Developed country Parties] [Reporting Parties] [will][shall] provide information on financial support provided and mobilized to developing country Parties under Article 9, [developing country Parties report the information on voluntary basis], consistent with paragraph 9 of Article 13 and paragraph 7 of Article 9
- 1.ter [Each Party] [Developed country Parties] [Reporting Parties] that provides information on financial support provided and mobilized through public interventions, in accordance with paragraph 9 of Article 13 and paragraph 7 of Article 9 of the Paris Agreement, shall implement these modalities, taking into account Parties' different capacities.]
2. [The reports by developed country Parties on financial resources provided and mobilized through public interventions shall reflect the information provided in their biennial communication of indicative support]

A. National circumstances, institutional arrangements and country-driven strategies

3. [Reporting Parties][Developed country Parties][Developed country Parties shall and developing country Parties should] [that provides information] [should][shall] provide information on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support, such as a description of the systems and processes used [by Parties] to identify, track, and report on support provided and mobilized, including a description of the challenges and limitations.

B. [Cross-cutting] underlying assumptions, definitions, and methodologies

4. In order to enhance transparency on reporting, each [reporting Party][developed country Party][developed country Party shall and developing country Party should] [Parties] [that provides information] [should][shall] describe its underlying assumptions, methodologies and definitions used in reporting [, as applicable and available,] including those used to:
 - (a) Report in the chosen reporting year [, including methodology used to calculate annualized information;]
 - (b) Convert between domestic currency and USD [exchange rate calculation;]
 - (c) Identify and report status (i.e., committed, disbursed) [, including official documentation;]
 - (d) Identify and report the channel (i.e., bilateral, regional, multilateral;)
 - (e) [Identify and report support as coming from the specified sources (i.e., ODA, OOF, private, or other;]
 - (f) Identify and report support as being “adaptation,” “mitigation,” or “cross-cutting,” [“loss and damage”];]
 - (g) Identify and report support as being a “grant,” “concessional loan,” [“non-concessional loan,”] [“equity,”] [“guarantee,”] [“insurance,”] or “other financial instrument.”;
 - (h) [Identify and report both face value and grant-equivalent value;]
 - (i) Identify and report sectors;

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- (j) [Identify and report sub-sectors;]
 - (k) [Identify and report sub-sectors;]
 - (l) Identify and report support as going to the recipient;
 - (m) [Identify and report net finance provided, in case where loan repayments by recipient countries the period of reporting is done] [,as well as loan repayments and return on investments;]
 - (n) Identify and report [whether it][how it has] supported capacity-building and technology-transfer objectives [, including the share of support that contributes to this objective;]
 - (o) Identify and report support as being “climate-specific”;
 - (p) Avoid double counting among multiple Parties involved in the provision and mobilization of support;
 - (q) Identify and report resources as provided;
 - (r) Identify and report finance as being mobilized (i.e., those related to assumptions establish causality between a public intervention and mobilized finance, [including evidence,] boundaries, time-period, [leveraging factor per type of public intervention reported];)
 - (s) [Identify hw resources are considered to implement Paris Agreement efforts in developing countries;]
 - (t) [Identify and report how support is considered new and additional and how it represents a progression from previous levels;]
 - (u) [Identify and report how [support has][resources have] been targeted at NDCs/NAPs/country needs, [including for loss and damage,] and how [it has][they have] facilitated the implementation of the Paris Agreement;]
 - (v) [Identify and report how resources are consistent with Article 2.1(c) and contribute to the fulfillment of finance goals;]
 - (w) [Report on outflows through multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient;]
 - (x) [Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific;]
 - (y) [How information submitted was mutually agreed/cross-checked with recipients before submitting;]
 - (z) [Identify and report the amount of funding disbursed per each beneficiary country, in cases where a project involves more than one country;]
 - (aa) [Calculate the amount of resources provided to mobilize support;]
 - (bb) [Report qualitative information such as good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments;]
 - (cc) [Identify and report on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized;]
 - (dd) [Information on how developed country Parties have been enhancing comparability and ensuring harmonization of their information with those of other developed country parties reported information;]
 - (ee) [Information on imputed multilateral contributions, i.e. a percentage of their core contribution, based on the totals reported by the MDB on overall climate-specific financing by MDBs. Obviously reporting needs to avoid double-counting;]
 - (ff) [Defining public and private finance, in particular in cases where entities or funds are mixed]

(gg) [Attributing mobilised private finance, where multiple public actors are involved;]

(hh) [Assessing causality between public interventions and flows of private finance;]

4.bis [In order to improve comparability of reporting, Parties shall use international standards, to the extent possible, in the provision of information of financial support provided and mobilized through public interventions;]

C. Information on financial support provided [and mobilized under Article 9]

Bilateral, regional and other channels

5. [Reporting Parties][Each Party][Developed country Parties][Developed country Parties shall and developing country Parties should] [shall] [should] include, for the previous two reporting years without overlapping with the previous reporting periods, relevant information on bilateral and regional financial support provided, specifying [, as applicable and available]:

- (a) Year (i.e., calendar year, fiscal year);
- (b) Amount (i.e., in USD and domestic currency) [(including face value and grant-equivalent value);]
- (c) Status (i.e., disbursed, committed);
- (d) Channel (i.e., bilateral, regional);
- (e) [Source (i.e., ODA, OOF, and other);]
- (f) Type of support (i.e., mitigation, adaptation, cross-cutting, [loss and damage]);
- (g) Financial instrument (e.g., grant, concessional loan, [non-concessional loan,] [equity,] [guarantee,] [insurance,] other (specify));
- (h) Sector (i.e., energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (i) [Sub-sector];
- (j) Recipient (e.g. country, region, global, project, programme, activity, other (specify));
- (k) [Whether][how] it contributes to technology development and transfer objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective;]
- (l) [Whether][how] it contributes to capacity building objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective;]
- (m) Additional information;
- (n) [Transaction and overhead costs, loan repayments and return on investments;]
- (o) [Climate-specific;]
- (p) [New and additional;]
- (q) [Link to mobilized resources;]
- (r) [Needs of the recipient]

Multilateral channels

6. [Reporting Parties][Each Party][Developed country Parties][Developed country Parties shall and developing country Parties should] [shall][should] also include, for the

previous two reporting years without overlapping with the previous reporting periods, relevant information on financial support provided through multilateral channels, including the Operating Entities of the Financial Mechanism [and the entities of the Technology Mechanism], specifying [, as applicable and to the extent possible]:

- (a) Year (i.e., calendar year, fiscal year);
- (b) Institution;
- (c) [Recipient (e.g. [country, region, global, project, programme, activity,][multilateral fund, international organization] other (specify));]
- (d) Amount (i.e., in USD and domestic currency) [(including face value and grant-equivalent value);]
- (e) Status (i.e., disbursed, committed);
- (f) [Source (i.e., ODA, OOF, and other);]
- (g) [Nature (i.e., core/general, climate-specific), as appropriate;]
- (h) Type of support (i.e., mitigation, adaptation, cross-cutting, [loss and damage]);
- (i) Financial instrument (e.g., grant, concessional loan, [non-concessional loan,] [equity,] [guarantee,] [insurance,] other (specify));
- (j) Sector (i.e., energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (k) [Sub-sector];
- (l) [Transaction and overhead costs, loan repayments and return on investments];
- (m) [[Whether][how] it contributes to technology development and transfer objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective.]];]
- (n) [[Whether][how] it contributes to capacity building objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective.]];]
- (o) [Outflows]

Information on finance mobilized through public interventions

7. [Recognizing the important role of climate-specific support mobilized through public interventions, as referred to in Article 9, paragraph 3], [Parties][developed country Parties][developed country Parties shall and developing country Parties should] [shall][should] report, for the previous two reporting years without overlapping with the previous reporting periods, relevant information on support mobilized through public interventions through bilateral, regional and multilateral channels, including the Operating Entities of the Financial Mechanism, [and the entities of the Technology mechanism], specifying [, as applicable and to the extent possible]:

- (a) Year (i.e., calendar year, fiscal year);
- (b) Amount [(i.e., in USD and domestic currency)] [(including face value and grant-equivalent value);]
- (c) [Amount of resources used to mobilize the support (i.e., in USD and domestic currency);]
- (d) Recipient [(e.g. country, region, global, project, programme, activity, other (specify));]
- (e) [Type of public intervention used to mobilize the support reported (i.e., grant, concessional loan, [non-concessional loan,] [equity,] policy intervention, capacity building, technology transfer, technical assistance);]

- (f) Type of support [i.e., mitigation, adaptation, cross-cutting, [loss and damage].);]
- (g) Sector [(i.e., energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));]
- (h) [Sub-sector;]
- (i) [Recipient country share of mobilization;]
- (j) Additional information;
- (k) [Good practice and public policies/ regulatory framework]

D. Reporting format

8. A common tabular reporting format shall be developed [in line with the modalities for][to facilitate [reporting on]] [the accounting of] financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7 of the Paris Agreement.

9. [Requests the Subsidiary Body for Scientific and Technological Advice to develop the common tabular format referenced in paragraph [x] above for consideration by the Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement by no later than its [x] session].

10. [Reporting Parties][Developed country Parties][Developed country Parties shall and developing country Parties should] [should][shall] report the information referenced in [section][paragraph][(s)[9,10 and 11] [x]] above in a common tabular format and the information referenced in [section][paragraph[(s) [8][[x] and [y]]] above in a summary narrative format.]