

Draft textual elements for 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

Informal note by the co-chairs

Version 09.05.2018, 10.20H

These draft textual elements on modalities have been prepared by the co-chairs of the negotiations on this agenda item under their own responsibility, on the basis of the deliberations by Parties at this session and the views they have submitted. The draft elements contained in this note are preliminary and should not be considered as final in any way; they are offered as a basis for work and do not prejudice further work or prevent Parties from expressing their views in the future. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.

Note: This informal note builds on the information note by the co-chairs of the contact group of this agenda item from SBSTA 47.¹ The content of the note is not exhaustive and neither represents agreed views, ideas or text nor attempts to draw any conclusions on possible areas of convergence or divergence. The note has been prepared under our own responsibility and thus has no formal status. We also recognize that nothing is final until all the modalities are final, and that nothing in this informal note prejudices Parties' views on the final outcome of the modalities.

SBSTA recognized the need for strictly following the mandate. The mandate of the SBSTA as set out in decision 1/CP.21, paragraph 57, is to develop modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement for consideration by COP 24 (December 2018), with a view to making a recommendation for consideration and adoption by CMA 1.

Objective and principles

- The purpose of the modalities for the accounting of financial resources is to provide clarity on support provided and mobilized through public interventions by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11.
- To facilitate the provision of clarity on support provided and mobilized for the implementation of the Paris Agreement, and in line with Article 13, paragraphs 3, 6, and 9, and within the scope of the SBSTA mandate;
- The development of modalities should take into account the provisions of paragraph 92, decision 1/CP.21.
- To promote avoidance of double-counting in the provision of financial information.

General considerations

- Build upon, enhance and eventually supersede the current reporting framework, established by decision 1/CP.16, paragraphs 40–47, and decision 2/CP.17, paragraphs 12–62, including the biennial reports common tabular format (CTF), immediately following the submission of the final biennial reports.;
- Avoid duplication as well as undue burden on Parties and the secretariat;
- Ensure compatibility of modalities with other reporting systems and allow for automatic insertion of data through an enhanced electronic reporting application;
- Facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between provider and recipient countries;

¹ Available at https://unfccc.int/sites/default/files/sbsta47_12_informal_note_v4.pdf?download.

TEXTUAL ELEMENTS ON ACCOUNTING MODALITIES

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

Cross-cutting considerations²

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

<i>Parameter</i>	<i>Parties views on possible underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Year *	<ul style="list-style-type: none"> • Provide biennial information on annual contributions without overlapping with the previous reporting periods. • Information on the underlying definitions, methodologies and assumptions used to report in the chosen reporting year. • In case projects implementations span for a period longer than the period of reporting, only the disbursements done during the reporting period should be reflected and methodologies for calculation of annualized information should be included.
Amount (domestic currency and USD)*	<ul style="list-style-type: none"> • Information on both face value and grant-equivalent value. • Only the grant-equivalent value to be counted towards resources provided and mobilised in accordance with Art. 9.1, 9.2 and 9.3. • Only information on face value should be reported • Methodology and/or assumption used to avoid double counting between multiple actors involved. • In case a project involves more than one country, clear information should be presented on the amount of funding disbursed per each beneficiary country • Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes. • Information on methodology used for currency exchange rate in the documentation box. Domestic currency reporting is optional. • (Harmonization) of use of currency exchange rate.
Status of contribution Sub-elements: <ul style="list-style-type: none"> • disbursed • committed* 	<ul style="list-style-type: none"> • Information on definitions and methodologies used to specify the funds as committed and disbursed. • Clarify if this means year when funding for a particular project/ programme was committed or year when implementation starts. • (Harmonization of) how to count finance committed and/or disbursed, in accordance with the OECD DAC definitions / support harmonization and standardized approach as to whether report committed and/or disbursed.
Funding source Sub-elements: <ul style="list-style-type: none"> • ODA • OOF 	<ul style="list-style-type: none"> • Specify the definition and methodologies used to classify the funding source as ODA, OOF, or other. • (Harmonization of) reporting funding sources.

² Cross-cutting considerations apply to (i) Climate finance provided through bilateral, regional and other channels; (ii) Climate finance provided through multilateral channels; and (iii) Climate finance mobilized through public interventions, when applicable.

<ul style="list-style-type: none"> • other* 	
Financial instrument*	<ul style="list-style-type: none"> • Provide information on the definitions of instruments used, including grant, concessional loan, non-concessional loan, equity, other*. • Provide definitions and methodologies for reporting grant equivalent, net value, face value.
Type of support Built-in options: <ul style="list-style-type: none"> • mitigation • adaptation • cross-cutting* 	<ul style="list-style-type: none"> • Specify the definition and methodology to classify the type of support understood as: <ul style="list-style-type: none"> ○ mitigation finance, adaptation finance, loss and damage and cross cutting. ○ mitigation finance, adaptation finance and cross cutting • Report on the amount of support per category (adaptation, mitigation) where available in the CTF tables (i.e. through percentage). • There shall be a description of how support has been targeted at NDCs/ NAPs countries needs and how it has facilitated the implementation of the Paris Agreement. • Cross-cutting types of support are activities across mitigation and adaptation.
Sector*	<ul style="list-style-type: none"> • Description of the methodology and definitions used to identify sectors and subsectors reported. • Sub-sectors: energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other * • Use of OECD DAC disaggregated sector and subsector codes
Climate-specific*	<ul style="list-style-type: none"> • Only climate-relevant flows shall be counted as climate finance towards resources provided and mobilized in accordance with Art. 9.1 9.2 and 9.3. • General parameters to be applied to determine climate-relevance of flows: <ul style="list-style-type: none"> • Mitigation parameters • Adaptation parameters. In addition, explanation of definitions and methodologies to determine climate specificity/relevance and detail any changes made overtime in their biennial communication. • Alignment with Art. 2.1c. Negative list of activities that are not aligned with Art. 2.1c. • Through provision of information on boundaries/criteria such as climate relevance and the geographical origin • Provision of information/explanation on how the resources are linked to the implementation of the Paris Agreement • Elements of a working definition, including drawing from the work of the SCF Article 9.1, 9.2 and 9.3 of the Paris Agreement, Articles 4.3, 4.4, 4.5, 8.4, 9, 10, and 11 of the Convention)
New and additional*	<ul style="list-style-type: none"> • Provide information on how support provided is new and additional and how it represents a progression between previous levels. • Only financial resources consistent with a pathway towards low greenhouse gas emissions and climate resilient development are reported and counted, consistent with Article 2.1 (c) of the Paris Agreement. • Information on progress on the fulfilment of the finance goals. • Reference to ODA

Capacity building and technology transfer component	<ul style="list-style-type: none"> Information on whether activities contain capacity building and technology transfer components to facilitate better tracking and avoid double counting according to built-in options. Methodology used to track the technology transfer and capacity-building support as an element of the financial support provided Note: Qualitative information to be covered in capacity-building and technology transfer section of reporting
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Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Provision of supplementary information	<ul style="list-style-type: none"> Indicators on how finance provided was responsive for needs of developing countries, Information on steps taken by Parties to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, consistent with Article 2.1 (c) of the Paris Agreement. Information on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized. Information on how resources effectively address the needs and priorities of developing countries are linked to the implementation of the Paris Agreement. Transaction and overhead costs
Reflection of information in accordance with 9.5	<ul style="list-style-type: none"> Inclusion of column/columns in the 9.7 tables to reflect the numbers presented in the Biennial Communications of Indicative Support in accordance with Article 9.5. This would enable consistency between the 9.5 and 9.7 reports. This would also enable the elements to be agreed upon under 9.5 to also be reflected in the 9.7 tables.
Mutual agreement/cross-checking	<ul style="list-style-type: none"> There shall be a mutual agreement/cross-checking with recipients before submitting information.

Climate finance provided through bilateral, regional and other channels³

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Recipient country/region/ Project/programme/activity*	<ul style="list-style-type: none"> Information on the underlying definitions, methodologies and assumptions used to identify and report support as going to the specified activity/recipient. Provide information on recipient country and region. Provide information on project and activity level, to the extent possible, to improve the level of granularity

³ Biennial reports common tabular format Table 7 (b) is used for reporting financial information on the provision of public financial support through bilateral, regional and other channels

Climate-specific*	<ul style="list-style-type: none"> • More clarity on what each Party counts as climate finance (e.g. through the indication of coefficients, use of Rio markers, through operational definitions of climate finance, criteria used to determine climate relevance). • Explanation of methodology on how it counts its bilateral support to be climate-relevant or climate-specific/Only climate specific • Indication of Rio Markers used per activity.
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Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations/parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Bilateral funds provided through multilateral channels	
Provision of information on implementing agency	<ul style="list-style-type: none"> • Provide information on implementing agency, including percentage of funding channeled through executing agencies and implementers and suppliers of the developed country party.
Provision of information on transaction and overhead costs, loan repayments and return on investments;	<ul style="list-style-type: none"> • Provide information on transaction and overhead costs, loan repayments (grant-equivalent) and return on investments. • Provide information on terms of conditions of loans provided. • Information on whether the fees are going to a Direct Access entity or international entity • Reporting on these elements will place undue reporting burden on Parties

Note: * elements that are in the biennial reports common tabular format

Climate finance provided through multilateral channels⁴

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies/guidance for reporting</i>
Multilateral climate change funds, as well as other climate change funds; Multilateral financial institutions, including regional development banks; Other multilateral financial institutions Specialized United Nations bodies	<ul style="list-style-type: none"> • Information on sub-channels: GCF, GEF, LDCF, SCCF, AF, CIF, other • Information on sub-channels: World Bank, International Finance Corporation, African Development Bank, Asian Development Bank, European Bank of Reconstruction and Development, Inter-American Development Bank • Information on sub-channels: United Nations Development Programme, United Nations Environment Programme, Other specialized United Nations bodies United Nations Development Programme (specific programmes), United Nations Environment Programme (specific programmes), Other

⁴ Biennial reports common tabular format Table 7 (a) is used for reporting financial information on the provision of public financial support through multilateral channels

Core/general*	<ul style="list-style-type: none"> • Description of definition, methodology and assumption used to assess the core/general contribution and description of which proportion or share of these are considered and reported as climate financing, including parameters and methodologies. • Loan repayments done by recipient countries during the period of reporting should be reported to identify the net finance provided. • Reporting of only the climate-specific amount of core contributions (e.g. through imputed multilateral contributions); • Full core contributions, with a clear notation that only a proportion is climate specific.
Climate-specific*	<ul style="list-style-type: none"> • Potentially report % of core contribution that climate-specific represents • Methodology used to identify the climate-specific inflow to the various multilateral channels • Provide information on how much of Parties' un-earmarked contributions to the general budgets of multilateral institutions were used for climate-related projects • Multilateral climate-specific support to the multilateral climate change funds is to be reported by each relevant Party.

Note: * elements that are in the biennial reports common tabular format

Additional potential considerations/parameters	Parties views on underlying assumptions, definitions and methodologies
Outflows (link to climate-specific)	<ul style="list-style-type: none"> • Multilateral outflows captured through the broader transparency framework through an invitation to multilateral institutions to provide activity level data to the SCF for consideration in the Biennial Assessment • Provide information to improve the understanding on the outflow of finance from multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient. Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific.

Note: * elements that are in the biennial reports common tabular format

Climate finance mobilized through public interventions

Potential considerations, while recognizing challenges and limitations:

- Building on existing studies and further inviting expert organizations to undertake technical work.
- Private finance mobilized through multilateral public interventions should be covered in the SCF Biennial Assessment and not in the individual reports
- Climate finance mobilized through bilateral, regional and other channels, as well as other public interventions
- Only climate finance mobilized through public interventions by developed country Parties;
- Reporting should only include activities where there is a clear causal link between a public intervention and private finance, and where the activity would not have moved forward, or moved forward at scale, in the absence of the governments' intervention.
- Option for collective reporting where the double counting risk is high.
- Reporting format (e.g. Development of simple standardized/common reporting format to facilitate consistency of quantitative reporting across Parties);
 - Structured system to report private finance mobilised, through tabular format
- Provision of supplementary information (e.g. the reporting should also allow for Parties to report qualitative information on indirect mobilization through capacity building activities and to highlight their good practices on public policy and regulatory frameworks to incentivize further mobilization of private finance).

Parameters	Parties views on underlying assumptions, definitions and methodologies/information
Type of public intervention used to mobilize the reported financial support	<ul style="list-style-type: none"> • Provide information on methodologies, definitions and assumptions used to identify the type of public interventions • Leveraging factor per type of public intervention reported • Valuation of public interventions: Parties to report various financial instruments, and how they value the different public interventions • Information on sub-elements: grant, concessional loan, non-concessional loan, equity, policy intervention, capacity-building, technology transfer, technical assistance, other
Amount of financial resources mobilized including indicative quantitative information on indirect mobilized finance/ amount of climate-specific private resources mobilized	<ul style="list-style-type: none"> • Provide information on methodologies and assumptions to calculate the amount of resources used to mobilize the support, including, as appropriate: <ul style="list-style-type: none"> <i>Boundaries</i> <ul style="list-style-type: none"> ○ Information on boundaries for tracking mobilized finance through public interventions, taking into consideration characteristics of different instruments and mobilisation over time. <i>Causality</i> <ul style="list-style-type: none"> ○ Information on the methodologies and assumptions used to establish causality between a public intervention and mobilized finance. ○ Reporting should only include activities where there is a clear causal link between a public intervention and private finance, and where the activity would not have moved forward, or moved forward at scale, in the absence of the public intervention. <i>Attribution/ Criteria to avoid double counting</i> <ul style="list-style-type: none"> ○ Information on methodology used to avoid double counting where multiple actors were involved in the mobilization of support
Project / programme / activity	<ul style="list-style-type: none"> • Indication of types of activities supported – adaptation, mitigation, technology, capacity-building etc. • Provide information on project and activity level, to the extent possible, to improve the level of granularity • Indication of Rio Markers used per activity.
Additional information	<ul style="list-style-type: none"> • Provide additional information

Additional potential considerations/parameters	Parties views on underlying assumptions, definitions and methodologies
Origin of the mobilized climate finance	<ul style="list-style-type: none"> • Methodology and assumptions used to identify the origin of the mobilized private finance • Amounts leveraged from domestic private companies, amounts mobilized by multinational companies
Allocation channels (multilateral, bilateral, regional and other channels)	<ul style="list-style-type: none"> • Information on how reporting Parties identified and reported the given channel

Annex: Inputs by Parties

**CONFERENCE ROOM PAPER
SUBMISSION BY THE G77 and China**

(Received 5 May 2018)

The submission by G77 and China provides its views on the agenda item in accordance with decision 1/CP.21 paragraph 57 and on paragraph 7 of Article 9 on the Paris Agreement,

These views are presented as a CRP, as the outcome of the work related to the development of modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with article 9, paragraph 7 of the Paris Agreement, which stipulates that developed country Parties shall provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions biennially.

The G77 and China highlights the importance of this transparent and consistent information as crucial in the work related to the accounting and fulfilment of the financial commitments of developed countries and the provision of support for the implementation of the Paris Agreement, in relation to articles 2, 3, 4.5, 7.13, 8, 9, 10, 11.

The group of G77 and China notes that discussions related to paragraph 7, article 9 of the Paris Agreement have taken current reports as the basis for deliberations and for the development of the modalities mandated by paragraph 57 or decision 1/CP.21 and that an informal note has been developed in the context of this work. This submission takes current work into consideration.

It is crucial to remember that the Paris Agreement recognizes a need to support developing country Parties for its effective implementation, which clearly implies that without such support, the Agreement cannot be implemented fully and effectively, and it also recognizes that support shall be provided to developing country Parties for the implementation of Article 2, 4, article 7, 8, 10, 11 and 13. It is also important to state that the modalities that paragraph 57 has mandated are to be based on current arrangements.

SBSTA should strive for a combination of a top down and bottom up approach when adopting modalities for which finance flows count towards the financial commitments under 9.1 and 9.3.

While Parties are requested to report on their methodologies, assumptions and definitions used, the aim is to reach a level of standardisation over time.

The SBSTA accounting modalities should adopt some overarching parameters/ principles for establishing climate relevance.

In addition, the SBSTA/ CMA could consider to use the reporting on methodologies, definitions and assumptions used to inform an assessment by a technical body and recommendations for standardisation over time.

Draft Decision

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, 9, 8, 10, 11, 13 of the Paris Agreement

1. *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,
2. *Decides* that these modalities shall be applicable as of the first report of developed country Parties under the transparency framework.
3. *Encourages* other Parties that provide support to implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.

Annex 1:

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 modalities that follow build on existing reporting guidelines for developed Country Parties, including those specified in decision 2/CP.17 and decision 9/CP.21.

1. The following modalities apply to the information that developed country Parties shall provide under the transparency framework to enhance understanding, transparency, accuracy, consistency, comparability and completeness of the information reported, as well as definitions and methodologies used.
2. Developed country Parties shall report biennially information on year, currency, status, funding source, financial instrument, type of support, sector, channel and amount for all categories of support provided.

Table 1 – Reporting parameters and guidance for reporting on support provided

	Parameter	Guidance for reporting
Minimum reporting parameters (based in current system)	Year	Parties shall provide biennial information on annual contributions without overlapping with the previous reporting periods. Methodologies for calculation of annualized information shall be included. In case projects implementations span for a period longer than the period of reporting, only the disbursements done during the reporting period should be reflected
	Currency (USD)	Parties shall provide an explanation on methodology used for currency exchange rate in the documentation box. Domestic currency reporting is optional.
	Status	Parties shall explain, in their biennial reports, definitions and methodologies used to specify the funds as committed, provided and disbursed.
	Funding Source	Parties shall specify the definition and methodologies used to classify the funding source as ODA, OOF, or other.

		Funding sources shall include definitions, methodologies and assumptions for accounting climate finance.
	Financial instrument	Parties shall report the definitions of instruments used. Parties shall provide definitions and methodologies for reporting grant equivalent, net value, face value.
	Type of support	Parties shall specify the definition and methodology to classify the type of support understood as mitigation finance, adaptation finance, loss and damage and cross cutting. There shall be a description of how support has been targeted at NDCs/ NAPs countries needs incl. for loss and damage and how it has facilitated the implementation of the Paris Agreement.
	Sector	Parties shall describe the methodology and definitions used to identify sectors and subsectors reported.
	Amount	Parties shall report both face value and grant – equivalent value. Only the grant-equivalent value shall be counted towards resources provided and mobilised in accordance with Art. 9.1 and 9.3.
	Climate-specific	Only climate-relevant flows shall be counted as climate finance towards resources provided and mobilised in accordance with Art. 9.1 and 9.3. The following general parameters shall be applied to determine climate-relevance of flows:

		<p>1) Alignment with Art. 2.1c. Consideration of a negative list of activities that are not aligned with Art. 2.1c -</p> <p>2) Mitigation parameters</p> <p>3) Adaptation parameters</p> <p>In addition, Parties shall explain in their biennial communication the definitions and methodologies to determine climate specificity/relevance and detail any changes made overtime.</p>
	New and additional	<p>Parties shall provide information on how support provided is new and additional and how it represents a progression between previous levels.</p> <p>Only financial resources consistent with a pathway towards low greenhouse gas emissions and climate resilient development are reported and counted, consistent with Article 2.1 (c) of the Paris Agreement.</p> <p>Information on progress on the fulfilment of the finance goals.</p>
Additional reporting parameters applicable to finance provided through bilateral, regional and other channels	Recipient country/region/project/programme/activity	<p>Parties shall report information on recipient country and region.</p> <p>Parties shall provide information on project and activity level, to the extent possible, to improve the level of granularity.</p> <p>Parties shall provide information on implementing agency, including percentage of funding channelled through executing agencies and implementers and suppliers of the developed country party.</p>

		<p>There shall be a mutual agreement/cross-checking with recipients before submitting information.</p> <p>Parties shall provide information on how resources effectively address the needs and priorities of developing countries are linked to the implementation of the Paris Agreement.</p> <p>In case a project involves more than one country, clear information should be presented on the amount of funding disbursed per each beneficiary country</p>
	Capacity building and technology transfer component	Parties shall report information on activities with capacity building and technology transfer components to facilitate better tracking and avoid double counting according to build options.
	Provision of information on transaction and overhead costs, loan repayments and return on investments;	<p>Parties shall provide information on transaction and overhead costs, loan repayments (grant-equivalent) and return on investments.</p> <p>Parties shall provide information on terms of conditions of loans provided.</p>
	Link to mobilized resources	Party shall provide information on whether the activity mobilized additional financial support from a private source (potential link with Table 4).
Climate finance provided through multilateral channels	Multilateral climate change funds, as well as other climate change funds; multilateral financial institutions, including regional development banks; and specialized United Nations bodies	

	Core/ General	<p>Description of definition, methodology and assumption used to assess the core/general contribution and description of which proportion or share of these are considered and reported as climate financing, including parameters and methodologies.</p> <p>Loan repayments done by recipient countries during the period of reporting should be reported to identify the net finance provided.</p> <p>(potentially report % of core contribution that climate-specific represents).</p>
		Provision of information on bilateral funds provided through multilateral channels.
	Outflows	<p>Parties shall provide information to improve the understanding on the outflow of finance from multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient.</p> <p>Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific.</p>

Table 2 – Reporting parameters and guidance for reporting on support mobilized through public interventions

Parameter	Information
Type of public intervention used to mobilize the support reported (grant, concessional loan, non-concessional loan, equity, policy intervention, capacity	Parties shall provide information on methodologies and assumptions used to define climate finance mobilized through public interventions.

building, technology transfer, technical assistance)	Leveraging factor to per type of public intervention reported
Amount of resources used to mobilize the support	Parties shall report methodologies and assumptions to calculate the amount of resources used to mobilize the support.
Information on boundaries for tracking mobilized finance through public interventions.	Parties shall provide in their definition of climate finance mobilized through public interventions information on the methodologies and assumptions used to establish causality between a public intervention and mobilized finance. Provide evidence for causality.
Amount of climate-specific private resources mobilized	
Recipient country share of mobilization	
Criteria to avoid double counting	Parties shall provide information on methodology used to avoid double counting among multiple actors involved in the mobilization of support.
Good practice and public policies/ regulatory framework	Parties shall provide qualitative information such as good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments
Additional information	Parties may provide additional information.

Cross cutting considerations

x. In providing information in accordance with Article 9 paragraph 7, the following cross cutting elements shall be reported:

- a) Information on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized.
- b) When applicable, official documentation on the status of funds.

y. There shall be a mutual agreement/cross-checking with recipients before submitting information.

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

Malawi (received 2 May 2018)

Following to the intervention made this afternoon by Malawi on behalf of LDCs between 15.00 - 16.00 hrs on SBSTA agenda item 12, relating to private finance mobilised, find herewith some points to be reflected in the iterated informal note:

1. Clarity on what counts as grant money, and what counts as loans (concessional)
2. Attribution on amounts leveraged from domestic private companies, and the amounts mobilised by multi national companies. This is to avoid double counting.
3. Indication of types of activities supported - adaptation, mitigation, technology, capacity building, etc
4. Indication of figures disbursed to LDCs, sids and African countries
5. Channels used - bilateral, multilateral institutions, etc
6. Levels of co-financing
7. Clarity on climate finance mobilised and provided, no lump sum figures.

Norway (received 3 May 2018)

Textual input from Norway under SBSTA 13 to the section on climate finance mobilized through public intervention

Information on climate finance mobilized through public interventions. Considerations for elements:

- Amount of mobilized climate finance
- Origin of the mobilized private finance
- Year and agreement period
- Recipient country/region
- Currency (domestic currency and USD)
- Status (disbursed and committed)
- Type of public intervention and instrument
- Sector

Underlying assumptions, definitions and methodologies (specific for the section on climate finance mobilized through public interventions):

- Valuation of public interventions: Parties to provide information on how they value the different public interventions.
- Accounting boundaries of private finance: Parties should present information on boundaries, taking into considerations characteristics of different instruments and mobilisation over time.

- Causality assumptions: Parties should establish how there is a causal link between the public intervention and the private finance (e.g. how the private financiers would not have invested or participated without an official finance provider arranging or participating in it).
- Attribution of private finance: Parties should explain how to attribute private finance where multiple public interventions/actors are involved.

Textual input from Norway under SBSTA 13 to the section on multilateral climate finance (received 4 May 2018)

The main enhancement of the current reporting system (under the section multilateral channels) would be to capture the climate specific contributions through multilateral channels.

Norway suggests therefore that under the element "climate specific" – the following text be added under underlying assumptions, definitions and methodologies the following:

- Parties to provide information on how much of parties un-earmarked contributions to the general budgets of multilateral institutions were used for climate-related projects.

Short explanatory text on attribution based on inflows: imputed multilateral contributions:

Contributions – or inflows - to the general budgets of multilateral institutions are un-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 however be proxied by dividing climate-related outflows to the total portfolio of the institution. Such a share can then be multiplied by the un-earmarked contributions from member countries to estimate how much of these contributions were used for climate-related projects.

Norway (received 8 May 2018)

1. Keep the structure basically as it is, but delete the current text under "modalities" on page 1.
2. Under Cross-cutting considerations section:
 - a. Parameters "Amount" and "Currency" to be merged
 - b. Sub –sectors moved to right column
 - c. Under "parties view on possible assumptions..": Clarify the different options, avoid duplication. Some of the options are not mutually exclusive. This is ok as long as the options provides more clarity/guidance for reporting. Parties could also bring in more options, if they feel their options are not captured
 - d. Under the "Additional potential considerations" section: Suggest to keep this as it is, because the issues here are considerations more than actual parameters.
3. The bilateral section: The first option in the right column could also be moved to the cross-cutting section as it is a general.
4. Multilateral section: This section could be improved by developing clearer options under "parties views" in the right column.
5. Public intervention: This section needs to be structured more in line with the other sections. Many of the items listed on the left column are not parameters. E.g. Causality,

Attribution, Boundaries should be moved to the right column – as they are "underlying assumptions.."

Canada (received 4 May 2018)

Input from Canada 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

May 4th, 2018

Cross-cutting considerations

- Build upon and enhance the current reporting framework, including the biennial reports common tabular format (CTF) tables to better facilitate project level reporting.
- Type of support: In addition to the option 'cross-cutting', allow for reporting on the amount of support per category (adaptation and mitigation) where available in the CTF tables (i.e. through a percentage).

Climate finance provided through bilateral, regional and other channels

- Move the provision of information on bilateral funds provided through multilateral channels from the multilateral channels section to the bilateral channels section of the note.
- Identification of Rio Markers used per activity.
- Option to identify of activities with a technology transfer and/or capacity building component (i.e. through a check box in the CTF tables).

Climate finance provided through multilateral channels

- Reporting on climate specific share of multilateral contributions (i.e. providing percentage of imputed multilateral shares).

Climate finance mobilized through public interventions

- Structured system to handle mobilised private finance, through a tabular format to capture and communicate climate finance mobilised.
- Information on good practices and lessons learned on mobilising private climate finance.
- Include origin of private climate finance mobilised.

Alliance of Small Island States (received 7 May 2018)

In light of the remarks from several developed countries in today's session, on behalf of AOSIS we would like to reiterate the views expressed on behalf of G77 and China, that is our understanding that all options shall be reflected in the facilitators' note, and that we are not at this stage deleting or amending options of other Parties.

Arab Republic of Egypt on behalf of the African Group of Negotiators (AGN) (received 7 May 2018)

Submission by Arab Republic of Egypt on behalf of the African Group of Negotiators (AGN)

The submission reflects the views expressed during the SBSTA item 13 in 9.7 discussions held on Monday 07 May 2018.

The African Group would like to include a column/columns in the 9.7 tables to reflect the numbers presented in the Biennial Communications of Indicative Support in accordance with Article 9.5. This would enable consistency between the 9.5 and 9.7 reports. This would also enable the elements to be agreed upon under 9.5 to also be reflected in the 9.7 tables.

G77 and China (received 7 May 2018)

1. The first paragraph on the textual elements is completely out of the scope of article 9.7 of the PA. Please refer only to that language. The "should provide" for developing countries is completely unacceptable.
2. As we said, we prefer this "parameter" and "guidance" approach much more than the previous note, which confused what each column had, especially in all the "additional potential considerations" sections. We are in favour of keeping the "parameters" column as clean as possible. Our understanding is that the mandate to develop modalities has to respond to the question of "how we report, with what considerations in mind" and not on "what", which is what section E of the transparency informal note addresses.
3. Complete the caviat at the beginning of the note with language similar to the previous note.
4. Do not get rid of the "timing" section and to the elements that the "objectives and principles" and "general considerations" section had in the previous version. In principle we are OK with portraying a new way of phrasing ideas, but do not delete any yet. That has to be done when negotiating, not when consulting, unless there is a very clear consent by all parties.
5. I realize there is a request to delete reference to loss and damage, but at this stage, we are not in support of deleting any proposal. We understand we are only adding ideas, if they are not radically presented in response to others.
6. We prefer using "parameter" much more than "element", it is much easier to understand. We would not like to go back to "element". It would also improve understanding for "additional potential considerations" to be named as "additional potential considerations/parameters"
7. Also more of a general comment but applicable to all the document, you understand that G77 and China does not see the provision and mobilization of finance as a "donation", it is clear in our rationale and in the provisions of the convention and the PA that this is a commitment, so we want to leave it on record that we do not see the word "donors" throughout the document as accurate. We leave it to the discretion of the Cochairs but we would prefer to have "providers", as a more accurate term. We understand this might not be the moment to change this but we will certainly push for this during the COP from the very beginning. If it is reflected now, we could save much of that time. In any case, if

- developing countries are being referred to as "recipient countries", "countries of source" could also be a term we could consider.
8. We very much look forward to starting to negotiate and argue in favour or against proposals and find bridging ones. If this mode of consultations followed by new iterations by facilitators continues during the COP we will certainly oppose.
 9. Our final comments were more on what has been done. In general we like this note much much more than the previous one. We would not like to take a step back to the previous one.

ABU (received 7 May 2018)

Draft textual elements for 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

Informal note by the co-facilitators

Updated on 06/05/2018, 20:00

These draft textual elements on modalities have been prepared by the co-facilitators of the negotiations on this agenda item under their own responsibility, on the basis of the deliberations by Parties at this session and the views they have submitted. These elements should not be considered as final in any way; they are offered as a basis for work and do not prevent Parties from expressing their views at any time. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.

Objective and principles

- [The purpose of the modalities for the accounting of financial resources is to provide clarity on support provided and mobilized through public interventions by relevant individual Parties obligations in the context of climate change actions under Articles 4, 7, 9, 10 and 11.]
- To facilitate the provision of clarity on support provided and mobilized for the implementation of the Paris Agreement, and in line with Article 13, paragraphs 3, 6, and 9, and within the scope of the SBSTA mandate;
- The development of modalities should take into account the provisions of paragraph 92, decision 1/CP.21.

General considerations

- Build upon, enhance and eventually supersede the current reporting framework, established by decision 1/CP.16, paragraphs 40–47, and decision 2/CP.17, paragraphs 12–62, including the biennial reports common tabular format (CTF) tables to better facilitate project level reporting;
- Avoid duplication as well as undue burden on Parties and the secretariat;
- Ensure compatibility of modalities with other reporting systems and allow for automatic insertion of data through an enhanced electronic reporting application;
- Facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between donor and recipient countries;
- Include information on steps taken by Parties to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, consistent with Article 2.1 (c) of the Paris Agreement.
- Clear differentiation of mobilized climate finance and provided climate finance.

TEXTUAL ELEMENTS ON ACCOUNTING MODALITIES

Commented [PSL1]: There is a missing section, related to the timing of SBSTA work, which was present at the informal note of May 5:

Timing of SBSTA work: reflecting the way that the SBSTA modalities will be integrated into APA agenda item 5

- The SBSTA is mandated to finalize its work in time for consideration by COP 24, with a view to making a recommendation for consideration and adoption by CMA 1.
- SBSTA recognized the need to ensure the development of modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement in time for them to be integrated into the transparency framework referred to in Article 13 of the Paris Agreement
- The SBSTA aims at finalizing its work at its 48th session or as soon as possible, and deliver its results to APA agenda item 5 for further discussion and the integration into the transparency framework
- The SBSTA Chair to continue consultations with the Co-Chairs of the Ad Hoc Working Group on the Paris Agreement (APA) with a view to ensuring coherence and coordination and the timely incorporation of the modalities for the accounting of financial resources provided and mobilized through public interventions developed by the SBSTA into the modalities, procedures and guidelines for the transparency framework referred to in Article 13 of the Paris Agreement, to be developed by the APA.

... [1]

Commented [PSL2]: We dont understand the concept of relevant Parties. This was not something we discussed before so we would prefer to exclude it from this informal note.

Commented [LG3]: We would like to see these missing elements from the previous informal note (COP 23) back into this section

Objective and principles

... [2]

Commented [PSL4]: This applies to the enhanced transparency framework and not to the scope of the mandate of the modalities under discussion in this SBSTA agenda item.

... [3]

Formatted: Highlight

Commented [PSL5]: Why it only mentions paras 40 to 47 and not paras 60 to 64

Commented [LG6]: This is not on transparency of action, so this should not be here.

Commented [LG7]: Not part of this mandate.

Formatted: Normal, Line spacing: Multiple 0.91 li, Don't allow hanging punctuation, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers

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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

Developed country Parties shall ~~and other Parties that provide support should~~ provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions, in line with Article 9.7 of the Paris Agreement.

The modalities that follow build on existing reporting guidelines for developed Country Parties, including those specified in decision 2/CP.17 and decision 9/CP.21.

The modalities shall be applicable as of the first report of developed country Parties under the transparency framework.

Other Parties that provide support are encouraged to implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.

The modalities apply to the information that developed country Parties shall provide under the transparency framework to enhance understanding, transparency, accuracy, consistency, comparability and completeness of the information reported, as well as definitions and methodologies used.

Developed country Parties shall report biennially information on year, currency, status, funding source, financial instrument, type of support, sector, channel and amount for all categories of support provided.

Cross-cutting considerations⁵

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

There shall be a mutual agreement/cross-checking with recipients before submitting information.

Commented [LG8]: This is not acceptable as it changes the text of 9.7. The mandate is the modalities for financial resources provided and mobilized in accordance with 9.7, which only includes the encouragement, less than a should.

Commented [LG9]: If before is not possible, the information could still be provided, clearly stating that agreement with the Parties is still pending. You would have the approval in parallel, as part of the review process.

<i>Parameter</i>	<i>Parties views on possible underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Year *	<ul style="list-style-type: none"> Parties shall provide biennial information on annual contributions without overlapping with the previous reporting periods. Methodologies for calculation of annualized information shall be included. In case projects implementations span for a period longer than the period of reporting, only the disbursements done during the reporting period should be reflected. Clarify if this means year when funding for a particular project/programme was committed or year when implementation starts.
Amount* (original currency and USD)	<ul style="list-style-type: none"> Parties shall report both face value and grant-equivalent value. Only the grant-equivalent value shall be counted towards resources provided and mobilised in accordance with Art. 9.1 and 9.3. Methodology and/or assumption used to avoid double counting between multiple actors involved. Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes.

Commented [LG10]: This differentiation is very important for us. If you report loans, and those are paid back, and reported by the Party that pays it back, there would be double counting of resources.

Commented [LG11]: This is also very important. Bying ITMOs is not climate finance, since it results in mitigations for the country that is paying for it themselves, not the host country.

⁵ Cross-cutting considerations apply to (i) Climate finance provided through bilateral, regional and other channels; (ii) Climate finance provided through multilateral channels; and (iii) Climate finance mobilized through public interventions, when applicable.

Currency (domestic currency and USD)*	<ul style="list-style-type: none"> Parties shall provide an explanation on methodology used for currency exchange rate in the documentation box. Domestic currency reporting is optional. (Harmonization) of use of currency exchange rate.
Status of contribution Sub-elements: <ul style="list-style-type: none"> disbursed committed* 	<ul style="list-style-type: none"> Parties shall explain, in their biennial reports, definitions and methodologies used to specify the funds as committed, provided and disbursed. Provision of references to official documentation to indicate the status of funds. (Harmonization of) how to count finance committed and/or disbursed, in accordance with the OECD DAC definitions / support harmonization and standardized approach as to whether report committed and/or disbursed.
Funding source Sub-elements: <ul style="list-style-type: none"> ODA OOF other* 	<ul style="list-style-type: none"> Parties shall specify the definition and methodologies used to classify the funding source as ODA, OOF, or other. Funding sources shall include definitions, methodologies and assumptions for accounting climate finance. (Harmonization of) reporting funding sources.
Financial instrument Sub-elements: <ul style="list-style-type: none"> Grant concessional loan non-concessional loan equity other* 	<ul style="list-style-type: none"> Parties shall report the definitions of instruments used. Parties shall provide definitions and methodologies for reporting grant equivalent, net value, face value. Level of concessionality/ grant-equivalency.
Type of support Sub-elements: <ul style="list-style-type: none"> mitigation adaptation cross-cutting* 	<ul style="list-style-type: none"> Parties shall specify the definition and methodology to classify the type of support understood as mitigation finance, adaptation finance, loss and damage and cross cutting – should still be climate specific. There shall be a description of how support has been targeted at NDCs/ NAPs countries needs incl. for loss and damage and how it has facilitated the implementation of the Paris Agreement. All support needs to fall under one of these three categories. Cross-cutting should still be climate specific. Report on the amount of support per category (adaptation, mitigation) where available in the CTF tables (i.e. through percentage). Definitions in line with UNFCCC definitions on mitigation and adaptation.
Sector Sub-sectors: <ul style="list-style-type: none"> energy transport industry agriculture forestry water and sanitation cross-cutting other * (Reporting of subsectors) 	<ul style="list-style-type: none"> Parties shall describe the methodology and definitions used to identify sectors and subsectors reported. Use of OECD DAC disaggregated sector and subsector codes

Commented [LG12]: What is the difference between provided and disbursed? This only creates confusion.

Commented [LG13]: These are repetitive, suggest deleting it.

Commented [LG14]: There is no UNFCCC definition for mitigation and adaptation.

Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
<p>Climate-specific Clarity on what counts as climate finance (link to element of new and additional below)</p>	<ul style="list-style-type: none"> • Only climate-relevant flows shall be counted as climate finance towards resources provided and mobilised in accordance with Art. 9.1 and 9.3. The following general parameters shall be applied to determine climate-relevance of flows: 1) Alignment with Art. 2.1c. Consideration of a negative list of activities that are not aligned with Art. 2.1c -2) Mitigation parameters3) Adaptation parameters. In addition, Parties shall explain in their biennial communication the definitions and methodologies to determine climate specificity/relevance and detail any changes made overtime. • Through an operational/working definition • Through provision of information on boundaries/criteria such as climate relevance and the geographical origin • Through funding of NDCs • Elements of a working definition, including drawing from the work of the SCF Article 9.1 and 9.3 of Paris Agreement, Articles 4.3, 4.4, 4.5, 8.4, 9, 10, and 11 of the Convention) • [Through enhanced reporting on instrument, sector, funding source, activity etc]
<p>New and additional</p>	<ul style="list-style-type: none"> • Parties shall provide information on how support provided is new and additional and how it represents a progression between <u>from</u> previous levels. • Only financial resources consistent with a pathway towards low greenhouse gas emissions and climate resilient development are reported and counted, consistent with Article 2.1 (c) of the Paris Agreement. • Information on progress on the fulfilment of the finance goals. • Reference to ODA
<p>Provision of supplementary information</p>	<ul style="list-style-type: none"> • Provision of information on implementing agencies • Information on how Parties avoid double counting. • Indicators on how finance provided was responsive for needs of developing countries, • [Information on domestic policies related to the allocation and dissemination of resources • Information of the different domestic sources • Information on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized. • Transaction and overhead costs

Commented [LG15]: Climate specific is already part of the CTF tables and documentation box. We consider a retrocess that this information is only included in additional potential considerations. This is at the core of the discussion on financial accounting, therefore it must be moved up (close to amount).

Commented [LG16]: This is already in other sections. We see no connection between this and climate specific.

Commented [LG17]: This falls outside the scope of the mandate we have here.

Climate finance provided through bilateral, regional and other channels⁶

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Recipient country/region/ Project/programme/activity*	<ul style="list-style-type: none"> • Parties shall report information on recipient country and region. • Parties shall provide information on project and activity level, to the extent possible, to improve the level of granularity • Parties shall provide information on implementing agency, including percentage of funding channelled through executing agencies and implementers and suppliers of the developed country party. • There shall be a mutual agreement/cross-checking with recipients before submitting information. • Parties shall provide information on how resources effectively address the needs and priorities of developing countries are linked to the implementation of the Paris Agreement. • In case a project involves more than one country, clear information should be presented on the amount of funding disbursed per each beneficiary country • How to facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between donor and recipient countries. • Indication of Rio Markers used per activity.
Climate-specific*	<ul style="list-style-type: none"> • More clarity on what each Party counts as climate finance (e.g. through the indication of coefficients, use of Rio markers, through operational definitions of climate finance, criteria used to determine climate relevance). • Explanation of methodology on how it counts its bilateral support to be climate-relevant or climate-specific/Only climate specific • Provision of information/explanation on how the resources are linked to the implementation of the Paris Agreement
Bilateral funds provided through multilateral channels	

*Note: * elements that are in the biennial reports common tabular format*

⁶ Biennial reports common tabular format Table 7 (b) is used for reporting financial information on the provision of public financial support through bilateral, regional and other channels

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Capacity building and technology transfer component	<ul style="list-style-type: none"> • Parties shall report information on activities with capacity building and technology transfer components to facilitate better tracking and avoid double counting according to built-in options. • Methodology used to track the technology transfer and capacity-building support as an element of the financial support provided • Qualitative information covered in capacity-building and technology transfer section of reporting
Provision of information on transaction and overhead costs, loan repayments and return on investments;	<ul style="list-style-type: none"> • Parties shall provide information on transaction and overhead costs, loan repayments (grant-equivalent) and return on investments. • Parties shall provide information on terms of conditions of loans provided. • Information on whether the fees are going to a Direct Access entity or international entity • Reporting on these elements will place undue reporting burden on Parties
Link to mobilized resources (Information on whether the activity mobilized additional financial support from a private source)	<ul style="list-style-type: none"> • Party shall provide information on whether the activity mobilized additional financial support from a private source. • Methodology and/or assumption used to avoid double counting between multiple actors involved • Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes

*Note: * elements that are in the biennial reports common tabular format*

Climate finance provided through multilateral channels⁷

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies/guidance for reporting</i>
<p>Multilateral climate change funds, as well as other climate change funds: Sub-channels:</p> <ul style="list-style-type: none"> • GCF • GEF • LDCF • SCCF • AF • CIF • other <p>Multilateral financial institutions, including regional development banks: Sub-channels:</p> <ul style="list-style-type: none"> • World Bank • International Finance Corporation • African Development Bank • Asian Development Bank • European Bank of Reconstruction and Development • Inter-American Development Bank <p>Other multilateral financial institutions Specialized United Nations bodies: Sub-channels:</p> <ul style="list-style-type: none"> • United Nations Development Programme • United Nations Environment Programme <p>Other specialized United Nations bodies United Nations Development Programme (specific programmes), United Nations Environment Programme (specific programmes), Other</p>	
<p>Core/general*</p> <ul style="list-style-type: none"> • (potentially report % of core contribution that climate-specific represents). 	<ul style="list-style-type: none"> • Description of definition, methodology and assumption used to assess the core/general contribution and description of which proportion or share of these are considered and reported as climate financing, including parameters and methodologies. • Loan repayments done by recipient countries during the period of reporting should be reported to identify the net finance provided. • Reporting of only the climate-specific amount of core contributions (e.g. through imputed multilateral contributions);
<p>Climate-specific*</p>	<ul style="list-style-type: none"> • Methodology used to identify the climate-specific inflow to the various multilateral channels • Parties to provide information on how much of parties un-earmarked contributions to the general budgets of multilateral institutions were used for climate-related projects

⁷ Biennial reports common tabular format Table 7 (a) is used for reporting financial information on the provision of public financial support through multilateral channels

Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Outflows (link to climate-specific)	<ul style="list-style-type: none"> • Multilateral outflows captured through the broader transparency framework through an invitation to multilateral institutions to provide activity level data to the SCF for consideration in the Biennial Assessment • Parties shall provide information to improve the understanding on the outflow of finance from multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient. Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific.

Commented [LG18]: What methodology would be used for this? Just general information? Wouldn't this add a lot to the work of the SCF?

Commented [LG19]: This is better.

Note: * elements that are in the biennial reports common tabular format

Climate finance mobilized through public interventions

Potential considerations, while recognizing challenges and limitations:

- Building on existing studies and further inviting expert organizations to undertake technical work.
- Private finance mobilized through multilateral public interventions should be covered in the SCF Biennial Assessment and not in the individual reports
- Climate finance mobilized through bilateral, regional and other channels, as well as other public interventions
- [Reporting](#) Only climate finance mobilized through public interventions by developed country Parties;
- Option for collective reporting where the double counting risk is high.
- Reporting format (e.g. Development of simple standardized/common reporting format to facilitate consistency of quantitative reporting across Parties);
 - Structured system to report private finance mobilised, through tabular format
- Provision of supplementary information (e.g. The reporting should also allow for Parties to report qualitative information on indirect mobilization through capacity building activities and to highlight their good practices in mobilizing private finance.

<i>Parameter</i>	<i>Parties views on underlying assumptions, definitions and methodologies/information</i>
Type of public intervention and instrument used to mobilize the reported financial support Sub-elements: <ul style="list-style-type: none"> • Grant • concessional loan • non-concessional loan • equity • policy intervention • capacity-building • technology transfer • technical assistance 	<ul style="list-style-type: none"> • Parties shall provide information on methodologies and assumptions used to define climate finance mobilized through public interventions. • Methodology, assumption and/or definition used to identify the type of public intervention • Leveraging factor per type of public intervention reported • Valuation of public interventions: Parties to report various financial instruments, and how they value the different public interventions

Information on boundaries for tracking mobilized finance through public information	<ul style="list-style-type: none"> Information on boundaries for tracking mobilized finance through public interventions Parties should present information on boundaries, taking into consideration characteristics of different instruments and mobilisation over time.
Causality assumptions	<ul style="list-style-type: none"> Parties shall provide in their definition of climate finance mobilized through public interventions information on the methodologies and assumptions used to establish causality between a public intervention and mobilized finance. Reporting should only include activities where there is a clear causal link between a public intervention and private finance, and where the activity would not have moved forward, or moved forward at scale, in the absence of the governments' intervention.
Attribution of private finance/Criteria to avoid double counting	<ul style="list-style-type: none"> Parties should explain how to attribute private finance where multiple public interventions/actors are involved. Parties shall provide information on methodology used to avoid double counting among multiple actors involved in the mobilization of support.
Amount of financial resources mobilized including indicative quantitative information on indirect mobilized finance / amount of climate-specific private resources mobilized	<ul style="list-style-type: none"> Parties shall report methodologies and assumptions to calculate the amount of resources used to mobilize the support. Methodology and/or assumption used to avoid double counting between multiple actors involved
Recipient country / region share of mobilization Origin of the mobilized climate finance	<ul style="list-style-type: none"> Methodology and assumptions used to identify the origin of the mobilized private finance Amounts leveraged from domestic private companies, amounts mobilized by multinational companies
Project / programme / activity	<ul style="list-style-type: none"> Indication of types of activities supported – adaptation, mitigation, technology, capacity-building etc.
Box for tagging of activities that have a capacity-building and technology transfer component	<ul style="list-style-type: none"> Methodology used to track the technology transfer and capacity-building support as an element of the private finance mobilized
Allocation channels (multilateral, bilateral, regional and other channels)	<ul style="list-style-type: none"> Information on how reporting Parties identified and reported the given channel
Sector	
Good practice and public policies/ regulatory framework	Parties shall provide qualitative information such as good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments

Commented [LG20]: Not sure about the difference between these two options. Consider streamlining. For us, boundaries relate to how far do you go in considering that as part of the finance mobilized through a public intervention. So it would be connected to the point below, causality.

Commented [LG21]: This second point is more clear. But it would be better if it explicitly mentioned the idea of additionality.

Commented [LG22]: A repetition of what is mentioned on the box above.

Additional information	<ul style="list-style-type: none">Parties may provide additional information.
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Switzerland (received 7 May 2018)

Draft textual elements for 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

Informal note by the co-facilitators

Updated on 06/05/2018, 20:00

These draft textual elements on modalities have been prepared by the co-facilitators of the negotiations on this agenda item under their own responsibility, on the basis of the deliberations by Parties at this session and the views they have submitted. These elements should not be considered as final in any way; they are offered as a basis for work and do not prevent Parties from expressing their views at any time. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.

Objective and principles

- The purpose of the modalities for the accounting of financial resources is to provide clarity on support provided and mobilized through public interventions by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11.
- To facilitate the provision of clarity on support provided and mobilized for the implementation of the Paris Agreement, and in line with Article 13, paragraphs 3, 6, and 9, and within the scope of the SBSTA mandate;
- The development of modalities should take into account the provisions of paragraph 92, decision 1/CP.21.

General considerations

- Build upon, enhance and eventually supersede the current reporting framework, established by decision 1/CP.16, paragraphs 40–47, and decision 2/CP.17, paragraphs 12–62, including the biennial reports common tabular format (CTF) tables to better facilitate project level reporting;
- Avoid duplication as well as undue burden on Parties and the secretariat;
- Ensure compatibility of modalities with other reporting systems and allow for automatic insertion of data through an enhanced electronic reporting application;
- Facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between donor and recipient countries;
- Include information on steps taken by Parties to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, consistent with Article 2.1 (c) of the Paris Agreement.

TEXTUAL ELEMENTS ON ACCOUNTING MODALITIES

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

~~Developed country Parties shall and other Parties that provide support should provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions, in line with Article 9.7 of the Paris Agreement.~~

Commented [BGB23]: Would you keep these elements in, we would have to insist on "should"

The modalities that follow build on existing reporting guidelines for developed Country Parties, including those specified in decision 2/CP.17 and decision 9/CP.21.

Commented [BGB24]: This would have to be deleted

The modalities shall be applicable as of the first report of developed country Parties under the transparency framework.

Commented [BGB25]: Delete or replace with "all"

Other Parties that provide support are encouraged to implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.

Commented [BGB26]: Delete, this is already covered through "should" in the first text element.

The modalities apply to the information that developed country Parties shall provide under the transparency framework to enhance understanding, transparency, accuracy, consistency, comparability and completeness of the information reported, as well as definitions and methodologies used.

Commented [BGB27]: Replace with "Parties"

Developed country Parties shall report biennially information on year, currency, status, funding source, financial instrument, type of support, sector, channel and amount for all categories of support provided.

Commented [BGB28]: Delete, because these are cover decision issues, which will have to be resolved within the broader APA 5 cover decision, such as applicability, etc. We are of the view that we'll waste a lot of time talking about differentiation instead of working on the actual technical elements at this stage, if you keep these elements in.

Cross-cutting considerations⁸

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

There shall be a mutual agreement/cross-checking with recipients before submitting information.

⇒ Should you opt to keep this in, we'd have some additional major edits with regards to differentiation. (see further detailed comments below)

Parameter	Parties views on possible underlying assumptions, definitions and methodologies /Guidance for reporting
Year *	<ul style="list-style-type: none"> Parties shall provide biennial information on annual contributions without overlapping with the previous reporting periods. Methodologies for calculation of annualized information shall be included. In case projects implementations span for a period longer than the period of reporting, only the disbursements done during the reporting period should be reflected. Clarify if this means year when funding for a particular project/programme was committed or year when implementation starts.
Amount* (original currency and USD)	<ul style="list-style-type: none"> Parties shall report information on both face value and grant-equivalent value. Only the grant-equivalent value shall be counted towards resources provided and mobilised in accordance with Art. 9.1, 9.2 and 9.3. Methodology and/or assumption used to avoid double counting between multiple actors involved. Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes.
Currency (domestic currency and USD)*	<ul style="list-style-type: none"> Parties shall provide information on an explanation on methodology used for currency exchange rate in the documentation box. Domestic currency reporting is optional. (Harmonization) of use of currency exchange rate.

Commented [BGB29]: Delete and replace with:

Parties shall and developing countries should report biennially information on financial support provided and mobilized in line with the modalities, procedures and guidelines as referred to in Annex I. => Annex I would then be the actual parameter and modalities we're currently discussing.

Commented [BGB30]: Move this up to the bullet list above the table since it is not a underlying assumption, but more a general comment.

Commented [BGB31]: What do you mean by this? Explain how parties have identified "year"? e.g. fiscal year vs. Calendar year, etc.

Commented [BGB32]: Shift to section on instruments and streamline with what's already under instruments.

Add an additional option:
- Only information on face value should be reported

⁸ Cross-cutting considerations apply to (i) Climate finance provided through bilateral, regional and other channels; (ii) Climate finance provided through multilateral channels; and (iii) Climate finance mobilized through public interventions, when applicable.

<p>Status of contribution</p> <p>Sub-elements:</p> <ul style="list-style-type: none"> • disbursed • committed* 	<ul style="list-style-type: none"> • Parties shall explain, in their biennial reports, information on definitions and methodologies used to specify the funds as committed, provided and disbursed, e.g. through the reference of official documentation. • Provision of references to official documentation to indicate the status of funds. • (Harmonization of) how to count finance committed and/or disbursed, in accordance with the OECD DAC definitions / support harmonization and standardized approach as to whether report committed and/or disbursed.
<p>Funding source</p> <p>Sub-elements:</p> <ul style="list-style-type: none"> • ODA • OOF • other* 	<ul style="list-style-type: none"> • Parties shall specify information on the definition and methodologies used to classify the funding source as ODA, OOF, or other. • Funding sources shall include definitions, methodologies and assumptions for accounting climate finance. • (Harmonization of) reporting funding sources.
<p>Financial instrument</p> <p>Sub-elements:</p> <ul style="list-style-type: none"> • Grant • concessional loan • non-concessional loan • equity • other* 	<ul style="list-style-type: none"> • Parties shall report the information on definitions of instruments used. • Parties shall provide information on definitions and methodologies for reporting grant equivalent, net value, face value. • Level of concessionality/ grant-equivalency.
<p>Type of support</p> <p>Sub-elements:</p> <ul style="list-style-type: none"> • mitigation • adaptation • cross-cutting* 	<ul style="list-style-type: none"> • Parties shall specify information on the definition and methodology to classify the type of support understood as mitigation finance, adaptation finance, loss and damage and cross cutting. • There shall be a description of how support has been targeted at NDCs/ NAPs countries needs incl. for loss and damage and how it has facilitated the implementation of the Paris Agreement. • All support needs to fall under one of these three categories. Cross-cutting should still be climate specific. • Report on the amount of support per category (adaptation, mitigation) where available in the CTF tables (i.e. through percentage). • Definitions in line with UNFCCC definitions on mitigation and adaptation.
<p>Sector</p> <p>Sub-sectors:</p> <ul style="list-style-type: none"> • energy • transport • industry • agriculture • forestry • water and sanitation • cross-cutting • other * • (Reporting of subsectors) 	<ul style="list-style-type: none"> • Parties shall describe information on the methodology and definitions used to identify sectors and subsectors reported. • Use of OECD DAC disaggregated sector and subsector codes

Commented [BGB33]: Delete this category since it is not included as a sub-element

Commented [BGB34]: These two bullets are very similar, maybe you could merge them

Commented [BGB35]: This element should be deleted, because it is out of scope of this agenda item (no reference to Art. 8 in either Art. 13 or Art. 9) Should you opt to keep it, move it down to additional potential considerations together with the parameter Type of support, sub-element: loss and damage

Commented [BGB36]: This is not linked to type of support. It is rather an additional narrative element which could be reported, move it down to additional potential considerations and/or maybe bullet above or something. Any reference to loss and damage should be deleted because it is out of scope.

Commented [BGB37]: This more an overarching consideration on the reporting format and probably don't need to go here.

Note: * elements that are in the biennial reports common tabular format

Additional potential considerations	Parties views on underlying assumptions, definitions and methodologies
<p>Climate-specific Clarity on what counts as climate finance (link to element of new and additional below)</p>	<ul style="list-style-type: none"> • Only climate-relevant flows shall be counted as climate finance towards resources provided and mobilised in accordance with Art. 9.1, 9.2 and 9.3. • The following general parameters shall be applied to determine climate-relevance of flows: <ul style="list-style-type: none"> ○ 1) Alignment with Art. 2.1c. Consideration of a negative list of activities that are not aligned with Art. 2.1c ○ 2) Mitigation parameters ○ 3) Adaptation parameters. • In addition, Parties shall explain in their biennial communication information on the definitions and methodologies to determine climate specificity/relevance and detail any changes made overtime. <ul style="list-style-type: none"> • Through an operational/working definition • Through provision of information on boundaries/criteria such as climate relevance and the geographical origin • Through funding of NDCs • Elements of a working definition, including drawing from the work of the SCF Article 9.1, 9.2 and 9.3 of Paris Agreement, Articles 4.3, 4.4, 4.5, 8.4, 9, 10, and 11 of the Convention) • Through enhanced reporting on instrument, sector, funding source, activity etc. • Reporting on Rio-Marker per activity
<p>New and additional</p>	<ul style="list-style-type: none"> • Parties shall provide information on how support provided is new and additional and how it represents a progression between previous levels. • Only financial resources consistent with a pathway towards low greenhouse gas emissions and climate resilient development are reported and counted, consistent with Article 2.1 (c) of the Paris Agreement. • Information on progress on the fulfilment of the finance goals. • Reference to ODA
<p>Provision of supplementary information</p>	<ul style="list-style-type: none"> • Provision of information on implementing agencies • Information on how Parties avoid double counting. • Indicators on how finance provided was responsive for needs of developing countries, • Information on domestic policies related to the allocation and dissemination of resources • Information of the different domestic sources • Information on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized. • Transaction and overhead costs

Commented [BGB38]: Since the information to be provided will come from developed country parties and other parties that provide support Art. 9.2 would also have to be listed whenever a reference to Art. 9.1 and 9.3 is listed

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Commented [BGB39]: We assume this speaks to climate-specific under private sector mobilized, so it may be better placed there

Commented [BGB40]: This has nothing to do with new and additional and is not really an underlying assumption, delete or shift somewhere else, maybe rather under provision of supplementary information

Commented [BGB41]: This is duplicative with the underlying assumptions under "amount" => streamline by either only mentioning it under "amount" or here

Commented [BGB42]: Domestic sources of whom? The provider country? What exactly is meant with this element?

Commented [BGB43]: Duplicative with provision under "amount" on no double counting with ITMOs

Climate finance provided through bilateral, regional and other channels⁹

Parameters	Parties views on underlying assumptions, definitions and methodologies /Guidance for reporting
Recipient country/region/ Project/programme/activity*	<ul style="list-style-type: none"> Parties shall report information on recipient country and region. Parties shall provide information on project and activity level, to the extent possible, to improve the level of granularity Parties shall provide information on implementing agency, including percentage of funding channelled through executing agencies and implementers and suppliers of the developed country party. There shall be a mutual agreement/cross-checking with recipients before submitting information. Parties shall provide information on how resources effectively address the needs and priorities of developing countries are linked to the implementation of the Paris Agreement. In case a project involves more than one country, clear information should be presented on the amount of funding disbursed per each beneficiary country How to facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between donor and recipient countries. Indication of Rio Markers used per activity.
Climate-specific*	<ul style="list-style-type: none"> More clarity on what each Party counts as climate finance (e.g. through the indication of coefficients, use of Rio markers, through operational definitions of climate finance, criteria used to determine climate relevance). Explanation of methodology on how it counts its bilateral support to be climate-relevant or climate-specific/Only climate specific Provision of information/explanation on how the resources are linked to the implementation of the Paris Agreement
Bilateral funds provided through multilateral channels	

Note: * elements that are in the biennial reports common tabular format

- Commented [BGB44]:** This speaks to a new parameter “implementing agency” and should be shifted to additional potential considerations. It doesn’t really speak to the recipient country, region, project, programme or activity. Move to provision of supplementary information
- Commented [BGB45]:** Already captured in a bullet on top of table for cross-cutting considerations
- Commented [BGB46]:** This is an additional narrative reporting parameter and has nothing to do with this parameter. Shift it to provision of supplementary information
- Commented [BGB47]:** This should rather go to the parameter “amount” => this can practically not be implemented, because regional projects can not be calculated down to country level very often...
- Commented [BGB48]:** This is more a general comment that should be placed in a bullet above the table
- Commented [BGB49]:** Shift down to climate-specific, because it speaks to climate specific and not to the parameter “activity”
- Commented [BGB50]:** This is an overarching consideration and we don’t really need a separate parameter for this under bilateral, since it is captured under cross-cutting considerations => shift missing elements there => a lot of potential for streamlining
- Commented [BGB51]:** This could be placed as a bullet on top of the table since it is not a parameter but a general comment

⁹ Biennial reports common tabular format Table 7 (b) is used for reporting financial information on the provision of public financial support through bilateral, regional and other channels

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
<p><u>Box for tagging of activities that have a capacity-building and technology transfer component</u> Capacity-building and technology transfer component</p>	<ul style="list-style-type: none"> Parties shall report information on activities with capacity-building and technology transfer components to facilitate better tracking and avoid double counting according to built-in options Methodology used to track the technology transfer and capacity-building support as an element of the financial support provided Qualitative information covered in capacity-building and technology transfer section of reporting
<p>Provision of information on transaction and overhead costs, loan repayments and return on investments;</p>	<ul style="list-style-type: none"> Parties shall provide information on transaction and overhead costs, loan repayments (grant-equivalent) and return on investments. Parties shall provide information on terms of conditions of loans provided. Information on whether the fees are going to a Direct Access entity or international entity Reporting on these elements will place undue reporting burden on Parties
<p>Link to mobilized resources (Information on whether the activity mobilized additional financial support from a private source)</p>	<ul style="list-style-type: none"> Party shall provide information on whether the activity mobilized additional financial support from a private source. Methodology and/or assumption used to avoid double counting between multiple actors involved Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes

Commented [BGB52]: This is not an assumption, underlying definition or methodology, it's rather the rationale why we would need this parameter => comes from EIG submission, you can delete it

Commented [BGB53]: We'd request you to move this entire row on capacity-building and technology transfer up to "parameters" since in our view this would be an additional parameter with some type of tick-box.

Commented [BGB54]: This is a general comment but it doesn't really speak to an underlying assumption, methodology or definition

Note: * elements that are in the biennial reports common tabular format

Climate finance provided through multilateral channels¹⁰

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies/guidance for reporting</i>
<p>Multilateral climate change funds, as well as other climate change funds: Sub-channels:</p> <ul style="list-style-type: none"> • GCF • GEF • LDCF • SCCF • AF • CIF • other <p>Multilateral financial institutions, including regional development banks: Sub-channels:</p> <ul style="list-style-type: none"> • World Bank • International Finance Corporation • African Development Bank • Asian Development Bank • European Bank of Reconstruction and Development • Inter-American Development Bank <p>Other multilateral financial institutions Specialized United Nations bodies: Sub-channels:</p> <ul style="list-style-type: none"> • United Nations Development Programme • United Nations Environment Programme <p>Other specialized United Nations bodies United Nations Development Programme (specific programmes), United Nations Environment Programme (specific programmes), Other</p>	
<p>Core/general*</p> <ul style="list-style-type: none"> • (potentially report % of core contribution that climate-specific represents). 	<ul style="list-style-type: none"> • Description of definition, methodology and assumption used to assess the core/general contribution and description of which proportion or share of these are considered and reported as climate financing, including parameters and methodologies. • Loan repayments done by recipient countries during the period of reporting should be reported to identify the net finance provided. • Reporting of only the climate-specific amount of core contributions (e.g. through imputed multilateral contributions).
<p>Climate-specific*</p>	<ul style="list-style-type: none"> • Methodology used to identify the climate-specific inflow to the various multilateral channels • Parties to provide information on how much of parties un-earmarked contributions to the general budgets of multilateral institutions were used for climate-related projects • Reporting of only the climate-specific amount of

Commented [BGB55]: Shift down to climate-specific

Commented [BGB56]: "Climate specific" is only needed as a specific parameter under multilateral, if "core/general" parameter stays, otherwise it could be captured under cross-cutting considerations

¹⁰ Biennial reports common tabular format Table 7 (a) is used for reporting financial information on the provision of public financial support through multilateral channels

	core contributions (e.g. through imputed multilateral contributions);
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Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Outflows (link to climate-specific)	<ul style="list-style-type: none"> • Multilateral outflows captured through the broader transparency framework through an invitation to multilateral institutions to provide activity level data to the SCF for consideration in the Biennial Assessment • Parties shall provide information to improve the understanding on the outflow of finance from multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient. Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific.

Note: * elements that are in the biennial reports common tabular format

Climate finance mobilized through public interventions

Potential considerations, while recognizing challenges and limitations:

- Building on existing studies and further inviting expert organizations to undertake technical work.
- Private finance mobilized through multilateral public interventions should be covered in the SCF Biennial Assessment and not in the individual reports
- Climate finance mobilized through bilateral, regional and other channels, as well as other public interventions
- Only climate finance mobilized through public interventions by developed country Parties;
- Option for collective reporting where the double counting risk is high.
- Reporting format (e.g. Development of simple standardized/common reporting format to facilitate consistency of quantitative reporting across Parties);
 - Structured system to report private finance mobilised, through tabular format
- Provision of supplementary information (e.g. The reporting should also allow for Parties to report qualitative information on indirect mobilization through capacity building activities and to highlight their good practices in mobilizing private finance.

<i>Parameter</i>	<i>Parties views on underlying assumptions, definitions and methodologies/information</i>
Type of public intervention and instrument used to mobilize the reported financial support Sub-elements: <ul style="list-style-type: none"> • Grant • concessional loan • non-concessional loan • equity • policy intervention • capacity-building • technology transfer • technical assistance 	<ul style="list-style-type: none"> • Parties shall provide information Information on methodologies and assumptions used to define climate finance mobilized through public interventions • Methodology, assumption and/or definition used to identify the type of public intervention • Leveraging factor per type of public intervention reported • Valuation of public interventions: Parties to report various financial instruments, and how they value the different public interventions
Information on boundaries for tracking mobilized finance through public information	<ul style="list-style-type: none"> • Information on boundaries for tracking mobilized finance through public interventions • Parties should present Information on boundaries, taking into consideration characteristics of different instruments and mobilisation over time.
Causality assumptions	<ul style="list-style-type: none"> • Parties shall provide in their Information on definition of climate finance mobilized through public interventions information on the methodologies and assumptions used to establish causality between a public intervention and mobilized finance. • Reporting should only include activities where there is a clear causal link between a public intervention and private finance, and where the activity would not have moved forward, or moved forward at scale, in the absence of the governments' intervention.
Attribution of private finance/Criteria to avoid double counting	<ul style="list-style-type: none"> • Parties should explain how to attribute private finance where multiple public interventions/actors are involved. • Parties shall provide information on methodology used to avoid double counting among multiple actors involved in the mobilization of support.
Amount of financial resources mobilized including indicative quantitative information on indirect mobilized finance / amount of climate-specific private resources mobilized	<ul style="list-style-type: none"> • Parties shall report methodologies and assumptions to calculate the amount of resources used to mobilize the support. • Methodology and/or assumption used to avoid double counting between multiple actors involved
Recipient country / region share of mobilization Origin of the mobilized climate finance	<ul style="list-style-type: none"> • Methodology and assumptions used to identify the origin of the mobilized private finance • Amounts leveraged from domestic private companies, amounts mobilized by multinational companies
Project / programme / activity	<ul style="list-style-type: none"> • Indication of types of activities supported – adaptation, mitigation, technology, capacity-building etc.

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Commented [BGB57]: This rather should go to instruments under bilateral public since the valuation of the public instrument is not directly linked to private sector mobilized but to the public intervention, which mobilized it => that way all elements speaking to valuation of instruments would be together

Commented [BGB58]: The double counting issue is a cross-cutting element and should be included there => at least the second bullet should be shifted to cross-cutting element "amount"

Commented [BGB59]: This should be the same parameter as for project/programme /activity on bilateral public

Box for tagging of activities that have a capacity-building and technology transfer component	<ul style="list-style-type: none"> Methodology used to track the technology transfer and capacity-building support as an element of the private finance mobilized
Allocation channels (multilateral, bilateral, regional and other channels)	<ul style="list-style-type: none"> Information on how reporting Parties identified and reported the given channel
Sector	
Good practice and public policies/ regulatory framework	Parties shall provide qualitative information such as good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments
Additional information	<ul style="list-style-type: none"> Parties may provide additional information

Commented [BGB60]: Already covered under cross-cutting considerations

United States of America (received 8 May 2018)

Draft textual elements for 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

Informal note by the co-facilitators

Updated on 06/05/2018, 20:00

These draft textual elements on modalities have been prepared by the co-facilitators of the negotiations on this agenda item under their own responsibility, on the basis of the deliberations by Parties at this session and the views they have submitted. These elements should not be considered as final in any way; they are offered as a basis for work and do not prevent Parties from expressing their views at any time. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.

Objective and principles

- The purpose of the modalities for the accounting of financial resources is to provide clarity on support provided and mobilized through public interventions by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11.
- To facilitate the provision of clarity on support provided and mobilized for the implementation of the Paris Agreement, and in line with Article 13, paragraphs 3, 6, and 9, and within the scope of the SBSTA mandate;
- The development of modalities should take into account the provisions of paragraph 92, decision 1/CP.21.

General considerations

- Build upon, enhance and eventually supersede the current reporting framework, established by decision 1/CP.16, paragraphs 40–47, and decision 2/CP.17, paragraphs 12–62, including the biennial reports common tabular format (CTF) tables to better facilitate project level reporting;
- Avoid duplication as well as undue burden on Parties and the secretariat;
- Ensure compatibility of modalities with other reporting systems and allow for automatic insertion of data

- through an enhanced electronic reporting application;
- Facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between donor and recipient countries;
 - Include information on steps taken by Parties to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, consistent with Article 2.1 (c) of the Paris Agreement.

TEXTUAL ELEMENTS ON ACCOUNTING MODALITIES

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

Developed country Parties shall and other Parties that provide support should/are encouraged to provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions for the previous two reporting years without overlapping with the previous reporting periods, , to include the following:

Cross-cutting considerations¹¹

A common tabular reporting format shall be developed to facilitate the accounting of financial resources provided and mobilized through public interventions.

<i>Parameter</i>	<i>Parties views on possible underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Year *	<ul style="list-style-type: none"> • Information on the underlying definitions, methodologies and assumptions used to report in the chosen reporting year. • In case projects implementations span for a period longer than the period of reporting, only the disbursements done during the reporting period should be reflected and methodologies for calculation of annualized information should be included. •
Amount* (original currency and USD)	<ul style="list-style-type: none"> • Methodology and/or assumption used to avoid double counting between multiple actors involved. • Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes. • Information on methodology used for currency exchange rate in the documentation box. Domestic currency reporting is optional.

¹¹ Cross-cutting considerations apply to (i) Climate finance provided through bilateral, regional and other channels; (ii) Climate finance provided through multilateral channels; and (iii) Climate finance mobilized through public interventions, when applicable.

<p>Status</p> <p>Built-in options:</p> <ul style="list-style-type: none"> • disbursed • committed* 	<ul style="list-style-type: none"> • Information on definitions and methodologies used to specify the funds as committed and/or disbursed. • Provision of references to official documentation to indicate the status of funds. • . • Clarify if this means year when funding for a particular project/programme was committed or year when implementation starts.
<p>Source</p> <p>Built-in options:</p> <ul style="list-style-type: none"> • ODA • OOF • other* 	<ul style="list-style-type: none"> • Information on the definition and methodologies used to classify the funding source as ODA, OOF, or other. •
<p>Instrument</p> <p>Built-in options:</p> <ul style="list-style-type: none"> • Grant • concessional loan • non-concessional loan • equity • guarantee • insurance • other* 	<ul style="list-style-type: none"> • Information on the definitions of instruments used. •
<p>Type</p> <p>Built-in options:</p> <ul style="list-style-type: none"> • mitigation • adaptation • cross-cutting* 	<ul style="list-style-type: none"> • Information on the definition and methodology to classify the type of support understood as mitigation finance, adaptation finance, and cross cutting. • Report on the amount of support per category (adaptation, mitigation) where available in the CTF tables (i.e. through percentage). •
<p>Sector</p> <p>Built-in options:</p> <ul style="list-style-type: none"> • energy • transport • industry • agriculture • forestry • water and sanitation • cross-cutting • other * • 	<ul style="list-style-type: none"> • Information on the methodology and definitions used to identify sectors. • Use of OECD DAC disaggregated sector codes

Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Grant-equivalent value	<ul style="list-style-type: none"> • Parties shall report both face value and grant-equivalent value.

	<ul style="list-style-type: none"> • Only the grant-equivalent value shall be counted towards resources provided and mobilised in accordance with Art. 9.1 and 9.3.
Sub-sector	<ul style="list-style-type: none"> • Information on methodology and definitions used to identify sub-sectors. • Use of OECD DAC disaggregated sub-sector codes
Climate-specific Clarity on what counts as climate finance (link to element of new and additional below)	<ul style="list-style-type: none"> • Only climate-relevant flows shall be counted as climate finance towards resources provided and mobilised in accordance with Art. 9.1 and 9.3. The following general parameters shall be applied to determine climate-relevance of flows: 1) Alignment with Art. 2.1c. Consideration of a negative list of activities that are not aligned with Art. 2.1c -2) Mitigation parameters3) Adaptation parameters. In addition, Parties shall explain in their biennial communication the definitions and methodologies to determine climate specificity/relevance and detail any changes made overtime. • Through an operational/working definition • Through provision of information on boundaries/criteria such as climate relevance and the geographical origin • Through funding of NDCs • Elements of a working definition, including drawing from the work of the SCF Article 9.1 and 9.3 of Paris Agreement, Articles 4.3, 4.4, 4.5, 8.4, 9, 10, and 11 of the Convention) • Through enhanced reporting on instrument, sector, funding source, activity etc.
New and additional	<ul style="list-style-type: none"> • Parties shall provide information on how support provided is new and additional and how it represents a progression between previous levels. • Only financial resources consistent with a pathway towards low greenhouse gas emissions and climate resilient development are reported and counted, consistent with Article 2.1 (c) of the Paris Agreement. • Information on progress on the fulfilment of the finance goals. • Reference to ODA
Provision of supplementary information	<ul style="list-style-type: none"> • Provision of information on implementing agencies • Information on how Parties avoid double counting. • Indicators on how finance provided was responsive for needs of developing countries, • Information on domestic policies related to the allocation and dissemination of resources • Information of the different domestic sources • Information on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized. • Transaction and overhead costs • There shall be a description of how support has been targeted at NDCs/ NAPs countries needs incl. for loss and damage and how it has facilitated the implementation of the Paris Agreement.

Climate finance provided through bilateral, regional and other channels¹²

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Recipient country/region/ Project/programme/activity*	<ul style="list-style-type: none"> Information on the underlying definitions, methodologies and assumptions used to identify and report support as going to the specified activity/recipient. Parties shall report information on recipient country and region. Parties shall provide information on project and activity level, to the extent possible, to improve the level of granularity. In case a project involves more than one country, clear information should be presented on the amount of funding disbursed per each beneficiary country
Bilateral funds provided through multilateral channels	

*Note: * elements that are in the biennial reports common tabular format*

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Capacity building and technology transfer component	<ul style="list-style-type: none"> Information on whether activities contain capacity building and technology transfer components Note: Qualitative information to be covered in capacity-building and technology transfer section of reporting
Provision of information on transaction and overhead costs, loan repayments and return on investments;	<ul style="list-style-type: none"> Parties shall provide information on transaction and overhead costs, loan repayments (grant-equivalent) and return on investments. Parties shall provide information on terms of conditions of loans provided. Information on whether the fees are going to a Direct Access entity or international entity Reporting on these elements will place undue reporting burden on Parties
Link to mobilized resources (Information on whether the activity mobilized additional financial support from a private source)	<ul style="list-style-type: none"> Party shall provide information on whether the activity mobilized additional financial support from a private source. Methodology and/or assumption used to avoid double counting between multiple actors involved Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes
Mutual agreement / cross-checking	<ul style="list-style-type: none"> There shall be a mutual agreement/cross-checking with recipients before submitting information.

¹² Biennial reports common tabular format Table 7 (b) is used for reporting financial information on the provision of public financial support through bilateral, regional and other channels

Note: * elements that are in the biennial reports common tabular format

Climate finance provided through multilateral channels¹³

Parameters	Parties views on underlying assumptions, definitions and methodologies/guidance for reporting
<p>Multilateral climate change funds, as well as other climate change funds: Sub-channels:</p> <ul style="list-style-type: none"> • GCF • GEF • LDCF • SCCF • AF • CIF • other <p>Multilateral financial institutions, including regional development banks: Sub-channels:</p> <ul style="list-style-type: none"> • World Bank • International Finance Corporation • African Development Bank • Asian Development Bank • European Bank of Reconstruction and Development • Inter-American Development Bank <p>Other multilateral financial institutions Specialized United Nations bodies: Sub-channels:</p> <ul style="list-style-type: none"> • United Nations Development Programme • United Nations Environment Programme <p>Other specialized United Nations bodies United Nations Development Programme (specific programmes), United Nations Environment Programme (specific programmes), Other</p>	
<p>Core/general*</p> <ul style="list-style-type: none"> • (potentially report % of core contribution that climate-specific represents). 	<ul style="list-style-type: none"> • Description of definition, methodology and assumption used to assess the core/general contribution and description of which proportion or share of these are considered and reported as climate financing, including parameters and methodologies. • Loan repayments done by recipient countries during the period of reporting should be reported to identify the net finance provided. • Reporting of only the climate-specific amount of core contributions (e.g. through imputed multilateral contributions);

¹³ Biennial reports common tabular format Table 7 (a) is used for reporting financial information on the provision of public financial support through multilateral channels

Climate-specific*	<ul style="list-style-type: none"> • Methodology used to identify the climate-specific inflow to the various multilateral channels • Parties to provide information on how much of parties un-earmarked contributions to the general budgets of multilateral institutions were used for climate-related projects
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Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Outflows (link to climate-specific)	<ul style="list-style-type: none"> • Multilateral outflows captured through the broader transparency framework through an invitation to multilateral institutions to provide activity level data to the SCF for consideration in the Biennial Assessment • Parties shall provide information to improve the understanding on the outflow of finance from multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient. Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific.

Note: * elements that are in the biennial reports common tabular format

Climate finance mobilized through public interventions

Potential considerations, while recognizing challenges and limitations:

- Building on existing studies and further inviting expert organizations to undertake technical work.
- Private finance mobilized through multilateral public interventions should be covered in the SCF Biennial Assessment and not in the individual reports
- Climate finance mobilized through bilateral, regional and other channels, as well as other public interventions
- Only climate finance mobilized through public interventions by developed country Parties;
- Option for collective reporting where the double counting risk is high.
- Reporting format (e.g. Development of simple standardized/common reporting format to facilitate consistency of quantitative reporting across Parties);
 - Structured system to report private finance mobilised, through tabular format
- Provision of supplementary information (e.g. The reporting should also allow for Parties to report qualitative information on indirect mobilization through capacity building activities and to highlight their good practices in mobilizing private finance.

<i>Parameter</i>	<i>Parties views on underlying assumptions, definitions and methodologies/information</i>
Type of public intervention used to mobilize the reported financial support Built-in options: <ul style="list-style-type: none"> • Grant • concessional loan • non-concessional loan • equity • policy intervention • capacity-building • technology transfer • technical assistance • Other 	<ul style="list-style-type: none"> • Information on methodologies, definitions and assumptions used to identify the type of public interventions • Leveraging factor per type of public intervention reported • Valuation of public interventions: Parties to report various financial instruments, and how they value the different public interventions
Amount of financial resources mobilized including indicative quantitative information on indirect mobilized finance / amount of climate-specific private resources mobilized	<ul style="list-style-type: none"> • Information on the methodologies and assumptions to calculate the amount of resources used to mobilize the support, including, as appropriate: <ul style="list-style-type: none"> <i>Boundaries</i> <ul style="list-style-type: none"> ○ Information on boundaries for tracking mobilized finance through public interventions, taking into consideration characteristics of different instruments and mobilisation over time. <i>Causality</i> <ul style="list-style-type: none"> ○ Information on the methodologies and assumptions used to establish causality between a public intervention and mobilized finance. ○ Reporting should only include activities where there is a clear causal link between a public intervention and private finance, and where the activity would not have moved forward, or moved forward at scale, in the absence of the public intervention. <i>Double counting</i> <ul style="list-style-type: none"> ○ Information on methodology used to avoid double counting where multiple actors were involved in the mobilization of support
Box for tagging of activities that have a capacity-building and technology transfer component	<ul style="list-style-type: none"> • Methodology used to track the technology transfer and capacity-building support as an element of the private finance mobilized
Channels (multilateral, bilateral, regional and other channels)	<ul style="list-style-type: none"> • Information on how reporting Parties identified and reported the given channel
Sector	

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Country/region/project / programme / activity	
Good practice and public policies/ regulatory framework	<ul style="list-style-type: none"> Parties shall provide qualitative information such as good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments.
Additional information	<ul style="list-style-type: none"> Parties may provide additional information
Recipient country / region share of mobilization Origin of the mobilized climate finance	<ul style="list-style-type: none"> Methodology and assumptions used to identify the origin of the mobilized private finance Amounts leveraged from domestic private companies, amounts mobilized by multinational companies

EU (received 8 May 2018)

EU INPUT – 07/05/2018

Draft textual elements for 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

Informal note by the co-facilitators

Updated on 06/05/2018, 20:00

These draft textual elements on modalities have been prepared by the co-facilitators of the negotiations on this agenda item under their own responsibility, on the basis of the deliberations by Parties at this session and the views they have submitted. These elements should not be considered as final in any way; they are offered as a basis for work and do not prevent Parties from expressing their views at any time. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.

SBSTA recognized the need for strictly following the mandate. The mandate of the SBSTA as set out in decision 1/CP.21, paragraph 57, is to develop modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement for consideration by COP 24 (December 2018), with a view to making a recommendation for consideration and adoption by CMA 1.

Objective and principles

- The purpose of the modalities for the accounting of financial resources is to provide clarity on support provided and mobilized through public interventions by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11.
- To facilitate the provision of clarity on support provided and mobilized for the implementation of the Paris Agreement, and in line with Article 13, paragraphs 3, 6, and 9, and within the scope of the SBSTA mandate;
- The development of modalities should take into account the provisions of paragraph 92, decision 1/CP.21.

General considerations

- Build upon, enhance and eventually supersede the current reporting framework, established by decision

- 1/CP.16, paragraphs 40–47, and decision 2/CP.17, paragraphs 12–62, including the biennial reports common tabular format (CTF) tables, immediately following the submission of the final biennial reports;
- Avoid duplication as well as undue burden on Parties and the secretariat;
 - Ensure compatibility of modalities with other reporting systems and allow for automatic insertion of data through an enhanced electronic reporting application;
 - Facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between donor and recipient countries;
 - Include information on steps taken by Parties to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, consistent with Article 2.1 (c) of the Paris Agreement.

TEXTUAL ELEMENTS ON ACCOUNTING MODALITIES

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

Developed country Parties shall and other Parties that provide support should provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions, in line with Article 9.7 of the Paris Agreement.

The modalities that follow build on existing reporting guidelines for developed Country Parties, including those specified in decision 2/CP.17 and decision 9/CP.21.

The modalities shall be applicable as of the first report of developed country Parties under the transparency framework of the Paris Agreement.

Other Parties that provide support are encouraged to implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.

The modalities apply to the information that developed country Parties shall provide under the transparency framework to enhance understanding, transparency, accuracy, consistency, comparability and completeness of the information reported, as well as definitions and methodologies used.

Developed country Parties shall report biennially information on year, currency, status, funding source, financial instrument, type of support, sector, channel and amount for all categories of support provided.

Cross-cutting considerations¹⁴

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

¹⁴ Cross-cutting considerations apply to (i) Climate finance provided through bilateral, regional and other channels; (ii) Climate finance provided through multilateral channels; and (iii) Climate finance mobilized through public interventions, when applicable.

<i>Parameter</i>	<i>Parties views on possible underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Year *	<ul style="list-style-type: none"> Parties shall provide biennial information on annual contributions without overlapping with the previous reporting periods. Methodologies for calculation of annualized information shall be included. In case projects implementations span for a period longer than the period of reporting, only the disbursements done during the reporting period should be reflected. Clarify if this means year when funding for a particular project/programme was committed or year when implementation starts.
Amount* (original currency and USD)	<ul style="list-style-type: none"> Parties shall report both face value and grant-equivalent value. Methodology and/or assumption used to avoid double counting between multiple actors involved. Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes.
Currency (domestic currency and USD)*	<ul style="list-style-type: none"> Parties shall provide an explanation on methodology used for currency exchange rate in the documentation box. Domestic currency reporting is optional. (Harmonization) of use of currency exchange rate.
Status of contribution Sub-elements: <ul style="list-style-type: none"> disbursed committed* 	<ul style="list-style-type: none"> Parties shall explain, in their biennial reports, definitions and methodologies used to specify the funds as committed and disbursed. Provision of references to official documentation to indicate the status of funds. (Harmonization of) how to count finance committed and/or disbursed, in accordance with the OECD DAC definitions / support harmonization and standardized approach as to whether report committed and/or disbursed.
Funding source Sub-elements: <ul style="list-style-type: none"> ODA OOF other* 	<ul style="list-style-type: none"> Parties shall specify the definition and methodologies used to classify the funding source as ODA, OOF, or other. Funding sources shall include definitions, methodologies and assumptions for accounting climate finance. (Harmonization of) reporting funding sources.
Financial instrument Sub-elements: <ul style="list-style-type: none"> Grant concessional loan non-concessional loan equity other* 	<ul style="list-style-type: none"> Parties shall report the definitions of instruments used. Parties shall provide definitions and methodologies for reporting grant equivalent, net value, face value. Only the grant-equivalent value shall be counted towards resources provided and mobilised in accordance with Art. 9.1 and 9.3. Level of concessionality/ grant-equivalency.

<p>Type of support Sub-elements:</p> <ul style="list-style-type: none"> • mitigation • adaptation • cross-cutting* 	<ul style="list-style-type: none"> • Parties shall specify the definition and methodology to classify the type of support understood as mitigation finance, adaptation finance, loss and damage and cross cutting. • There shall be a description of how support has been targeted at NDCs/ NAPs countries needs incl. for loss and damage and how it has facilitated the implementation of the Paris Agreement. • All support needs to fall under one of these three categories. Cross-cutting should still be climate specific. • Report on the amount of support per category (adaptation, mitigation) where available in the CTF tables (i.e. through percentage). • Definitions in line with UNFCCC definitions on mitigation and adaptation. • Cross-cutting types of support are activities cross-cutting across mitigation and adaptation.
<p>Sectors:</p> <ul style="list-style-type: none"> • energy • transport • industry • agriculture • forestry • water and sanitation • cross-cutting • other * • Reporting of subsectors 	<ul style="list-style-type: none"> • Parties shall describe the methodology and definitions used to identify sectors and subsectors reported. • Use of OECD DAC disaggregated sector and subsector codes
<p>Recipient and/or delivery channel</p>	<ul style="list-style-type: none"> • Recipients and/or delivery channels of bilateral, regional and other support • Recipients and/or delivery channels of multilateral support • Recipients and/or delivery channels of mobilized support through public interventions

*Note: * elements that are in the biennial reports common tabular format*

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Climate-specific Clarity on what counts as climate finance	<ul style="list-style-type: none"> • Only climate-relevant flows shall be counted as climate finance towards resources provided and mobilised in accordance with Art. 9.1 and 9.3. The following general parameters shall be applied to determine climate-relevance of flows: 1) Alignment with Art. 2.1c. Consideration of a negative list of activities that are not aligned with Art. 2.1c -2) Mitigation parameters3) Adaptation parameters. In addition, Parties shall explain in their biennial communication the definitions and methodologies to determine climate specificity/relevance and detail any changes made overtime. • Through an operational/working definition • Through provision of information on boundaries/criteria such as climate relevance and the geographical origin • Through funding of NDCs • Elements of a working definition, including drawing from the work of the SCF Article 9.1 and 9.3 of Paris Agreement, Articles 4.3, 4.4, 4.5, 8.4, 9, 10, and 11 of the Convention) • Through enhanced reporting on instrument, sector, funding source, activity etc.
New and additional	<ul style="list-style-type: none"> • Parties shall provide information on how support provided is new and additional and how it represents a progression between previous levels. • Only financial resources consistent with a pathway towards low greenhouse gas emissions and climate resilient development are reported and counted, consistent with Article 2.1 (c) of the Paris Agreement. • Information on progress on the fulfilment of the finance goals. • Reference to ODA
Provision of supplementary information	<ul style="list-style-type: none"> • Provision of information on implementing agencies • Information on how Parties avoid double counting. • Indicators on how finance provided was responsive for needs of developing countries, • Information on domestic policies related to the allocation and dissemination of resources • Information of the different domestic sources • Information on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized. • Transaction and overhead costs

Climate finance provided through bilateral, regional and other channels¹⁵

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies /Guidance for reporting</i>
Recipient country/region/ Project/programme/activity*	<ul style="list-style-type: none"> • Parties shall report information on recipient country and region. • Parties shall provide information on project and activity level, to the extent possible, to improve the level of granularity • Parties shall provide information on implementing agency, including percentage of funding channelled through executing agencies and implementers and suppliers of the developed country party. • There shall be a mutual agreement/cross-checking with recipients before submitting information. • Parties shall provide information on how resources effectively address the needs and priorities of developing countries are linked to the implementation of the Paris Agreement. • In case a project involves more than one country, clear information should be presented on the amount of funding disbursed per each beneficiary country • How to facilitate more granularity through the provision of project- and activity-level information to enhance the transparency of operational definitions of climate finance used and to foster engagement between donor and recipient countries. • Indication of Rio Markers used per activity.
Climate-specific*	<ul style="list-style-type: none"> • More clarity on what each Party counts as climate finance (e.g. through the indication of coefficients, use of Rio markers, through operational definitions of climate finance, criteria used to determine climate relevance). • Explanation of methodology on how it counts its bilateral support to be climate-relevant or climate-specific/Only climate specific • Provision of information/explanation on how the resources are linked to the implementation of the Paris Agreement
Bilateral funds provided through multilateral channels	

*Note: * elements that are in the biennial reports common tabular format*

¹⁵ Biennial reports common tabular format Table 7 (b) is used for reporting financial information on the provision of public financial support through bilateral, regional and other channels

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Capacity building and technology transfer component	<ul style="list-style-type: none"> • Parties shall report information on activities with capacity building and technology transfer components to facilitate better tracking and avoid double counting according to built-in options. • Methodology used to track the technology transfer and capacity-building support as an element of the financial support provided • Qualitative information covered in capacity-building and technology transfer section of reporting
Provision of information on transaction and overhead costs, loan repayments and return on investments;	<ul style="list-style-type: none"> • Parties shall provide information on transaction and overhead costs, loan repayments (grant-equivalent) and return on investments. • Parties shall provide information on terms of conditions of loans provided. • Information on whether the fees are going to a Direct Access entity or international entity • Reporting on these elements will place undue reporting burden on Parties
Link to mobilized resources (Information on whether the activity mobilized additional financial support from a private source)	<ul style="list-style-type: none"> • Party shall provide information on whether the activity mobilized additional financial support from a private source. • Methodology and/or assumption used to avoid double counting between multiple actors involved • Methodology and/or assumption used to avoid double counting with international transferrable mitigation outcomes

*Note: * elements that are in the biennial reports common tabular format*

Climate finance provided through multilateral channels¹⁶

<i>Parameters</i>	<i>Parties views on underlying assumptions, definitions and methodologies/guidance for reporting</i>
<p>Multilateral climate change funds, as well as other climate change funds: Sub-channels:</p> <ul style="list-style-type: none"> • GCF • GEF • LDCF • SCCF • AF • CIF • other <p>Multilateral financial institutions, including regional development banks: Sub-channels:</p> <ul style="list-style-type: none"> • World Bank • International Finance Corporation • African Development Bank • Asian Development Bank • European Bank of Reconstruction and Development • Inter-American Development Bank <p>Other multilateral financial institutions Specialized United Nations bodies: Sub-channels:</p> <ul style="list-style-type: none"> • United Nations Development Programme • United Nations Environment Programme <p>Other specialized United Nations bodies United Nations Development Programme (specific programmes), United Nations Environment Programme (specific programmes), Other</p>	
<p>Core/general*</p> <ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Description of definition, methodology and assumption used to assess the core/general contribution and description of which proportion or share of these are considered and reported as climate financing, including parameters and methodologies. • Loan repayments done by recipient countries during the period of reporting should be reported to identify the net finance provided. • Reporting of only the climate-specific amount of core contributions (e.g. through imputed multilateral contributions); • Full core contributions, with a clear notation that only a proportion is climate specific.

¹⁶ Biennial reports common tabular format Table 7 (a) is used for reporting financial information on the provision of public financial support through multilateral channels

Climate-specific*	<ul style="list-style-type: none"> • Methodology used to identify the climate-specific inflow to the various multilateral channels • Parties to provide information on how much of parties un-earmarked contributions to the general budgets of multilateral institutions were used for climate-related projects • Potentially report % of core contribution that climate-specific represents • Multilateral climate-specific support to the multilateral climate change funds is to be reported by each relevant Party;
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Note: * elements that are in the biennial reports common tabular format

<i>Additional potential considerations</i>	<i>Parties views on underlying assumptions, definitions and methodologies</i>
Outflows (link to climate-specific)	<ul style="list-style-type: none"> • Multilateral outflows captured through the broader transparency framework through an invitation to multilateral institutions to provide activity level data to the SCF for consideration in the Biennial Assessment • Parties shall provide information to improve the understanding on the outflow of finance from multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient. Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific.

Note: * elements that are in the biennial reports common tabular format

Climate finance mobilized through public interventions

Potential considerations, while recognizing challenges and limitations:

- Building on existing studies and further inviting expert organizations to undertake technical work.
- Private finance mobilized through multilateral public interventions should be covered in the SCF Biennial Assessment and not in the individual reports
- Climate finance mobilized through bilateral, regional and other channels, as well as other public interventions
- Only climate finance mobilized through public interventions by developed country Parties; Reporting should only include activities where there is a clear causal link between a public intervention and private finance, and where the activity would not have moved forward, or moved forward at scale, in the absence of the governments' intervention.
- Option for collective reporting where the double counting risk is high.
- Reporting format (e.g. Development of simple standardized/common reporting format to facilitate consistency of quantitative reporting across Parties);
 - Structured system to report private finance mobilised, through tabular format
- Provision of supplementary information (e.g. The reporting should also allow for Parties to report qualitative information on indirect mobilization through capacity building activities and to highlight their good practices in mobilizing private finance.

<i>Parameter</i>	<i>Parties views on underlying assumptions, definitions and methodologies/information</i>
Type of public intervention and instrument used to mobilize the reported financial support Sub-elements: <ul style="list-style-type: none"> • Grant • concessional loan • non-concessional loan • equity • policy intervention • capacity-building • technology transfer • technical assistance 	<ul style="list-style-type: none"> • Parties shall provide information on methodologies and assumptions used to define climate finance mobilized through public interventions • Methodology, assumption and/or definition used to identify the type of public intervention • Leveraging factor per type of public intervention reported • Valuation of public interventions: Parties to report various financial instruments, and how they value the different public interventions
Information on boundaries for tracking mobilized finance through public information	<ul style="list-style-type: none"> • Information on boundaries for tracking mobilized finance through public interventions • Parties should present information on boundaries, taking into consideration characteristics of different instruments and mobilisation over time.
Causality assumptions	<ul style="list-style-type: none"> • Parties shall provide in their definition of climate finance mobilized through public interventions information on the methodologies and assumptions used to establish causality between a public intervention and mobilized finance. •
Attribution of private finance/Criteria to avoid double counting	<ul style="list-style-type: none"> • Parties should explain how to attribute private finance where multiple public interventions/actors are involved. • Parties shall provide information on methodology used to avoid double counting among multiple actors involved in the mobilization of support
Amount of financial resources mobilized including indicative quantitative information on indirect mobilized finance / amount of climate-specific private resources mobilized	<ul style="list-style-type: none"> • Parties shall report methodologies and assumptions to calculate the amount of resources used to mobilize the support. • Methodology and/or assumption used to avoid double counting between multiple actors involved
Recipient country / region share of mobilization Origin of the mobilized climate finance	<ul style="list-style-type: none"> • Methodology and assumptions used to identify the origin of the mobilized private finance • Amounts leveraged from domestic private companies, amounts mobilized by multinational companies
Project / programme / activity	<ul style="list-style-type: none"> • Indication of types of activities supported – adaptation, mitigation, technology, capacity-building etc.

Box for tagging of activities that have a capacity-building and technology transfer component	<ul style="list-style-type: none"> Methodology used to track the technology transfer and capacity-building support as an element of the private finance mobilized
Allocation channels (multilateral, bilateral, regional and other channels)	<ul style="list-style-type: none"> Information on how reporting Parties identified and reported the given channel
Sector	
Good practice and public policies/ regulatory framework	Parties shall provide qualitative information such as good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments
Additional information	<ul style="list-style-type: none"> Parties may provide additional information

**Annex II: Further written input by Parties
on the informal note by the co-chairs of the contact group on SBSTA48 agenda item 13
09.05.2018**

EU (received 9 May 2018)

EU input on SBSTA informal note by the co-chairs, version 09.05.2018, 10.00H during informal consultations @ 09/05

- **Cross-cutting considerations:** ‘New and additional’ and ‘climate-specific’ should be under *Additional potential considerations* instead of *Parameters*, as these are not *Parameters*.
- **Cross-cutting considerations –Parties views on possible underlying assumptions, definitions and methodologies /Guidance for reporting:** under Climate-specific - ‘Alignment with Art. 2.1c’ is a separate bullet point than ‘Negative list of activities that are not aligned with Art. 2.1c’.

G77+China (received 9 May 2018)

I am putting the comments that we made on the floor only as part of my written inputs for reflection as agreed in the informal consultations on SBSTA agenda item 13.

The points that we raised are the following.

- We look forward to textual negotiations based on negotiating text, this is why the group of G77+China has presented a CRP, that it considers as the basis until negotiating text is issued.
- We note that we haven’t had time to address the issue of objectives and principles in this entire session, and we do not see that editing this section of the informal document is appropriate at this stage. We will take the version of the informal note coming out of COP23 as the “objective and principles” that will be discussed in this final version of the informal note.
- The section on general considerations makes incomplete reference to the decisions and paragraphs mentioned in p98 of 1/CP.21, we would prefer to either make a complete reference or none at all but note that this specific consideration is in the context of the transparency framework and not only on modalities under this agenda item.
- We prefer to have a coherent approach in how we have sub-bullets from the left to the right column. It should either be all or none at all. No element that is currently mentioned in the right column as a possible sub-parameter should be missing from the left one, should you choose to keep them there.
- We are not in favor of deleting any inputs that are currently in the note or moving them from parameters to additional potential considerations. We will negotiate this issue in the next session and understand to have finished editing the note at the moment. These comments are made so that the next session can benefit from them in its agreed mode of work.

We understand subgroups of the G77+China are entitled to send their own written inputs to you in the same standing as we have sent ours, and we retain the right to provide additional comments and suggestions at the next session with regards to the note that has been finalized now.

EIG (received 9 May 2018)

EIG views on the last iteration of the informal note on modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Art. 9.7:

- We propose to shift the categories “climate specific” and “new and additional” to additional potential considerations, because they are not a reporting parameter but instead would have to be accounted for in a narrative manner.
- We propose to make a distinct bullet point capturing just alignment with Art. 2.1c) and not mix it with any other issue such as a negative list for activities not in line with Art. 2.1c)
- We would be in a position to accept the proposed changes from the G77 to remove any shall and should from the document and just use the infinite verb form.
- We are of the view that elements, which are outside of the mandate such as a reference to Art. 9.5 and loss and damage should not be included in the note. We can be flexible, if these elements are strong views of other countries and they are just included under “additional potential considerations” and not as a parameter.

US (received 9 May 2018)

The following should be distilled into separate elements/concepts:

- Information on grant equivalent value (as a separate and distinct from "amount" and "financial instrument")

The following elements should be merged

- "climate specific" AND "amount"

The following items/concepts are outside of the scope of the mandate of this agenda item

- "new and additional"
- Reflection of information in accordance with 9.5

NORWAY (received 9 May 2018)

Textual input from Norway after the SBSTA session today.

Under cross-cutting considerations, the informal note now has a structure that separates the table with "parameters" from the section on "Additional potential considerations". The categories "Climate specific" and "new and additional" are now placed under the "parameters" heading, but should be moved to the "Additional potential considerations" section. The argument for this is that these categories are not reporting parameters in a strict sense (where you actually can extract a value or sort information). They are rather underlying considerations or assumptions parties (can) make when they define/explain how they report climate finance. There is space for reporting fields on "Climate specific" in the current CTF table, but only because there is a lack of clarity regarding the division between "core" and "general" in the existing table on how to report this. Such clarity cannot be provided by having climate specific as a distinct reporting parameter, but instead by providing further guidance on how Parties could actually report and explain definitions used to determine climate specificity. The same logic applies to the category of "new and additional", where some parties request further explanations/clarity on how support provided is new and additional.

ABU (received 9 May 2018)

***VIEWS FROM ABU ON THE FINAL INFORMAL NOTE FROM CO-FACILITATORS
MAY 9, 2018***

OBJECTIVE AND PRINCIPLES

WE WOULD LIKE TO SEE THE FOLLOWING MISSING ELEMENTS FROM THE PREVIOUS INFORMAL NOTE RE-INSERTED INTO THE OBJECTIVES AND PRINCIPLES SECTION:

- To develop modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement in time for them to be integrated into the transparency framework referred to in Article 13 of the Paris Agreement.
- To facilitate the provision of information on measures taken by Parties to fulfill their commitments under article 4 of the Convention for the effective implementation of the Paris Agreement.
- To review the implementation of individual Party obligations; to assess individual and collective progress towards achieving the purpose of the Paris Agreement and its long-term goals; to build trust and accountability amongst Parties.
- Transparency, accuracy, consistency, comparability and completeness as well as avoiding double-counting.
- Facilitating improved reporting and transparency over time, and building on and enhancing current reporting modalities by improving clarity and transparency of climate-relevance and additionality of support provided and mobilized over time.
- Harmonization and standardization of underlying methodologies, assumptions and definitions over time, where possible.
- The purpose of the modalities for the accounting of financial resources is to provide clarity on support provided and mobilized through public interventions by individual Parties obligations in the context of climate change actions under Articles 4, 7, 9, 10 and 11.

GENERAL CONSIDERATIONS

WE WOULD LIKE TO SEE THE FOLLOWING MISSING ELEMENTS FROM THE PREVIOUS INFORMAL NOTE RE-INSERTED INTO GENERAL CONSIDERATIONS:

- Clear differentiation of mobilized climate finance and provided climate finance.
- Build upon and enhance the current reporting framework, including the biennial reports common tabular format (CTF) tables.

The first bullet of the current co-facilitators Informal Note is a red line for us. This is the mandate of Article 13 of the Paris Agreement. This SBSTA agenda item reports back to the COP. If the paragraphs 40-47 of the decision 1/ CP. 16 are deleted as a COP agenda item, reporting outside the Paris Agreement would be superseded. This second bullet above addresses that.

DELETE THE HEADLINE UNDER **TEXTUAL ELEMENTS** ON ACCOUNTING MODALITIES ON PAGE 2 – THE MANDATE IS ALREADY REFERRED TO IN PAGE 1. TEXTUAL ELEMENTS → Please refrain from titles that do not refer to the exact mandate. Full stop after paragraph 7.

INSERT IN CROSS CUTTING CONSIDERATIONS:

There shall be a mutual agreement/cross-checking with recipients before submitting information.

ON THE TABLES:

ALL SUB-BULLETS FROM THE LEFT COLUMN OF THE TABLE SHOULD BE MOVED INTO THE RIGHT COLUMN.

INCLUDE UNDER THE RECIPIENT COUNTRY PARAMETER: Information on how resources effectively address the needs and priorities of developing countries are linked to the implementation of the Paris Agreement.

INCLUDE IN PARAMETER FUNDING SOURCE: Funding sources shall include definitions, methodologies and assumptions for accounting climate finance.

WE SEE CLIMATE SPECIFIC AS A PARAMETER THAT SHOULD BE MAINTAINED WHERE IT CURRENTLY STANDS. Climate specific is already part of the CTF tables and documentation box. We would consider a setback that this information is only included in additional potential considerations. This is a parameter.

WE SEE NEW AND ADDITIONAL AS A PARAMETER THAT SHOULD BE MAINTAINED WHERE IT CURRENTLY STANDS SINCE IT IS A MEASURABLE FACTOR THAT DEFINES WHAT CONSTITUTES CLIMATE FINANCE.

Climate finance provided through bilateral, regional and other channels

INCLUDE:

- Information on implementing agency, including percentage of funding channeled through executing agencies and implementers and suppliers of the developed country party.
- In case a project involves more than one country, clear information should be presented on the amount of funding disbursed per each beneficiary country.
- Facilitate more granularity through the provision of project- and activity-level information.

INCLUDE AN ADDITIONAL ELEMENT: LINK TO THE MOBILIZED FINANCIAL RESOURCES. The idea to link this without connecting it, just to avoid double counting.

Climate finance provided through multilateral channels

INCLUDE IN THE PARAMETER OF CLIMATE SPECIFIC THE FOLLOWING BULLET:

- Parties to provide information on how much of parties un-earmarked contributions to the general budgets of multilateral institutions were used for climate-related projects.

GENERAL OBSERVATION: All the “shall” and “should” are to be removed from the informal note and replaced by “to be” with verbs in its infinitive form.

There is a missing section, related to the **timing of SBSTA work**, which was present at the informal note of May 5:

Timing of SBSTA work: reflecting the way that the SBSTA modalities will be integrated into APA agenda item 5

- The SBSTA is mandated to finalize its work in time for consideration by COP 24, with a view to making a recommendation for consideration and adoption by CMA 1.
- SBSTA recognized the need to ensure the development of modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement in time for them to be integrated into the transparency framework referred to in Article 13 of the Paris Agreement
- The SBSTA aims at finalizing its work at its 48th session or as soon as possible, and deliver its results to APA agenda item 5 for further discussion and the integration into the transparency framework
- The SBSTA Chair to continue consultations with the Co-Chairs of the Ad Hoc Working Group on the Paris Agreement (APA) with a view to ensuring coherence and coordination and the timely incorporation of the modalities for the accounting of financial resources provided and mobilized through public interventions developed by the SBSTA into the modalities, procedures and guidelines for the transparency framework referred to in Article 13 of the Paris Agreement, to be developed by the APA.

We would like to see these missing elements from the previous informal note (COP 23) back into this section

Objective and principles

☑ To facilitate the provision of information on measures taken by Parties to fulfill their commitments under article 4 of the Convention for the effective implementation of the Paris Agreement. ☑ To review the implementation of individual Party obligations; to assess individual and collective progress towards achieving the purpose of the Paris Agreement and its long-term goals; to build trust and accountability amongst Parties;

☑ Transparency, accuracy, consistency, comparability and completeness as well as avoiding double-counting;

☑ Facilitating improved reporting and transparency over time, and building on and enhancing current reporting modalities by improving clarity and transparency of climate-relevance and additionality of support provided and mobilized over time

☑ Avoiding duplication as well as undue burden on Parties and the secretariat;

☑ The modalities should be compatible with other reporting systems and allow for automatic insertion of data

☑ Harmonization and standardization of underlying methodologies, assumptions and definitions over time, where possible.

This applies to the enhanced transparency framework and not to the scope of the mandate of the modalities under discussion in this SBSTA agenda item.

On the previous informal note coming into this section → build upon and enhance the current reporting framework including the Biennial Reports CTF tables.