

DRAFT TEXT

on

SBSTA 49 agenda item 12

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

Version 08/12/2018, 11:30am

Second iteration

Draft text

Note: This text is to be incorporated into the modalities, procedures and guidelines for the transparency framework under Article 13 of the Paris Agreement.

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

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

Recalling Articles 4 and 11 of the Convention;

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

1. 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.
4. Requests the Subsidiary Body for Scientific and Technological Advice to develop the common tabular format referenced in paragraph 1 above for consideration by the Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement by no later than its 2nd session.

Annex¹

1. [Developed country Parties shall, and other Parties that provide support should] [Developed country Parties shall, and other Parties are encouraged to] [Developed country Parties shall] provide information on financial support provided and mobilized to developing country Parties under Article 9, consistent with paragraph 9 of Article 13 and paragraph 7 of Article 9.

[Other Parties are encouraged to do so.]

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

2. [Developed country Parties shall, and other Parties that provide support should] [Developed country Parties shall, and other Parties are encouraged to] [Developed country Parties shall] provide information on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support, including:

- (a) Description of the systems and processes used to identify, track, and report on support provided and mobilized;
- (b) Description of the challenges and limitations;
- (c) Information on experiences and good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments;
- (d) Efforts taken to enhance comparability of information reported on financial support provided and mobilized, including by the use of international standards.

[Other Parties are encouraged to do so.]

B. Underlying assumptions, definitions, and methodologies

3. In order to enhance transparency on reporting, each [developed country Parties shall, and other Parties that provide support should] [developed country Parties shall, and other Parties are encouraged to] [developed country Parties shall] describe its underlying assumptions, methodologies and definitions, as applicable and available, used to identify and/or report:

- (a) The chosen reporting year (calendar year, fiscal year);
- (b) The conversion between domestic currency and USD;
- (c) The status (committed, disbursed);
- (d) The channel (bilateral, regional, multilateral);
- (e) The funding source (ODA, OOF, or other);
- (f) The financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify));
- (g) [[Both] face value and/or grant-equivalent value, if applicable;]
- (h) [The net finance provided, in case where loan repayments by recipient countries are made during the period of reporting;]
- (i) The type of support (e.g. adaptation, mitigation, or cross-cutting, [loss and damage];)

¹ This text is to be incorporated into the modalities, procedures and guidelines for the transparency framework under Article 13 of the Paris Agreement.

- (j) The sector;
- (k) The sub-sector;
- (l) Whether it supported capacity-building and/or technology-transfer objectives;
- (m) The support as being climate-specific;
- (n) Information on the efforts taken by Parties to avoid double counting, including on:
 - i. How double counting among multiple Parties involved in the provision of support was avoided;
 - ii. How double counting among multiple Parties involved in the mobilization of private finance was avoided, including the methodologies and assumptions used to attribute the mobilized resources reported to the Party that reports them, if possible relative to the type of instrument used for the mobilization;
 - iii. How double counting between the resources reported as provided or mobilized and the resources used to acquire Internationally Transferred Mitigation Outcomes for use toward the achievement of its NDC was avoided;
- (o) How support is attributed between multiple recipient countries, in cases where a project involves multiple recipient countries and where this information is reported on a country by country basis;
- (p) The definition of public and private finance, in particular in cases where entities or funds are mixed;
- (q) The calculation of the amount of resources provided to mobilize support;
- (r) Information on how private finance was assessed as mobilized, including by:
 - i. Identifying a clear causal link between a public intervention and mobilized private finance, where the activity would not have moved forward, or moved forward at scale, in the absence of the Party's intervention;
 - ii. Providing information on the point of measurement (e.g. point of commitment, point of disbursement) of the private finance mobilized as a result of the public intervention, to the extent possible in relation to the type of instrument or mechanism used for the mobilization;
 - iii. Providing information on the boundaries used in identifying finance as mobilized by the public intervention;
- (s) How it seeks to ensure that support provided and mobilized effectively addresses the needs and priorities of developing country Parties [, including for loss and damage];
- (t) How support provided and mobilized through public interventions contribute to the fulfilment of the Paris Agreement and its long-term goals;
 - (u) [An indication of what new and additional financial resources have been provided, and how it has been determined that such resources are new and additional;]
 - (v) [How the information provided reflects a progression from previous levels in the provision and mobilization of finance under the Paris Agreement;]
- (w) Whether multilateral finance has been reported on an inflow and/or outflow basis;

- (x) Whether/how multilateral finance has been reported as being core/general, with the understanding that the actual amount that this would transfer into climate finance depends on the programming choices of the multilateral institution;
- (y) Whether/how multilateral finance has been reported as being climate-specific;
- (z) Whether/how multilateral finance has been attributed to the reporting Party;
- (aa) Information on how much of Party's unearmarked contributions to the general budget of the multilateral institution were used for climate related projects;

[Other Parties are encouraged to do so.]

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

Bilateral, regional and other channels

4. [Developed country Parties shall, and other Parties that provide support should] [Developed country Parties shall, and other Parties are encouraged to] [Developed country Parties shall] include in a tabular format, for the previous two reporting years without overlapping with the previous reporting periods, relevant information on bilateral and regional financial support provided, specifying, as applicable and available:

- (a) Year (calendar year, fiscal year);
- (b) Amount (in USD and domestic currency) (including face value [and/or grant-equivalent value, if applicable]);
- (c) [Net climate-specific finance provided;]
- (d) Recipient, including, to the extent possible, information on the recipient region or country and on the title of project, programme, activity or other (specify);
- (e) Status (disbursed, committed);
- (f) Channel (bilateral, regional, multi-bilateral, other (specify));
- (g) Funding source (ODA, OOF, and other (specify));
- (h) Financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify));
- (i) Type of support (e.g. mitigation, adaptation, cross-cutting, [loss and damage]);
- (j) Sector (energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (k) Sub-sector;
- (l) Additional information (e.g. project/programme details, implementing agency and to the extent possible, link to relevant project/programme documentation);
- (m) Whether it contributes to capacity-building and/or technology-transfer objectives;
- (n) [Loan repayments;]
- (o) [New and additional;]

[Other Parties are encouraged to do so.]

Multilateral channels

5. [Developed country Parties shall, and other Parties that provide support should] [Developed country Parties shall, and other Parties are encouraged to] [Developed country Parties shall] also include in a tabular format, for the previous two reporting years without overlapping with the previous reporting periods, relevant information on financial support provided through multilateral channels, including the Operating Entities of the Financial Mechanism, specifying, as applicable and to the extent possible:

- (a) Year (calendar year, fiscal year);
- (b) Donor funding per institution (multilateral fund, multilateral financial institution, international organization, other (specify));
- (c) Amount (in USD and domestic currency) (including face value [and/or grant-equivalent value, if applicable]);
- (d) Core-general, climate-specific, as applicable;
- (e) Inflows and/or outflows;
- (f) Recipient (e.g. country, region, global, project, programme, activity, other (specify));
- (g) Status (disbursed, committed);
- (h) Channel (multilateral, multi-bilateral);
- (i) Funding source (ODA, OOF, and other (specify));
- (j) Financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify));
- (k) Type of support (e.g. mitigation, adaptation, cross-cutting, [loss and damage]);
- (l) Sector (energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (m) Sub-sector;
- (n) Whether it contributes to capacity-building and/or technology-transfer objective;
- (o) [Net climate-specific finance provided;]

[Other Parties are encouraged to do so.]

Information on finance mobilized through public interventions

6. [Developed country Parties shall, and other Parties that provide support should] [Developed country Parties shall, and other Parties are encouraged to] [Developed country Parties shall] report in a textual and/or tabular format, for the previous two reporting years without overlapping with the previous reporting periods, relevant information on support mobilized through public interventions through bilateral, regional and multilateral channels, including the Operating Entities of the Financial Mechanism, as applicable and to the extent possible:

- (a) Year (calendar year, fiscal year);
- (b) Amount (in USD and domestic currency) (including face value [and/or grant-equivalent value, if applicable]);
- (c) Amount of resources used to mobilize the support (in USD and domestic currency);

- (d) Type of public intervention used to mobilize the support reported (e.g. grant, concessional loan, non-concessional loan, equity, policy intervention, capacity building, technology transfer, technical assistance);
- (e) Recipient (country, region, global, project, programme, activity, other (specify));
- (f) Channels (bilateral, regional and multilateral channels);
- (g) Type of support (mitigation, adaptation, cross-cutting, [loss and damage]);
- (h) Sector (energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (i) Sub-sector;
- (j) Additional information;

[Other Parties are encouraged to do so.]