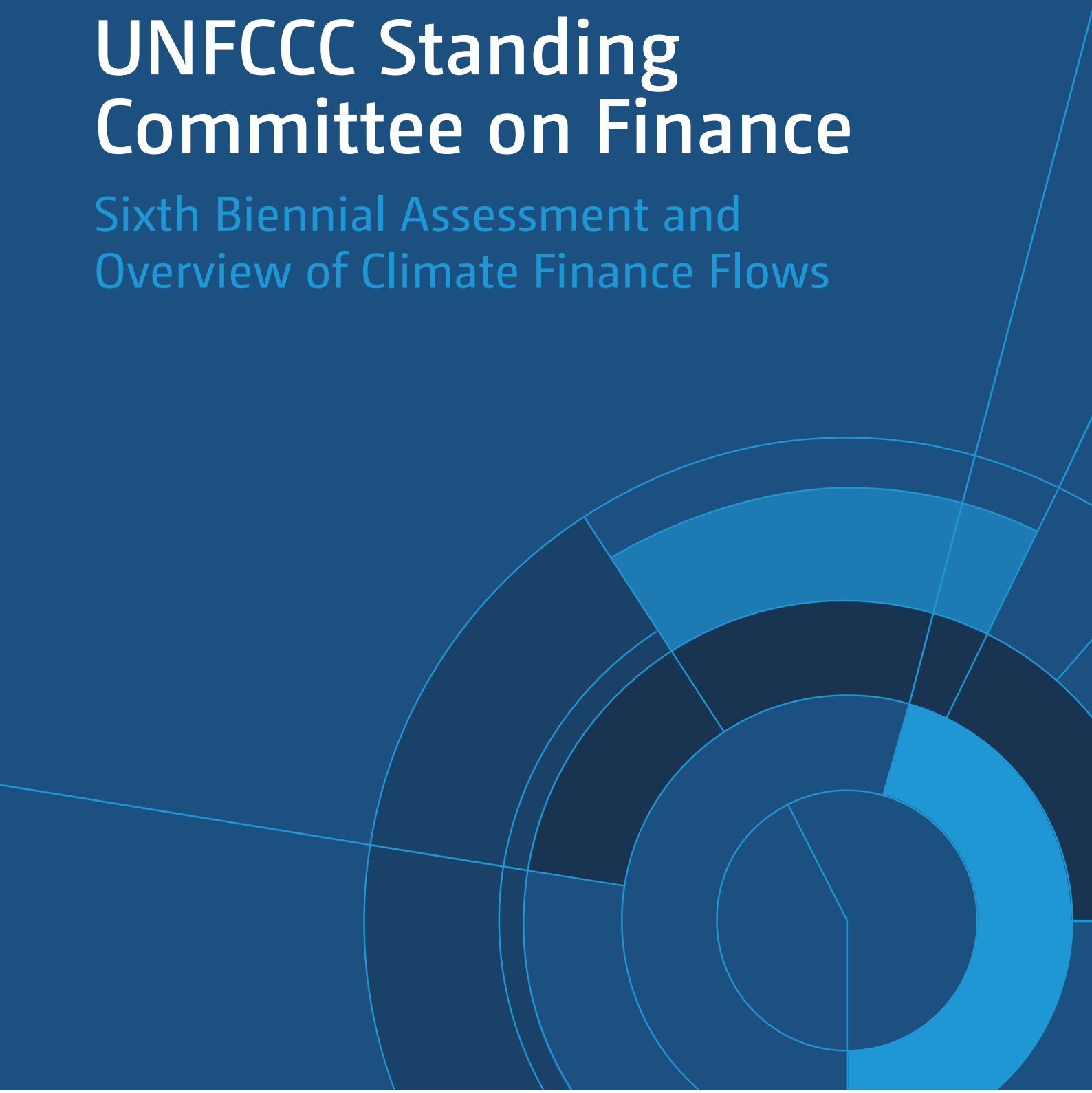
Executive Summary

# UNFCCC Standing Committee on Finance

## Sixth Biennial Assessment and Overview of Climate Finance Flows



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# SUMMARY BY THE STANDING COMMITTEE ON FINANCE OF THE SIXTH BIENNIAL ASSESSMENT AND OVERVIEW OF CLIMATE FINANCE FLOWS

## Abbreviations and acronyms

| | |
|---|---|
| **AF** | Adaptation Fund |
| **AFOLU** | agriculture, forestry and other land use |
| **BA** | biennial assessment and overview of climate finance flows |
| **BNEF** | Bloomberg New Energy Finance |
| **BR** | biennial report |
| **BTR** | biennial transparency report |
| **BUR** | biennial update report |
| **CFU** | Climate Funds Update |
| **CIV*** | collective investment vehicle |
| **CMA** | Conference of the Parties serving as the meeting of the Parties to the Paris Agreement |
| **$CO_2$ eq** | carbon dioxide equivalent |
| **COP** | Conference of the Parties |
| **CPEIR** | climate public expenditure and institutional review |
| **CPI** | Climate Policy Initiative |
| **DFI** | development finance institution |
| **ETF** | enhanced transparency framework under the Paris Agreement |
| **GCF** | Green Climate Fund |
| **GEF** | Global Environment Facility |
| **GHG** | greenhouse gas |
| **IEA** | International Energy Agency |
| **LDC** | least developed country |
| **LDCF** | Least Developed Countries Fund |
| **MDB** | multilateral development bank |
| **non-Annex I Party** | Party not included in Annex I to the Convention |
| **OECD** | Organisation for Economic Co-operation and Development |
| **SCCF** | Special Climate Change Fund |
| **SCF** | Standing Committee on Finance |
| **SIDS** | small island developing State(s) |
| **SPV*** | special purpose vehicle |

## I. Introduction

### A. Context and mandates

1. The sixth BA conducted by the SCF provides an updated overview of climate finance flows up until 2022, highlighting the trends therein, and an assessment of the implications of these flows for international efforts to address climate change. The sixth BA includes:

(a) Information on recent developments in methodologies related to tracking climate finance at the international and domestic level, the operational definitions of climate finance in use and the indicators for measuring the impacts of climate finance, as well as the emerging methodologies that support tracking consistency of finance flows;

(b) An overview of global climate finance flows and of climate finance flows from developed to developing countries,[1] as well as available information on domestic climate finance and on South–South cooperation on climate finance;

(c) An assessment of the key features of climate finance flows, including their thematic objectives, geographical distribution and additionality and the financial instruments employed; and an exploration of the effectiveness, ownership, accessibility and magnitude (in the context of broader flows) of climate finance flows;

(d) A mapping of information relevant to the long-term goal outlined in Article 2, paragraph 1(c), of the Paris Agreement of making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development, including its reference to Article 9 thereof.

2. Since the first BA in 2014, the preparation of BAs has been guided by mandates from the COP and the CMA

1) For the purpose of the overview of climate finance in the BA, various data sources are used to illustrate flows from developed to developing countries, without prejudice to the meaning of those terms in the context of the Convention and the Paris Agreement, including but not limited to flows from Parties included in Annex I and Annex II to the Convention to Parties not included in Annex I to the Convention and MDBs; flows from OECD members to non-members; flows from OECD Development Assistance Committee members to countries eligible for OECD Development Assistance Committee official development assistance; and other relevant classifications

to the SCF.[2] Following the fifth BA in 2022, the COP and the CMA provided further guidance to the SCF in the context of preparing the sixth BA[3], in particular on:.

(a) Further work with regard to the quality, transparency and granularity of information, including in relation to data by region, private finance mobilized through public interventions, and financing arrangements relevant to averting, minimizing and addressing loss and damage;
(b) Updating the operational definition of climate finance of the SCF;;
(c) Including information reported in biennial communications under Article 9, paragraph 5, of the Paris Agreement, as appropriate.

3. The sixth BA comprises this summary and recommendations prepared by the SCF, and a technical report prepared by experts under the guidance of the SCF.[4] The technical report was subject to extensive stakeholder input and expert review, but remains a product of the external experts.

## B. Scope and approach

4. The sixth BA focuses on climate finance flows in 2021–2022 and identifies trends in relation to previous years where possible. It draws on quantitative data from a wide range of sources, including but not limited to Parties' BRs, BURs and preliminary data from BTRs, supplemented with other data from international organizations, international financial institutions, United Nations organizations, academia, non-governmental organizations, think-tanks and the private sector, in order to ensure comprehensiveness and provide detailed insights into climate finance flows. The technical report has also benefited from qualitative information from various sources, including responses to the relevant call for evidence[5] and a wide range of reports that explore topics related to climate finance.

## C. Challenges and limitations

5. In preparing the sixth BA, due diligence has been undertaken to use the best information available from the most credible sources. In compiling estimates, efforts have been made to ensure that they are based on activities in line with the operational definition of climate finance identified in the first BA and to avoid double counting by focusing on primary finance, which refers to finance for a new physical item or activity.[6] Nevertheless, the challenges and limitations outlined below should be taken into consideration when deriving conclusions and policy considerations from the sixth BA.

6. CMA 1 set the deadline for submission of the first BTRs under the ETF as 31 December 2024. The first BTRs will include information on climate finance provided and mobilized in 2021–2022, replacing the reporting under the Convention, which ended with the submission of BR5s by 31 December 2022 with data on climate finance provided in 2019–2020. As the sixth BA was prepared ahead of the deadline for Parties' reporting, the SCF invited Parties to provide preliminary data on climate finance provided and mobilized and received for 2021–2022 for preparing it, as it did for the fifth BA. The preliminary data are provisional and subject to change once Parties have submitted their BTR1s by the end of 2024. Furthermore, since the scope of reporting on climate finance provided and mobilized has been expanded for the BTRs, caution should be exercised in comparing the trends from before 2020 with those after 2020.

7. In the area of global climate finance, challenges remain in filling gaps in data, particularly on private finance for adaptation activities and for mitigation activities in the AFOLU, waste, and water and sanitation sectors. In addition, methodologies for calculating climate finance based on total cost or incremental cost differ and therefore produce different estimates by activity. This places limits on the completeness of data and interpretation of the relative shares of global climate finance across different thematic areas or sectors. Some data sources, such as those for renewable energy, provide activity-level data but may make country- and technology-level assumptions on finance flows to fill data gaps.

8. It is encouraging that countries are increasingly adopting domestic climate finance reporting systems. Regarding domestic climate finance, although more countries are developing climate finance reporting

2) Decisions 2/CP.17, para. 121(f); 1/CP.18, para. 71; 5/CP.18, para. 11; 3/CP.19, para. 11; 4/CP.24, paras. 4, 5 and 10; 11/CP.25, para. 9; and 5/CMA.2, para. 9.
3) Decisions 14/CP.27, para. 7; 5/CP.28, para. 6; and 9/CMA.5, para. 3.
4) The technical report will be made available on the SCF web pages (https://unfccc.int/SCF).
5) See https://unfccc.int/sites/default/files/resource/Call_for_evidence_BA6.pdf.
6) Primary flows refer to transactions and investments that contribute directly to climate outcomes, while non-primary flows, such as reselling stakes or public trading, are excluded as they involve exchanging existing assets, not new investments.

systems, time lags in their implementation mean there is limited data availability for 2021–2022. Amounts in relation to public expenditure may refer to ex ante budget allocations or ex post actual expenditure. Furthermore, the climate relevance of activities reported may refer to weighted criteria per activity or to positive activity lists.

9. Data on international climate finance flows are compiled using various methodologies and have varying interpretations. Flows from developed to developing countries – covering finance provided, mobilized and received – include a mix of data based on disbursements to projects and recipients in the given year or on financial commitments made in the reporting year to activities that may be implemented over several years. Information on South–South cooperation in relation to climate finance flows remains significantly underreported. The classification of data, such as by geographical region or granularity, is not uniform across data sources.

10. The SCF will continue to contribute, through its activities, to the progressive improvement of the measurement, reporting and verification of climate finance in future BAs in order to help to address these challenges and limitations.

# II. Key findings

## A. Methodological issues related to transparency of climate finance

11. In response to the mandate from COP 28,[7] the SCF considered updating the operational definition of climate finance that was identified in the first BA: Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts.

12. Four options were considered:

(a) No update, thereby confirming the current definition in use;

(b Updating the definition as follows: Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases, aims at reducing vulnerability, increasing adaptive capacity, and mainstreaming and increasing resilience of human and ecological systems to negative climate impacts, and includes financing for activities that result in measurable action and impact towards achieving the goals of the Paris Agreement and the objective of the Convention;

(c) Updating the definition as follows: Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases, aims at reducing vulnerability, increasing adaptive capacity, and mainstreaming and increasing resilience of human and ecological systems to negative climate impacts, and includes financing for actions identified in a country's nationally determined contribution, adaptation communication, national adaptation plan, long-term low-emission development strategy or other national plan for implementing and achieving the goals of the Paris Agreement and the objective of the Convention;

(d) Combining the options in paragraph 12(b–c) above: Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases, aims at reducing vulnerability, increasing adaptive capacity, and mainstreaming and increasing resilience of human and ecological systems to negative climate impacts, and includes financing for measurable actions for implementing and achieving the goals of the Paris Agreement and the objective of the Convention, including those identified in a country's nationally determined contribution, adaptation communication, national adaptation plan, long-term low-emission development strategy or other national plan.

13. The SCF agreed to apply the option referred to in paragraph 12(c) above to its future work on BAs.

**14. The completeness of Parties' reporting of financial support is improving.** Preliminary data on climate finance provided and mobilized in 2021–2022 for BTRs show that more Parties are expanding the scope of their reporting to include finance mobilized through public interventions. However, there remains variation across Parties in the reporting of information on finance provided and mobilized, in accordance with the ETF,

7) Decision 5/CP.28, para. 6.

which, alongside the limitations of the reporting system, continues to hinder data aggregation.

15. Since the fifth BA, the number of non-Annex I Parties that have submitted a BUR has risen to 104, up from 79, including 21 Parties submitted their second, third, fourth or fifth BURs. Overall, 86 per cent of those 104 BURs contain information on climate finance received, almost all of which in tabular format. More non-Annex I Parties are reporting information on the use, impact and results of climate finance received: from 6 per cent of Parties covered in the fifth BA to 9 per cent in the sixth BA.

**16. Also since the fifth BA, five more countries and jurisdictions have established climate finance tracking systems, a 10 per cent increase**. At least 55 countries and jurisdictions have reported that climate finance tracking systems are in place (32) or are under development (23), although associated financial data were only available for 20 jurisdictions. Where budget tagging systems are in place, international climate finance flows are regularly tracked. Recent methodological additions to some climate budget tagging approaches include the coverage of harmful expenditure in addition to climate-relevant expenditure, while this approach is currently not widely adopted.

**17. More green and/or sustainable finance taxonomies and methodologies under development are referring to supporting the goals of the Paris Agreement and consideration of national circumstances to support implementation of nationally determined contributions and national adaptation plans**. Taxonomies and eligibility lists to support climate-related investments have proliferated globally in recent years. While 21 jurisdictions have taxonomies that have been published or are in use, another 38 taxonomies are under development, an increase of almost 75 per cent since the fifth BA. Sustainable finance taxonomies have been or are being developed across all regions, with wide coverage in Asia (14 existing frameworks and 15 under development), Europe (2 existing, in particular the European Union Taxonomy, and 1 under development), Latin America and the Caribbean (2 existing frameworks and 13 under development) and increasingly also in Africa and Oceania (2 and 1 existing frameworks and 5 and 3 under development respectively). Developing countries frequently receive technical assistance and support for taxonomy development from international financial institutions, MDBs, United Nations agencies, bilateral development agencies and non-governmental organizations. A lower number of climate-related taxonomies are currently considering adaptation objectives (12), as compared with mitigation (all), which is often the initial focus area of taxonomies, and a majority (15) of taxonomies in use entail components of disaster risk reduction and management, or loss and damage, either as a stand-alone category or as activities within a diverse set of economic sectors.

**18. Innovative systems for measuring outcome and impact of climate finance are being explored, in particular in the areas of resilience and just transitions**. Multilateral and bilateral finance institutions continue to report on mitigation and adaptation outcomes at the project level, while there is still less coverage of outcomes at the portfolio level. After updates to results and impact measurement frameworks or the onset of new allocation periods, comprehensive reporting of results at the portfolio level of the main multilateral climate funds is being rolled out. Some key updates that contribute to providing new perspectives on resilience impacts and just transitions include the World Bank Resilience Rating System and the Climate Investment Funds Accelerating Coal Transition monitoring and reporting toolkit. While all MDBs and the International Development Finance Club individually track indicators of climate-relevant results at the project and portfolio level, no joint reporting thereof has been conducted in the context of their joint MDB climate finance report. Further, at least 35 other bilateral and multilateral development finance providers apply and track indicators of climate-related results.

19. While differences across individual results measurement frameworks continue to exist, considerable similarities in methodologies can be identified across the landscape of multilateral and bilateral finance institutions. The quantification of GHG emissions reduced or avoided remains the most common indicator of mitigation impact, in addition to indicators of energy access enabled or renewable energy capacity installed. Core indicators of the impact of adaptation actions remain more diverse than those for mitigation, focusing on the number of (direct or indirect) beneficiaries, the hectares of land protected or subject to climate-resilient practices, and the number of institutions, policies, assets or systems introduced that contribute to increasing adaptive capacity or that mainstream climate resilience, such as the number of training sessions conducted or early warning systems installed.

## B. Overview of climate finance flows in 2021–2022

20. **Global climate finance flows in 2021–2022 increased by 63 per cent compared with those in 2019–2020, reaching an annual average of USD 1.3 trillion.** The growth in finance flows in 2021–2022 was driven largely by increased investment in key mitigation sectors, including sustainable transport (96 per cent increase on 2019–2020), clean energy systems (53 per cent increase) and buildings and infrastructure (41 per cent increase). The increase in investment in transport was due mainly to greater investment in electric vehicles and efforts to kick start economic revival following the coronavirus disease 2019 pandemic, supported by increased government expenditure. Investment in clean energy has risen even as the costs of solar and wind power technologies have continued to decrease, leading to a higher rate of clean energy capacity installed. Investment in buildings and infrastructure can be attributed to government stimulus programmes, new regulations, record sales of heat pumps and a global rebound in construction activity. Figure 1 provides a breakdown by sector of the trend in global climate finance flows, and figure 2 provides an overview of global climate finance and finance flows from developed to developing countries in 2021–2022.

21. **Tracked adaptation finance increased by 28 per cent to an annual average of USD 63 billion in 2021–2022, primarily driven by the commitments of bilateral and multilateral DFIs.** Most of the tracked climate finance was for mitigation, with adaptation representing 11 per cent of the total, approximately the same share as in 2019–2020. About 49 per cent of adaptation finance was spent in the water and wastewater sector, followed by 36 per cent on cross-sectoral measures such as disaster risk management, policy and national budget support and capacity-building, and the remainder in the AFOLU (11 per cent) and transport (2 per cent) sectors. Despite the critical importance of tracking adaptation finance, significant data gaps and barriers to reporting limit the ability to capture global flows, particularly of private capital.

22. **Eastern Asia, Northern and Western Europe, and North America continue to account for the majority of global climate finance by region**, with 42, 22 and 12 per cent of commitments in 2021–2022 respectively, primarily driven by domestic commitments in China, the United States of America and the European Union; while other regions, covering Africa, Asia, Europe, Latin America and the Caribbean, and Oceania, accounted for the remaining less than 25 per cent. Overall, 2.6 per cent (or USD 33 billion) of the total global climate finance went to or was distributed within the LDCs, 1.0 per cent (or USD 13 billion) went to the SIDS and 15 per cent (or USD 188 billion) went to developing countries excluding China.

23. **More than half of global climate finance was provided in the form of debt instruments, while grant finance more than doubled in absolute terms but still accounted for 6 per cent of the total flows.** Debt finance, both low-cost debt[8] and market-rate debt,[9] amounted to USD 755 billion, or 59 per cent of the total, a share similar to that in 2019–2020. This was split between low-cost and market-rate debt at 12 and 88 per cent respectively. Grant finance increased substantially from USD 33 billion in 2019–2020 to USD 77 billion in 2021–2022, but its share in the total remained stable at 6 per cent.

24. **Data on domestic climate finance from national and subnational governments remain limited.** Annualized estimates for 2021–2022 amount to USD 195 billion for eight countries and the European Commission. This is an increase compared with the estimates for 2019–2020 (USD 102 billion), attributed primarily to the budgets of the European Union, France and the United Kingdom of Great Britain and Northern Ireland. More countries are adopting a climate budget tagging system within national budget planning or conducting research into their climate expenditure. At the subnational level in OECD member countries, USD 595 billion was allocated to climate-significant expenditure across various sectors in 2019 (the latest year available), an average of 1.8 per cent of their gross domestic product. Data on national and subnational governments remain limited, largely attributed to limited technical and institutional capacity, lack of unified and systematized information and limited access to national climate scenarios and projections, etc.

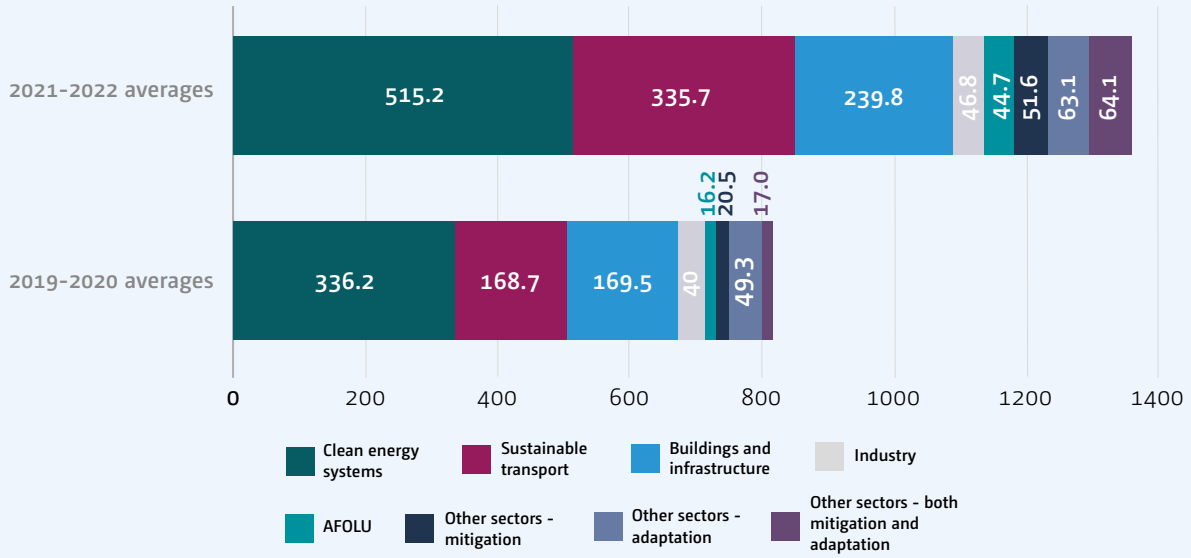
25. **Preliminary data from Parties on climate finance provided and mobilized in 2021–2022 show that climate-specific financial support averaged USD 58.3 billion per year, an increase of 43 per cent since 2019–2020.** These data are difficult to compare with the data reported in previous BAs, as several Parties have begun reporting on mobilized finance for

8) Low-cost debt refers to loans extended at terms preferable to those prevailing on the market.

9) Market-rate debt refers to loans extended under standard market conditions; examples are term loans, credit facilities, bridge loans and mezzanine debt.

Figure 1

**Global climate finance flows in 2019–2022 by sector**
(Billions of United States dollars)




the first time as they prepare for the implementation of the new reporting formats under the ETF. Financial support provided through bilateral, regional and other channels increased by 21 per cent on average annually compared with 2019–2020 to reach USD 31.8 billion and constitutes two thirds of total climate-specific financial support. Financial support provided through multilateral channels, which generally consists of contributions or inflows to multilateral climate funds and multilateral financial institutions, including MDBs, increased by 13 per cent compared with 2019–2020, amounting to USD 10.0 billion on average annually, and USD 9.9 billion on average annually was reported as finance mobilized, primarily by bilateral finance agencies and institutions. The latter two categories constituted 17 per cent of total climate-specific finance. The shares of adaptation, mitigation and cross-cutting finance have remained relatively stable since 2019–2020. Mitigation increased by one percentage point to 53 per cent, while adaptation decreased by two percentage points to 22 per cent and cross-cutting finance, which serves both adaptation and mitigation objectives, increased by two percentage points to 22 per cent. These preliminary data do not include outflows from multilateral institutions, which are significantly larger in scale than inflows, and should be considered in the context of a holistic representation of the finance landscape. Further, they do not include private finance mobilized by multilateral institutions.

26. **UNFCCC funds and other multilateral climate funds[10] approved a combined USD 4.1 billion and USD 3.3 billion for climate change projects in 2021 and 2022 respectively.** The annual average for 2021–2022 (USD 3.7 billion) is similar to the 2019–2020 average (USD 3.6 billion), owing mainly to the new addition of the International Monetary Fund Resilience and Sustainability Trust providing USD 1 billion in climate finance in 2022. On a comparable basis to 2019–2020, commitments from multilateral climate funds decreased by 13 per cent on annual average in 2021–2022, owing largely to certain funds, such as the GCF, reaching the end of their programming period. Together, the GCF, the GEF, the AF, the LDCF and the SCCF committed USD 3.3 billion in 2021 and USD 1.7 billion in 2022 to climate projects. The financing from these funds is expected to rise further as they receive new replenishments. In terms of inflows, the GCF raised USD 12.7 billion from 32 countries in its second replenishment period in 2023 for the programming period between 2024 and 2027, an increase of more than 27 per cent on the first replenishment. A total of 29 governments pledged USD 5.33 billion for the eighth replenishment period of the

10) Multilateral climate funds refer to the GCF and the GEF (operating entities of the Financial Mechanism), the LDCF and the SCCF (funds serving the Convention and the Paris Agreement), the AF (fund established under the Kyoto Protocol and also serving the Paris Agreement) and others, including those operating under the Climate Investment Funds. See table 2.7 of the technical report for more details.

GEF (covering 2022–2026), an increase of more than 30 per cent on the seventh replenishment. In 2023, the LDCF received USD 141.7 million from six countries, while the SCCF received USD 32.5 million in new pledges from three countries (Canada, Spain and United Kingdom), a 65 per cent increase compared with the previous year's pledges.

27. **MDBs provided USD 50.7 billion and USD 60.7 billion in climate finance to developing and emerging economies in 2021 and 2022 respectively.** The annual average of USD 55.7 billion in 2021–2022 represents a 21 per cent increase compared with the 2019–2020 amount. The attribution of these flows to developed countries is calculated at 73–78 per cent of the aggregate (or USD 37.4 billion to USD 40.6 billion) in 2021–2022, depending on the attribution approach.

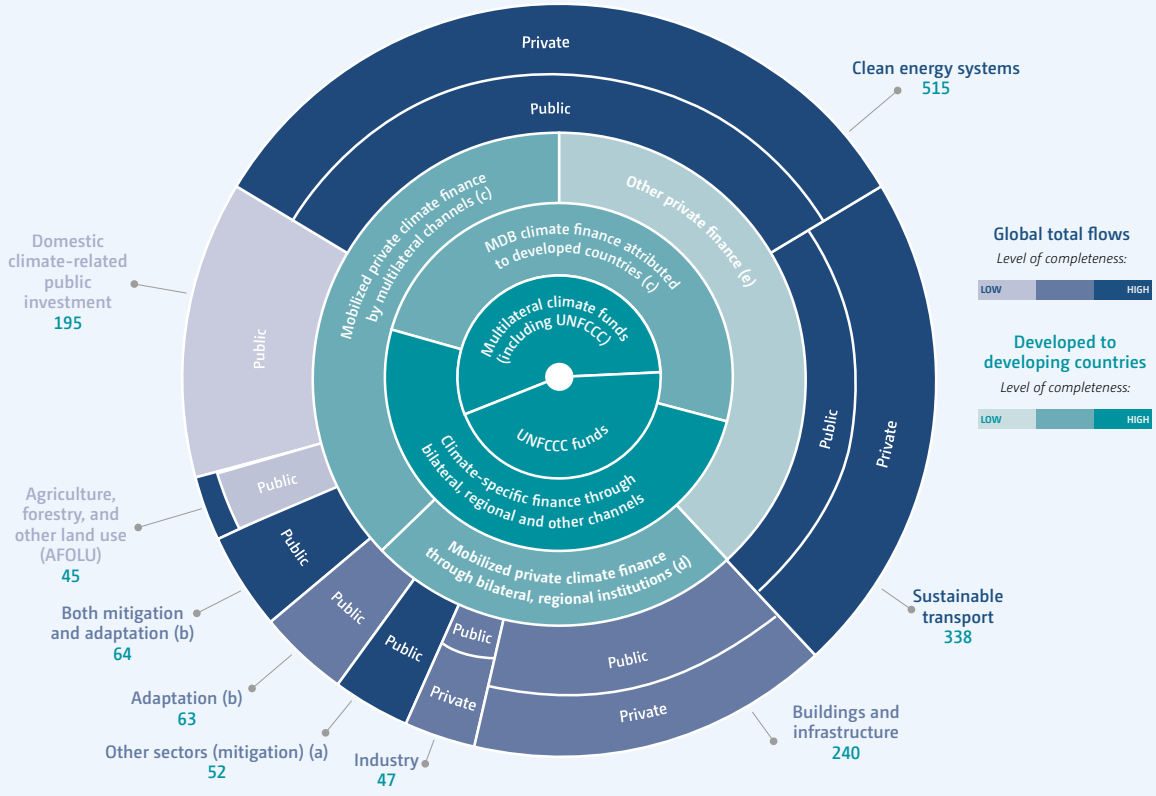
28. **After stagnating between 2017 and 2021 at USD 14 billion, private finance mobilized through bilateral and multilateral channels, attributed to developed countries, increased to USD 22 billion in 2022.** Private finance mobilized by bilateral providers increased to USD 9.2 billion in 2022 after remaining between USD 4 billion and USD 6 billion since 2017. Private finance mobilized by multilateral climate funds stood at USD 1.8 billion and USD 2.0 billion in 2021 and 2022 respectively. Corresponding numbers for MDBs were USD 7 billion and USD 10.7 billion, part of which is also attributed to developing countries given their shareholdings in MDBs.

29. **South–South climate finance flows are increasing, with 22–27 per cent of all climate finance provided through MDBs attributed to developing countries in 2021–2022, amounting to USD 13.3–19.8 billion.**[11] Financial commitments from bilateral and regional development finance institutions based in non-OECD countries to projects in other non-OECD countries amounted to USD 2 billion and USD 2.7 billion in 2021 and 2022 respectively, which represented a more than fourfold increase on the 2020 level of USD 0.5 billion. An example of South–South cooperation is Saudi Arabia's commitment of USD 1 billion in 2021, as part of a USD 10.4 billion regional fund, to reduce GHG emissions in the Middle East. Furthermore, MDBs such as the Islamic Development Bank increased its climate finance outflows by 139 per cent on annual average from 2019–2020 to 2021–2022 to reach USD 867 million, while the New Development Bank reported climate finance outflows for the first time in 2022, in the amount of USD 466 million. Several developing countries are shareholders of MDBs, with the level of ownership ranging between 22 and 27 per cent depending on the methodology applied. On the basis of this, the attribution of climate finance from MDBs to developing countries increased from an annual average of USD 11.8 billion in 2019–2020 to USD 16.6 billion in 2021–2022. However, these are estimates are likely underestimated as they are generally based on voluntary reporting to the OECD and other organizations.

11) This represents an average of USD 11.9–14.7 billion in 2021 and USD 18.3–21.3 billion in 2022. See table 2.8 of the technical report for more details.

Figure 2

**Climate finance flows in 2021–2022**
(Billions of United States dollars, annualized)



## Figure 2 (continued)

**Climate finance flows in 2021–2022** (Billions of United States dollars, annualized)

| Sector | | | 2019 | 2020 | 2021 | 2022 | Data quality | Data completeness | Sources of data and relevant chapter |
|---|---|---|---|---|---|---|---|---|---|
| Global flows | Clean energy systems | Total | 325 | 347 | 464 | 566 | High | High | BNEF, CPI (2023), CPI (2024); chapter 2.2.2 |
| | | Public | 108 | 116 | 212 | 293 | | | |
| | | Private | 217 | 232 | 252 | 273 | | | |
| | Sustainable transport | Total | 175 | 162 | 263 | 409 | High | High | IEA (2023), CPI (2023); CPI (2024); chapter 2.2.3 |
| | | Public | 112 | 86 | 100 | 152 | | | |
| | | Private | 63 | 76 | 162 | 257 | | | |
| | Buildings and infrastructure | Total | 160 | 180 | 225 | 255 | High | Medium | CPI (2023), CPI (2024), IEA (2023); chapter 2.2.4 |
| | | Public | 26 | 40 | 94 | 124 | | | |
| | | Private | 134 | 140 | 130 | 131 | | | |
| | Industry | Total | 45 | 35 | 46 | 48 | Medium | Medium | CPI (2023), CPI (2024), IEA (2023); chapter 2.2.5 |
| | | Public | 9 | 5 | 3 | 14 | | | |
| | | Private | 36 | 30 | 43 | 33 | | | |
| | Agriculture, forestry, and other land use (AFOLU) | Total | 15 | 19 | 45 | 45 | – | – | CPI (2023), CPI (2024); chapter 2.2.6 |
| | | Public | 15 | 18 | 37 | 36 | High | Medium | |
| | | Private | 0.3 | 1 | 8 | 8 | High | Low | |
| | Other sectors - mitigation[a] | Total | 25 | 17 | 53 | 50 | – | – | CPI (2023), CPI (2024); chapter 2.2.7 |
| | | Public | 24 | 15 | 43 | 37 | High | High | |
| | | Private | 1 | 2 | 10 | 13 | High | Low | |
| | Adaptation[b] | | 42 | 56 | 55 | 71 | High | Medium | CPI (2023), CPI (2024)based on multiple sources; chapter 2.2.8 |
| | Both mitigation and adaptation[b] | Total | 15 | 19 | 54 | 74 | – | – | CPI (2023), CPI (2024) |
| | | Public | 14 | 16 | 46 | 65 | High | High | |
| | | Private | 1 | 3 | 9 | 9 | High | Low | |
| | Domestic climate-related public investment | | 102 | 102 | 205 | 185 | Low | Low | Country-level reporting, National Landscape, CPEIRs; chapter 2.3 |

**Figure 2 (continued)**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Developed to developing countries | UNFCCC funds | 2.2 | 2.8 | 3.3 | 1.7 | High | High | Chapter 2.5.2, Fund financial reports, CFU, OECD 2024 |
| | Multilateral climate funds (including UNFCCC) | 3.5 | 3.8 | 4.1 | 3.3 | | | |
| | Climate-specific finance through bilateral, regional and other channels | 31.7 | 31.9 | 34 | 42.7 | High | High | Chapter 2.5.1 Annex II Party preliminary data from BTRs, subject to change |
| | MDB climate finance attributed to developed countries[c] | 30.5 | 33.2 | 30.5 | 33.2 | Medium | Medium | Chapter 2.5.2 OECD 2024 |
| | Mobilized private climate finance by multilateral channels[c] | 8.6 | 8.0 | 8.8 | 12.7 | Medium | Medium | Chapter 2.5.4 OECD 2024 |
| | Mobilized private climate finance by bilateral, regional institutions | 5.8 | 5.1 | 5.6 | 9.2 | Medium | Medium | |
| | Other private finance[d] | 7.3 | 9.6 | 11.5 | 11.8 | Medium | Medium | Chapter 2.5.4, CPI 2024, based on multiple sources |

**Notes:** (1) Figure note (a): other mitigation investments include waste and wastewater, information and communications technology and other cross-sectoral investments; (2) Figure note (b): includes investments from amounts listed by sector above that are discounted when calculating the global aggregate to avoid double counting; (3) Figure note (c): flows are from developed to developing countries, see section 2.5.2 of the technical report of the sixth BA for further information; (4) Figure note (c): estimates include private finance mobilized through public interventions by developed countries; (5) Figure note (d): this includes private finance in addition to finance mobilized through bilateral and multilateral channels and institutions.

## C. Assessment of climate finance flows in 2021–2022

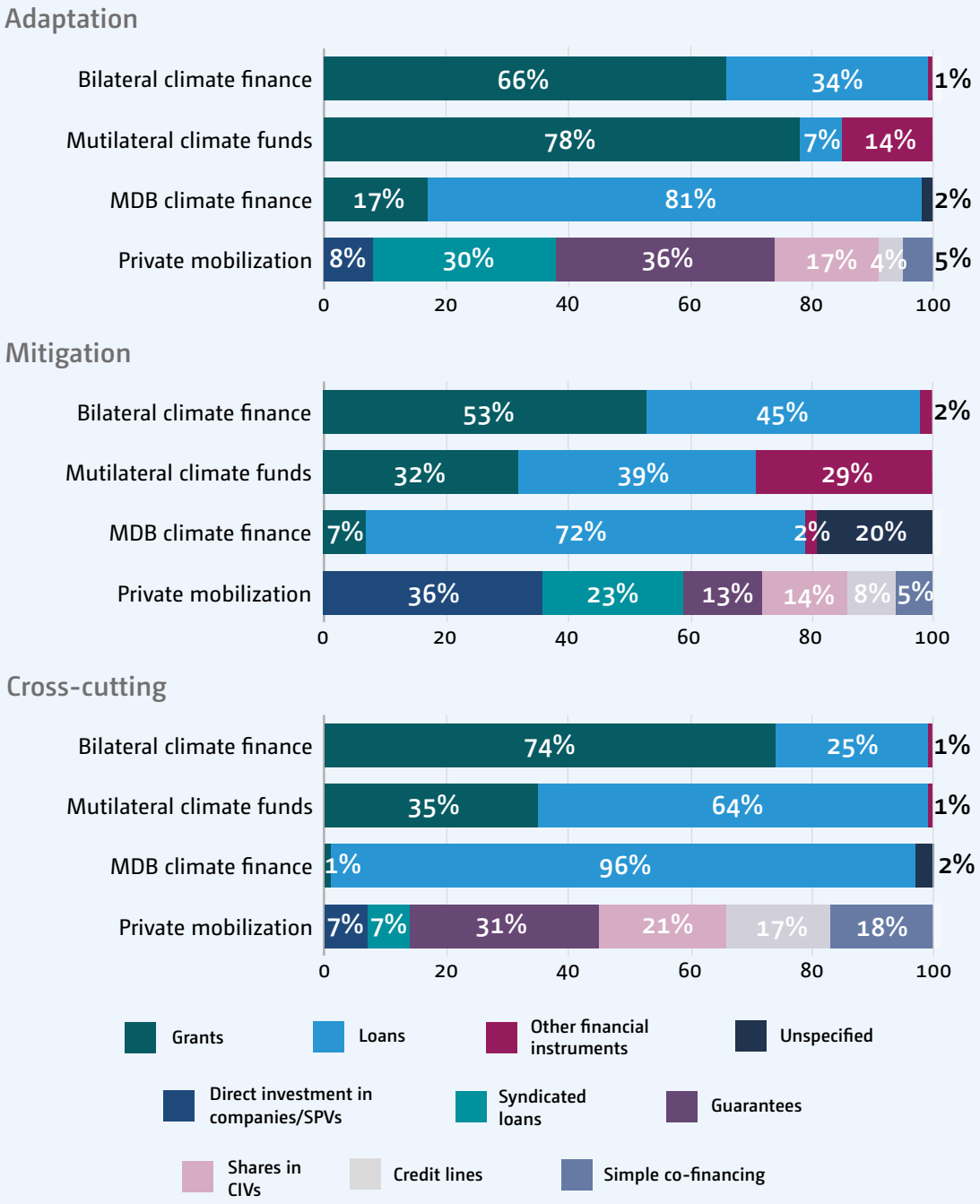
30. **The shares of adaptation, mitigation and cross-cutting finance from developed to developing countries in 2021–2022, through all channels of bilateral finance, the outflows of multilateral climate funds and MDBs, and private finance mobilized, remained similar to those in 2019–2020**. In 2021–2022, on average mitigation attracted a 51 per cent (USD 19.6 billion) share of bilateral climate finance, 31 per cent (USD 1.1 billion) of multilateral climate fund finance and 62 per cent (USD 30.4 billion) of MDB climate finance. Corresponding numbers for adaptation are 27 per cent (USD 10.5 billion), 16 per cent (USD 0.6 billion) and 36 per cent (USD 16.4 billion). The share of cross-cutting finance from multilateral climate funds, contributing to both adaptation and mitigation, increased substantially to 51 per cent (USD 1.9 billion) in 2021–2022 from 35 per cent (USD 1.1 billion) in 2019–2020.

31. **Finance from multilateral climate funds was significantly grant based, particularly for adaptation**. In 2021–2022, 78 per cent of adaptation finance provided by multilateral climate funds was in the form of grants (compared with almost 100 per cent in 2019–2020) and 7 per cent was concessional loans (see figure 3). MDB finance remains predominantly loan based, with 81 per cent provided as largely concessional loans. Across all channels, private climate finance was mobilized by public finance providers through a diverse range of instruments, depending on their mandate, the relevance of instruments and country and sectoral context, including direct investments in companies or special purpose vehicles (30 per cent), syndicated loans (21 per cent), guarantees (18 per cent) and shares in collective investment vehicles (16 per cent). While direct investments in companies or special purpose vehicles were made by all public finance actors, use of other instruments varied among them.

32. **Asia and Africa received the most of MDB climate finance , while Latin America and the Caribbean received the most in climate finance from multilateral climate funds and from private finance mobilized.** Latin America and the Caribbean received 31 per cent of climate finance from multilateral climate funds in 2021–2022, driven by funding received by Costa Rica from the International Monetary Fund Resilience and Sustainability Trust. Africa and Asia secured 25 and 22 per cent of finance from multilateral climate funds respectively. Most MDB finance was directed to Africa and Asia (33 and 32 per cent respectively), while most private finance mobilized went to Latin America and the Caribbean (35 per cent), Asia (32 per cent) and Africa (20 per cent) (see figure 4).

Figure 3

**Public climate finance and private climate finance mobilized from developed to developing countries in 2021–2022, by theme, source and financial instrument**

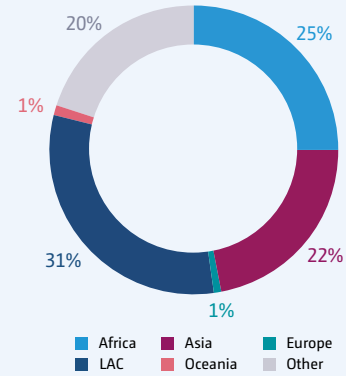


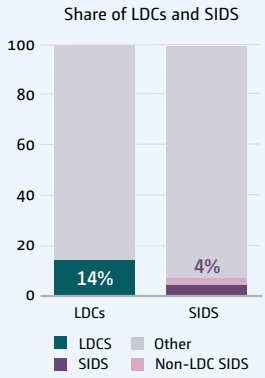

**Notes:** Bilateral climate finance is not included as preliminary estimates provided by Parties to support preparation of the sixth BA are partial, provisional and subject to change once official data have been submitted in BTRs on 31 December 2024. A significant proportion of the preliminary data does not include information on instruments used.

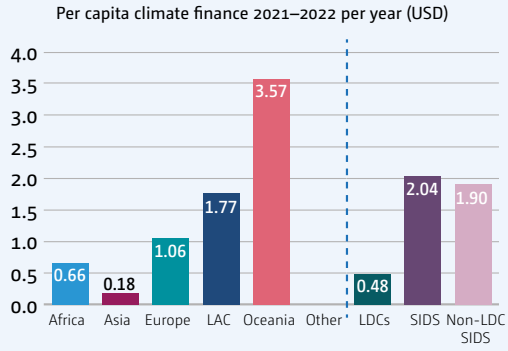
Figure 4

## Geographical distribution of climate finance by volume and on a per capita basis by channel in 2021–2022

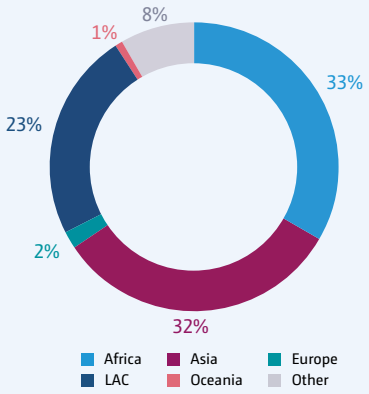
Multilateral climate funds: USD 3.7 billion per year, 2021–2022

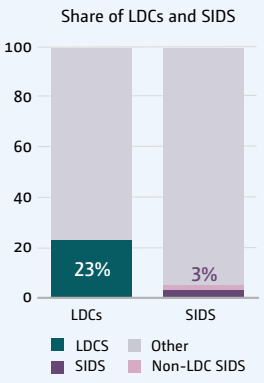


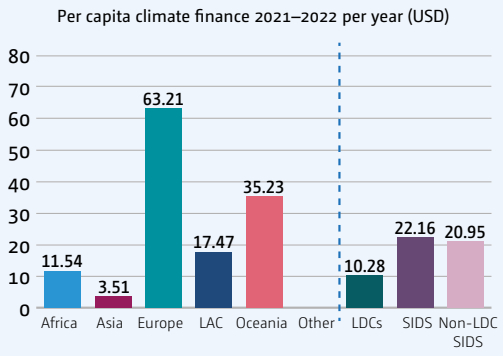



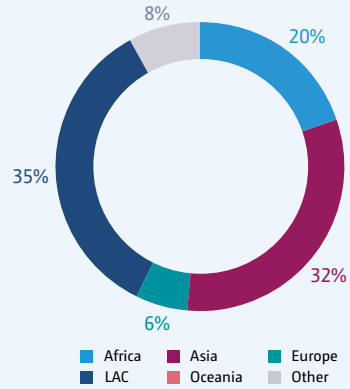

MDBs: USD 49.0 billion per year, 2021–2022

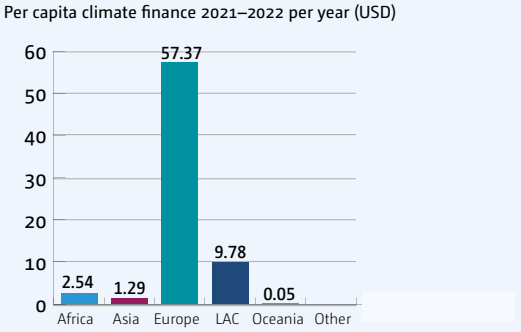



Private finance mobilized: USD 18.2 billion per year




**Notes:** Bilateral climate finance is not included as preliminary estimates provided by Parties to support preparation of the sixth BA are partial, provisional and subject to change once official data have been submitted in BTRs on 31 December 2024. A significant proportion of the preliminary data does not include information on geographical distribution of climate finance provided and mobilized.

**33. Support provided to the LDCs and SIDS by multilateral climate funds decreased in 2021–2022 compared with 2019–2020, but their share of MDB finance remained stable.** In 2021–2022, funding provided to the LDCs accounted for 14 per cent of approvals by multilateral climate funds and 23 per cent of MDB climate finance. On a per capita basis, climate finance from multilateral climate funds and MDBs to the LDCs and SIDS is higher than the averages across all developing countries. Grants accounted for 56 per cent of multilateral climate fund commitments and 40 per cent of MDB commitments for the LDCs and SIDS. Funding provided to SIDS accounted for 4 per cent of approvals by multilateral climate funds (from 7 per cent in 2019–2020) and 3 per cent of MDB climate finance. International public climate finance flows to SIDS are predominantly adaptation focused, and grants play an important role in SIDS, ranging between 33 and 99 per cent of the climate finance flows across the channels analysed.

**34. Efficient access to climate finance is an important priority but has remained challenging for developing countries and their institutions.** Progress in enhancing access through multilateral climate funds continues, such as through the accreditation of entities to the multilateral climate funds, which saw a 16 per cent increase, from 123 to 143 entities, in 2023. Readiness grants and support for enabling activities are increasing through multilateral climate funds and other facilities and initiatives that support project preparation. Access to climate finance through MDBs differs depending on the entity and its operational models, similarly to access through bilateral channels, albeit there are fewer sources of information providing evidence to assess the status of access to climate finance through those channels. Access to climate finance is increasingly being discussed in the context of developing countries' macroeconomic conditions, governance, enabling environments and their impact on capital market access, particularly as it relates to debt sustainability and to different financial instruments.

**35. Country platforms continue to be developed in the context of seeking programmatic and enhanced country ownership, tailored to developing countries' needs and priorities.** Country ownership, which is fundamental to the delivery of effective climate finance, is a broad concept encompassing active stakeholder engagement, links between climate policies and economic growth and development policies, and national spending and tracking systems for climate finance. Four Just Energy Transition Partnerships have been announced since 2021, with more under way, as well as country platforms addressing other thematic areas or encompassing regional efforts. As such country platforms emerge, challenges to realizing their potential through delivery of finance are being faced by countries, stakeholders and communities. Challenges include considering local communities and the workforce in the planning and design stage; limited in-country institutional capacities to conduct pre-feasibility studies and financial modelling; ensuring strong political leadership and coordination of public policy across government ministries and agencies; and lack of clarity on the role of MDBs, the 'new and additional' component of International Partners Group funding, the role of private financial institutions in delivering accessible funding, and the replicability and accessibility of Just Energy Transition Partnerships to other developing countries.

**36. Climate finance is leading to the achievement of a greater amount of portfolio-level emission reductions and reaching a greater number of beneficiaries over time in relation to adaptation and climate resilience.** Multilateral climate funds reported a combined 123.2 Mt CO2 eq emission reductions achieved and 68.6 million beneficiaries reached through their interventions. Expected results from the portfolios of approved or currently implemented projects are orders of magnitude higher, for example 3,602 Mt CO2 eq emission reductions and 722 million direct and/or indirect beneficiaries across project portfolios. While MDBs and DFIs report on the portfolio-level impacts of their operations annually, with a focus on GHG emission reductions and number of beneficiaries, they are not linked to climate-specific interventions and so cannot be attributed directly to the volume of climate finance reported by MDBs or DFIs. Meanwhile, bilateral contributors have different approaches to reporting on the impacts of financed activities.

**37. Gender considerations are being strengthened in the governance, project design and impact measurement of multilateral climate funds, and such efforts have stimulated commitments by public DFIs towards gender-responsive climate finance.** Gender equality and the effective participation of women and girls are critical to climate action, with climate investments applying a gender lens being more efficient, effective and impactful. The gender policy of the GCF has played an important role in encouraging the European Bank for Reconstruction and Development to integrate gender considerations into its climate investments, while the Climate Investment Funds has developed a reference framework for gender-responsiveness in Asian

Development Bank investments. The 2024 SCF Forum explored opportunities and existing challenges related to accelerating climate action and resilience through gender-responsive financing.[12] Data and evidence gaps pertaining to the gender and climate finance nexus remain and continues to be a blind spot in many climate finance needs assessments.

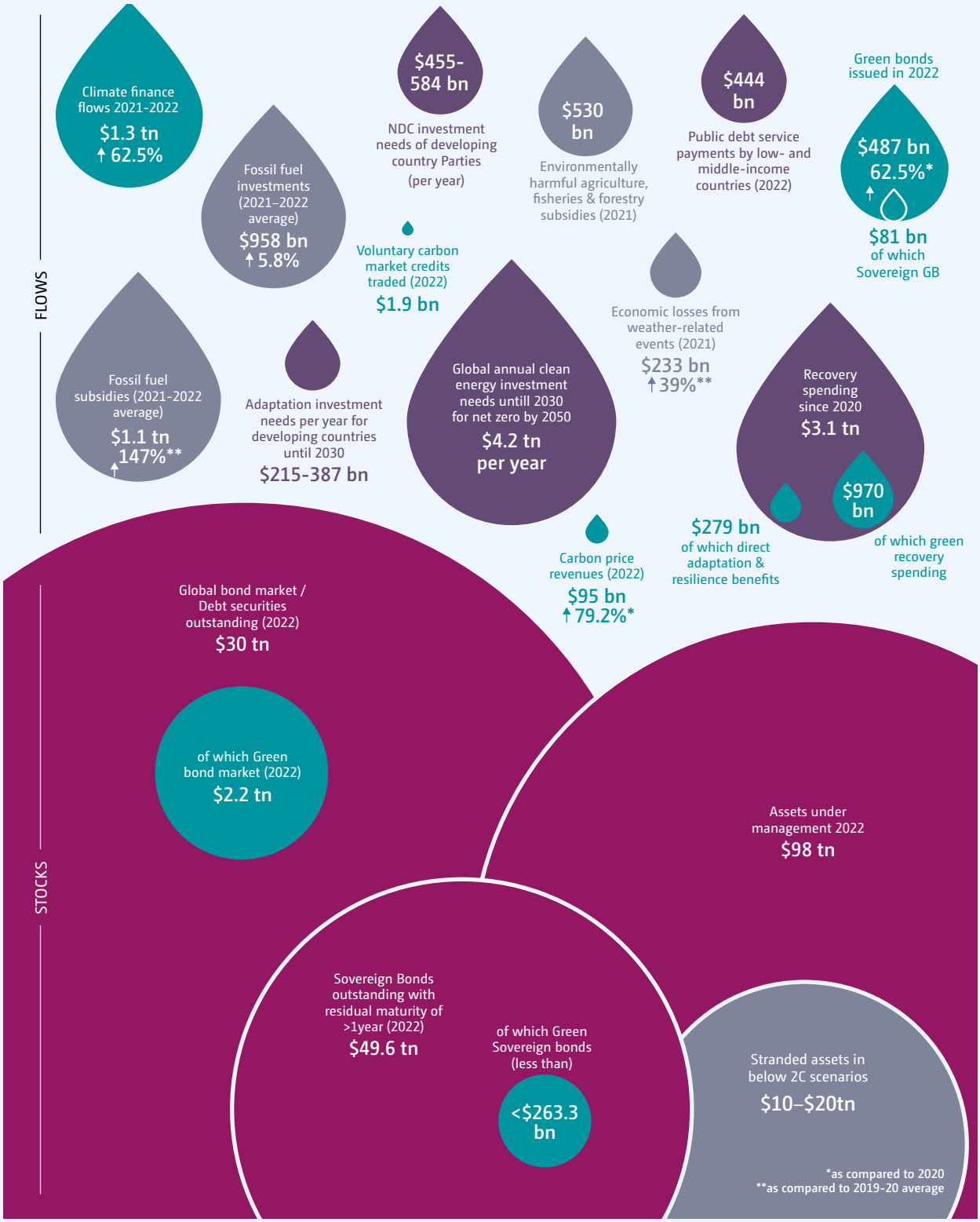
**38. Global total climate finance flows remain well below available estimates of the investment needed to keep the goals of the Paris Agreement within reach in this critical decade, though sufficient global capital is available to meet these needs (see figure 5).** Continued challenges related to debt sustainability, slowing economic growth and a mismatch between demands on the State and fiscal resources are being felt across many countries. Developing countries in particular face significantly higher sovereign borrowing and financing costs for private sector investments than high-income countries, owing to a variety of real and perceived investment risks. Public interventions aimed at mobilizing private investment, including through loans for climate projects, can help to address some of the reasons for these higher costs and de-risk private sector investment. Moreover, global efforts to continue to make progress towards climate change mitigation goals, in particular the goal of the Paris Agreement of holding global warming to well below 2 °C and pursuing efforts to limit the temperature increase to 1.5 °C, will affect the costs of adapting to the adverse effects of climate change.

**39. The scale and speed needed for transitions to low-emission climate-resilient development pathways suggest that a sole focus on positive climate finance flows will be insufficient to meet the goals of the Paris Agreement.** This does not mean that broader finance flows must all have explicit beneficial climate outcomes, but it does mean that they should integrate climate risks into decision-making and avoid increasing the likelihood of negative climate outcomes. Domestically, countries are making efforts to consider fiscal policies for climate action, financial policies and regulations and the integration and management of climate risk in relation to financial decision-making processes by private actors and the financial sector. There remains a need to ensure that efforts to shift finance flows towards low GHG emission and climate-resilient development pathways are mindful of the broader socioeconomic impacts of such shifts.

12) See https://unfccc.int/2024-SCF-Forum

Figure 5

## Global climate finance in the context of broader finance flows, opportunities and costs



## D. Mapping of information relevant to Article 2, paragraph 1(c), of the Paris Agreement and its reference to Article 9 thereof

40. Every second BA includes a mapping of available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof, in a dedicated fourth chapter. The mapping considers policies and measures considered to be relevant by public and private actors, and domestic and international initiatives, including developments in existing and new initiatives, where they have relevance to both domestic and international as well as public and private finance flows related to climate action.

41. Article 2, paragraph 1(a–c), of the Paris Agreement sets out three interlinked goals aimed at strengthening the global response to climate change in the context of sustainable development and efforts to eradicate poverty: limiting the increase in global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the increase to 1.5 °C above pre-industrial levels; increasing the ability to adapt to and foster resilience against the adverse impacts of climate change; and making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development. Article 2, paragraph 2, states that the Paris Agreement will be implemented to reflect equity, and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

42. **While countries and non-State actors are discussing and taking action relevant to Article 2, paragraph 1(c), of the Paris Agreement, different views on and approaches to the goal remain.** Since the publication of the fourth BA in 2020, avenues for discussing Article 2, paragraph 1(c), including its reference to Article 9 thereof, have included the SCF work on two syntheses of views from Parties and non-Party stakeholders and a further mapping of available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof; the Sharm el-Sheikh dialogue on the scope of Article 2, paragraph 1(c), and its complementarity with Article 9; and the first global stocktake,[13] which concluded in 2023. While these processes have progressed discussions, disparate views remain on what is in the scope of and how to achieve Article 2, paragraph 1(c), of the Paris Agreement. There has also been increased engagement by private and public actors considered relevant to the goal under Article 2, paragraph 1(c), of the Paris Agreement. The Intergovernmental Panel on Climate Change and the first global stocktake have both concluded that progress towards achieving consistency of financial flows with the goals of the Paris Agreement remains slow and uneven across regions and sectors.

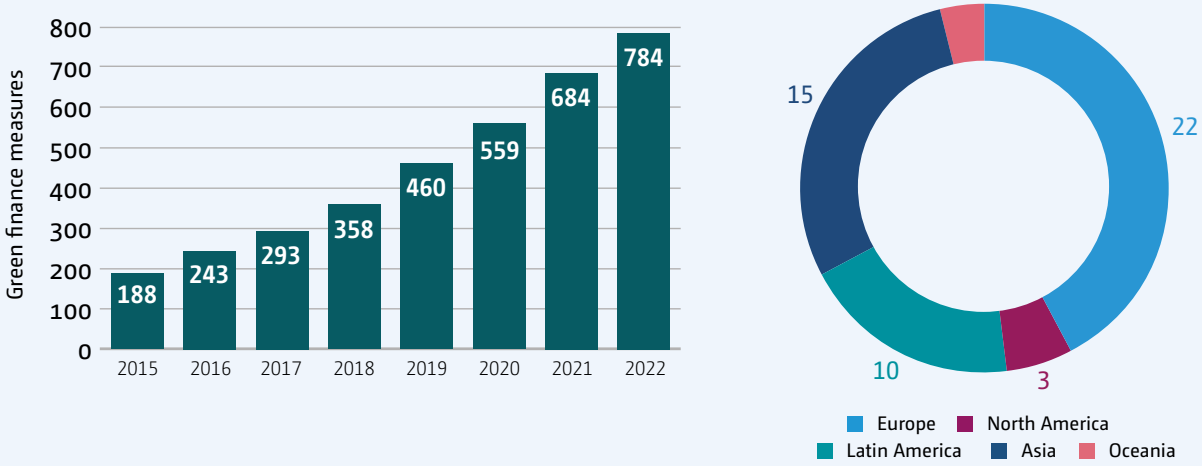
43. **In the mapping of information relevant to Article 2, paragraph 1(c), including its reference to Article 9, several contextual issues arise that are not reconciled by the mapping exercise.** These relate to the extent and diversity of finance actors addressed by the goal that take actions that affects finance flows; divergence in the understanding and use of terms; how the diversity of national circumstances, plans and priorities or Party responsibilities should be factored into the scope and implementation of Article 2, paragraph 1(c); and divergent interpretations of the scope and nature of finance flows addressed by Article 2, paragraph 1(c), and Article 9.

44. **A majority of countries have articulated policies and measures within domestic frameworks that are considered relevant to the goal or to sustainable or green finance.** In 2021–2022, policy and regulatory measures were put in place in over 100 jurisdictions by public authorities such as governments, central banks, financial regulators and public finance institutions, a 40 per cent increase compared with 2020. Regulatory authorities globally are increasingly integrating climate change into their consideration of financial sector stability through a suite of actions. Governments are making use of fiscal policies and public expenditure to channel finance flows for climate-consistent purposes, such as through budget allocations, pricing or non-pricing mechanisms and policies such as taxes and subsidies or investment incentives. Many have formulated overarching sustainable finance frameworks or road maps to connect individual measures (see figure 6).

13) As per decision 19/CMA.1, para. 36(d).

Figure 6

**Growth in cumulative green finance policy and regulatory measures, 2015–2022, and representation of countries, by region, in private finance initiatives as at February 2024**




45. **Where implemented, domestic carbon pricing instruments have incentivized low-cost emission reduction measures, but have been less effective, on their own and at prevailing prices, at promoting higher cost measures necessary for further reductions. An increasing number of governments have recognized carbon pricing as an effective method for integrating the costs of climate change into economic decision-making, thereby encouraging climate action.** Domestic carbon pricing instruments have continued to expand, with a significant share of revenues going to green spending priorities and welfare support. Carbon pricing instruments generated USD 95 billion in revenue globally in 2022, an increase of USD 10 billion compared with 2021. Almost 40 per cent of carbon pricing revenues are earmarked by governments for green spending and another 10 per cent for household or business compensation. As in previous years, carbon pricing measures remain concentrated in North America and Europe, with the European Union Emissions Trading System alone generating about 44 per cent of global revenues in 2022. On the other hand, the value of voluntary carbon markets surged from USD 136 million in 2017 to USD 2 billion in 2022 (a 1,371 per cent change).

46. **Non-pricing measures have been instituted to implement national and/or regional climate initiatives. Some countries prefer these measures owing to their national circumstances in accordance with the Intergovernmental Panel on Climate Change finding that effective policy packages would be comprehensive, consistent, balanced across objectives and tailored to national circumstances.** Non-pricing approaches include policies, targets and initiatives, as well as standards, awareness-raising, and international cooperation and financial tools. For example, the Middle East Green Initiative also adopts the circular carbon economy approach to advancing climate objectives in the Middle East through a suite of initiatives.[14]

47. **Sustained growth in private sector engagement is being observed through climate risk disclosure, and the adoption of net zero commitments, transition plans and financing targets, sustainable finance policies and principles.** Methodologies for climate-consistent finance flows that have evolved in the private sector differ in terms of ambition, timeline, sectoral coverage and scope of emissions considered, and degree to which adaptation or resilience is included. However, efforts to facilitate the interoperability of approaches are emerging, such as financial sector alliances, third-party target-setting initiatives, guidance documents and target-setting protocols. Efforts to complement target-

14) See https://www.greeninitiatives.gov.sa/about-mgi/.

setting with a focus on implementation have also seen growth in transition planning for corporates and financial institutions, although they differ in the definition and classification of specific climate investment targets. Investors have higher expectations for meeting climate and wider sustainability criteria, and market operators such as stock exchanges and credit rating agencies are making efforts to integrate climate into their operations to inform financial decision-making.

48. **Domestic and public sector initiatives that could be relevant to implementing Article 2, paragraph 1(c), have expanded their geographical scope since the fourth BA.** Such financial initiatives, which involve governments through engagement of financial regulators, central banks, regulators, ministries of finance, financial market operators and industry and environment, working in collaboration with banks, industry associations, financial centres and stock exchanges, have grown from representing 136 countries in 2022 to 151 countries across all initiatives as at the beginning of 2024. A number of countries have engaged in national planning processes around the financing of sustainable and/or climate action and, while a whole-of-government approach continues to be promoted, the need remains to engage subnational and local public and private actors, including regional and municipal authorities, civil society, non-governmental organizations, Indigenous communities, women, youth and the elderly. In recent years public DFIs have been moving towards implementation and tracking of efforts that they consider to be consistent with the Paris Agreement. There is also growth in multilateral public finance and government initiatives to shift or evolve the international financial system towards achieving more sustainable, climate-compatible and equitable outcomes.

49. **Private finance initiatives, including asset owners, asset managers and investors, and banking and insurance companies, continue to increase engagement in international initiatives and alliances relevant to Article 2, paragraph 1(c).** These act as convening platforms for building capacity and developing approaches to climate commitments, targets and methodologies for implementation of Article 2, paragraph 1(c), of the Paris Agreement. The growth of these initiatives has slowed in recent years with respect to financial assets, assets under management or market capitalization. However, they continued to expand across all regions with regard to the number of signatories, particularly in Asia, between 2020 and 2022, while remaining concentrated in Europe and North America (see figure 6).

50. **A number of insights emerged from the mapping of information relevant to Article 2, paragraph 1(c), including its reference to Article 9 thereof:**

(a) In the sixth BA, a shift was observed from the high-level commitments identified in the fourth BA towards actual transition and implementation planning. Mitigation continues to be a focus area of private sector actions. However, public actors and initiatives have acknowledged the gap in resilience and adaptation action and work to address this is under way. The mapping exercise reveals that the notion of transition finance and pathways for transition has received increased attention from public and private financial sector actors;

(b) Very few mapped actions by national or private actors are framed in the context of Article 2, paragraph 1(c), including its reference to Article 9. While diverse views exist as to how the two Articles relate, relevant activities that are undertaken by financial sector actors potentially include providing support for fostering sustainable finance markets in developing countries; ensuring that development finance is consistent with climate, environment and sustainable development goals; explicit efforts to increase investment in developing countries, including via country-led investment platforms; and plans to combine the support provided by developed country governments with other types of financing;

(c) Relevant public and private initiatives, collectively, have a footprint in every region of the world, although private initiatives tend to have a concentration of actors whose headquarters are in Europe or North America. The need for global cooperation, collaboration, learning and sharing of expertise has been emphasized by a number of actors and reflects the complexity and interconnectedness of finance flows and relevant actors and their mandates. While international interoperability can be beneficial for approaches relevant to Article 2, paragraph 1(c), there is also a clearly articulated demand for regional, sectoral and nationally appropriate approaches and methodologies for responding to the goal, and for integrating social sciences and equity perspectives into implementation approaches;

(d) Several challenges and barriers to the implementation of Article 2, paragraph 1(c), remain. These include data and methodological gaps, including for small and medium-sized enterprises,

climate-resilient pathways and scenarios that can guide actors. A multitude of methods, objectives, governance frameworks and tools that are not interoperable may increase fragmentation, transition costs and data inconsistencies. Actions relevant to Article 2, paragraph 1(c), both seek to address and remain constrained by the barriers to investment in developing countries (e.g. higher cost of capital and debt sustainability concerns). Little is known about the impacts of public and private efforts to implement Article 2, paragraph 1(c) on the real economy, because many actors are a number of steps removed from real economy activities. Concerns of greenwashing in tracking and monitoring of relevant approaches, highlighted in the fourth BA, continue to persist.

## III. Recommendations

51. On the basis of the key findings herein, the SCF invites the COP and the CMA to consider the recommendations presented in the remainder of this chapter.

52. Recommendations related to methodological issues for transparency of climate finance are as follows:

(a) *Encourage* Parties to better track and report on climate finance provided, mobilized, needed and received in the new common tabular format for their BTR1 to the highest level of granularity possible, taking into account the flexibility for those countries that need it in the light of their capacities, in accordance with the modalities, procedures and guidelines of the enhanced transparency framework under the Paris Agreement, in particular to report annual activity-level data;

(b) *Encourage* climate finance data providers to continue to improve the data and the methodologies necessary for tracking private finance mobilized as well as for measuring and reporting on climate finance results and impacts;

(c) *Encourage* the enhancement of reporting on the qualitative aspects of climate finance, including policies, approaches and other factors related to strong enabling environments and delivering results;

(d) *Encourage* Parties to enhance their tracking and reporting of domestic climate finance flows, including by adopting or following climate-budgeting approaches and climate finance tracking systems, to increase the visibility of resource mobilization within all countries and to inform their implementation of nationally determined contributions and adaptation communications.

53. Recommendations related to the overview of climate finance flows are as follows:

(a) *Encourage* Parties to enhance reporting on domestic and international climate finance in order to address data gaps;

(b) *Encourage* climate finance providers, including multilateral and other financial institutions, relevant non-financial institutions and data providers, when reporting on climate finance, to enhance the availability of granular, country-level data on finance for adaptation and resilience as well as on finance for mitigation in the AFOLU and the water and sanitation sectors;

(c) *Encourage* climate finance and data providers, climate finance recipients and private sector entities to further enhance the tracking of private climate finance, particularly for adaptation, to address data gaps on global climate finance flows;

(d) *Invite* private sector actors and financial institutions to build on the progress made on ways to improve data on climate finance and to engage with the SCF, including through participation in the forums of the SCF, with a view to enhancing the quality of the BA.

54. Recommendations on the assessment of climate finance flows are as follows:

(a) *Encourage* climate finance providers and data aggregators, in keeping with social inclusion and the potential value of information and data from the informal private sector and from local and Indigenous communities, as well as noting the usefulness of proxy data, to incorporate into their systems the tracking of climate finance flows and impacts relating to these stakeholders;

(b) *Encourage* development finance institutions, in particular MDBs, to continue their essential role in helping developing countries to deliver on their nationally determined contributions;

(c) *Encourage* developed country Parties and other climate finance providers to continue to enhance access and increase climate finance for the LDCs and SIDS;

(d) *Encourage* climate finance providers to continue to enhance access to climate finance by promoting the complementarity and coherence of multilateral climate funds, to enhance country ownership, including through supporting modalities such as direct access entity and national implementing entity accreditation, and to consider policies for improving the balance between support for mitigation and adaptation at the global level, taking into account country-driven approaches, capacities and priorities;

(e) *Encourage* developing country Parties to continue to leverage existing modalities to advance in-country efforts to strengthen institutional capacities for climate change programming and for tracking the impacts of climate finance interventions;

(f) *Encourage* climate finance providers and recipients to enhance their methodologies for measuring and reporting on portfolio-level results in terms of the impacts and outcomes of climate finance and to advance the development of indicators for measuring the outcomes of climate finance interventions;

(g) *Encourage* climate finance providers and recipients, as well as data aggregators, to improve the tracking and granularity of reporting of data on gender-responsive climate finance, as well as to improve the dissemination of best practices in relation to the gender-related aspects of climate finance, gender-related impacts of climate finance interventions and for gender-responsive budgeting

55. Recommendations related to mapping available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof, are as follows:

(a) *Recognize* the importance of making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development and that there is no common interpretation of the scope of Article 2, paragraph 1(c), or the manner of its implementation and encourage Parties to the Paris Agreement to continue constructive engagement on this issue, where relevant, including under the strengthened Sharm el-Sheikh dialogue between Parties, relevant organizations and stakeholders to exchange views on and enhance understanding of the scope of Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement referred to in decision 1/CMA.4, paragraph 68, including with regard to the operationalization and implementation of Article 2, paragraph 1(c), with a view to identifying the way forward at CMA 7;

(b) *Encourage* Parties and relevant actors to enhance their reporting on elements they identify as relevant to Article 2, paragraph 1(c), of the Paris Agreement, including on climate adaptation and resilience;

(c) *Encourage* Parties to explore opportunities for, and enhance their understanding of challenges related to, their respective implementation of Article 2, paragraph 1(c), and recognize the importance of knowledge exchange and capacity-building in this regard;

(d) *Encourage* Parties to engage with private sector actors in a nationally determined manner on opportunities for implementing Article 2, paragraph 1(c);

(e) *Encourage* all financial actors to adequately account for the different national pathways in developing countries as it relates to climate action in their interactions with developing country Parties, recognizing that according to the Intergovernmental Panel on Climate Change, effective policy packages would be comprehensive, consistent, balanced across objectives and tailored to national circumstances;

(f) *Request* the SCF, in preparing the seventh BA, to follow up on the recommendations made in this BA and previous BAs;

(g) *Request* the SCF to continue to inform the global stocktake through the preparation of BAs, including its mapping of information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof.

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Framework Convention on
Climate Change