

Financing mechanisms to support climate adaptation



United Nations
Climate Change Secretariat

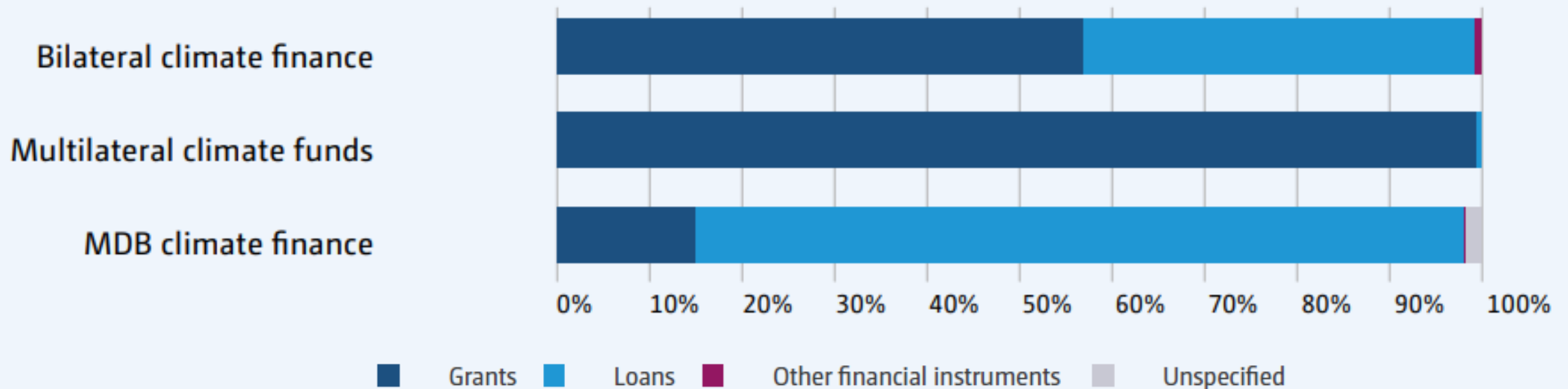


- **Global climate finance flows increased by 12% in 2019–2020 compared to 2017–2018, reaching an annual average of USD 803 billion**
- **Adaptation finance increased by 65% to USD 49 billion in 2019–2020, ... however, the gap between financial support needed and provided is increasing disproportionately**

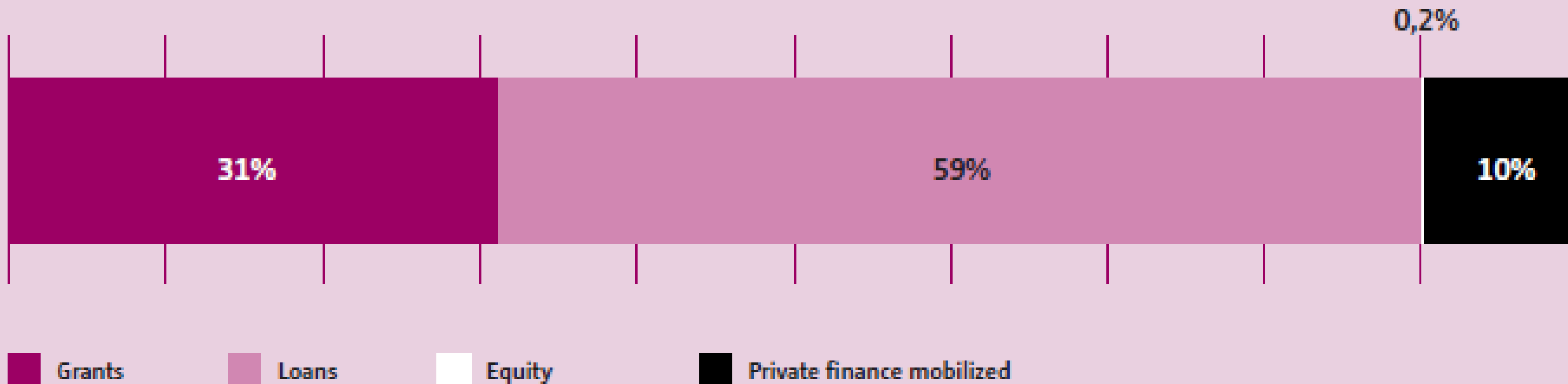
Source: Biennial Assessment and Overview of Climate Finance Flows 2022

Public climate finance flows from developed to developing countries in 2019–2020, by theme, source and financial instrument

Adaptation



Share of financial instruments in aggregate adaptation finance flows, 2019–2020



- ✓ High share of loans in some estimates due to high share of MDBs
- ✓ Grants are significant share of bilateral finance and multilateral climate funds (GCF, GEF, other)
- ✓ Asia and Africa regions receive largest shares of adaptation finance; Africa, LDCs and SIDS receive larger share of adaptation finance than of climate finance
- ✓ 24-30% adaptation finance share in 2019-2020 data vs 52-61% mitigation

A. Multilateral flows

I. Multilateral climate funds

operating entities of the Financial Mechanism: GCF, GEF and AF, funds established under the UNFCCC: LDCF, SCCF, and other funds administered by the World Bank: Clean Technology Fund and the Strategic Climate Fund

II. Multilateral Development Banks

AfDB, ADB, EBRD, EIB, IDBG, IsDB, AIIB and WBG - reporting jointly since 2011)

B. Bilateral flows

- I. **Financial support by Annex II Parties** bilateral, regional and other channels; and multilateral channels
- II. **Bilateral assistance reported by OECD DAC members**
- III. **Climate-related officially supported export credits from the OECD Export Credit Group statistics**

C. Private finance mobilized through public interventions

Financial Instruments

Grant, Concessional loan, Non-concessional loan, Equity, Guarantee, Insurance, Policy intervention, other)

Exemplary explicit modalities of multilateral climate change funds to facilitate climate finance access by developing countries

	Fund	Modality
Support for climate finance readiness	AF	Readiness Package Grant
	GCF	Readiness and Preparatory Support Program
	AF	South-South Cooperation Grants
	AF	Technical Assistance Grants (TAG)
	CIF (includes CTF, FIP, SREP, PPCR)	CIF Technical Assistance Facility (CIF-TAF)
	GEF	Enabling Activities (EA) – support to formulation of reporting obligations to Conventions
	GEF	Capacity-building Initiative for Transparency – support to formulation of reporting obligations under the Paris Agreement
Support for project preparation	AF	Project Formulation Grant
	GCF	Requests for Proposals (RpF)
	GCF	Project Preparation Facility
	AF	Project Formulation Assistance

Exemplary explicit modalities of multilateral climate change funds to facilitate climate finance access by developing countries

	Fund	Modality
Support for project preparation	AF	Project Formulation Grant
	GCF	Requests for Proposals (RpF)
	GCF	Project Preparation Facility
	AF	Project Formulation Assistance
	GEF / LDFC / SCCF	GEF7 Project Preparation Grant Request
	CIF (includes CTF, FIP, PPCR, SREP)	Project/Preparation Grant
Supporting multilateral climate fund access and accreditation	AF	Enhanced Direct Access
	GCF	Simplified Approval Process
	GCF	Enhanced Direct Access (pilot)
	AF	Streamlined Accreditation Process
	GEF	Country Support Program
	GCF	Project-Specific Assessment Approach
	FIP	Dedicated Grant Mechanism for indigenous people and local communities*
	AF	Adaptation Fund Climate Innovation Accelerator*

*Note: The DGM and AFCIA are not explicit access modalities, however the programme design characteristics are dedicated to enabling participation and indirect accreditation of indigenous and local-level stakeholders otherwise not reached and so are included in this table.

Enhanced Transparency Framework

Reporting information on support needed
and received in BTR



United Nations
Climate Change Secretariat



NC guidelines: Decision 17/CP.8, Annex

(should, may, encouraged to...)

Constraints and gaps, and related financial, technical and capacity needs

Financial resources and technical support received for the preparation of their NCs (domestically & internationally)

Financial resources and technical support received for climate related activities (domestically & internationally)

Development and transfer of technology needs (country-specific) and technology received

Opportunities and barriers for the implementation of adaptation measures

A list of projects proposed for financing in preparation for arranging the provision of technical and financial support

Other relevant needs and/or areas for capacity-building

BUR guidelines: Decision 2/CP.17, Annex III

(should, may...)

Constraints and gaps, and related financial, technical and capacity needs

Financial resources and technical support received for climate related activities, including the preparation of the current BUR

Development and transfer of technology needs (country-specific) and technology received

BTR MPGs: Decision 18/CMA.1, Annex: Chapter VI

(should...)

- A. National circumstances, institutional arrangements and country-driven strategies
- B. Underlying assumptions, definitions and methodologies
- C. Financial support needed by developing country Parties
- D. Financial support received by developing country Parties
- E. Technology development and transfer support needed by developing country Parties
- F. Technology development and transfer support received by developing country Parties
- G. Capacity-building support needed by developing country Parties
- H. Capacity-building support received by developing country Parties
- I. Support needed and received by developing country Parties for the implementation of Article 13 of the Paris Agreement and transparency-related activities



“Developing country Parties should provide information on FTC support needed and received, **to the extent possible, and as available and as applicable.**”

TEXTUAL FORMAT

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

B. Underlying assumptions, definitions and methodologies

TEXTUAL AND TABULAR FORMAT

C. Financial support needed

D. Financial support received

E. Technology development and transfer support needed

F. Technology development and transfer support received

G. Capacity-building support needed

H. Capacity-building support received

I. Support needed and received for implementing Article 13

C. Information on financial support needed



Decision 18/CMA.1, Annex: Chapter VI

Tabular format:

Decision 5/CMA.3, Annex III

Table III.6

Information on financial support needed by developing country Parties under Article 9 of the Paris Agreement^{a, b}

Exchange rate used: _____

Sector ^c	Subsector ^c	Title of activity, programme, project or other ^{c, d}	Programme/project description ^c	Estimated amount (climate-specific) ^c		Expected time frame ^c	Expected financial instrument ^c	Type of support ^c	Contribution to technology development and transfer objectives ^c	Contribution to capacity-building objectives ^c	Whether the activity is anchored in a national strategy and/or an NDC ^c	Expected use, impact and estimated results ^c	Additional information ^f
				Domestic currency	USD								
Energy							Grant	Adaptation	Insert 1 for Yes, 0 for No	Insert 1 for Yes, 0 for No	Insert 1 for Yes, 0 for No		
Transport							Concessional loan	Mitigation					
Industry							Non-concessional loan	Cross-cutting ^e					
Agriculture							Equity						
Forestry							Guarantee						
Water and sanitation							Insurance						
Cross-cutting							Other (specify) ^d						

Textual format:

[to the extent possible and as available and as applicable]

- a) **Sectors** for which the Party wishes to attract international finance, including **existing barriers** to attracting international finance;
- b) Description of how the support will **contribute to its NDC** and to the **long-term goals of the Paris Agreement**.

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).

^a Developing country Parties should provide, in a common tabular format, information on financial support needed, to the extent possible, as available and as applicable.

^b Parties include information on support needed from the reporting year of the BTR.

^c Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^d If "other", Parties should specify this information.

^e This refers to funding for activities that have both mitigation and adaptation components.

^f Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

D. Information on financial support received



Tabular format:

Decision 5/CMA.3, Annex III

Table III.7

Information on financial support received by developing country Parties under Article 9 of the Paris Agreement^{a, b}

Exchange rate used: _____

Title of activity, programme, project or other ^d	Programme/project description ^f	Channel ^f	Recipient entity ^e	Implementing entity ^e	Amount received (climate-specific) ^e		Time frame ^f	Financial instrument ^f	Status ^e	Type of support ^f	Sector ^f	Subsector ^f	Contribution to technology development and transfer objectives ^e	Contribution to capacity-building objectives ^e	Status of activity ^e	Use, impact and results ^e	Additional information ^f
					Domestic currency	USD											
		Multilateral						Grant	Committed	Adaptation	Energy		Insert 1 for Yes, 0 for No	Insert 1 for Yes, 0 for No	Planned		
		Bilateral						Concessional loan	Received	Mitigation	Transport				Ongoing		
		Regional						Non-concessional loan		Cross-cutting ^g	Industry				Completed		
		Other (specify) ^d						Equity			Agriculture						
								Guarantee			Forestry						
								Insurance			Water and sanitation						
								Other (specify) ^d			Cross-cutting						
											Other (specify) ^d						

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).

^a Developing country Parties should provide, in common tabular format, information on financial support received, to the extent possible, as available and as applicable.

^b Parties include information on support received, ongoing or planned since the previous BTR.

^c Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^d If "other", Parties should specify this information.

^e This refers to funding for activities that have both mitigation and adaptation components.

^f Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

I. Information on support needed and received for implementation of Article 13



Decision 18/CMA.1, Annex: Chapter VI

Textual format:

[to the extent possible and as available and as applicable]

(a) Support needed and received for preparing reports pursuant to Article 13;

(b) Support needed and received for addressing the areas for improvement identified by the technical expert review teams.

Table III.13

Information on support received by developing country Parties for the implementation of Article 13 of the Paris Agreement and transparency-related activities, including for transparency-related capacity-building^{a, b}

Exchange rate used: _____

Title of activity, programme, project or other ^d	Objectives and description ^e	Time frame ^e	Recipient entity ^e	Channel ^e	Amount ^f		Status of activity ^f	Use, impact and estimated results ^c	Additional information
					Domestic currency	USD			
				Multilateral			Planned		

Table III.12

Information on support needed by developing country Parties for the implementation of Article 13 of the Paris Agreement and transparency-related activities, including for transparency-related capacity-building^{a, b}

Exchange rate used: _____

Title of activity, programme, project or other ^d	Objectives and description ^e	Expected time frame ^e	Recipient entity ^e	Channel ^e	Amount ^f		Status of activity ^f	Expected use, impact and estimated results ^c	Additional information
					Domestic currency	USD			
				Multilateral			Planned		
				Bilateral			Ongoing		
				Regional			Completed		
				Other (specify) ^d					

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).

^a Developing country Parties should provide, in common tabular format, summary information on support needed for implementing Article 13 and transparency-related activities, including for transparency-related capacity-building, to the extent possible and as applicable.

^b Parties include information on support needed from the reporting year of the BTR.

^c Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^d If "other", Parties should specify this information.

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

- The expected **frequency** of reporting, especially reporting on needs timeframe
- The **notation keys** that can be used:
 - NA: not applicable
 - UA: unavailable
 - NR: not reported (to indicate voluntary character of the information)
- The need to **link the table to the section** of the BTR describing the underlying assumptions, definitions and methodologies used
- The possibility to provide **additional information** including on support to activities related to averting, minimizing and addressing **loss and damage** associated with climate change impacts
- **Sector** orientation of needs;
- **Sector and status** consistent entry options (standardized options)

➤ Mechanisms for monitoring the impact of climate finance is relevant for the implementation of the ETF

Example Mitigation

- GHG emissions reduced
- MW installed capacity
- Volume of fuel per km travelled

Example Adaptation

- Number of beneficiaries
- Hectares protected
- Number of projects that foster climate resilience

Table 1.3

Overview of core result indicators in use by multilateral climate funds, by theme and sector

Sector	Theme					
	Mitigation			Adaptation		
	Indicator	Unit	Fund	Indicator	Unit	Fund
Cross-cutting	1) Greenhouse gas emissions mitigated or avoided	tCO2	GCF, GEF, CIF, FIP, SREP	1) Number of direct and indirect beneficiaries / livelihood co-benefits	Number of beneficiaries (disaggregated by gender)	AF, GCF, GEF, LDCF/SCCF, FIP
	2) Number of direct and indirect beneficiaries / improved access to energy	Number of beneficiaries (disaggregated by gender)	GCF, GEF, LDCF / SCCF, FIP, SREP	2) Area of land or ecosystems brought under sustainable/ improved/ climate-resilient management practices	Hectares	GCF, GEF, AF, LDCF / SCCF, FIP, PPCR
	3) Value of physical assets made more able to reduce GHG emissions	Value in USD million	GCF	3) Value of physical assets made more resilient to the effects of climate change	Value in USD million	GCF



Examples of how to report information on support needed and received in the CTF

Example - BUR and new CTF for financial support needed



Malaysia. Biennial update report (BUR4), 2022

Table 4.5: Summary of Needs for Adaptation in Various Sectors

Sector	Activity	Lead Agencies	Status/ Duration	International support needed		
				Finance	Technical/ Technology	Capacity-building
Disaster Risks Management	Science, technology and innovation (STI) for integrating disaster risk reduction (DRR) and climate change action at local levels.	MOSTI/ASM/ NADMA	New project (2023-2027)	USD2 mil	Review of good practices to provide practical insights into the integration of disaster risk reduction and climate change adaptation agendas in cities.	Trainings and workshops for technical experts to enhance their knowledge in producing materials and technologies and foster innovative and forward-thinking solutions to help decision-makers and stakeholders on integrating disaster risk reduction and

Information on financial support needed by developing country Parties under Article 9 of the Paris Agreement^{a, b}

Exchange rate used:

Sector ^c	Subsector	Title of activity, programme, project or other ^{c,d}	Estimated amount (climate-specific) ^c		Expected time frame ^c	Expected financial instrument	Type of support ^c	Contribution to technology development and transfer objectives ^c	Contribution to capacity-building objectives ^c	Whether the activity is anchored in a national strategy and/or an NDC ^c	Expected use, impact and estimated results ^c	Additional information ^c
			Domestic currency	USD								
Energy						Grant	Adaptation	Insert 1 for Yes, 0 for No	Insert 1 for Yes, 0 for No	Insert 1 for Yes, 0 for No		
Transport						Concessional loan	Mitigation					
Industry						Non-concessional loan	Cross-cutting ^e					
Agriculture						Equity						
Forestry						Guarantee						
Water and sanitation						Insurance						
Cross-cutting						Other						
Other (specify) ^d						Other (specify) ^d						

Example - BUR and new CTF for financial support needed



FCCC/PA/CMA/2021/10/Add.1

Table III.6
Information on financial support needed by developing country Parties under Article 9 of the Paris Agreement^{a, b}

Exchange rate used: _____

Sector ^c	Subsector ^c	Title of activity, programme, project or other ^{c, d}	Programme/ project description ^c	Estimated amount (climate-specific) ^e		Expected time frame ^e	Expected financial instrument ^c	Type of support ^c	Contribution to technology development and transfer objectives ^c	Contribution to capacity-building objectives ^c	Whether the activity is anchored in a national strategy and/or an NDC ^c	Expected use, impact and estimated results ^c	Additional information ^c
				Domestic currency	USD								
Cross-cutting or Other (Disaster risks management) ^d	Disaster risks management	Science, technology and innovation (STI) for integrating disaster risk reduction (DRR) and climate change action at local levels.		2000000	USD	2023-2027	Grant Concessional loan Non-concessional loan Equity Guarantee Insurance Other (specify) ^d	Adaptation	1	1	Insert 1 for Yes, 0 for No		Lead Agencies: MOST/ASM/NADMA

Missing information:

- Exchange rate used: 1 Malaysian Ringgit = 0.21 United States Dollar (<https://www.google.com/search?q=exchange+rate>)
- Domestic currency: 9,537,998.43 Malaysian Ringgit
- Programme/ project description: What is this project about? What is the objective?
- Expected financial instrument: Grant/ concessional loan?
- Whether the activity is anchored in the national strategy and/or an NDC: 1 (Yes) or 0 (No)
- Expected use impact and estimated results: X workshops were organized; Y experts were trained in producing materials and technologies.

Example - BUR and new CTF for implementation of Article 13



Pakistan. Biennial update report (BUR1), 2022

Project	Donor Agency	Funding (USD)	Duration	Type of Support	Support Received
Biennial Update Report	GEF Trust Fund	342,000	Aug 2018 to Nov 2020	Capacity Building	Institutional strengthening & training at organizational level
	Government of Pakistan	50,000		Financial	Consultancy at national level and other services

Table 6.9: Support Received for BUR-1

Table III.13
Information on support received by developing country Parties for the implementation of Article 13 of the Paris Agreement and transparency-related activities, including for transparency-related capacity-building^{a, b}

Exchange rate used: _____

Title of activity, programme, project or other ^{c, d}	Objectives and description ^c	Time frame ^c	Recipient entity ^c	Channel ^c	Amount		Status of activity ^c	Use, impact and estimated results ^c	Additional information
					Domestic currency	USD			
				Multilateral Bilateral Regional Other (specify) ^d			Planned Ongoing Completed		

Example - BUR and new CTF for implementation of Article 13



Table III.13
Information on support received by developing country Parties for the implementation of Article 13 of the Paris Agreement and transparency-related activities, including for transparency-related capacity-building^{a, b}

Exchange rate used: _____

Title of activity, programme, project or other ^{c, d}	Objectives and description ^e	Time frame ^e	Recipient entity ^e	Channel ^e	Amount ^e		Status of activity ^e	Use, impact and estimated results ^e	Additional information
					Domestic currency	USD			
Biennial Update Report	Institutional strengthening & training at organizational level	Aug 2018 to Nov 2020		Multilateral		342 000	Completed		Capacity-building

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).
^a Developing country Parties should provide, in common tabular format, summary information on support received for implementing Article 13 and transparency-related activities, including for transparency-related capacity-building, to the extent possible and as applicable.
^b Parties include information on support received, ongoing or planned since the previous BTR.
^c Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.
^d If “other”, Parties should specify this information.

...
Custom footnotes
 The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

Missing information:

- Exchange rate used: 1 Pakistani Rupee = 0.0036 United States Dollar (<https://www.google.com/search?q=exchange+rate>)
- Domestic currency: 95,446,131.12 Pakistani Rupee
- Recipient entity: Ministry?
- Use, impact and estimated results: X trainings organized; Y institutions established; Z experts trained



THANK YOU FOR YOUR ATTENTION

Any comments or questions?