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First biennial communications in accordance with Article 9, paragraph 5, of the Paris Agreement

Compilation and synthesis by the secretariat

Summary

This compilation and synthesis of the information contained in first biennial communications submitted by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement has been prepared for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and to inform the global stocktake.

Abbreviations and acronyms

AF	Adaptation Fund
AUD	Australian dollar(s)
CAD	Canadian dollar(s)
CHF	Swiss franc(s)
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COVID-19	coronavirus disease 2019
DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
DKK	Danish krone(r)
EIB	European Investment Bank
EU	European Union
GBP	pound(s) sterling
GCF	Green Climate Fund
GCF-1	first replenishment of the Green Climate Fund
GEF	Global Environment Facility
GEF-7	seventh replenishment of the Global Environment Facility
GNI	gross national income
LDC	least developed country
LDCF	Least Developed Countries Fund
MDB	multilateral development bank
NAP	national adaptation plan
NDC	nationally determined contribution
NOK	Norwegian krone(r)
NZD	New Zealand dollar(s)
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
REDD+	reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)
SCCF	Special Climate Change Fund
SDG	Sustainable Development Goal
SIDS	small island developing State(s)

I. Introduction

A. Mandate

1. Recognizing the importance of predictability and clarity of information on financial support for the implementation of the Paris Agreement, CMA 1 requested developed country Parties to submit, starting in 2020, the biennial communications referred to in Article 9, paragraph 5, of the Paris Agreement, including the information specified in the annex to decision 12/CMA.1. It encouraged other Parties providing resources to biennially communicate such information on a voluntary basis.[1]

2. CMA 1 also requested the secretariat to prepare, starting in 2021, compilation and syntheses of the information included in the biennial communications.[2] This compilation and synthesis will be considered at CMA 3 and will inform the global stocktake.[3]

B. Biennial communications received

3. Australia, Canada, Germany and the European Commission on behalf of the EU and its member States, Japan, Monaco, New Zealand, Norway, Switzerland and the United Kingdom of Great Britain and Northern Ireland have submitted biennial communications.[4]

C. Scope

4. Chapter II below provides an overview and chapter III below contains a synthesis of the indicative quantitative and qualitative information related to Article 9, paragraphs 1 and 3, of the Paris Agreement included in the biennial communications received.[5]

II. Overview

5. Parties acknowledged in the communications that financial support must be scaled up to enable the Paris Agreement goals to be met. They reiterated their commitment to the goal of mobilizing jointly USD 100 billion per year by 2020 and referred to progress in that regard.

6. Many Parties presented **projected levels of public climate finance** that they will provide to developing countries beyond 2020, based on their multi-year finance commitments and plans to allocate and disburse financial resources through bilateral and multilateral channels. Some Parties reported multi-year climate finance commitments, and others commitments for one or two years, with many mentioning finance committed for GCF-1 (2020–2023) and/or GEF-7 (2018–2022) and contributions to the core budgets of MDBs. Many Parties highlighted the increasing trend in their annual climate finance flows over the past years and their commitment to scale up, or at least maintain at a specific annual level, their provision of climate finance in the future.

7. Parties reported information on **national circumstances and limitations** that hindered them in preparing information on their projected levels of public finance. Many stated that budgetary and parliamentary requirements to obtain annual approval for disbursement make it challenging to project levels of public finance over the long term. Several Parties that provided schedules for disbursing climate finance over the next few years indicated that they are subject to change.

8. Parties used different **methodologies for projecting their future levels of climate finance**, including (1) developing multi-year allocation and disbursement scenarios under which politically committed financial targets can be achieved, (2) allocating a percentage,

[1] Decision 12/CMA.1, paras. 1, 4 and 5.
[2] Decision 12/CMA.1, para. 7.
[3] Decision 12/CMA.1, paras. 7 and 10.
[4] Available at https://unfccc.int/Art.9.5-biennial-communications.
[5] As per decision 12/CMA.1, annex.

which will increase in the future, of their annual budget for ODA to climate finance, (3) basing them on their financial commitments to multi-year programmes and initiatives, (4) using the OECD DAC Rio markers to account for climate finance provided in the past and (5) using OECD DAC methodologies for measuring and tracking private finance mobilized.

9. Future levels of climate finance were projected on the basis of several **assumptions**, such as that committed multi-year public climate finance will be annually approved for disbursement by parliament, and that disbursement may be affected by socioeconomic challenges faced by developing countries and/or changing needs and priorities of recipient countries, for example as a result of the COVID-19 pandemic.

10. Parties determine climate finance to be **new and additional** if:

(a) It is in addition to the ODA budget commitment;

(b) The ODA budget, which climate finance is part of, is greater than 0.7 per cent of GNI, which is the commitment made by developed countries in the context of financing for development;

(c) It has been newly committed, allocated or disbursed for new climate-related projects and programmes over a period of time;

(d) Disbursement is approved annually by parliament;

(e) It has been committed or allocated after 2009 (the baseline year under the Copenhagen Accord).

11. Parties presented **experience, challenges and lessons learned for informing future efforts in mobilizing and delivering climate finance**: for example, coordination of stakeholders, at both provider and recipient ends, is important for avoiding overlaps and gaps in mobilization and delivery; enabling environments are crucial for strengthening the absorptive capacity of developing countries; and tracking and measuring the effectiveness of climate finance can be useful for strengthening its impact.

12. Many Parties are **integrating climate change considerations, including climate resilience, into their international development assistance**. Noting the inextricable link between achieving the SDGs and the Paris Agreement goals and the close relationship between development and adaptation, Parties outlined their efforts and progress in aligning their international development support with the Paris Agreement. In this context, Parties also outlined the support provided to developing countries for integrating climate change and sustainable development into their national development strategies.

13. Many Parties emphasized that the Paris Agreement goals cannot be met unless **finance flows are consistent with a low-emission and climate-resilient development pathway**, and underscored the importance of finance ministries, central banks and financial regulators in this regard. Many Parties are taking action accordingly at the national level and supporting international cooperation on integrating climate change considerations into developing countries' economies and financial systems. Many Parties indicated that, through COVID-19 recovery packages, countries should be assisted in "building back better" towards a low-emission and climate-resilient future.

14. Many of the communications include the Parties' **actions and plans for mobilizing private climate finance** and refer to the crucial role of public intervention in unlocking finance at the scale required for achieving the Paris Agreement goals and meeting the climate investment needs of developing countries. Parties reported on the private climate finance they have mobilized (or plan to mobilize) through public climate finance, and provided examples of programmes and initiatives for leveraging scaled-up private sector investment.

15. Parties provided information on **programmes and initiatives** for supporting developing countries in formulating and implementing climate action, identifying climate technology innovation, unlocking private climate finance, and capacity-building as key areas for support. Parties specified the elements that they consider key to ensuring the effectiveness and sustainability of the capacity-building activities they support.

16. Parties described the **policies associated with their climate finance support**, which are generally focused on strengthening recipient country ownership of climate action and

ensuring the effectiveness of the climate finance. They also listed **priorities for support** in terms of sectors and target groups, commonly women, youth, indigenous peoples, vulnerable local communities, and micro, small and medium-sized enterprises in developing countries. The LDCs, SIDS and other countries that are particularly vulnerable to the adverse impacts of climate change were frequently indicated as priority countries, particularly for grant-based adaptation finance.

17. Parties reported on their efforts and varying progress in striking **a balance between their support for mitigation and for adaptation**. Grant-based adaptation finance for the LDCs and SIDS was highlighted in many communications, while others presented plans to scale up private finance for adaptation. Many Parties underlined their commitment to provide adaptation finance through UNFCCC climate funds (AF, GCF, LDCF and SCCF).

18. Information on efforts to ensure that the climate finance provided **effectively addresses the needs and priorities of developing countries** was included by many Parties in their communications. They emphasized that (1) their climate finance is driven by developing country Parties' demands, which can enhance its effectiveness, sustainability and scalability, (2) for maximum impact, support, particularly for adaptation, must align with the national development plans of the recipient countries, and (3) capacity-building is crucial for helping developing countries to enhance their adaptation plans and formulate investment-ready climate project proposals. Many Parties stated that they support international networks and partnerships that foster developing country ownership of climate action in implementing their NDCs and NAPs.

19. Finally, Parties presented criteria used by climate finance providers **for evaluating project proposals**, such as relevance and potential impact of the project, efficiency and transparency of the project management, and innovative nature of the project.

III. Synthesis

20. Many Parties acknowledged their commitment to meeting the goal of developed country Parties of mobilizing jointly USD 100 billion per year by 2020 and through to 2025. They also acknowledged the substantially higher levels of finance required from all actors and sources for achieving the goals of the Paris Agreement and the transition to low-emission and climate-resilient economies.

21. Many Parties indicated that they are on track to meet or have already exceeded their commitments for 2015–2020. To demonstrate their progress, they presented information on the climate finance provided, such as climate finance flows and trajectories for past years, or referred to the OECD report on climate finance provided and mobilized in 2013–2018[6] or the 2018 Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance.[7]

22. Several Parties highlighted that their financial commitments have not changed despite the COVID-19 pandemic, although disbursement may be delayed, and Parties affirmed that they will continue to provide and mobilize climate finance in the future in spite of any such challenges.

A. Projected levels of public financial resources

23. Many Parties presented their projected levels of public climate finance to be provided to developing countries (see annex I).

[6] OECD. 2020. *Climate Finance Provided and Mobilised by Developed Countries in 2013-18*. Paris: OECD Publishing. Available at https://www.oecd.org/environment/climate-finance-provided-and-mobilised-by-developed-countries-in-2013-18-f0773d55-en.htm. The report highlights that USD 78.9 billion was provided and mobilized in 2018, significantly more than the USD 52.5 billion in 2013, and developed countries were on track to meet their USD 100 billion goal by 2020.

[7] See https://unfccc.int/BA-2018.

24. A number of Parties presented their multi-year climate finance commitments for post 2020, which are in many cases higher than their pre-2020 commitments. For example, the United Kingdom has doubled its international climate finance commitment from GBP 5.8 billion (for 2016/2017–2020/2021) to GBP 11.6 billion (for 2021/2022–2025/2026). Australia has committed AUD 1.5 billion for 2020–2025, including AUD 500 million for the Pacific region, which is higher than its commitment to provide at least AUD 1 billion in climate finance in 2015–2020. New Zealand reiterated its commitment to provide at least NZD 300 million in 2019–2022 and forecast actual disbursement of NZD 510.7 million. The EU and its member States indicated that their provision of climate finance will at least remain at a constant level over the coming years, while noting that future levels of public finance actually provided depend on budgetary and parliamentary approval. Switzerland's target is to provide CHF 400 million per year in 2021–2024.

25. Some Parties projected levels of public finance over one or two years, on the basis of the allocated budget for disbursement. For example, Norway will allocate NOK 3.1 billion to the 2021 budget of its bilateral cooperation agency; Germany will provide EUR 487 million in 2021 and EUR 437 million in 2022 through its International Climate Initiative; and Monaco will provide EUR 1.27 million in 2021 from its ODA budget and has earmarked at least EUR 0.84 million for 2022.

26. Several Parties have committed to multi-year contributions to bilateral and multilateral programmes and initiatives that extend beyond 2020 as a way of improving the predictability of climate financing beyond 2020. Information on contributions to GCF-1 and GEF-7 was provided in many communications.

27. Many communications contain ex post information on annual climate finance flows (see annex II) to demonstrate the upward trend in climate finance allocated and disbursed in past years, highlighting Parties' commitment to scaling up their climate finance or at least maintaining it at a specific annual level in the future. Some Parties reported climate finance provided in the last one or two years; others presented a historical trajectory of increasing flows over a longer period. Some Parties have committed to dedicating a percentage, which will increase over time, of their annual ODA budget to climate support.

28. Most Parties highlighted the key role of the private sector in reaching the investment level required to shift to a low-emission and climate-resilient pathway, and the importance of using the limited available public finance to leverage private finance. Several communications contain quantitative information on private finance mobilized as a result of public intervention.

B. Programmes, channels and instruments

29. Parties support programmes and initiatives for assisting developing countries in formulating and implementing climate change plans. Many such programmes and initiatives are implemented in the broader context of international development cooperation and the communications highlight how they can contribute to achieving both the Paris Agreement goals and the SDGs.

30. Bilateral climate finance is provided through development cooperation agencies and bilateral climate funds. Bilateral programmes are guided by the development cooperation strategy of the contributing Party and often target specific support areas, groups and countries.

31. Parties are continuing to increase their provision of climate finance through multilateral channels, such as MDBs, UNFCCC multilateral climate funds, United Nations agencies, and other international organizations and initiatives implemented at the global and regional level.

32. Many Parties channel climate finance through MDBs because of the Banks' financial and technical competency in leveraging private investment while considering the development priorities of developing countries, and because a growing number of MDBs are committing to building their project portfolios and managing their financial resources consistently with a low-emission and climate-resilient development pathway in line with Article 2, paragraph 1(c), of the Paris Agreement.

33. Many Parties underscored the continued important role of the GCF in channelling climate finance at scale, referring to the scale of the resources approved by the GCF Board to date; its potential to unlock scaled-up private climate investment through its Private Sector Facility; its mandate to ensure balance between mitigation and adaptation finance; and its efforts to facilitate enhanced access, particularly for the countries most vulnerable to the adverse impacts of climate change. Furthermore, many Parties also referred to the importance of the GEF as a channel for financial resources aimed at holistically addressing the drivers of environmental degradation and climate change. The AF, the LDCF and the SCCF were often mentioned as channels for grant-based adaptation finance.

34. Projected levels of finance through bilateral and multilateral channels were based mostly on the corresponding committed multi-year contributions (see annex I). For example, many Parties reported their contributions to GCF-1 and/or GEF-7, which have quadrennial programming periods that extend beyond 2020. For GCF-1, the EU has increased its commitment compared with that for the initial resource mobilization period of the GCF, with many member States doubling their contributions. Many Parties mentioned their commitments to supporting the AF, the LDCF and the SCCF: some have signed multi-year contribution agreements with the AF and the LDCF, which will enhance the predictability of these funds as they rely on voluntary contributions.

35. Parties indicated the financial instruments that they use for providing climate finance and their criteria for selecting instruments for specific purposes. Many Parties highlighted that grant-based public finance will be used for supporting adaptation in developing countries, particularly the LDCs and SIDS, as well as for supporting projects focused on early-stage climate technology, and readiness and capacity-building projects. According to the communications, grant-based finance should also be used to unlock and mobilize private investment in mitigation where public intervention is required to overcome market failure.

36. Green bonds and blended finance are mentioned in a number of communications as financial instruments that both public and private institutions can use to attract scaled-up investment, including from large investment banks, institutional investors and pension funds.

C. Policies and priorities

37. With climate change exacerbating the development challenges faced by developing countries, many Parties presented their development cooperation strategies or national directives that require them to mainstream consideration of the Paris Agreement and the 2030 Agenda for Sustainable Development in their provision of support.

38. Furthermore, many Parties described their policies for aligning the climate finance they provide with the needs and priorities of developing countries, the aim being to foster recipient country ownership of climate action and provide coherent and coordinated support that is ultimately effective.

39. Parties also have policies for efficient management of public financial resources. Most stated that the limited public finance available must be used to the greatest impact possible in terms of achieving mitigation and adaptation results and catalysing additional finance from the private sector. Parties mentioned the increasing importance of the fiscal and macroeconomic policies of financial regulators and central banks in the context of Article 2, paragraph 1(c), of the Paris Agreement.

40. Several Parties referred to monitoring and evaluation policies that include assessing the effectiveness of the climate finance provided throughout the project cycle. Valuable information on project impacts on the ground and lessons learned can be used to inform future climate projects.

41. Parties indicated that transparency of climate action and support is taken into account in climate finance policymaking. Transparent climate finance is more effective because there is mutual trust and accountability between contributor and recipient. In this context, several Parties indicated their support for the ongoing negotiations under the Subsidiary Body for Scientific and Technological Advice on operationalizing the enhanced transparency framework under the Paris Agreement.

42. Many Parties presented the geographical distribution of the climate finance provided: some detailed recipient countries, while others provided priority regions. The LDCs, SIDS and other particularly vulnerable developing countries are prioritized by many Parties for support, especially for adaptation.

43. Parties' climate finance is targeted at a wide range of groups and beneficiaries in developing countries, commonly including women, youth, indigenous peoples, and poor local communities that are particularly vulnerable to the adverse impacts of climate change. Many communications describe how screening project proposals and evaluating project implementation helps to ensure that these groups are actively engaged in climate action and benefiting from the results.

44. Many Parties emphasized the importance of the private sector as a target group for support, noting that micro, small and medium-sized enterprises in developing countries have the potential to contribute to enhancing climate ambition and foster innovative climate technologies. Commercial banks and indeed the financial sector as a whole were also noted as having the potential to contribute to implementing Article 2, paragraph 1(c), of the Paris Agreement.

45. Some Parties referred to developing country governments and stakeholders at the subnational and municipal level as a target group for support, given that the participation of cities and other subnational authorities is recognized under the Paris Agreement as integral to tackling climate change.

46. In terms of Parties' sectoral priorities in supporting mitigation and adaptation, the key sectors for mitigation include renewable energy and energy efficiency, transport, forestry (in the context of REDD+) and waste management; and for adaptation, agriculture, food security, water resource management, disaster risk reduction, infrastructure, coastal zone management, land rehabilitation and soil improvement. Some Parties highlighted that certain sectors will remain their priority for bilateral support (e.g. forestry, nature-based solutions), owing to either the Party's sectoral expertise or its high-level political commitments. Other Parties communicated that the bilateral support they provide is not sector specific.

D. Purposes and types of support

47. Many Parties referred to the climate emergency and the commitment to ambitious action and engagement of all governments and stakeholders required to tackle it. Accordingly, support for mitigation often takes the form of targeted investment in catalytic, innovative and scalable projects aimed at achieving transformational change towards low-carbon economic growth. It was highlighted how such mitigation projects can facilitate development and replication of climate technologies hindered by market barriers and investment risk, or make use of financial instruments to achieve the scale of investment needed to be able to curb emissions in line with the temperature goals of the Paris Agreement. Furthermore, mitigation support was often referred to as being part of COVID-19 recovery packages, highlighting the potential to scale up private investment in mitigation projects and thus generate economic and social benefits.

48. Many Parties indicated that supporting adaptation is closely linked with achieving the SDGs, as the adverse impacts of climate change have socioeconomic consequences that can negate development gains. They referred to the importance of prioritizing adaptation support for the most vulnerable developing countries, including the LDCs, SIDS and African States, providing grant-based financing for their adaptation projects and strengthening their institutional capacity to formulate and enhance NAPs and integrate resilience into their development strategies.

49. Cross-cutting support that can yield both adaptation and mitigation co-benefits was mentioned, such as for projects or programmes focusing on nature-based solutions, agriculture or forestry.

50. Projects and programmes centred on nature-based solutions to climate change reflect the benefits of protecting the integrity of nature and the potential for effectively mitigating and adapting to climate change while generating multiple co-benefits, such as enhanced

biodiversity and clean and healthy oceans. Ecosystem-based adaptation and nature-based solutions for cities were noted as examples of support that can yield mitigation and adaptation co-benefits. Furthermore, agriculture was noted for the additional benefits that can be generated, such as food security, elimination of hunger (SDG 2) and eradication of poverty (SDG 1). Forestry, including REDD+, is another cross-cutting area that Parties support.

51. Many Parties highlighted the critical role of climate technologies in low-emission and climate-resilient development, and the importance of projects that support the deployment of innovative technologies for which market-based financing is not viable. Other projects focus on research and development for identifying and incubating promising new climate technologies. Parties support developing countries in addressing their technology needs in a country-driven manner and facilitate the matching of their needs with financial resources, through, for example, the Climate Technology Centre and Network, a needs-oriented and country-driven UNFCCC mechanism.

52. Capacity-building and technical assistance were emphasized as fundamental components of the climate-related support provided to developing countries; such as building the institutional capacity of national, subnational and local governments and stakeholders to formulate and implement climate change policies and plans, and technical assistance for preparing or enhancing NDCs and NAPs. The aim is to enhance enabling environments for strengthening developing countries' absorptive capacity to mobilize public and private climate finance and use it effectively.

53. Many Parties presented capacity-building provided to support implementation of mitigation and adaptation activities, which is typically provided throughout the cycle of a climate project; for example, technical assistance for preparing investment-ready project proposals and training for carrying out specific tasks during implementation.

54. Capacity-building for facilitating access to public and private finance was highlighted as a focus area, such as through provision of readiness support for entities accredited to the multilateral climate funds, generation of data on climate risk and vulnerability, and peer-to-peer exchange of lessons learned in accessing finance. Capacity-building for facilitating access to adaptation finance was identified as crucial for supporting the most vulnerable developing countries, particularly the LDCs and SIDS, in addressing their development priorities.

55. Several Parties highlighted the importance of building the capacity of development and planning ministries and financial authorities to integrate climate change considerations into macroeconomic and fiscal policies and public expenditure, and in turn into national development priorities, in an effort to enhance transparency of domestic climate finance flows and align them with the Paris Agreement goals.

56. The importance of capacity-building for enhancing transparency of action and support was noted, with several Parties referring to the Capacity-building Initiative for Transparency. Transparency is seen as essential to strengthening the effectiveness of climate finance (by tracking cost-effectiveness and scoping the financial landscape to identify any gaps and overlaps) and building trust between provider and recipient.

E. Criteria for evaluating project proposals

57. Parties outlined the criteria commonly used by finance providers for evaluating climate project proposals (see annex III). Where support is being provided bilaterally, the project evaluation criteria are determined through dialogue and in consultation with recipient countries and partners; in the case of multilateral channels, they are established and managed by the respective multilateral institutions.

F. New and additional financial resources

58. Many Parties explained how they determine their climate finance to be new and additional, while acknowledging the lack of a common definition under Article 4, paragraph 3, of the Convention and Article 9, paragraph 3, of the Paris Agreement.

59. Several Parties consider new and additional resources in the context of their ODA. For example, Belgium and Luxembourg stated that the climate finance they provide is new and additional because it is in addition to their ODA commitments. Sweden considers its provision of 1 per cent of GNI as ODA (which climate finance is part of) as new and additional as it exceeds the commitment made by developed countries to provide the equivalent of 0.7 per cent of GNI as development assistance. Portugal established a dedicated financing facility to support climate-related and environmental ODA projects and considers the funding to be new and additional. New Zealand defines its climate finance as new and additional because its ODA has been increasing over the past 10 years as a result of its increasing provision of climate change related support.

60. Many Parties define financial resources annually approved by parliament for disbursement as new and additional, particularly in reporting on climate finance in national communications and biennial reports. Several Parties emphasized the importance of transparent, comprehensive and comparable accounting and reporting of ex post information on climate finance.

61. Some Parties define new and additional resources as those newly committed, allocated or disbursed for new climate-related projects and programmes during a certain period of time. For example, Canada and Finland use 2009 as the baseline year (when developed country Parties committed to providing financial resources to developing countries under the Copenhagen Accord) to define their climate finance as new and additional.

G. National circumstances and limitations relevant to providing ex ante information on climate finance

62. Many Parties encountered systemic challenges and/or limitations in providing ex ante information on climate finance over multi-year periods. Almost all Parties indicated that budgetary and parliamentary requirements to obtain annual approval to allocate and disburse public climate finance limit the information they can provide.

63. Some Parties strive to enter into multi-year contracts for financing programmes and other activities in order to improve predictability of finance. However, parliamentary approval is also required for disbursement of committed annual instalments.

64. Some communications include information on financing channels, such as national climate funds that support developing countries using resources mobilized through carbon market proceeds. The projected levels of finance provided through these channels are also subject to uncertainty owing to the volatility of carbon prices.

65. Several Parties indicated that disbursement schedules are subject to change, owing, for example, to changes in recipient countries' needs and priorities, socioeconomic challenges (e.g. the COVID-19 pandemic) and having to include disbursement for any new programmes in the pipeline.

H. Methodologies and assumptions used for projections

66. Parties communicated ex ante information on projected levels of public climate finance using various methods. For example, Germany provided multi-year scenarios of how public finance will be allocated and disbursed from the government budget for climate-relevant programmes with the overall aim of meeting its high-level climate finance target. Other Parties indicated that a percentage, which will increase over time, of the ODA budget will be provided as climate finance. For example, Ireland has committed to doubling the percentage of its ODA that counts as climate finance by 2030 and ensuring that the amount in monetary terms does not fall below the 2019 level.

67. Some Parties provided ex post information on the historical trajectory of climate finance to demonstrate their commitment to continuing that support. Several Parties elaborated on how they used the OECD DAC Rio markers to prepare accurate ex post information on climate finance provided through bilateral channels.

68. While the Rio markers are useful for identifying ODA activities with a climate-specific principal or significant objective, they cannot be used to quantify finance for climate-relevant activities with development co-benefits. Therefore, some Parties (e.g. Netherlands, New Zealand) applied classifications and weightings to quantify the climate-related expenditure under ODA projects with a climate-specific secondary objective. Other Parties (e.g. Monaco) stated that their climate finance reporting only covers expenditure for activities with a climate-specific principal objective.

69. To account for climate finance provided through multilateral channels, some Parties (e.g. Australia, France) used the ratio set by OECD to impute their contributions to MDBs and calculate the climate-specific percentage of their core contributions. Other Parties (e.g. United Kingdom) did not include core contributions to MDBs in their reported climate finance.

70. Some Parties explained how they calculated the level of private climate finance mobilized through public climate finance; for example, the Netherlands used OECD DAC methods. Some Parties mentioned ongoing efforts to advance methodologies for capturing and reporting on private finance mobilized through multilateral channels; for example, Australia is developing a system and its capacity to track and report on non-grant financing instruments and private sector mobilization.

71. In projecting their levels of climate finance, many Parties assumed that the committed climate finance may be adjusted by parliament before disbursement. Another common assumption is that disbursement will depend on the needs and priorities of the recipient countries during the relevant period, with the COVID-19 pandemic cited as an example of a challenge that could affect needs and priorities and therefore disbursement amount and schedule. Similarly, it was noted that the disbursement rate of financial resources channelled through multilateral institutions is driven by the demands of developing countries and can be affected by the access policies of the institutions.

I. Challenges, barriers and lessons learned

72. A number of Parties faced challenges and barriers in mobilizing and delivering climate finance and shared lesson learned from their experience and the results of studies on the effectiveness of the climate finance. Many Parties highlighted their commitment to building on the lessons learned and working with developing countries on creating enabling domestic and international conditions for promoting climate action, enhancing access to climate finance, and building their capacity and strengthening policy environments.

73. Many Parties also highlighted the importance of coordinating actors at the national and international level for enhancing the effectiveness of climate finance. In particular, mapping existing climate finance providers can help to prevent overlaps and gaps in support.

74. Vertical coordination of actors in the recipient country (from national to local level) is generally necessary to ensure its ownership of the climate action and that the climate finance effectively addresses its needs and priorities. In addition, coordination of the recipient country's climate change plans and strategies (across national, subnational, local and even sectoral level) is vital to avoid confusion and inefficiency. Some Parties stressed that national Governments should take the lead in such coordination and integrating climate change into national development priorities.

75. Furthermore, effective enabling environments in recipient countries are key to scaling up the mobilization and delivery of private climate finance and lowering the risk of investment in the climate action.

76. Tracking, measuring and evaluating the impacts of climate finance can help in enhancing its effectiveness. Parties noted the challenge of tracking adaptation finance because of the difficulty of defining resilience-related activities under ODA as adaptation. Many Parties also noted that measuring and evaluating the impacts of adaptation finance is still rudimentary for several reasons, including lack of internationally standardized methodologies, data and baselines and the difficulty of quantifying the effectiveness of adaptation interventions. Some Parties emphasized that approaches and definitions relating to measuring the impacts of adaptation finance must be harmonized.

J. Ensuring a balance between adaptation and mitigation finance

77. All Parties emphasized the importance of balancing the climate finance they provide between support for adaptation and for mitigation. Some Parties have already achieved such a balance in their climate-related grant portfolios.

78. Parties presented policies aimed at scaling up their support for adaptation, including targets and timelines. For example, France was to increase its adaptation funding to EUR 1.5 billion per annum up to 2020, prioritizing African States, the LDCs and particularly vulnerable developing countries and focusing on the agriculture sector.

79. Some Parties noted that adaptation projects and programmes are demand driven. For example, Finland noted that achieving a balance between adaptation and mitigation support depends on the performance of the respective multilateral institutions and the investment-ready project proposals prepared on the basis of the needs of developing countries.

80. Some Parties referred to the GCF as the primary channel for adaptation support, given its mandate to aim for a 50/50 allocation of finance between mitigation and adaptation. The AF, the LDCF and the SCCF were frequently cited as important multilateral channels of adaptation finance, alongside channels outside the UNFCCC such as the United Nations Environment Programme, the United Nations Office for Disaster Risk Reduction, and the Global Facility for Disaster Reduction and Recovery.

81. While most Parties stated that mainly public finance will be used to support adaptation in the most vulnerable developing countries, several presented plans and actions for scaling up private finance for adaptation.

K. Mobilizing additional climate finance from a wide variety of sources

82. The financing for the shift to low-emission and climate-resilient economies will come mostly from domestic and private sources but public intervention is key to unlocking the trillions in private investment required to meet the needs of developing countries and catalyse transformative changes to economic and financial systems. Parties reiterated their commitment to engaging with developing countries and emphasized their objective of encouraging private sector investment in this context.

83. Several Parties reported the amount of private climate finance that they aim to mobilize or have mobilized through public finance. For example, the Netherlands was aiming to mobilize EUR 550 million in 2020 and EUR 600 million by 2021 through initiatives such as Climate Investor One and funds such as the Dutch Fund for Climate and Development. In 2018 Switzerland mobilized USD 100 million through contributions to multilateral organizations and USD 112 million through co-financing of its bilateral support. Japan communicated that it mobilized USD 2.7 billion in private finance in 2019.

84. Many Parties have public institutions that are dedicated to leveraging scaled-up sustainable investment from the private sector through various activities (see annex IV). The institutions work closely with development cooperation agencies and relevant ministries to coordinate policies and actions and encourage industrial and commercial partners to co-invest and leverage additional capital.

85. MDBs were highlighted as being competent in scaling up private finance by strategically using concessional finance to demonstrate the commercial viability of climate-related projects and applying innovative approaches. The potential of the GCF and its Private Sector Facility to unlock private climate finance at scale was also highlighted.

86. There are various programmes and initiatives for supporting developing countries in mobilizing scaled-up private climate finance, which provide support for developing climate change policies and plans, establishing specialized funds, formulating investment-ready project proposals, promoting risk mitigation instruments, engaging the private sector in adaptation and promoting commercially viable climate technologies, for example (see annex V).

87. Many Parties presented national policies and initiatives for systemically transforming their financial sector, promoting sustainable investments and divesting from fossil fuel.

L. Addressing developing countries' needs and priorities

88. Many communications highlight that the provision of climate finance support is driven by the demands and tailored to the needs and priorities of the recipient countries as articulated in their NDCs, NAPs, national and subnational climate plans and sectoral strategies. Country ownership of climate action is key to ensuring its sustainability, and several Parties referred to internationally adopted development principles relating to country ownership, such as the Busan Partnership for Effective Development Co-operation.

89. Many Parties stressed that developing countries should be supported in articulating their needs, including by building their capacity to integrate climate change into national development planning and manage climate project pipelines. International networks and partnerships, such as the NDC Partnership, can facilitate exchange of lessons learned and know-how on identifying and articulating needs.

90. Consultation and dialogue with the recipient countries, including with national, subnational and local authorities, civil society and non-governmental organizations, precedes and follows Parties' provision of climate finance. Parties also consult with international support organizations to ensure the support builds on and adds value to existing efforts. Consulting the recipient countries enables the contributing Parties to better understand their context and needs and ensure that the support can be adjusted in line with changing circumstances.

M. Supporting developing countries in meeting the Paris Agreement goals, including in efforts to make finance flows consistent with a pathway towards low- emission and climate-resilient development

91. Many Parties emphasized that the Paris Agreement goals can be achieved only if global finance flows, including private finance and investments, national budgets and ODA, and financial systems are aligned with them. In this context, many Parties highlighted the urgency of implementing Article 2, paragraph 1(c), of the Paris Agreement and described their efforts to mainstream consideration of the Paris Agreement and sustainable finance in their economic and financial systems. The COVID-19 pandemic is considered an opportunity to reform economic and financial systems and gain momentum for "building back better" towards a low-emission and climate-resilient future.

92. Many Parties have made high-level commitments to implementing Article 2, paragraph 1(c), of the Paris Agreement and presented corresponding action plans and guidelines (see annex VI). For example, Luxembourg has committed to making its national finance flows sustainable and communicated short-term targets with projected timelines. In its communication, the EU presented its action plan on financing sustainable growth and it taxonomy for environmentally sustainable economic activities as milestones in progressing towards sustainable economic and financial systems. Some Parties (e.g. Canada) are establishing principles for sustainable finance to guide public and private entities in aligning their economic activities and finance flows with the Paris Agreement goals.

93. Parties indicated that developing countries should be supported in implementing Article 2, paragraph 1(c), of the Paris Agreement, including through capacity-building and technical assistance for fiscal and macroeconomic policymaking. Such support will help them to identify and mobilize domestic resources for climate action and attract international climate finance that can fulfil their investments needs. In this context, it was noted that Article 9 and Article 2, paragraph 1(c), of the Paris Agreement are neither interchangeable nor mutually exclusive but reinforce each other. Many Parties referred to the important role of the GCF in promoting the shift towards low-emission and climate-resilient development.

94. Parties underscored the critical role that finance ministries, central banks and financial regulators play in mainstreaming climate change in financial systems and integrating climate risk into macroeconomic systems. The Coalition of Finance Ministers for Climate Action and its Helsinki Principles is an important platform for promoting political support in this regard. The communications include information on international forums that facilitate dialogue on sustainable finance and the Paris Agreement goals, such as the International Platform on

Sustainable Finance, the "Like-Minded Shareholder Group on Multilateral Development Bank Paris Alignment" and the "Bonn Group".

N. Integrating climate change considerations, including resilience, into development support

95. Tackling climate change and achieving sustainable development are mutually reinforcing, and mainstreaming climate change in development assistance – which many Parties are in the process of – can result in more robust development gains. Parties are following their development cooperation strategies and/or national directives, which also mandate development agencies to take into account climate change vulnerability and risk in designing and monitoring international development activities. Some Parties have developed guidelines and tools for development agencies for integrating climate change considerations into both administration and activities.

96. Some Parties provided information on specific measures for integrating climate change considerations into their ODA, including using carbon pricing as a criterion in appraising programmes; assessing climate risk in designing ODA activities; ensuring development cooperation programmes do not undermine recipient countries' NDCs and NAPs; reducing the climate footprint and climate risk of development assistance, including at the administrative level; increasing the climate co-benefits of development assistance that does not have mitigation and/or adaptation as a primary objective; and enhancing the impact of climate-specific activities.

97. Many Parties pointed to the close relationship between adaptation and development and highlighted their ongoing efforts to mainstream adaptation in development assistance and integrate resilience into national development plans. Several Parties noted that international agreements such as the Sendai Framework for Disaster Risk Reduction 2015–2030 link development, adaptation and disaster risk reduction.

98. Climate finance is increasingly being directed at developing countries that have mainstreamed climate change and sustainable development in their national development strategies. Therefore, Parties considered that developing countries should be supported in strengthening the institutional capacity of national and subnational governments to integrate climate change and sustainable development into their development plans so that they can effectively absorb and utilize the support provided.

O. How support to be provided to developing countries can enhance their capacity

99. Many Parties stated that the aim of capacity-building should be to strengthen the institutional capacity of developing country governments and institutions so as to foster long-term planning and ensure coherence of climate change policies. Parties stressed that capacity-building should be designed in line with national development priorities and facilitate stakeholder participation with a view to building institutional knowledge in developing countries.

100. Several Parties noted that a programmatic approach to capacity-building should be taken; that is, a process of continuous learning and training rather than a one-off activity. Coordination among providers of capacity-building support was viewed as important for harmonizing efforts over time.

101. Many Parties highlighted that capacity-building must be undertaken in consultation with the recipient countries on the basis of the needs and priorities identified in their national climate plans. They indicated that capacity-building should be based on local knowledge and build on existing processes to ensure the support is context specific, results oriented and not contradictory or duplicative.

Annex I

Projected levels of public climate finance to be provided to developing countries reported in the biennial communications

[English only]

Party	*Projected levels of public climate finance*[a]	*Time frame*
Australia	AUD 1.5 billion (including AUD 500 million for renewable energy and disaster risk reduction in the Pacific)	2020–2025
Austria	Minimum 40 per cent of new business volume of the Development Bank of Austria to climate-relevant projects	2019–2023
	EUR 130 million for GCF-1	2020–2023
	Climate finance portfolio of the Ministry for Climate Action to be increased by EUR 5 million per year	2020–2023
Belgium	EUR 20 million per year for GCF-1	2020–2023
Canada	CAD 300 million for GCF-1	2020–2023
	CAD 275 million for the Energy Transition and Coal Phase-out Program of the World Bank	2019/2020–2020/2021
	CAD 60 million for a renewable energy in SIDS programme of the World Bank	2019/2020–2020/2021
	CAD 37.5 million to the LDCF	2016/2017–2020/2021
	CAD 150 million to the International Fund for Agricultural Development	2019/2020–2020/2021
Czechia	1.1 billion Czech koruny as development cooperation budget (approved)	2021
	1.1 billion Czech koruny per year as development cooperation budget (expected)	2022 and 2023
Denmark	More than DKK 2.4 billion	2020
	DKK 2–3 billion (estimated climate finance mobilized through the MDBs that can be attributed to Denmark)	Annually
EU and its member States	EUR 29.5 billion (30 per cent of the total EU expenditure on external action and assistance) Projected annual expenditure as follows:	2021–2027
	EUR 4.6 billion	2021
	EUR 4.7 billion	2022
	EUR 4.4 billion	2023
	EUR 4.2 billion	2024
	EUR 4.0 billion	2025
	EUR 3.8 billion	2026
	EUR 3.8 billion	2027
	EUR 70.8 billion for the EU Neighbourhood, Development and International Cooperation Instrument	2021–2027
	Over USD 7.4 billion for GCF-1	2020–2023
	USD 1.9 billion for GEF-7	2018–2022
Finland	About EUR 500 million in new investment funding, at least 75 per cent of which will be channelled into climate change related investments	2020–2023

Party	*Projected levels of public climate finance*[a]	*Time frame*
	EUR 114 million for establishing the Finland–International Finance Corporation Blended Finance for Climate Program	2017–2022
	EUR 58 million for the Nordic Development Fund	2021–2030
	EUR 100 million for GCF-1	2020–2023
	EUR 31 million for GEF-7	2018–2022
France	50 per cent of annual financing from the French Development Agency to have a direct and beneficial impact on climate change	2017–2022
	EUR 1.548 billion for GCF-1	2020–2023
	USD 300 million for GEF-7	2018–2022
	EUR 30 million for Adapt'Action	2017–2021
Germany	EUR 487 million through the International Climate Initiative	2021
	EUR 437 million through the International Climate Initiative	2022
	EUR 1.5 billion for GCF-1	2020–2023
	EUR 420 million for GEF-7 and the LDCF	2018–2022
	EUR 80 million to the Climate Investment Funds	2020
	EUR 1.785 billion of climate finance from official bilateral cooperation	2020
Hungary	1.8 billion Hungarian forint for the Western Balkans Green Center and the GCF	2019–2021
	200 million Hungarian forint additional contribution for GCF-1	2020–2023
Ireland	Minimum EUR 80 million annually committed by current Government	2021 onward
	EUR 4 million annually to the GCF	Up to 2022
Italy	EUR 300 million for GCF-1	2020–2023
	EUR 92 million for GEF-7	2018–2022
	EUR 100 million, additional to EUR 45.5 million from 2019 still to be allocated and EUR 60 million to be allocated in 2022, from proceeds from auctioning emission allowances	2020–2022
	EUR 12 million committed to the strategic Accelerator Labs network	2020–2022
	EUR 10 million committed for promoting renewable energy solutions	2020–2022
Japan	USD 11.8 billion (1.3 trillion yen) annually from public and private sources	By 2020
	USD 1.5 billion for GCF-1	2020–2023
	USD 637 million for GEF-7	2018–2022
Luxembourg	EUR 200 million, including EUR 40 million for GCF-1	2021–2025
Monaco	EUR 1.27 million	2021
	At least EUR 0.84 million	2022
Netherlands	EUR 570 million (provision of public finance)	2020
	EUR 580 million	2021
	EUR 120 million for GCF-1	2020–2023
	EUR 20 million for the LDCF	2018–2022

Party	*Projected levels of public climate finance*[a]	*Time frame*
	EUR 83.6 million for GEF-7	2018–2022
	EUR 11.3 million for the NDC Partnership	2018–2020
	EUR 160 million for the Dutch Fund for Climate and Development	2019–2038
	EUR 38.5 million for the World Bank Regional Off-Grid Electrification Project	2019–2026
	EUR 35.6 million for the AGRI3 Fund	2020–2039
New Zealand	NZD 300 million (pledged)	2019–2022
	NZD 510.7 million (forecast disbursement)	2019–2022
	NZD 15 million for GCF-1	2020–2023
Norway	NOK 3.1 billion through Norway's International Climate and Forests Initiative	2021
	NOK 3.2 billion for GCF-1	2020–2023
	NOK 105 million per year for the Nordic Development Fund	2021–2030
	NOK 684 million for supporting renewable energy projects in developing countries	2021
	NOK 1.68 billion as capital increase to Norfund	2021
Poland	USD 3 million for GCF-1	2020–2023
Portugal	EUR 2 million	2020
Slovakia	EUR 2 million for GCF-1	2020–2023
Spain	EUR 900 million	By 2020
	EUR 109.52 million for GCF-1	2020–2023
	EUR 11.71 million for GEF-7	2022
	EUR 1.12 million for the AF	2020
Sweden	6.5 billion Swedish kronor for development cooperation in environmental sustainability, sustainable climate and oceans, and sustainable use of natural resources	2018–2022
	8 billion Swedish kronor for GCF-1	2020–2023
	1 billion Swedish kronor for the AF and the LDCF	2019–2022
	EUR 113 million for the Nordic Development Fund	2022–2031
Switzerland	CHF 400 million per year, including contribution to the GCF	By 2024
	CHF 145.03 million for GEF-7, the LDCF, the SCCF and the Multilateral Fund for the Implementation of the Montreal Protocol	2019–2022
	USD 150 million for GCF-1	2020–2023
	CHF 118.34 million for GEF-7	2018–2022
United Kingdom	GBP 11.6 billion	2021/2022–2025/2026
	GBP 1.44 billion for GCF-1	2020–2023

[a] The list of projects and programmes and figures may not be exhaustive; additional details can be found in the biennial communications.

Annex II

Levels of climate finance provided to developing countries reported in the biennial communications

[English only]

Party	*Levels of climate finance provided, including annual flows*[a]	*Time frame*
Australia	AUD 1.4 billion	2015–2020
	AUD 408 million	2016–2020
Austria	EUR 222.41 million through the Development Bank of Austria	2019
	EUR 22 million through the Austrian Development Agency	2019
	EUR 26 million for GCF initial resource mobilization	2015–2018
Belgium	EUR 50 million per year	2016–2020
	EUR 5.5 million to the AF	2020
	EUR 2 million to the Flexible Multi-Partner Mechanism of the Food and Agriculture Organization of the United Nations	2020
	EUR 1 million to the World Food Programme in Malawi	2020
	EUR 2.7 million to the LDCF	2020
	EUR 1 million to the International Renewable Energy Agency	2020
	EUR 0.1 million to the Climate and Clean Air Coalition	2020
Canada	CAD 625 million	2015–2016
	CAD 1.5 billion	2017–2018
	CAD 300 million for GCF initial resource mobilization	2015–2018
Denmark	DKK 0.5–1.0 billion climate investment mobilized through the Investment Fund for Developing Countries	Since 2015
Estonia	EUR 1 million annually (committed)	2015–2020
EU and its member States	Provision more than doubled	Since 2013
	Climate target of 20 per cent of EU expenditure	2014–2020
	EUR 23.3 billion, including from the EU public budget and the European Development Fund (EUR 2.5 billion), development financial institutions (EUR 3.18 billion through EIB) and member States' budgets	2019
	EUR 127 billion	2013–2019
	EIB: EUR 2.97 billion	2018
	EIB: EUR 3.18 billion	2019
Finland	Over EUR 500 million in new investment funding, a substantial part of which contributing to climate finance	2016–2019
	EUR 31 million for GEF-7	2018–2022
	EUR 100 million for GCF-1	2020–2023
France	EUR 5.96 billion, including EUR 1.55 billion for adaptation	2019
	EUR 6.1 billion through the French Development Agency	2019
Germany	EUR 1.785 billion from official bilateral financial and technical cooperation through the Ministry for Economic Cooperation and Development	2020
	EUR 80 million to the Climate Investment Funds	2020

Party	*Levels of climate finance provided, including annual flows*[a]	*Time frame*
	EUR 200 million to the World Bank's PROGREEN global partnership	–
	EUR 80 million to the Central African Forest Initiative	2019 and 2020
	EUR 50 million to the Green Baseload Facility of the African Development Bank	2020
	EUR 567 million in terms of the funding capacity of the International Climate Initiative for programming	2020
	EUR 7.58 billion for international climate finance	2019
	EUR 80 million to the InsuResilience Global Partnership	2019
	EUR 20 million for emission reduction programmes focused on indigenous peoples and local communities	2019
Greece	USD 4.4 million in climate-related finance	2018
Italy	EUR 7 million to the AF	2019
	USD 1.25 billion	2017–2018
	USD 2.405 billion	2013–2018
	EUR 250 million for GCF initial resource mobilization	2015–2018
	EUR 113 million through the Ministry of Foreign Affairs and International Cooperation	2018
	EUR 120 million through the Ministry of Foreign Affairs and International Cooperation	2019
Japan	USD 12.6 billion (9.8 billion public and 2.7 billion private)	2019
	USD 1.5 billion for GCF initial resource mobilization	2015–2018
	USD 5 million to the Capacity-building Initiative for Transparency	2017
Lithuania	EUR 5.5 million	Since 2014
	EUR 1.5 million	Since 2019
New Zealand	NZD 44 million	2016
	NZD 76 million	2018
	NZD 110 million	2019
Norway	NOK 6.25 billion (17 per cent of ODA)	2019
	NOK 1.6 billion for GCF initial resource mobilization	2015–2018
	NOK 1.07 billion to the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries	2011–2020
	NOK 690 million for tranche 3 of the BioCarbon Fund Initiative for Sustainable Forest Landscapes	–
	NOK 1.99 billion to the Central African Forest Initiative	2015–2020
Poland	USD 1 million to the AF	2019
	USD 2 million to the World Bank Multi-Donor Trust Fund for Sustainable Logistics	2019
	USD 1.7 million to the EIB Eastern Partnership Technical Assistance Trust Fund	2019
	EUR 4.3 million for climate-related assistance	2017
	EUR 49.5 million for climate-related assistance (6.9 million in grants and 42.6 million in concessional loans)	2018
Portugal	EUR 6.54 million through its Environmental Fund	2017–2019
Slovenia	EUR 5.78 million	2019

Party	*Levels of climate finance provided, including annual flows*[a]	*Time frame*
Spain	EUR 694.9 million	2018
	EUR 50 million through a new special credit line to finance projects that tackle climate change	2019
Switzerland	USD 340 million through multilateral and bilateral channels	2018

[a] The list of projects and programmes and figures may not be exhaustive; additional details can be found in the biennial communications.

Annex III

Criteria of climate finance providers for evaluating project proposals as outlined in the biennial communications

[English only]

Category	*Criteria*
Relevance and impact	• Country ownership and alignment with national priorities set out in NDCs and NAPs • Alignment with expertise of contributing Party • Clarity of logic and rationale behind expected climate, economic and social benefits
Common interest	• Inclusiveness of vulnerable communities • Coherence and complementarity with existing projects • Mutuality of national interest (i.e. alignment with objectives of contributing Party)
Efficiency and transparency	• Cost-efficiency and transparency of management and use of resources • Soundness of governance and reliability of implementing entities • Mobilization of additional resources through co-financing from private sources • Transparency of measurement and verification of results against national and international standards
Innovative approaches	• Prioritization of innovative business models, climate technologies and best practices • Possibility of using indigenous peoples' knowledge and practices to high potential impact • Sustainability and scalability
Gender-responsiveness and environmental and social safeguards	• Gender-sensitivity and promotion of gender equality and women's empowerment • Compliance with national and/or international environmental and social safeguards • Potential for positive environmental (e.g. biodiversity), economic (e.g. livelihoods) and/or social (e.g. health) co-benefits

Annex IV

Public institutions reported in the biennial communications dedicated to catalysing private climate finance and examples of their activities

[English only]

Institutions	*Activities*
Investment Fund for Developing Countries (Denmark) Finnfund (Finland) KfW and its private sector investment bank, the German Investment Corporation (Germany) Proparco (development finance institution) (France) CDP (investment bank) (Italy) Swedfund (Sweden) Development Bank of Austria (Austria) COFIDES (State-owned investment company) (Spain) Dutch Fund for Climate and Development, and Climate Investor One (Netherlands) Japan Bank for International Cooperation, and Nippon Export and Investment Insurance (Japan)	• Taking first-loss position to lower risk of private investment • Enhancing business-to-business cooperation • Creating innovative public–private partnerships • Promoting carbon pricing systems and using export credits • Improving transparency and climate risk analysis in the financial sector • Providing long-term capacity-building and policy support • Promoting innovative financial instruments, such as blended finance, green bonds, and disaster risk insurance and other risk management solutions

Annex V

Examples of programmes and initiatives for supporting developing countries in mobilizing scaled-up private climate finance reported in the biennial communications

[English only]

Area of support	*Example of programme/initiative*	*Aim of programme/initiative*
Developing climate change policies and plans	Low-emission climate-resilient development initiative in the Pacific	Support countries in developing climate change policies, plans and investment road maps across a wide range of sectors (e.g. electricity, transport, agriculture, tourism, urban planning)
Establishing specialized funds	eco.business Fund	Promote private sector investment in climate projects by providing dedicated financing and technical assistance to private sector entities
Formulating investment-ready project proposals	Private Financing Advisory Network, supported by Australia	Identify promising clean energy and climate-friendly small and medium-sized enterprises in emerging markets and coach them in attracting investment
Promoting risk mitigation instruments	Solar risk mitigation initiative, supported by France	Facilitate implementation of private solar energy projects in emerging markets and developing countries, and mobilize up to USD 500 million from public financial institutions and private actors
Engaging the private sector in adaptation	SEED partnership for promoting entrepreneurship for sustainable development, supported by Belgium	Build capacity of small and medium-sized enterprises to engage in business activities relating to adaptation
Promoting commercially viable climate technologies	ClimateLaunchpad competition, supported by Ireland	Provide a platform for competing business ideas in order to unlock the potential of clean technology in addressing climate change

Annex VI

Programmes and initiatives reported in the biennial communications for making finance flows consistent with a pathway towards low-emission and climate-resilient development

[English only]

Area	*Examples of programmes/initiatives*
Green recovery	The aim of the European Green Deal is to facilitate businesses' transition towards sustainability by providing policy tools and creating an enabling environment for transforming the financial system
	Canada's Large Employer Emergency Financing Facility, a short-term liquidity assistance programme established in response to the COVID-19 pandemic, requires recipient companies to publish annual climate-related disclosure reports. The reports will be used to inform how corporate governance, strategies, policies and practices can help in managing climate-related risks and opportunities and contribute to achieving Canada's commitments under the Paris Agreement and its domestic goal of net zero emissions by 2050
Climate-related financial disclosure	In 2018 Norway's Climate Risk Commission identified general principles for improving climate risk management. The Norwegian Government intends to follow up on the Commission's recommendations to stress-test Norway's public finances and national wealth. It will also consider the recommendations that Norwegian companies use the Task Force on Climate-related Financial Disclosures framework, and that a suitable framework be established for disclosure of climate-related risks in the public sector and at the national level
	The United Kingdom will be the first country to make following the recommendations of the Task Force on Climate-related Financial Disclosures mandatory across the economy by 2025. It will continue to support governments and central banks in fully integrating climate risk into the macroeconomic and financial systems
Climate budget tagging	France presented a "green budget", in which government expenditure was tagged according to its (positive or negative) climate and environmental impacts, a key instrument for enhancing transparency and prioritizing climate policies
Promoting climate-friendly financial instruments	Spain is to draw up a national sustainable finance action plan and a programme for issuance of green bonds by the Public Treasury
	Japan is promoting environmental, social and governance principles in the business sector, including by designing engagement platforms for global environmental, social and governance investments
	Australia operates Green Bank, a publicly owned financial institution that provides concessional finance for climate investments
Phasing out investment in fossil fuels	The Powering Past Coal Alliance, which Canada co-leads with the United Kingdom, has over 110 members and is the driving force behind collective efforts to accelerate the global phase-out of coal-fired electricity, which is the important first step for public and private actors in aligning the power sector with the goals of the Paris Agreement. Although the Alliance is a government initiative, it serves as a bridge between public and private actors through finance principles that translate its public declaration into clear commitments for financial institutions
Carbon pricing	Norway has committed USD 80 million to the Transformative Carbon Asset Facility, whereby developing countries will be assisted in raising the ambition of their climate action through economy-wide or sectoral policies and programmes that create conditions for private sector investment in low-emission solutions