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Item 8 (a) of the provisional agenda
Methodological issues under the Convention
Methodologies for the reporting of financial information by Parties included in Annex I to the Convention

Views on methodologies for the reporting of financial information referred to in decision 2/CP.17, paragraph 19

Submissions from Parties and observer organizations

Addendum

1. In addition to the six submissions contained in document FCCC/SBSTA/2015/MISC.3, three further submissions have been received.

2. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing.[1]

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

[1] Also available at <http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=SBSTA>.

FCCC/SBSTA/2015/MISC.3/Add.1

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Paper no. 1: China

China's submission on the methodology for the reporting of financial support from developed country Parties to developing country Parties under the UNFCCC

China appreciates the opportunity of calling for submission by the COP20 on the views on the methodologies for the reporting of financial information, as referred to in Decision 2/CP.17, paragraph 19 (hereafter as the Methodologies).

Recalling the Article 4.3 of the Convention, the developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12.1 and implementing measures that are covered by Article 4.1.

Also recalling the Article 12.3 of the Convention, each developed country Party and each other developed Party included in Annex II shall incorporate details of measures taken in accordance with Article 4, paragraphs 3, 4 and 5.

Taking note of Decision 4/CP.5 on the "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications", Decision 2/CP.17 on the "Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention" with regards to "UNFCCC biennial reporting guidelines for developed country Parties", Decision19/CP.18 on the "Common tabular format for 'UNFCCC biennial reporting guidelines for developed country Parties'", and the experiences gained from the reporting and review of the sixth National Communications and the first Biennial Reports from the developed country Parties, also acknowledging the biennial submissions by developed countries for scaling up climate finance requested by Decision 3/CP.19.

1. China believes the purposes of the methodology for reporting financial information regarding to the Article 4.3 and Article 12.3 of the Convention are:
    - To ensure the information reported by developed country Parties meets their obligations under the Convention;
    - To enhance the transparency of the financial support and give a clear picture to the policy-makers and the public;
    - To stimulate the transfer of climate finance to the developing country Parties with the view to enhance their actions on addressing climate change;
    - To ensure the reported information is transparent, consistent, comparable, complete and accurate;
    - To ensure "1 dollar is 1 dollar" among the financial information reported;
    - To assist the aggregation of financial support information while avoiding mis-aggregation, inter alia, double counting and inappropriately including entirety of financial support on actions with multiple purpose, which will result in misleading the general public and policy makers;
2. China believes there is a need to define the term of "climate finance" used in the methodology;
3. The reporting shall be project-based and the information shall be reported through both textual and tabulate format;
4. The report for financial support from public sources shall be separated from that of other sources;
5. The Methodology shall define the sectors of climate support. The Article 4.3, Article 4.1 and relative decisions could be taken as reference when define sectors; the Methodology shall also cover the cross-cutting issues with multiple purpose on both climate actions and other social-economic development actions. For example, how to report those funds listed in core/general in the BRs, how the donor countries should give some explanation on why they believe the reported information is related to climate finance, in order to make it more transparent, comparable and accurate;
6. The Methodology shall identify eligible financial instruments for climate finance; and for different financial instruments, different methodologies shall be developed to make the funds comparable. For example, funds through grants, concessional loans or commercial investments can't be treated as the same;
7. The Methodologies shall identify eligible supporting channels for climate finance; for different

supporting channels, different methodologies shall be developed to make the funds reporting accurate. For example, funds through the multilateral mechanisms other than those under the UNFCCC may have multiple purposes, implying different shares of climate finance, and thus these funds shall not be treated the same as those funds through financial mechanism under the Convention and bilateral channels;

8. To maintain the consistency and avoid double counting, only those funds that have already been provided shall be reported, with both the current and constant prices; pledged or committed financial supports could be listed as annex or memorial items;
9. Financial information shall be classified by sectors, under which individual methodology shall be developed in order to reflect different circumstance of each sector. Within each sector, information shall be classified by recipient countries, financial instruments, and supporting channels;
10. The Methodologies shall provide guidance on aggregating financial information in order to ensure comparability and accuracy;
11. Methodologies on reporting the time serial shall also be developed;
12. The Methodologies shall identify memorial and declaration item;
13. The Methodologies shall provide guidance on the national arrangement for climate finance statistics and reporting.

Paper no. 2: Sudan on behalf of the African Group

Submission By Sudan on Behalf of the African Group: on methodologies for reporting climate finance information

The African Group welcomes the opportunities to present its views on the methodologies for the reporting of financial information; (2/CP.17, para. 19). It is our understanding that the development of this methodology is an entry point for further development of the MRV regime on climate finance under the Convention. Hence all efforts in developing these methodologies should follow an holistic approach that will help a strong reporting system that is measurable and verifiable.

It is important that in the methodologies for reporting, reference to "new and additional" is further elaborated. This is important both for public finance (to avoid double counting with ODA) and private finance (where several western countries claim to "leverage" the same private money. Also and until now there is indeed a "lack of agreed definition" for private finance, whenever referenced. As long as there is no agreed definition, it is difficult to report on private finance as developed countries are using very different definitions. This process should embark on arriving at an 'agreed' definition for reporting purposes. Finally the Group stresses that Parties have financial commitments and not the private sectors, hence reporting methodologies on mobilized private sector resources should be clearly delineated to avoid any confusion not miscalculations.

Under transparency, the Group calls on making it explicit by donors when developing countries are approached. Developing countries governments should be informed when monies have been committed, let alone disbursed hey receive money reported as climate finance. Linked to the issue of transparency, is the issue of ownership. According to the Cancun decision, climate finance should answer to the needs in developing countries. However, this may not be the case as the process through which "ownership" is established may not be clear at all.

How can it be assured that any investment (counted as climate finance in a donor country) is in line with the recipient needs, and priorities? We need to reference to specific paragraph in the Cancun agreement.

The current common tabular format and the guidelines for national communication address only national reporting of public climate finance provided from Annex II countries (including both bilateral contributions as well as contributions to multilateral institutions) and on private finance leveraged by bilateral finance.

The guidelines, however, do not cover reporting of some key sources of private finance such as private climate finance mobilized by multilateral sources. Further, the guidelines do not cover provision of information by all "developed" countries - only the climate finance mobilized by Annex II countries. The reporting guidelines allow both either individual or collective reporting of mobilized finance. However, there is no further guidance on what could be reported collectively, nor on who would be best placed to report "grouped" information.

An analysis of the current biennial report by Annex II countries reveals a wide variation in the stringency of methods used to assess whether, and to what extent, climate finance has been mobilized. The methods vary both between and within different financial instruments and institutions as well as the level of conservativeness differ among parties considerably. In fact, the first biennial assessment found that

- Parties did not use the reporting categories in the guidelines
- Parties reported using different years
- Parties reported funding to multilateral institutions without distinguishing funding for climate change
- While all Parties reported information relating to bilateral contributions, the data were provided in different formats and therefore difficult to compare
- Only half the Parties reported information on their private sector engagement
- Some parties reported information over a period instead of annually.

These different issues presented above boost the argument that a common reporting template, in the absence of common methodologies for reporting climate finance information, will not suffice to provide the extent of granularity required to get a complete picture of climate finance provided and mobilized towards a) the USD 100 billion commitment made by developed countries, or b) the finance-related commitments under the UNFCCC

Furthermore climate finance has been channeled through several types of public interventions. This includes direct co-financing (e.g. provision of grants, equity or loans), the use of other financial instruments (e.g. insurance or guarantees), and other policies and measures (such as in the near future partial funding by a developed country of a feed-in tariff or renewable electricity production in a developing country).

Current reporting guidelines suffer from the problem that there is no agreement on which activities and interventions are eligible for accounting towards the 100bn goal or towards the financial commitments under the UNFCCC. They also not specify how such activities or interventions would be counted, e.g. whether to count only the actual net transfer between developed and developing countries (e.g. grants; or grant equivalents of concessional loans rather than loans at face-value). Also, the accounting of other instruments such as guarantees, which often do not lead necessarily to disbursement, has been left unspecified.

Enhanced Methodologies for reporting climate finance information

An adoption of enhanced methodologies will lead to an adjustment of the current reporting format

From the AGN point of view, the process of developing common reporting format should start with the framing of the objectives and functions that the reporting guideline should fulfil and provide as set of information, bearing in mind that this development of the methodologies should serve later to shape the MRV system of climate finance under the Convention. Although the AGN recognizes that further guidance and methodologies for reporting climate finance received is needed at the recipient side, this submission, however stick to the mandate, which is to develop common methodologies for reporting climate finance information by developed countries.

At the outset, it is important to highlight, that in our view the methodologies for reporting climate finance information should be guided by a set of questions that Parties wish the reporting should provide as information.

At this point the AGN has identified four key objectives that the reporting of climate finance should achieve:

a) Enable Parties to get a full picture and comprehensive understanding of all. developed countries:
b) Enable developed countries to demonstrate their effort towards the achievement of 100bn goal.
c) facilitate the verification process and aggregation of information provided
d) Information should support evaluation of the information of effectives and delivery of climate finance.

In our understanding, the general principles that should guide the methodology for reporting climate finance information, should commensurate to those reporting of GHG inventories:

- *Completeness* means that a report should cover all major sectors, forms of financing, and uses of funds (types of projects) from all Parties to all Parties. It could also refer to the sources of funding by governments and other mechanisms.
- *Transparency* means the methodologies, processes, and procedures to estimate financing should be clearly explained and the sources of information identified to facilitate the checking of information.
- *Comparability* means that the information provided by Parties should be in a format to facilitate the aggregation and analysis of information.
- *Accuracy* means that the reported quantities of financial data are systematically neither over nor under actual financing and those uncertainties are reduced as much as possible. Guidelines should achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported data.
- *Efficiency* means that the information provided serves the decision-making needs of Parties with a minimum of effort, expense, or waste[2].

In our view the reporting system of climate finance information should be first step toward improved understanding of the underlying assumption behind the figures reported in the Biennial Report. It is also important to flag that strong methodologies that are common requires common understanding and the use of common definition. Defining the newness and additionality to the official is an important steps to set clear rules and guidelines towards an enhanced reporting system.

- We therefore propose that a dedicated slot being allocated during the workshop, whereby the Secretariat will present the definition commonly used as result of its synthesis paper on the different methodologies, on the other hand, Annex II parties and recipient countries could have also be given the chance to present their benchmarks for determining the newness and additionality.
- It is critical also in our view that a member of the Team of Expert Group participates in the workshop and presents the actual finding of the International Review and Assessment of the current Biennial report. Her/His presentation should focus on divergences, communalities and areas of improvement to inform the development of the methodologies for reporting climate finance.

[2] Tirpak (2010): WRI; Guidelines for Reporting Information on Public Climate Finance

Furthermore, for the African group it is critical that the discussion on methodologies also address the definitional issues of what mobilized and leverage climate finance in the context of 100bn. The discussion on the methodologies should also help to clarify the range of instruments that is included in the 100bn commitment, what needs to be reported and how this information should be reported, in order to come to an enhanced reporting system. Last but not the least, questions around which developed countries in addition to the Annex II countries are covered by the commitment should build the foundation of enhanced reporting methodologies.

On the other hand, we think that the below list of questions will help to better understand the information provided with regard to public, bilateral and multilateral finance. These are:

a) How much public money is flowing from one Party to another for climate change activities in a particular year?
b) How much public money is flowing from developed to developing countries in a particular year and what type of funds (grants, loans, or guarantees) are being made available? To allow the disaggregation, the information should be given at project and country level. In the case of regional projects, complete information should be provided to each country targeted by the projects or programmes
c) How much public money is flowing toward particular purposes in a given country, and in which sectors?
d) How much public money is flowing toward particular activity types, and what categories of activities are being supported
e) How to calculate the portion of a projects finance that is climate-related and
f) How to ensure that disbursements are also linked to quantitative information from the CTF on the original commitment? How can project identifiers be developed that track climate finance from commitment, delivery and lifetime?

The decision on development of climate finance information should lead to an annotated time line for addressing elements that require long term effort to put in place. The framework on methodologies of climate finance information should contain following components that are interlinked and been regarded as a packet for enhanced reporting:

- <u>Causality:</u> Assessing if, and to what extent, there is a causal link between an intervention and mobilized climate finance.
- <u>Attribution</u>: Determining how, or if, mobilization is attributed to specific actors.
- <u>Public or private</u>: tracking whether financing is public or private.
- <u>Point of estimation</u>: assessing when in the financing chain mobilization is estimated and reported as well as the time horizon through which an intervention will be mobilizing

This finance will work in different ways, over different timescales, and involve different numbers of intermediaries. There are many different ways of mobilizing climate finance: direct interventions such as participating in financing a specific project/programme, to indirect interventions such as technical assistance, feasibility studies and funding credit lines. Hence different instruments to mobilize climate finance will be appropriate in different circumstances. The level of climate finance mobilized will vary significantly according to context, financing instrument, and the definitions and methods used to estimate it.

<u>Option for enhanced information in public finance</u>

The current system of reporting used entails limitations when it comes to comparability, completeness, accuracy, efficiency and transparency. Hence there is a need to complement the existing data collection, with a new that is guided by the UNFCCC. Given, the fact that the collection, aggregation of data often happen outside the convention, it is important that the UNFCCC provides clear guidance on the level of information required to have an enhanced reporting system. These guidelines will help data collectors and producers outside the convention to adjust their information and to harmonize their data, as to facilitate the measurement and verification process under the Convention.

These enhanced guidelines should cover:

- <u>Mitigation:</u>
    - The information should for instance introduce disaggregate information at sectoral level
- <u>Adaptation</u>
    - **bilateral adaptatio**n should to the extent possible further clarify the climate specificity of an adaptation project compared to developed countries.

        - From the African group perspective; this can be done, if only projects that emanate from a vulnerability assessment or other study that can help demonstrate that the project aims at addressing a specific climate variability[3]
- Project level information:
    - Specific concrete amendments into the Common Tabular Format are attached as annex to this submission.

Option for enhanced information in public sectors

As stated above, it is our view that the starting point for development of financial information should start with those of public finance leverage by bilateral climate finance. There are no guidelines on the leveraged climate finance by multilateral funds. There are greatest uncertainties with private finance flows, scale and magnitude compared to public climate finance. Tracking climate finance by private sectors that need further work on the availability and consistency of data and the determination of leverage ratio.

The current guidelines address to the extent possible private finance leveraged by bilateral finance, but do not cover reporting of some key sources of private finance such as private climate finance mobilized by multilateral sources. Current biennial reporting guidelines for developed country Parties under the UNFCCC enables either individual or collective reporting of mobilized finance. However, there is no further guidance on what could be reported collectively, nor on who would be best placed to report "grouped" information.

The Convention should send a strong signal to the actors engaged with private climate finance to systematically collect the data as to address the data availability as well as provide clear guidelines on how private climate finance could be reported under the Convention.

[3] This methodology, firstly, emphasizes the importance of only marking as adaptation activities those which were intended from the beginning to have an adaptation benefit, and secondly, enables project managers to count as climate finance only the proportion of the cost of the project directly related to adaptation.

Annex I: Amendment on the Common Reporting Format of climate finance provided

Following amendment to the document FCCC/SBSTA/2012/L.33

a. The finance reporting should not be limited to only these tables, if deemed as necessary, additional tables should be provided such as on more detailed information related to adaptation and mitigation and particularly private sectors,

b. ***Table 5: Finance table related to para 17:*** This table should include the two previous years of financial reporting and enable a cumulative amount of funding to be reported for subsequent biennial reports. Additional will colon on resources, disbursed as to come to a better estimate and overview of climate finance from developed country to developing country Parties.

    a. In addition, all fractions of finance committed in year x should have to actually be transferred in the same year. Otherwise it should be referenced as to provide more clear pictures. The table should include a clear disbursement table of finance committed for a given biennial report time

c. **Table 6: Finance table related to para 17(a):** based on the decision in Warsaw, Annex II should provide information how they are ensuring a balanced allocation between mitigation and adaptation.

d. **Table 7: Finance related to para 17 (b-d):** This table should identify the financial contributions for adaptation, mitigation, response measures, capacity building and technology for each of the funds identified under these sub-points: the multilateral climate change funds, institutions including regional banks, Specialized UN bodies,

e. **Table 7(a)**: An agreement should be sought as to which multilateral funds/channel constitute multilateral **climate** funds/channels for the purpose of reporting. For instance, some countries report their Montreal Fund contributions, some do not. Currently, only a handful of multilateral channels/funds are listed. The list should be completed.

f. **Table 7(a)** More generally, it would help to agree what constitutes "multilateral" here. Some countries report contribution to funds as multilateral that are that are not multilateral in the sense that they are constituted under a multilateral system. For instance, some countries have reported contributions to the Global Climate Partnership Fund as a multilateral contribution, but the GCPF is a fund backed by a handful of developed countries; in fact, the GCPF should be listed under bilateral flows.

g. **Table 7(a)**: An agreement should be found as to what proportions of (core) contributions to certain funds should be reported here. For instance, Germany reports 40% of its GEF contribution as climate-relevant. Other countries count their entire GEF contribution (as core contribution) with no clarity on the proportion that is climate-relevant.

h. **Table 7(a) and 7(b)**: Reporting should include at least aggregate information on the grant equivalent of loans provided.

i. **Table 7(a)**: It should become compulsory to at least make an estimation on the climate-specific amounts included in core contributions to multilateral funds. The multilateral institutions will either be able to provide that information to donors (who then can report the figures), or an estimation can be made based on the donor countries relative contribution to the institution compared to other donors and the share of the institution's spending on climate versus the overall spending portfolio.

j. **Table 7(a) and 7(b)**: A category "Mitigation (REDD+)" should be introduced alongside "Mitigation", "Adaptation", and "Other". The category "Cross-cutting" should be replaced by listing the cross-cutted sectors (e.g. "Mitigation/Adaptation").

k. **Table 7(a)**: Contributions to the UNFCCC and IPCC secretariat's budget should not be listed as climate finance contributions (as welcome as these contributions are, they are not supporting mitigation or adaptation in poor countries). There could be made room elsewhere to recognize these flows.

l. **Table 7(b)**: It should be compulsory to provide information on a project level (including a project title and information that provide at least rough information on what a project aims to do and how it relates to climate) rather than only aggregate numbers. Many countries have provided such project level information, but many have not. Only via project-level information will it be possible to do the "V" in "MRV"

m. **Table 7(b)**: Bilateral financing should be reported towards the year when the commitment to support a certain project or programme has been made (e.g. reflected by the signing of the partnership agreements between the donor and the recipient country). Currently, in some cases actual cash-disbursements are reported, in other cases, reporting is based on commitments. As commitments show current funding decisions whereas cash-outflows are the result of decisions in the past, reporting on the basis of commitments much better reflects what donor countries are doing.

n. **Table 7(b)**: Project level information should include the codification through the Rio Markers for Adaptation and for Mitigation, to demonstrate the climate relevance of funded actions.

o. Need two separate columns, one on finance committed bilaterally in a given year, and one on finance transferred in that same year (resulting mostly from commitments made in earlier years). Also, beyond the aggregate figures, a project list should be included, similar to what the EU did in reporting their fast start finance – that way everyone can see what projects donor countries consider "climate finance".

p. **Table 9: Finance related to para 18 (a-f):** The sub-points should each have their own rows. This table should also differentiate between loans and grants, and for loans require reporting of the grant equivalent of loans.

Paper no. 3: Switzerland

Views on methodologies for the reporting of financial information

Submission by Switzerland

Following the invitation in Decision 11/CP.20, Switzerland is pleased to submit its views on issues related to methodologies for the reporting of financial information.

Transparency is of utmost importance to provide assurances about the delivery and use of committed support and to ensure trust amongst Parties. Within this context, Switzerland acknowledges the necessity of common, consistent and standardized provisions to track, measure and report climate finance. This submission builds upon views expressed in Switzerland's submission of 6 June 2014, where selected aspects have been elaborated in more detail.

1 General remarks related tomeasuring and tracking of climate finance

i) Public climate finance

The reporting guidelines should be revised to encourage and accommodate the use of the full range of public tools relevant for climate finance and not set wrong incentives. To measure and track public climate finance, Switzerland advocates to build on existing measuring and tracking tools, e.g. the OECD DAC reporting on official development assistance and other official flows and its Rio-marker methodology. Common methodologies and provisions should be applied by all Parties. Joint reporting exercises such as the one undertaken by the multilateral development banks in their annual joint report on their public climate finance investments are highly valuable and a good means to reduce the risk of double counting and administrative efforts.

ii) Private sector contributions

With respect to private sector contributions, Switzerland commends the useful activities of the OECD-coordinated Research Collaborative in enhancing clarity and fostering convergence in the understanding of measuring and tracking methodologies for private climate finance. In our view, voluntary reporting of climate finance flows by the private sector should be stimulated and incentivized by all Parties within their national legislation and policies to increase the transparency and visibility of the various climate relevant investment flows from the private sector.

iii) Mobilized climate finance

Climate finance can be mobilized through policy interventions or through the leveraging of financial resources from a variety of sources by various financial instruments. Switzerland is in favor of the development of a MRV scheme, which is:

- **lean**: the scheme should be easy to handle and not overcharge the capabilities of various data reporters (e.g. governments or IFIs)
- **integer**: the scheme should build on available data and best reflect reality; double accounting should be avoided and the scheme should further allow, where possible, for aggregation and comparison of data
- **meaningful**: the scheme should increase transparency in order to build trust between stakeholders and promote nationally appropriate action
- **appropriate**: it should be applicable to various types of data reporters and allow for individual or joint reporting

Switzerland welcomes the initiative by multilateral development banks to develop a common reporting methodology for mobilized private sector climate finance as a sequel to their much appreciated joint reporting on public climate finance.

iv) Use and impact of climate finance

When discussing MRV of climate finance, the monitoring of the use and impact has to be fully integrated in the discussions and the revisions of the reporting guidelines. The reporting of climate funding's use and impacts increases the overall transparency, the incentives for favorable enabling environments and effective investments. In addition, the reporting by all parties on the use of funds helps to identify the challenges and difficulties in the effective management of the resources. In Switzerland's view, this will contribute to build trust among stakeholders and potentially lead to higher impacts and contribute to the achievement of the ultimate objective of the convention.

2 Lessons learned from reporting of financial information in the context of the first submission and review of Biennial Reports.

The existence of separate guidelines for national communications and for biennial reports (BR) covering the same topics has led to some inconsistencies, which make reporting increasingly burdensome and ultimately less efficient. These deficiencies have been elaborated upon in detail by the European Union and its Member States in their submission of 21 February 2014.

The revision of the guidelines for the reporting of financial information should take into account experiences gained by Parties and review teams in the course of the reporting and review cycle for the first BRs as well as earlier or ongoing work in specialized bodies such as the OECD Rio-Marker Task Team. Thus, the revision of guidelines for national communications and for biennial reports should

- seek feasible solutions for areas where Parties have encountered difficulties in implementing presently applied guidelines (e.g. the manner in which funds are qualified as climate-specific)
- harmonize reporting requirements across the Convention and for all Parties, i.e. by aligning the reporting guidelines on climate finance for national communications with the more recent reporting guidelines for BRs (in particular regarding the content of tables covering the same topics).

In this context, Switzerland would also like to highlight one specific technical problem regarding the distinction between multilateral and multi-bilateral trust funds:

The current BR reporting tool automatically summarizes all multi-bilateral trust funds managed by one stakeholder (e.g. World Bank) in one line, which leads to erroneous sums in the system (e.g. giving wrong figures for adaptation or mitigation specific overall sums).

i) Information on funds provided to support technology transfer and capacity building

Capacity building and technology transfer are generally not specific stand-alone activities. They typically form integral parts of other types of support projects and programmes. There is no practical and agreed basis on how to monitor and report this type of support separately or to single out related contributions in a meaningful way. Therefore, we abstained from completing the tables on technology transfer and capacity building specific support elements as requested by the BR guidelines. Instead we submitted a narrative paragraph giving indicative examples of projects and programmes from Swiss development and cooperation activities, which clearly demonstrate the integral approach for technology transfer and capacity building.

ii) Climate-specific funds within multilateral and multi-bilateral aid

Currently it is not possible to report the exact climate change specific share within multilateral and multi-bilateral contributions, especially with respect to core contributions for most multilateral funds (e.g. International Development Association IDA). Switzerland advocates to further develop a climate finance tracking and measuring methodology for all public flows invested through multilateral finance institutions. The methodology should build on existing tracking and measuring methodologies and be developed in a dialogue with these institutions. In this context, Switzerland welcomes the work of the joint statistical and environmental task team of the OECD on the improvement of the Rio-marker methodology as an important element in support of improved reporting within the Rio-Conventions.

3 Clarification of Roles and Responsibilities

On a procedural note and in the interest of clarity in roles and responsibilities, Switzerland would like to stress the importance of a clear division of work between the Standing Committee on Finance (SCF), SBSTA and SBI. The lead and the responsibility for a lean and focussed process should in our view lie with the SCF. Due to the expertise of its members, this technical body under the Convention is best placed to coordinate activities related to the improvement of MRV of support.

Switzerland is convinced that, based on the points raised above, the further development of the reporting system on climate finance would contribute to a more efficient and cost-effective MRV process while ensuring the transparency and integrity of the reporting scheme as a whole.