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Options for funding the activities related to the infrastructure and technical expert review under Article 6, paragraph 2, of the Paris Agreement

Technical paper by the secretariat

Summary

This technical paper highlights the need for sustainable financing of the infrastructure under Article 6, paragraph 2, of the Paris Agreement and technical expert review. The paper explores and compares funding options including core and supplementary funding, and user and usage-based fees.



Abbreviations and acronyms

Article 6.2 infrastructure	infrastructure under Article 6, paragraph 2, of the Paris Agreement
Article 6.4 mechanism	mechanism established by Article 6, paragraph 4, of the Paris Agreement
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
ITMO	internationally transferred mitigation outcome
LDC	least developed country
NDC	nationally determined contribution
participating Party	Party participating in cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and in decision 2/CMA.3
RSA	registry system administrator
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SIDS	small island developing State(s)

I. Introduction

A. Mandate

1. CMA 4 requested the secretariat to prepare a technical paper on options for funding the activities related to the infrastructure, including the technical expert review, under Article 6, paragraph 2, of the Paris Agreement for consideration by the subsidiary bodies at their fifty-eighth sessions.¹ SBSTA 58 noted that this technical paper would be prepared for consideration at SBSTA 59.

B. Scope

2. This paper presents budget options, including a breakdown of estimates for development and operational activities related to the Article 6.2 infrastructure, explores and compares options for funding those activities and addresses other key considerations.

C. Possible action by the subsidiary bodies

3. The subsidiary bodies may wish to consider the elements identified in this technical paper and to provide guidance, as appropriate, on facilitating effective funding arrangements for the development and implementation of the Article 6.2 infrastructure.

II. Budget estimates

4. The components of the Article 6.2 infrastructure are listed in table 1.

Table 1

Mandated components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement and their functions

<i>Component</i>	<i>Decision mandate</i>	<i>Functions</i>
Article 6 database	2/CMA.3, annex, chapter VI.B	Record quantitative information on ITMOs from reports submitted by participating Parties Record corresponding adjustments applied by participating Parties and resulting emissions balances Enable compilation of submitted information and thereby support its inclusion in the structured summary required as part of the biennial transparency report Automate detection of inconsistencies (consistency check procedure) Publish non-confidential information stored in the database, including in relation to the results of the consistency check procedure
Centralized accounting and reporting platform	2/CMA.3, annex, chapter VI.C	Provide templates for tables and outlines for information to be reported Portal for participating Parties to submit information Provide workflows for processing submissions, safe storage for submitted information, and an area for each participating Party to support the preparation of its submissions and to support communication with the secretariat and the Article 6 technical expert review teams Area for Article 6 technical expert review teams to access information relevant to reviews assigned to them and to support communication with the secretariat and Parties

¹ Decision 6/CMA.4, para. 38.

<i>Component</i>	<i>Decision mandate</i>	<i>Functions</i>
		Public interface
		Enable management of a common list of values for specific information attributes required for participating Parties' reporting of the required annual information for recording in the Article 6 database
International registry	2/CMA.3, annex, paragraph 30	Provide access to registry functions to participating Parties that do not have, or do not have access to, a national registry Provide transactional registry functionalities Automate business rules of transaction processing, informed by information on authorization and first transfer of ITMOs contained in the same system Generate data for participating Parties' submission of annual information in the agreed electronic format to the centralized accounting and reporting platform
Article 6 RSA forum	6/CMA.4, paragraphs 34–35	Facilitate cooperation between RSAs Platform for knowledge exchange, and online platform for information exchange and to support the forum Enhance capacity-building Provide input to the further development of the Article 6.2 infrastructure, and communication standards and recommended practices
Standards and recommended practices	6/CMA.4, paragraph 32	Standards and recommended practices for the electronic recording of data and information related to ITMOs, and communication standards for interoperability and transactions with ITMOs
Article 6 technical expert review	2/CMA.3, annex, chapter V	Review the information submitted by participating Parties pursuant to chapter IV.A and C of decision 2/CMA.3 in accordance with guidelines adopted by the CMA
Capacity-building	2/CMA.3, paragraph 13	Support the development of institutional arrangements, including in relation to reporting, to enable Parties to engage in cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement Help Parties to ensure that cooperative approaches in which they participate support ambition Assist the LDCs and SIDS in meeting the requirements for participating in cooperative approaches Develop a manual for Article 6, paragraph 2, of the Paris Agreement

A. Development activities

1. Planning and analysis

5. The planning and analysis phase involves defining goals, requirements, features, scope, budget and timelines in relation to the Article 6.2 infrastructure and preparing for any necessary procurement during its development and implementation.

6. After planning and analysis, the development and implementation of the Article 6.2 infrastructure can proceed, which entails programming, testing, deploying and documenting the components until they are deemed ready for operation. It will be important to follow the business requirements set out in the planning and analysis phase during the development and implementation of the infrastructure.

7. Table 2 contains the disaggregated estimated costs² related to the planning, analysis and development of the Article 6.2 infrastructure components presented in the programme

² Referred to as category 3 costs (for temporary or short-term activities) in the programme budget.

budget recommended at SBI 58 for the biennium 2024–2025 for approval at COP 28.³ Table 2 also elaborates the costs associated with establishing the Article 6 RSA forum and standards and recommended practices. As such, adjustments need to be made to the budget for the Article 6.2 infrastructure to accommodate this important component.

Table 2

Budget estimates for the planning, analysis and development of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement

<i>Component</i>	<i>Estimated budget for development (EUR)^a</i>
Article 6 database	702 000
Centralized accounting and reporting platform	667 000
International registry	1 695 000
Article 6 RSA forum	500 000 ^b
Standards and recommended practices	650 000
Article 6 technical expert review	208 000
Capacity-building	–
Total	4 422 000

^a Estimates include staff and non-staff costs and standard programme support costs of 13 per cent.

^b Estimate includes the budget for the online platform referred to in para. 35 of decision 6/CMA.4.

2. Operating reserve

8. The development phase of the Article 6.2 infrastructure may require supplementary funding from various sources or a payment into an operating reserve to ensure a prompt start. Reserves generally cover anticipated expenses for up to two years. Such a reserve would protect against potential cash flow fluctuations but also allow the secretariat to negotiate longer-term contracts with service providers, thereby facilitating more favourable terms for information technology infrastructure, software licences and related services.

3. Key dependencies

9. Several dependencies, including the lack of resources, have been identified that put the development of the Article 6.2 infrastructure components at risk:

(a) High-level functional requirements have been established for the centralized accounting and reporting platform, the Article 6 database and the international registry. However, before these systems can be developed, it is necessary to establish technical requirements, design documentation (including specifying data flows, system components and interactions), test and security plans, and database models;

(b) The functional requirements for the international registry, as noted on page 10 of the related technical paper,⁴ need further elaboration, which depends, in part, on input from the CMA;

(c) CMA 4 requested the secretariat⁵ to develop, publish and periodically update standards and recommended practices for the electronic recording of data and information related to ITMOs, and communication standards for interoperability and transactions with ITMOs. However, progress on this is delayed due to the undefined nature of interoperability between the Article 6.2 infrastructure components as the Article 6 RSA forum has yet to provide input thereon to the secretariat. This may in turn affect the development of the international registry;

(d) Regarding the automatic detection of inconsistencies in data recorded on ITMOs, as noted on pages 8 and 40 of the document on the functional requirements for the centralized accounting and reporting platform and the Article 6 database,⁶ it is unclear whether and how such automatic inconsistency detection can be effectively implemented,

³ See document FCCC/SBI/2023/10/Add.1, table 4, project number 102-002.

⁴ Available at <https://unfccc.int/documents/628728>.

⁵ Decision 6/CMA.4, para. 32.

⁶ Available at <https://unfccc.int/documents/628727>.

given the absence of a detailed design and/or working prototype at this stage, and given that CMA 4 requested the SBSTA to develop recommendations on the process of identifying, notifying and correcting inconsistencies in data on ITMOs in the Article 6 database.⁷ This issue, as well as additional operational risks, was noted in, inter alia, a technical paper on options for operationalizing the guidance on cooperative approaches.⁸

4. Work undertaken to date

10. The secretariat has performed the following activities under Article 6, paragraph 2, of the Paris Agreement without sufficient, adequate or dedicated resources:

- (a) Maintained the UNFCCC web pages on cooperative implementation, where activities related to Article 6.2 infrastructure development are documented;⁹
- (b) Actively supported negotiations under the CMA and the SBSTA on matters related to Article 6, paragraph 2, since SBSTA 44, such as by organizing extensive pre-session activities, including round tables, dialogues, consultations, side events and workshops;
- (c) Gathered, analysed and synthesized submissions and views from Parties;
- (d) Prepared documents, technical papers and prepared and conducted surveys;
- (e) Organized four workshops to advance negotiations;
- (f) Organized the RSA Forum and prepared related documents;
- (g) Detailed functional requirements for the centralized accounting and reporting platform, the Article 6 database and the international registry;
- (h) Delivered an interim solution for the centralized accounting and reporting platform.

B. Operational activities

11. Operational activities associated with the Article 6.2 infrastructure components relate to information technology systems, such as monitoring system performance, maintaining security, managing user accounts and permissions, ensuring data backup and recovery, applying software and hardware updates, handling incidents and outages, planning for capacity and disaster recovery, documenting configurations and processes, providing user support through a service desk, and adhering to compliance and policy requirements. These activities are crucial for the smooth, secure and efficient operation of the Article 6.2 infrastructure.

12. Table 3 contains the disaggregated annual operating costs¹⁰ for the Article 6.2 infrastructure presented in the programme budget for the biennium 2024–2025 recommended at SBI 58 for approval at COP 28. The table also elaborates the costs associated with operating the Article 6 RSA forum. As such, adjustments need to be made to the budget for the Article 6.2 infrastructure to accommodate this important component.

⁷ Decision 6/CMA.4, para. 17.

⁸ See document PA/A6.2/TP/1, paras. 586 and 588.

⁹ <https://unfccc.int/process/the-paris-agreement/cooperative-implementation>.

¹⁰ Referred to as category 2 costs (for long-term or recurring activities) in the programme budget.

Table 3

Budget estimates for the annual operation of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement

<i>Component</i>	<i>Estimated annual operational budget (EUR)^a</i>
Article 6 database	559 795
Centralized accounting and reporting platform	155 000
International registry	1 800 131
Article 6 RSA forum	150 000 ^b
Standards and recommended practices	80 000
Article 6 technical expert review	936 000
Capacity-building	664 000
Total	4 344 926

^a Estimates include staff and non-staff costs and standard programme support costs of 13 per cent.

^b Estimate includes the budget for the online platform referred to in para. 35 of decision 6/CMA.4.

III. Options for funding

A. Development activities

13. The primary source of financing for development activities associated with the Article 6.2 infrastructure components in the biennium 2024–2025 is expected to be supplementary funding.

B. Operational activities

14. Four options for financing operational activities associated with the Article 6.2 infrastructure components are presented below. The options are not mutually exclusive.

1. Core funding in future biennium programme budgets

15. Funding operational activities from the core budget could be justified in the future, as 81 per cent of Parties who submitted NDCs provided information therein on their intention to participate in voluntary cooperation under Article 6 of the Paris Agreement and 76 per cent of those stated that they plan to or will possibly use at least one type of voluntary cooperation, with the use of cooperative approaches most frequently communicated.¹¹

16. For example, SBI 58 recommended a core programme budget of EUR 74,105,511 for the biennium 2024–2025.¹² Incorporating all requirements for financing operational activities associated with the Article 6.2 infrastructure into the core programme budget would result in an approximate 12 per cent increase therein.

2. Supplementary funding

17. Under this approach, only Parties that are in a position and willing to contribute would provide funding for operational activities, which would mean potentially not achieving the stable and robust financing needed for the long-term sustainability of the Article 6.2 infrastructure (for further details, see chap. IV below).

3. User fees levied on participating Parties

18. On the basis of the participation rate in paragraph 15 above, it can be assumed that at some point a participating Party will use one or more components of the Article 6.2

¹¹ See document FCCC/PA/CMA/2022/4, para. 7.

¹² See document FCCC/SBI/2023/10, para. 151. The amount includes the standard 13 per cent applied for administrative support.

infrastructure, which means that the considerations herein are relevant to all participating Parties.

19. Participating Parties could be charged fees for using the Article 6.2 infrastructure, which would fund the operational activities. Such fees would be set for a biennium and the amount would not depend on the specific component of the infrastructure used or the extent of use (e.g. the number of transactions a Party carries out in the international registry).

20. There are two primary approaches to establishing such user fees:

(a) All participating Parties pay the same amount;

(b) Amounts are calculated proportionally on the basis of the UNFCCC scale of Party contributions.¹³ It is worth noting that this approach was adopted for determining the user fees for the international transaction log after consideration of several other methods, including usage-based fees depending on number of transactions and/or transaction volumes proposed by a national registry.¹⁴

21. In the event of a Party becoming a participating Party during a biennium, that Party would typically be required to pay fees calculated using the same methodology as for other participating Parties. A markup could be applied, should the CMA decide to promote early participation.

22. Since the fees for existing participating Parties would have been determined at the beginning of the biennium on the basis of the anticipated operational needs of the Article 6.2 infrastructure, a new user would be contributing additional resources that were not originally planned or requested, usually resulting in a financial surplus.

23. Participating Parties may have the ability to opt out of this arrangement if they do not end up using the Article 6.2 infrastructure.

4. Usage-based fees

24. Participating Parties could be charged fees for using the Article 6.2 infrastructure that depend on the component(s) used, the extent of use or the service required, as follows:

(a) Selective component charging: fees could be charged only for use of certain components; for example, only participating Parties attending the Article 6 RSA forum or using the international registry may be subject to fees;

(b) Transaction volume-based charging: fees could be calculated on the basis of the volume of transactions conducted by a Party through the international registry;

(c) Effort-based charging: fees could be determined on the basis of the level of effort required to provide the requested service (e.g. the scale of the fee based on transaction type), such as opening accounts in the international registry, changing ownership and/or contact details for such accounts, or processing transactions to or from those accounts. Such effort-based charges could be levied, directly or indirectly, should the CMA provide additional guidance to support such an approach. Authorized entities holding accounts would therefore pay an account fee.

25. This approach puts the main burden of funding the Article 6.2 infrastructure on Parties that do not have access to a national registry, the majority of which are likely to be developing country Parties.

26. However, the international registry is only one component of the Article 6.2 infrastructure, and, if usage-based fees were the only option chosen for funding, such fees would also have to be charged in relation to the Article 6 database, consistency checks, the centralized reporting and accounting platform and the Article 6 technical expert review. As such, this approach needs to ensure allocation of funding to the activities responsible for the operational costs. In the case of the international transaction log, for example, where transaction volume is not the primary cost driver, most of its costs are predetermined and

¹³ See document FCCC/SBI/2023/10/Add.1, pp.20–24, for the indicative scale of contributions for Parties to the Convention for 2024–2025 recommended at SBI 58 for adoption at COP 28.

¹⁴ See document FCCC/TP/2010/1.

fixed, and associated with infrastructure, software and/or secretariat staff salaries. Consequently, the addition or removal of national registries from the international transaction log and/or variations in transaction volume have little or no influence on its overall operating costs.

27. Because the operational costs associated with the infrastructure will be constant, it is crucial to consider how reliable and stable funding can be guaranteed when usage data are available only after the fact.

28. Therefore, it may be worth exploring how to complement a fixed funding approach, such as options 1 and 3 above, by charging user and/or usage-based fees to authorized entities.

C. Other elements for consideration

1. Establishment of a trust fund

29. Decision 15/CP.1 provides that, subject to the approval of the COP, the Secretary-General of the United Nations may establish trust funds, provided they are consistent with the objectives of the Convention, and that, should a fund established result in additional liability to the core administrative budget, that liability must be quantified and approved in advance by the COP.

30. Several UNFCCC trust funds have been established, including the Trust Fund for the Core Budget of the UNFCCC and the Trust Fund for Supplementary Activities, the Trust Fund for the Clean Development Mechanism, the Trust Fund for the International Transaction Log, the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for the Special Annual Contribution from the Government of Germany (the “Bonn Fund”).

31. In addition, to support activities under Article 6, paragraph 4, of the Paris Agreement, CMA 4 requested the secretariat to take necessary steps to establish a trust fund for the receipt of the shares of proceeds to cover administrative expenses charged as fees under the Article 6.4 mechanism and other contributions.¹⁵

32. While trust funds offer robust financial control, they entail some administrative overheads, especially for their establishment and the collection of fees and/or contributions. The ratio of overheads to budget can become unsustainable in the case of smaller budgets.

33. In addition, providing strong justification for establishing one, a trust fund offers the possibility of customizing aspects of its financial management, such as determining the size of the operating reserve, establishing rules for carrying over funds from one biennium to the next, enabling the secretariat to address shortages using savings accumulated in the trust fund and, notably, setting individual Party contributions when customized fees or contributions are necessary.

34. Hence, it may be appropriate to start managing the non-core budget funding for the Article 6.2 infrastructure through a grant under the Trust Fund for Supplementary Activities, while gaining clarity over time of the magnitude of funding (income, budget, expenditure), modalities of income (fees, voluntary contributions) and other funding modalities (e.g. establishment or absence of rules about using income generated from interest), before considering, at a later stage, establishing a separate trust fund for managing contributions, funds and/or fees related to the infrastructure.

2. Procedure in case of non-payment of fees (applicable to options 1, 3 and 4)

35. Another concern pertains to the non-payment of fees by participating Parties or authorized entities.

36. One approach to dealing with this could be to suspend the participating Party’s use of the Article 6.2 infrastructure if it defaults on its fee payment, following the issuance of appropriate reminders and, if necessary, consultations with the Party.

¹⁵ Decision 7/CMA.4, para. 27.

37. Likewise, if an authorized entity fails to fulfil its fee obligations, access to its account could be suspended following two reminders. Given the substantial number of authorized entity accounts and the frequency of such events, it is imperative to anticipate implementation of a fully automated process within the international registry to facilitate fee payments and account suspensions.

3. Timing of determination of fees

38. The secretariat will propose a budget for activities associated with the Article 6.2 infrastructure following its regular budget cycle. The SBI will subsequently consider and recommend the budget to the CMA for adoption as part of the overall programme budget.

39. Presenting a budget based on usage fees (funding option 4) collected from Parties can be challenging because usage is unpredictable. This approach might only work if there is a substantial operating reserve available for the secretariat to use in the preceding biennium. However, relying on such reserves is unlikely to be a sustainable or effective financial control strategy. Such consideration does not apply to a budget for operational activities supported through core funding (option 1), supplementary funding (option 2) or user fees levied on participating Parties (option 3).

40. To ensure financial stability and complement resources made available by Parties, usage-based fees collected from authorized entities could supplement a fixed budget approach (option 1, 2 or 3). This arrangement could continue until the Article 6.2 infrastructure becomes self-financing. A provisional budget for authorized entities' usage-based fees could be established and reported annually to the CMA once the fees have been collected.

IV. Comparison of funding options

A. Criteria

41. The four funding options presented in chapter III.B above were compared with respect to the following criteria:

(a) Adherence to the 'user pays' principle: the costs of the Article 6.2 infrastructure, or its components, should be borne by the Parties or authorized entities that directly benefit from or use the infrastructure, rather than being subsidized or paid for, in whole or in part, by all Parties;

(b) Stability: the budget for the Article 6.2 infrastructure should provide for a reliable and consistent source of income. Stable funding, including predictable and consistent income, is crucial for smooth operation and long-term viability;

(c) Self-financing: the components of the Article 6.2 infrastructure should generate revenue themselves, rather than relying on external sources such as contributions or fees from Parties. These self-generated revenues will subsequently be used to offset operational expenses;

(d) Administrative overheads: the ongoing operational expenses incurred in supporting the regular activities and functions related to the Article 6.2 infrastructure.

B. Results

1. Funding from the core programme budget

42. This option:

(a) Does not align with the 'user pays' principle as non-participating Parties would be required to contribute to financing the Article 6.2 infrastructure;

(b) Ensures stability as the core budget is a guaranteed consistent source of income;

(c) Does not allow for self-financing because contributions from Parties would be relied upon to cover operational expenses;

(d) Entails minimal administrative overheads as the funding would be part of the secretariat's regular core budget cycle.

2. Supplementary funding

43. This option:

(a) Does not fully adhere to the 'user pays' principle as participating Parties that are willing and able would be relied upon to provide funding, but all participating Parties will benefit from the Article 6.2 infrastructure;

(b) Does not provide for stability of operational funding as contributions for supplementary activities are notoriously unpredictable;

(c) Does not allow for self-financing as covering the operational expenses would depend solely on receiving voluntary contributions from Parties;

(d) Entails low administrative overheads as the funding would be part of the secretariat's regular budget cycle. However, insufficient contributions could lead to significant overheads due to the efforts required to mobilize the necessary resources.

3. User fees levied on participating Parties

44. This option:

(a) Adheres to the 'user pays' principle as participating Parties would be required to pay a fixed fee to use the Article 6.2 infrastructure, while other (non-participating) Parties would not pay any fee;

(b) Provides for stability of funding as all participating Parties would be required to pay a fee and failure to contribute would result in the suspension of the concerned Party's access to the infrastructure;

(c) Does not allow for self-financing as covering the operational expenses would depend solely on participating Parties paying the levied user fees;

(d) Would require additional administrative support owing to the need to administer user fees, the scale and methodology for collection of which would need to be established and reviewed periodically by the CMA.

4. Usage-based fees

45. This option:

(a) Adheres to the 'user pays' principle as participating Parties and/or authorized entities would be required to pay for their use of the Article 6.2 infrastructure. Fees would be determined by factors such as the components accessed, the level of support required and the resources needed for transaction processing. Parties and/or authorized entities would be exempt from funding any components that they are not using, which means that fees would be commensurate with extent of use;

(b) Lacks stability since future use of the infrastructure is uncertain but costs are anticipated to remain largely the same. This could lead to fluctuations in income, which may not adequately cover operational expenses. Additionally, costs might have to be borne by fewer Parties and/or authorized entities, resulting in potentially significant budget variations between cycles;

(c) Has the potential to allow for self-financing, or at least to contribute to it, particularly if authorized entities are expected to cover administrative costs related to international registry account management. However, achieving complete self-financing is challenging, especially if a limited number of registry accounts exist;

(d) Could entail substantial administrative overheads, depending on the method chosen for determining the usage-based fees for Parties and/or authorized entities. If

authorized entities are paying fees, a fully automated process would be essential for efficient fee management.

5. Comparison of results

46. Table 4 summarizes the results from the comparison of funding options.

Table 4

Results of comparing the options for funding operational activities associated with the infrastructure under Article 6, paragraph 2, of the Paris Agreement

<i>Option</i>	<i>Adherence to 'user pays' principle</i>	<i>Stability of funding</i>	<i>Self-financing</i>	<i>Administrative overheads</i>
Core funding	No	High	No	Low
Supplementary funding	No	Low	No	Low
User fees	Yes	High	No	High
Usage-based fees	Yes	Low	Yes	High

V. Summary

47. For the development phase of the Article 6.2 infrastructure, it may be sufficient to rely on supplementary funding from various sources or on making a payment into an operating reserve to ensure a prompt start.

48. To meet the resource needs for operating the Article 6.2 infrastructure, an approach based on user fees could reasonably be adopted, which could be complemented by usage-based fees charged to authorized entities for using the international registry, with the objective of achieving long-term self-financing. Such a usage-based approach to funding could be tied to the management of international registry accounts, encompassing account set-up, modifications and/or annual management.

49. It seems practical to start managing the non-core budget funding for the Article 6.2 infrastructure through a grant under the Trust Fund for Supplementary Activities, while gaining clarity over time of the magnitude and modalities of funding. At a later stage, establishing a separate trust fund for managing contributions, funds and/or fees underpinning the infrastructure could be considered.

50. The SBSTA may wish to consider the elements identified in this technical paper and provide guidance, as appropriate, in relation to the issues identified in paragraph 9 above in order to facilitate more effective planning and budgeting for the Article 6.2 infrastructure.

51. The CMA may wish to consider prioritizing the funding of the planning and analysis phase, referred to in paragraphs 5–7 above, and allocating as early as possible during the development phase funding for key resources from the chosen source(s) of financing for operational activities in order to guarantee the long-term effectiveness and reliability of the financing of the infrastructure.