Reporting Tables – potential areas of work under SBSTA and options
Part II – Financial support provided, mobilised and received

The ideas expressed are those of the authors and do not necessarily represent views of the OECD, the IEA, or their member countries, or the endorsement of any approach described herein.

Chiara Falduto (OECD), Jane Ellis (OECD)
This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.
Foreword

This document was prepared by the OECD and IEA Secretariats in response to a request from the Climate Change Expert Group (CCXG) on the United Nations Framework Convention on Climate Change (UNFCCC). The Climate Change Expert Group oversees development of analytical papers for the purpose of providing useful and timely input to the climate change negotiations. These papers may also be useful to national policy-makers and other decision-makers. Authors work with the CCXG to develop these papers. However, the papers do not necessarily represent the views of the OECD or the IEA, nor are they intended to prejudge the views of countries participating in the CCXG. Rather, they are Secretariat information papers intended to inform Member countries, as well as the UNFCCC audience.

Members of the CCXG are those countries who are OECD members and/or who are listed in Annex I of the UNFCCC (as amended by the Conference of the Parties in 1997 and 2010). The Annex I Parties or countries referred to in this document are: Australia, Austria, Belarus, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, the European Community, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, the Russian Federation, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Korea, Mexico, Chile and Israel are also members of the CCXG. Where this document refers to “countries” or “governments”, it is also intended to include “regional economic organisations”, if appropriate.
Acknowledgments

The authors would like to thank OECD and IEA colleagues Simon Buckle, Marcia Rocha, Manasvini Vaidyula, Raphaël Jachnik, Nicolina Lamhauge, Guillaume Simon, Luca Lo Re, Andrew Prag, Sara Moarif and Jinsun Lim for their input in this paper. The authors would also like to thank Lydia Cavasin (Canada), Gard Lindseth (Norway), Karima Oustadi (Italy), David Ryfisch (Germany) and Rob Moore (United Kingdom) for useful discussions on the topic of reporting tables. In addition, the authors would like to thank presenters and attendees at the March 2019 CCXG Global Forum on the Environment and Climate Change, whose views and feedback helped shape the final document.

The Secretariat would like to thank Australia (Department of Foreign Affairs and Trade), Belgium (Federal Public Service Health, Food Chain Safety and Environment), the European Commission, Finland (Ministry of the Environment), Italy (Ministry for the Environment, Land and Sea), Japan (Ministry of the Environment), Netherlands (Ministry of Economic Affairs and Climate Policy), New Zealand (Ministry for the Environment), Norway (Ministry of Climate and Environment), Switzerland (Federal Office for the Environment) and the United Kingdom (Department for Business, Energy and Industrial Strategy) for their direct funding of the CCXG in 2018/2019, and the OECD and IEA for their in-kind support.

Questions and comments should be sent to:
Chiara Falduto (OECD) & Jane Ellis (OECD)
OECD Environment Directorate
2, rue André-Pascal
75775 Paris Cedex 16
France
Email: chiara.falduto@oecd.org  jane.ellis@oecd.org

All OECD and IEA information papers for the Climate Change Expert Group on the UNFCCC can be downloaded from: www.oecd.org/environment/cc/ccxg.htm
Abstract

Reporting Tables – potential areas of work under SBSTA and options
Part II – Financial support provided, mobilised and received

The Modalities, Procedures and Guidelines (MPGs) adopted at COP24 in Katowice lay out rules for reporting and reviewing information under the Enhanced Transparency Framework of the Paris Agreement. The Katowice decision on the MPGs requests the Subsidiary Body for Scientific and Technological Advice (SBSTA) to develop Common Tabular Formats (CTFs) for the reporting of information on, inter alia, financial support provided, mobilised and received. This paper analyses key issues and options that Parties may wish to consider when developing CTFs for reporting on these elements. The widespread use of CTFs for climate finance reporting could potentially facilitate comparability and aggregation of data and information on financial support in the future. This paper also develops options for CTF tables for the three areas of financial support analysed.

Résumé

Tableaux de notification – domaines de travail potentiels dans le cadre de l’OSCST et options
Partie II – Appui financier fourni, mobilisé et reçu

Les Modalités, procédures et lignes directrices adoptées à la COP24 de Katowice définissent les règles applicables à la communication et à l’examen d’informations aux fins du cadre de transparence renforcé de l’Accord de Paris. La décision de Katowice relative aux Modalités, procédures et lignes directrices charge l’Organe subsidiaire de conseil scientifique et technologique (OSCST) de concevoir des formats tabulaires communs (FTC) permettant de communiquer des informations sur l’appui financier fourni, mobilisé et reçu, entre autres. Le présent document analyse les problèmes potentiels et les options que les Parties pourraient avoir à cœur de prendre en considération dans le cadre de l’élaboration de nouveaux FTC aux fins d’établissement de rapports sur ces éléments. La généralisation de l’utilisation de FTC pour établir des rapports sur le financement climatique pourrait éventuellement faciliter la comparaison et l’agrégation des données et des informations sur l’appui financier dans l’avenir. Le présent document décrit en outre des FTC envisageables dans les trois domaines analysés de l’appui financier.
# Table of contents

- Foreword ....................................................................................................................... 3
- Acknowledgments .......................................................................................................... 4
- List of acronyms ............................................................................................................. 8
- Executive Summary ....................................................................................................... 9
- 1. Introduction ................................................................................................................. 12
- 2. Background and context ............................................................................................ 13
  - 2.1. The Enhanced Transparency Framework and current reporting arrangements under the UNFCCC ............................................................................................................. 13
  - 2.2. Reporting arrangements outside of the UNFCCC ................................................. 14
- 3. Financial support provided ....................................................................................... 17
  - 3.1. Relevant experience and potential challenges ......................................................... 17
  - 3.2. Common Tabular Format and areas of work ......................................................... 18
    - 3.2.1. Improving clarity and transparency of reporting ............................................... 18
    - 3.2.2. Face value and grant equivalent ........................................................................ 20
    - 3.2.3. Options for bilateral, regional and other channels ............................................ 21
    - 3.2.4. Options for multilateral channels ..................................................................... 22
    - 3.2.5. Elements that need to be clarified ..................................................................... 25
- 4. Financial support mobilised ..................................................................................... 26
  - 4.1. Relevant experience and potential challenges ......................................................... 26
  - 4.2. Common Tabular Format and areas of work ......................................................... 28
    - 4.2.1. Linkages between finance provided and finance mobilised ............................... 29
    - 4.2.2. Element for further clarification and potential areas for further work ............... 29
- 5. Financial support received ......................................................................................... 30
  - 5.1. Relevant experience and potential challenges ......................................................... 30
  - 5.2. Common Tabular Format and areas of work ......................................................... 31
    - 5.2.1. Facilitating convergence of classifications and enhancing understanding ........... 32
    - 5.2.2. Increased granularity and project details ........................................................... 33
- 6. Options for common tabular formats .......................................................................... 35
- 7. Conclusions ................................................................................................................ 40
- Annex A. Calculating Grant Equivalent ........................................................................ 42
- Annex B. The Rio Marker Methodology ....................................................................... 43
- References ...................................................................................................................... 44
Tables

Table 1. Key enhancements for new CTF tables................................................................. 9
Table 2. Summary of reporting requirements under the ETF and relevant experience........... 16

Figure 3.1. Attributing bilateral flows and multilateral inflows and outflows......................... 23
## List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>APA</td>
<td>Ad Hoc Working Group on the Paris Agreement</td>
</tr>
<tr>
<td>BR</td>
<td>Biennial Report</td>
</tr>
<tr>
<td>BTR</td>
<td>Biennial Transparency Report</td>
</tr>
<tr>
<td>BUR</td>
<td>Biennial Update Report</td>
</tr>
<tr>
<td>CCXG</td>
<td>Climate Change Expert Group</td>
</tr>
<tr>
<td>COP</td>
<td>Conference of the Parties to the UNFCCC</td>
</tr>
<tr>
<td>CTF</td>
<td>Common Tabular Format</td>
</tr>
<tr>
<td>CRS</td>
<td>OECD’s Creditor Reporting System</td>
</tr>
<tr>
<td>DAC</td>
<td>OECD’s Development Assistance Committee</td>
</tr>
<tr>
<td>ETF</td>
<td>Enhanced Transparency Framework</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>IEA</td>
<td>International Energy Agency</td>
</tr>
<tr>
<td>IO</td>
<td>International Organization</td>
</tr>
<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
</tr>
<tr>
<td>LICs</td>
<td>Low Income Countries</td>
</tr>
<tr>
<td>LMICs</td>
<td>Lower Middle Income Countries</td>
</tr>
<tr>
<td>MDB</td>
<td>Multilateral Development Bank</td>
</tr>
<tr>
<td>MMR</td>
<td>Monitoring Mechanism Regulation of the European Union</td>
</tr>
<tr>
<td>MPGs</td>
<td>Modalities, Procedures and Guidelines</td>
</tr>
<tr>
<td>NDC</td>
<td>Nationally Determined Contribution</td>
</tr>
<tr>
<td>NC</td>
<td>National Communication</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OOF</td>
<td>Other Official Flows</td>
</tr>
<tr>
<td>PA</td>
<td>Paris Agreement</td>
</tr>
<tr>
<td>PAWP</td>
<td>Paris Agreement Work Programme</td>
</tr>
<tr>
<td>SIDS</td>
<td>Small Islands Developing States</td>
</tr>
<tr>
<td>SBSTA</td>
<td>Subsidiary Body for Scientific and Technological Advice</td>
</tr>
<tr>
<td>TACCC</td>
<td>Transparency, Accuracy, Completeness, Comparability, Consistency</td>
</tr>
<tr>
<td>UMICs</td>
<td>Upper Middle Income Countries</td>
</tr>
<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
</tr>
</tbody>
</table>
Executive Summary

The Modalities, Procedures and Guidelines (MPGs) adopted at COP24 in Katowice lay out rules for reporting and reviewing information under the Enhanced Transparency Framework (ETF) of the Paris Agreement (PA). The MPGs are common to all Parties and define the informational elements to be provided by Parties under the ETF in a number of areas including on financial support provided, mobilised and received. The Katowice decision on the MPGs requests the Subsidiary Body for Scientific and Technological Advice (SBSTA) to develop Common Tabular Formats (CTFs) for the reporting of information on, *inter alia*, financial support provided, mobilised and received (UNFCCC, 2019[1]).

This paper highlights potential issues and proposes options that Parties may wish to consider when developing CTFs for the reporting of financial support provided, mobilised and received.¹ Key options and enhancements that could potentially be included in new reporting tables for all the three areas analysed are summarised in Table 1. The paper draws upon the new reporting requirements laid out under the ETF as well as upon existing OECD, CCXG and other relevant work on Parties’ climate finance reporting experience inside and outside the United Nations Framework Convention on Climate Change (UNFCCC).

Table 1. Key enhancements for new CTF tables²

<table>
<thead>
<tr>
<th>Enhancement includes</th>
<th>Financial Support Provided</th>
<th>Financial Support Mobilised</th>
<th>Financial Support Received</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed lists of standardised response options for financial instruments</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>The use of standardised response options may facilitate comparability of information across Parties.</td>
</tr>
<tr>
<td>Closed lists of standardised response options for sectors and sub-sectors</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Standardised options for sectoral classifications could draw upon DAC-CRS classifications.</td>
</tr>
<tr>
<td>A documentation box for the provision of information on underlying assumptions, definitions and methodologies</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>These could include e.g. information on Rio Marker coefficients or information on the degree of causality of the financial flows mobilised.</td>
</tr>
<tr>
<td>Use of notation keys (e.g. not available, NA) when information is not available</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Use of notation keys may help to avoid the counting of “false zeros”.</td>
</tr>
<tr>
<td>A column for the voluntary reporting of information on climate finance expressed in terms of grant equivalent</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>Alternatively, this information could be included in a footnote.</td>
</tr>
</tbody>
</table>

¹ The MPGs provide also guidance in relation to reporting financial support needed. This reporting element is however not explored in this paper.

² As per the MPGs, CTFs are mandatory only for financial support provided (UNFCCC, 2019[1]).
**Financial support provided**

The MPGs require (“shall”) developed country parties and request (“should”) other countries providing support to report information on climate finance provided using a CTF. Under the current UNFCCC reporting framework, the majority of developed country Parties already have considerable experience in reporting information on financial support provided; indeed, Annex II Parties are currently required to report this information in their Biennial Reports (BRs) using a CTF. Analyses of current reporting practices, nonetheless, show that the information that is being reported is still largely inconsistent as Parties are using different definitions and are reporting at different levels of granularity (Vallejo, Moarif and Halimanjaya, 2017[2]; Ellis and Moarif, 2017[3]).

In their work in developing new CTFs for financial support provided, Parties may wish to consider a number of enhancements and options that could facilitate transparency and comparability of the data reported. For instance, to enhance the transparency of the reporting of information on bilateral, multilateral and multi-bilateral contributions, new tables could allow for the specification of how a “cross-cutting” contribution is split between different types of support (i.e. “mitigation” and “adaptation”), if information is available. Further, new CTFs could allow for the inclusion of more detailed information on the methodologies adopted to calculate the climate-specific share of a bilateral contribution. This could include allowing for reporting on the coefficients that countries use to determine the climate-related amount of a contribution. Currently, the use of different coefficients by different Parties represents a major challenge in terms of transparency, consistency and readability of the data provided. Lastly, in order to provide a more complete picture of climate finance provided via multilateral contributions, new CTFs could facilitate the reporting of information on outflows from Multilateral Development Banks (MDB) by including a separate column or section within the CTF for Parties to report in.

**Financial support mobilised**

The MPGs require (“shall”) developed country Parties to report information on financial support mobilised using a “tabular and/or textual format”. Under the current UNFCCC reporting framework, developed country Parties have limited experience in reporting information on financial support mobilised, as the reporting of this element is not mandatory. In other contexts (e.g. the OECD Research Collaborative on Tracking Private Climate Finance and the OECD Development Assistance Committee) substantial progress has been made in recent years in developing consistent methodologies to track private climate finance mobilised.

The potential use of CTFs can help systematise the reporting on financial support mobilised and can contribute to enhancing consistency in the data provided. For instance, new CTFs could enhance the understanding of the data reported by including a box or column whereby Parties could choose from a closed list of response options to report on the type of public interventions used to mobilise climate finance. When developing new CTFs for the reporting of information on financial support mobilised, Parties may wish to consider

---

3 For example public finance interventions, public policy interventions, capacity-building and technology development and transfer.
potential linkages between CTFs for financial support provided and mobilised. Options for integrating reporting on both items are analysed in this paper.

**Financial support received**

The MPGs request (“should”) developing country Parties to report information on financial support received using a CTF. Under the current UNFCCC reporting framework, most developing country Parties have limited experience in reporting information on financial support received. Nonetheless, the vast majority of the developing country Parties reporting this information does so using a tabular format. The detailed guidance provided by the MPGs could help developing country Parties to better identify reporting elements to focus on when establishing systems to track financial flows. Recognising, however, the challenge some countries with limited tracking and reporting capacities may face in reporting some of this information, the MPGs indicate specific reporting elements are to be reported “to the extent possible, and as available and as applicable” (UNFCCC, 2019[1]).

The use of reporting tables for climate finance received could contribute to an improved and more streamlined reporting of this item. New CTF tables could enhance understanding of the data provided by asking Parties to use notation keys when unable to provide information due to capacity constraints. Finally, via the use of documentation boxes and standardised labels, new tables could facilitate the provision of information that requires qualitative descriptions (e.g. use, impact and estimated results).

**Main conclusions**

The CTFs to be developed under the Paris Agreement’s ETF could play an important role in facilitating the reporting of more consistent, comparable and granular information on climate finance provided, mobilised and received. This is because these tables will need to clearly lay out what shall (or should) be reported – unlike current reporting guidance on climate finance, which is much less detailed (particularly for climate finance mobilised and received). CTFs could also potentially facilitate aggregation and comparability of data, at least for the mandatory reporting elements of the MPGs (i.e. financial support provided and mobilised – to the extent that mobilised climate finance is reported in CTF format), and particularly if CTF tables are developed in a machine-readable format, e.g. Excel. Facilitating the aggregation of consistent and comparable information could also help Parties and the international community to have a clearer vision of progress towards international climate finance goals.

Despite the potential benefits of using CTFs for the reporting of information on climate finance, a number of challenges remain to be overcome in order to ensure full comparability and consistency of the data reported. In particular, existing differences across Parties in definitions and methodologies adopted will continue to lead to some levels of inconsistency and lack of comparability. In addition, a number of challenges related to a country’s tracking capacity and to availability of data on financial support are still likely to render reporting of climate finance partially incomplete. Increased co-operation and exchange of information across Parties and international financial institutions, as well as further reporting experience gained over time are likely to help addressing these challenges.
1. **Introduction**

The Modalities, Procedures and Guidelines (MPGs), agreed in 2018 at COP24 include rules for reporting and reviewing information that Parties are to submit under the Enhanced Transparency Framework (ETF) of the Paris Agreement (PA). The MPGs delineate the reporting provisions in relation to, *inter alia*, financial support provided, mobilised and received.

Under the MPGs, developed country Parties “shall” and other countries providing support “should” report information on climate finance provided using a “common tabular format” (CTF). Moreover, developing country Parties “should” report information on financial support received using a CTF and developed country Parties “shall” report information on financial support mobilised in a tabular and/or textual format. The Katowice decision on the MPGs requests the Subsidiary Body for Scientific and Technological Advice (SBSTA) to develop CTFs for the electronic reporting of this information, taking into account existing common tabular formats. The tables are envisaged to be adopted by COP26 (Decision 18/CMA.1 on MPGs, paragraph 12) (UNFCCC, 2019).

This paper explores issues relating to and suggests options for CTF tables for financial support provided, mobilised and received. Examples of CTF tables are presented in Section 6. The paper draws upon existing OECD and CCXG work (Ellis and Moarif, 2017; Ellis et al., 2018; OECD, 2018; Vallejo, Moarif and Halimanjaya, 2017) on the analysis of relevant reporting experience under the UNFCCC as well as the new requirements under the ETF. An accompanying paper (Rocha, 2019) explores issues and suggests options for CTF tables for greenhouse gas inventories and for tracking progress to Nationally Determined Contributions (NDCs) for selected NDC types.

---

4 The MPGs agreed at COP24 relating to the reporting of financial support provided and mobilised refer to “tabular format”, whereas guidelines for the reporting of information on financial support received refer to “common tabular format”. This paper considers the “tabular format” mentioned in the MPGs for financial support provided and mobilised to refer to “common tabular format”.

5 Further, developing country Parties “should” report information on financial support needed using a CTF. Reporting tables for this reporting element will thus be also needed.

6 The MPGs include reporting provisions for financial, technology development and transfer and capacity-building support provided and mobilised as well as for financial, technology development and transfer and capacity-building support needed and received. This paper focuses on financial support provided, mobilised and received. Financial support needed is an important reporting element, but forward-looking estimates require a different set of considerations from backward-looking estimates on climate finance provided, mobilised and received (Ellis et al., 2018). It would thus benefit from being discussed separately.
2. Background and context

Reporting information on financial support provided, mobilised and received is already demanded under the current United Nations Framework Convention on Climate Change (UNFCCC) reporting framework, and the level of obligation for the reporting on the three types of support differs between developed and developing countries. Some developed country Parties are also required to report information on financial support provided and mobilised under reporting arrangements outside of the UNFCCC. This section presents current UNFCCC reporting arrangement and highlights the main changes introduced by the ETF agreed under the PA. Following, it provides a brief overview of other existing reporting arrangements outside of the UNFCCC. This information is summarised in Table 2.

2.1. The Enhanced Transparency Framework and current reporting arrangements under the UNFCCC

Current reporting guidelines for the preparation of developed country Parties’ Biennial Reports (BRs) and National Communications (NCs) require (“shall”) Annex II\(^8\) Parties to report information on financial support provided. In addition, BR guidelines request (“should”) information from Annex II Parties on financial support “leveraged”\(^9\). Guidelines for the preparation of Non-Annex I Parties’ Biennial Update Reports (BURs) and NCs request (“should”) Parties to report information on financial support received. As discussed further in Vallejo et al. (2017[2]) and in Ellis and Moarif (2017[3]), current reporting guidelines lay out only general guidance on what is to be reported and how. At present, the use of a CTF is required only by BR guidelines for the reporting of information on financial support provided.

The MPGs agreed at COP24 reinforce and enhance the current reporting framework on financial support in at least three aspects:

- They require developed country Parties and request developing country Parties to include information on “national circumstances and institutional arrangements”

---

\(^7\) These include the Monitoring Mechanism Regulation (MMR) and the OECD Development Assistance Committee Creditor Reporting System (DAC-CRS).

\(^8\) Annex II Parties consist of the OECD members of Annex I, with the exclusion of the economies in transition (EIT). Annex II Parties are listed in the 1992 United Nations Framework Convention on Climate Change, amended by decision 26/CP.7: Australia, Austria, Belgium, Canada, Denmark, European Union, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States.

\(^9\) In particular, Annex II Parties are encouraged, to the extent possible, to report information on “private financial flows leveraged by bilateral climate finance policies and on measures that promote the scaling up of private investment in mitigation and adaptation activities in non-Annex I countries” (decision 2/CP.17). While current reporting guidelines refer to financial flows “leveraged”, the MPGs refer to financial flows “mobilised”. In contrast, NC guidelines do not require Annex I Parties to report information on finance mobilised.
relating to climate finance as well as on “underlying assumptions, definitions and methodologies” (Paragraphs 119, 121, 130 and 131 of the MPGs);

- They strengthen current reporting requirements for financial support provided and mobilised as they reflect the PA in requiring all developed country Parties, and not only Annex II Parties, to report information on financial support provided and mobilised and encourage “other” Parties that provide support to do so as well10;

- They introduce the CTF element into reporting rules for developing countries and for the reporting of financial support mobilised.

These aspects, along with increased detail of the reporting guidelines compared to current reporting framework can facilitate improvements in granularity, transparency, consistency and potentially comparability of data on financial flows (Ellis et al., 2018[4]). Notably, the increased emphasis on reporting quantitative and qualitative financial information using a CTF can facilitate aggregation of data. Indeed, it is important that the outcome of Parties’ work under the SBSTA in developing CTFs reflects the different principles11 of the Paris Agreement and its accompanying decision as well as of the MPGs.

Despite the potential benefits that may result from a widespread use of reporting tables, a number of challenges hindering full comparability and consistency of data remain to be overcome. In particular, Parties’ different use of definitions and methodologies will imply the persistence of some levels of inconsistency and incomparability at the disaggregate level. Furthermore, because reporting information on finance received on behalf of developing countries is not mandatory, there will likely continue to be limited comparability between information on financial support provided by developed country Parties and information on financial support received by developing country Parties.

2.2. Reporting arrangements outside of the UNFCCC

Many developed country Parties12 base their climate finance reports to the UNFCCC on the information that they report to the OECD Development Assistance Committee Creditor...

---

10 MPGs’ guidance for the reporting of support provided and mobilised does not contain any modal verb (shall or should), other than the “shall” requirement introduced in paragraph 118 of the MPGs’ Annex, which requires Parties to report information on financial support provided in accordance with the MPGs laid out thereafter (UNFCCC, 2019[1]). In contrast, MPGs’ guidance for the reporting of support received includes a modal verb (“should”) for every informational element that is requested to be reported. Noting that Article 9.7 of the PA indicates that reporting on climate finance provided and mobilised is a “shall” requirement for developed countries, this paper considers paragraph 118 of the MPGs as sufficient to justify the mandatory nature of reporting information on financial support provided and mobilised. Upon consultations with delegates, it is worth noting that although this interpretation reflects the common understanding of the text by those who negotiated it, the MPGs wording on paper may be open to interpretation.

11 These include promoting transparency, accuracy, completeness, comparability, consistency (TACCC), avoiding double counting, avoiding duplication of work, promoting improvement over time, preventing backsliding and ensuring that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention.

12 These include: 30 DAC member countries (Australia, Austria, Belgium, Canada, Czech Republic, Denmark, EU, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, United Kingdom and the United States) and 15 countries...
Reporting System (DAC-CRS)\(^{13}\). There are nonetheless a number of differences between what DAC members report to the CRS and what they thereafter report as climate finance to the UNFCCC. These differences, presented and discussed in Vallejo et al. (Vallejo, Moarif and Halimanjaya, 2017\(^{[2]}\)), are mostly attributable to differing scopes of eligibility (e.g. of activities) and to the diversity of approaches adopted (e.g. for the identification of instruments and recipients or for the quantification of the climate-specific component of contributions).

Developed country Parties that are members of the European Union (EU) are also required under EU rules\(^{14}\) to report annually on climate finance provided to developing countries. Under this system, EU countries can also report information on private financial flows mobilised, including information on definitions and methodologies adopted.

---

\(^{13}\) The CRS relies on the use of a statistical system with standardised definitions and methodologies (OECD-DAC, 2018\(^{[9]}\)). It includes information on "Official Development Assistance" (ODA), "Other Official Flows" (OOF), private grants and private amounts mobilised that is reported by DAC and non-DAC members.

\(^{14}\) Article 16 of the EU greenhouse gas Monitoring Mechanism Regulation (MMR).
## Table 2. Summary of reporting requirements under the ETF and relevant experience

<table>
<thead>
<tr>
<th>Reporting area under the ETF</th>
<th>Reporting element under the ETF</th>
<th>Requested (“should”) or required (“shall”)?</th>
<th>Reporting format</th>
<th>Is the reporting of this information, or similar information, required or requested by current reporting guidelines?</th>
<th>How is this information being reported under the current reporting framework, and in which format?</th>
<th>Is this information reported under other reporting systems (DAC-CRS and/or EU MMR)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information on financial [...] support provided and mobilised under Articles 9-11 of the Paris Agreement</td>
<td>National circumstances and institutional arrangements (Annex MPGs V.A)</td>
<td>Required for developed country Parties</td>
<td>Not specified</td>
<td>No (but often reported)</td>
<td>Textual format</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Underlying assumptions, definitions and methodologies (Annex MPGs V.B)</td>
<td>Required for developed country Parties</td>
<td>Not specified</td>
<td>No (but often reported)</td>
<td>Textual format/ documentation box</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Information on financial support provided: Bilateral, regional and other channels (Annex MPGs V.C, para 123)</td>
<td>Required for developed country Parties</td>
<td>Common tabular format</td>
<td>Required for Annex II Parties</td>
<td>Common tabular format</td>
<td>DAC-CRS and EU MMR</td>
</tr>
<tr>
<td></td>
<td>Information on financial support provided: Multilateral channels (Annex MPGs V.C, para 124)</td>
<td>Required for developed country Parties</td>
<td>Common tabular format</td>
<td>Required for Annex II Parties</td>
<td>Common tabular format</td>
<td>DAC-CRS and EU MMR</td>
</tr>
<tr>
<td></td>
<td>Information on financial support provided and mobilised: Information on finance mobilised through public interventions (Annex MPGs V.C, para 125)</td>
<td>Required for developed country Parties</td>
<td>Textual and/or common tabular format</td>
<td>Encouraged for Annex II Parties</td>
<td>Usually textual format</td>
<td>DAC-CRS</td>
</tr>
<tr>
<td>Information on financial [...] support needed and received under Articles 9-11 of the Paris Agreement</td>
<td>National circumstances, institutional arrangements and country-driven strategies (Annex MPGs VI.A)</td>
<td>Requested for developing country Parties</td>
<td>Not specified</td>
<td>No (but sometimes reported)</td>
<td>Textual format</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Underlying assumptions, definitions and methodologies (Annex MPGs VI.B)</td>
<td>Requested for developing country Parties</td>
<td>Not specified</td>
<td>No (but sometimes reported)</td>
<td>Textual format</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Information on financial support received by developing country Parties under Article 9 of the Paris Agreement (Annex MPGs VI.D)</td>
<td>Requested for developing country Parties</td>
<td>Common tabular format</td>
<td>Requested for non-Annex I Parties</td>
<td>Usually tabular format</td>
<td>No</td>
</tr>
</tbody>
</table>

**Notes:** Usually (above 70%); Often (between 50 and 75%); Sometimes (below 50%).

**Source:** Authors and other CCXG analyses (Vallejo, Moarif and Halimanjaya, 2017[2]; Ellis and Moarif, 2017[3])
3. Financial support provided

The MPGs state that all developed country Parties “shall” report information on financial support provided for the previous two reporting years, both via “bilateral, regional and other” channels and via “multilateral” channels, using a CTF. Other Parties providing financial support are encouraged to do so as well. Further, the MPGs require developed country Parties to report information on “national circumstances and institutional arrangements”, as well as on “underlying assumptions, definitions and methodologies” used to report on items of financial flows (Paragraphs 119 and 121 of the MPGs) (UNFCCC, 2019[1]).

3.1. Relevant experience and potential challenges

Under the current reporting framework, most developed country Parties already have considerable experience in reporting information on financial support provided using a CTF. UNFCCC BR guidelines require Annex II Parties to report information on the provision of financial support following a CTF17. Each CTF is accompanied by a “documentation box”, where Parties are to include information on definitions and methodologies that they have used.18 These same CTFs are also included in the conclusions of the revised guidelines for the preparation of NCs by Annex I Parties (UNFCCC, 2016[7]). Since January 2018, Annex II Parties have been using the revised CTF as part of their third round of BRs.

When reporting information to the UNFCCC, many developed country Parties build on experience gained from reporting climate-related development finance to the OECD-DAC. For example, 19 out of 24 Annex II Parties indicate in their BR3 that the information

---

15 This section is supported by an analysis conducted by the authors on the third round of BR reports submitted by Annex II Parties.

16 These include exchange rates used; grant equivalency; efforts taken to enhance comparability and accuracy of information reported; the support as being climate-specific and information on the efforts taken to avoid double counting.

17 These were agreed at COP18 (decision 19/CP.18) and further revised during COP21 (decision 9/CP.21) (UNFCCC, 2012[21]; UNFCCC, 2015[20]). CTF tables relevant for reporting information on financial support provided are Table 7(a) (“Provision of public financial support: contribution through multilateral channels in 20XX-3”) and Table 7(b) (“Provision of public financial support: contribution through bilateral, regional and other channels in 20XX-3”) of decision 9/CP.21. (UNFCCC, 2015[20]).

18 In particular, Parties are to explain how they define funds as being climate-specific or core/general; the methodologies used to identify and specify status, funding source, financial instrument, type of support and sector.

19 During the plenary of the 45th SBI session some Parties have expressed, and subsequently implemented, their intention to use the proposed tables for the preparation of their seventh NC, due on January 2018 (UNFCCC, 2017[22]).
reported on financial support provided is largely based on the information that they regularly report to the DAC-CRS database, which relies on DAC methodologies\textsuperscript{20}. The information requested by DAC is, nonetheless, significantly more detailed than the information on financial support provided that Parties have to report to the UNFCCC\textsuperscript{21}. Parties that rely on the CRS database to prepare their BRs and NCs, usually pull out and adapt the data reported to DAC so as to match UNFCCC reporting guidelines.

Despite improvements over time, analyses of Parties’ BR3 reporting practices show that the information that is being reported on financial support provided is still largely inconsistent, as Parties are using different definitions, are reporting at different levels of granularity and do not always report detailed information on the methodologies adopted for tracking financial flows. The lack of commonly-agreed methodologies and definitions adopted to identify reporting elements (examples include currency and exchange rates, timeframes and criteria used to define “climate specificity”) hinders the comparability of data at the aggregate level (Ellis and Moarif, 2017\textsuperscript{3}).

Existing CCXG work e.g. (Ellis and Moarif, 2017\textsuperscript{3}; Vallejo, Moarif and Halimanjaya, 2017\textsuperscript{2}) lays out in-depth analysis of the main challenges that Parties face when reporting information on financial support provided. These include:

- At the national level, ensuring internal consistency (e.g. different institutions will use different methodologies and instruments when tracking a contribution);
- At the international level, ensuring consistency of data across different Parties;
- Reporting consistently the methodologies and coefficients used to calculate the climate-specific share of a contribution;
- Estimating and reporting the climate-related share of a multilateral contribution;
- Reporting information at the project-level (e.g. on sectors and type of support) on multilateral contributions.

### 3.2. Common Tabular Format and areas of work

Although the CTFs currently in use represent a good starting point for the development of new tables, there are a number of issues that could be considered for further improvement in the context of new reporting tables under the ETF. This section explores options and potential areas of work that Parties may wish to consider when developing new CTF tables under SBSTA. Examples of reporting tables for financial support provided are presented in section 6.

#### 3.2.1. Improving clarity and transparency of reporting

Following the guidance laid out in the MPGs, new CTFs could play an important role in facilitating the provision of more transparent and granular information. The MPGs give clear guidance on the project-level elements that Parties are required to report on (e.g. status, amount, funding source, financial instrument), which could therefore be included in

---

\textsuperscript{20} For example, Belgium, Austria, Canada, Denmark, the EU, Finland, France, Germany, Greece, Iceland, Japan, Netherlands, New Zealand, Portugal, Spain and Sweden indicate that they use the OECD-DAC Rio Markers methodology (see 7. Annex B) to estimate the climate-specific amount of a contribution.

\textsuperscript{21} Supplementary information requested under DAC includes type of aid, sub-sector, and recipient income group.
the tables. In addition, the MPGs’ requirement for developed country Parties to provide information on “national circumstances and institutional arrangements” and “underlying assumptions, definitions and methodologies” (paragraphs 119 and 121 of the MPGs) could suggest the inclusion of a “documentation box” in support of the CTF tables.

As a general note, new CTFs could encourage the use of converging categorisations for a number of reporting elements so to facilitate the comparability and understanding of the data reported. The identification of the categories to be used could follow what is already indicated in the MPGs. For parameters such as status, channel, funding source, financial instruments and sector, the new guidelines lay out a set of standardised response options that Parties can use when filling in the tables.

Taking these elements into consideration, further options for improvements of CTF tables on financial support provided for both bilateral and multilateral contributions include:

- **Increasing transparency of information at the project-level**, i.e. by including separate columns for recipient country/region and programme/activity. Current CTFs for financial support provided include only one column for the indication of information on “recipient country/region/project/programme/activity”. Separating the information on country/region from the information on programme/activity could facilitate readability and potentially elaboration of data, when needed.

- **Facilitating the use of converging categorisations of destination sectors**: the MPGs require the inclusion of information on sectors and sub-sectors (“as available”). Unlike for other reporting elements, the MPGs do not include a list of standardised response options for this element. Response options are nonetheless included in the reporting tables currently in use. Building on current experience, new CTFs could enrich the list currently provided and include options also for sub-sectors. This could facilitate consistency across categorisations. Options for identifying standardised responses for sectors’ and potentially sub-sectors’ categories include considering the sector classifications currently in use under the OECD DAC22 (OECD-DAC, 2019[8]). As several Parties already base the information that they include in the UNFCCC CTFs on what they regularly communicate to the DAC23, encouraging Parties to base their sectoral definitions on the ones used by DAC reporting could enhance the understanding of the information reported across countries and, potentially, comparability.

- **Facilitating reporting of information when the type of a contribution is known**: Some contributions will target both adaptation and mitigation objectives, and information on the share of the contribution targeting either type is sometimes known24. Under current CTF tables Parties cannot indicate within the table how a

---

22 The CRS uses a list of purpose codes, name and definitions to identify the sector of destination of a financial contributions. The system identifies 49 main sectors and 223 sub-sectors. (OECD-DAC, 2019[8]).

23 In its third Biennial Report, France reports that the identification of the sector targeted is based as closely as possible on the DAC definitions (Government of France, 2017[19]). Other Parties, including Germany, Belgium, Canada and Spain also identify sectors based on DAC purpose codes (Government of Spain, 2017[39]) (Government of Germany, 2017[32]) (Government of Belgium, 2017[40]) (Government of Canada, 2017[41]).

24 Some developed country Parties have raised this issue in their most recent BR, including Norway and Canada (Government of Norway, 2017[33]) (Government of Canada, 2017[41]).
contribution is split between adaptation and mitigation, and therefore end up reporting the totality of the contribution as “cross-cutting”, even when information on the shares of types of support can be calculated and is available\(^ \text{25} \). New CTFs could allow for the provision, for each contribution, of multiple rows for the specification of shares relating to the two different to different types of support (mitigation and adaptation), as applicable and if information is available. Reporting this information could increase the transparency of the data provided and improve the understanding of the split of financial flows between adaptation and mitigation.

3.2.2. Face value and grant equivalent

The MPGs require Parties to report the face value of a contribution and encourage them to voluntarily report its grant equivalent (see 7. Annex A). To date, Parties have no experience in providing information on the latter under the UNFCCC. However, developed country Parties that are members of the DAC have recently started to report information on grant equivalent for some financial instruments, notably ODA bilateral loans to the official sector and ODA loans to multilateral institutions\(^ \text{26} \). Therefore, work on grant equivalent in the context of UNFCCC CTF tables could benefit from and draw upon the methodologies agreed under the DAC for these instruments.

Although calculating the grant equivalent of a specific instrument can be methodologically challenging, its inclusion in the CTF table would facilitate comparison across different providers. The grant element, in fact, would highlight the “grant” portion of a concessional loan. New reporting tables could address the inclusion of this element either by including a dedicated column where Parties can report the grant equivalent value of a contribution, or by allowing Parties to report this information, when available, in a footnote. Were Parties to opt for the first option, the CTF table could usefully include notation keys (e.g. “NA”), to be used when information on grant equivalent is not available. This would facilitate the readability and transparency of the data reported and avoid the risk of counting “false zeros”. In addition, it would be advisable for Parties to indicate, in the documentation boxes, the methodologies used to calculate the grant equivalent, including information on the discount rate applied and on the maturity of the loan.\(^ \text{27} \) Both elements are in fact relevant for the calculation of the grant equivalent (see 7. Annex A).

\(^ \text{25} \) For example, MDBs annually report to the OECD-DAC on the split of climate-related funds between mitigation and adaptation.

\(^ \text{26} \) From 2019 under the OECD-DAC, the grant equivalent system has become the standard for reporting both ODA bilateral loans to the official sector and ODA loans to multilateral institutions (reporting on 2018 data). Methodologies for the calculation of the grant element of these two financial instruments have been agreed following the 2014 High Level Meeting (HLM) of the OECD-DAC\(^ \text{26} \) (OECD-DAC, 2016[30]). At the HLM in 2016, the DAC agreed to extend reporting on grant equivalent to other instruments, i.e. equity investments, mezzanine finance and guarantees provided by official development finance sources. However, agreement on methodologies to calculate the grant equivalent of these private sector instruments has not yet been reached. For the time being, provisional arrangements have been put in place for the reporting of 2018 and 2019 data, until a set of rules are agreed.

\(^ \text{27} \) The maturity of a loan refers to its final payment date.
3.2.3. Options for bilateral, regional and other channels

When reporting information on financial support provided, the methodologies used are not always consistent within a country – as well as between countries. For example, some Parties (e.g. France)\(^ {28} \) note that different national bilateral delivery channels (e.g. bilateral development banks) may adopt different approaches to determine elements such as type of support, sector, instrument and climate-specificity of the project. To address this issue, Parties could be encouraged to define and report common national methodologies for tagging financial flows\(^ {29} \) (e.g. in the documentation box). If this is not possible, Parties could include detailed information on the methodologies used by different bilateral delivery channels and clearly indicate the providers in the table.

Another issue specific to bilateral and regional channels is estimating the value of contributions that do not target climate change only. In order to determine the climate-related value of a contribution, at least 17 out of 24 Annex II Parties state in their BR3 that they adopt the OECD Rio Markers methodology (see 7. Annex B). To estimate the climate-related share of contributions that “significantly” target climate change, Parties assign different coefficients for different degrees of climate “significance” of the funded project\(^ {30} \), and use these coefficients to scale down the total volume of finance provided. The lack of common reporting standards and the use of different coefficients represents a major challenge in terms of consistency of the data provided across different Parties.

In particular, paragraph 119(d) of the MPGs’ Annex –which requires developed country Parties to include information on “efforts taken to enhance comparability and accuracy of the information reported” (UNFCCC, 2019\(^ {1} \))— could be read to suggest reporting on the methodologies used to calculate and attribute any coefficients. As a further option, new CTFs could include the coefficient’s value within the table itself\(^ {31} \) e.g. in a dedicated column.

Lastly, it would be helpful for new reporting tables to facilitate the reporting of Rio Marker indicators and thus the identification of contributions that “principally” target climate change as opposed to those that “significantly” target climate change. In order to do so, the tables could allow Parties to indicate this distinction either in a dedicated column or in a footnote.\(^ {32} \) To further enhance transparency of reporting, and to provide a clearer picture

\(^ {28} \) (Government of France, 2017[19])

\(^ {29} \) Indeed, some Parties (e.g. Germany) already indicate in their BR3 that they have undertaken efforts to streamline and improve consistency across data collected by different national institutions. (Government of Germany, 2017[32])

\(^ {30} \) Coefficients’ values range from 1% to 100%, and can vary both within and between countries. Depending on the methodology adopted by the country, some Parties undertake project-by-project assessments to determine the coefficient corresponding to the climate change component, while other Parties determine a fixed coefficient’s value (e.g. 30%) that will apply to all the “significant” climate change portfolios (OECD, 2015).

\(^ {31} \) This practice is already being explored by other reporting frameworks outside of the UNFCC. For instance, the DAC Secretariat is already gathering information, on a voluntary basis, on the coefficients used to report climate finance to the UNFCCC. This information may thereafter be included in the DAC-CRS database.

\(^ {32} \) Some Parties already include in the table information on whether a contribution is “principal” or “significant”. Canada, for example, marks with an asterisk “*” or with a cross “+” the contributions
of how the climate-relevant amount fits within the total amount of a contribution, new CTF tables could also consider allowing for reporting on core/general amount provided. Within current CTF tables Parties can only report information on the climate-related value of the financial flow. In contrast, CTF tables for financial support provided via multilateral channels allow for the inclusion of information on both core/general and climate-specific amounts.

3.2.4. Options for multilateral channels

The MPGs include provisions for Parties to report on inflows “and/or outflows” of multilateral climate finance (Paragraph 124.e of the MPGs) (UNFCCC, 2019[1]). The option to report on outflows is a newly-introduced element, and can represent a major challenge for individual Parties, as they do not have direct access to this information.

Inflows to multilateral financial institutions are un-earmarked contributions that Parties provide to multilateral organisations, and therefore do not give any indication on how the funds will be used. Outflows from multilateral financial institution are total funds that flow from a multilateral organisation to a recipient Party. Outflows may include, in addition to the inflows of finance provided by a given Party, co-financing from other bilateral or multilateral financial institutions, and/or private climate finance mobilised. Therefore, while Parties can accurately report how much finance they provide to multilateral channels, (i.e. “inflows to multilaterals”), they do not have visibility of the level of outflows from multilateral channels, nor of the proportion of such outflows that are climate finance. This means that Parties would need data from MDBs to report precisely on a) what proportion of the inflow is used for climate purposes (“climate-specific share”), and b) what specific projects and related sectors the contribution (“inflow”) has supported (Figure 3.1).

that, respectively, target principally or significantly climate change. (Government of Canada, 2017[41])
While it is possible to attribute a bilateral flow to a bilateral provider, attributing a multilateral outflow back to an individual provider would require further information.

**Figure 3.1. Attributing bilateral flows and multilateral inflows and outflows**

While it is possible to attribute a bilateral flow to a bilateral provider, attributing a multilateral outflow back to an individual provider would require further information.

**Reporting on inflows to multilateral financial institutions**

In light of the challenges highlighted so far, new CTFs could facilitate the readability and transparency of information that Parties include on inflows to multilateral institutions, in particular in relation to the information on the climate-specific share and type of a contribution to multilateral institutions. The MPGs require developed country Parties to report information either on the core-general or on the climate-specific share of a contribution. Reporting on the latter can be particularly challenging because it would require defining what share of a project is climate-specific. Although some multilateral providers (notably the “climate funds”, e.g. Adaptation Fund; CIF Clean Technology Fund; GEF Least Developed Countries Trust Fund) earmark 100% of their outflows to climate related projects (rendering reporting on amounts, at least, easier), other providers allocate only a share of the total amount received by a donor to climate-related projects. To date, some developed country Parties have relied on OECD-CRS information to determine and estimate these climate-specific shares. While many developed countries do not specify how the climate-specific share of a multilateral contribution is calculated, others (e.g. France; Norway) clearly state that they have used the imputed multilateral shares as per the DAC system. (Government of Norway, 2017[33]; Government of France, 2017[19])

These include: Asian Infrastructure Investment Bank (AIIB); African Development Bank (AfDB); Asian Development Bank (AsDB); European Bank for Reconstruction and Development (EBRD); European Investment Bank (EIB); Inter-American Development Bank (IDAB); International Finance Corporation (IFC) and the World Bank (WB).

---

33 While many developed countries do not specify how the climate-specific share of a multilateral contribution is calculated, others (e.g. France; Norway) clearly state that they have used the imputed multilateral shares as per the DAC system. (Government of Norway, 2017[33]; Government of France, 2017[19])

34 These include: Asian Infrastructure Investment Bank (AIIB); African Development Bank (AfDB); Asian Development Bank (AsDB); European Bank for Reconstruction and Development (EBRD); European Investment Bank (EIB); Inter-American Development Bank (IDAB); International Finance Corporation (IFC) and the World Bank (WB).
contributions that give an estimation of the climate-related share of the contributions received by bilateral providers (OECD-DAC, 2018[10]). To enhance transparency and comparability of the data reported, and as per the MPGs’ requirement of paragraph 121(t), new CTFs and/or documentation boxes could encourage the provision of information on how multilateral finance has been reported as climate-specific and how the climate-specific share was calculated. For example, Parties could be encouraged to include information on the share of the multilateral provider’s portfolio addressing climate change. It would be important to also specify the year of the data concerning the climate-related share of an International Organisation’s (IO) portfolio, as some countries have noted that this information is often not available for the reporting year.

Reporting on outflows from multilateral financial institutions

Reporting detailed and granular information on outflows could prove to be challenging. Firstly, it is difficult to attribute an outflow from a multilateral institution back to individual providing Parties. Secondly, for Parties to report information on outflows at the project-level (e.g. sector), granular information from the multilateral institutions is needed; nevertheless, MDBs are not Parties to the UNFCCC, and thus have no requirement to report this type of information. Parties that are shareholders of the MDBs could therefore seek further co-operation with the latter so to obtain this type of information. In the context of the CTF, information on climate-relevant outflows—if available to Parties—could be reported in a separate section of the table or in a dedicated column. It would not be advisable for Parties to report amounts on outflows and inflows in the same column, as these cannot be meaningfully aggregated.

DAC’s methodology used to estimate bilateral providers’ contributions to international organisations implies the calculation of “imputed multilateral contributions”. This is obtained by multiplying the value of the core contribution to the IO of year “y” by the share of IO portfolio addressing climate change of year “y”. The share of the IO’s portfolio addressing climate change is calculated on a 2-year moving average basis (OECD-DAC, 2018[10]).

As per paragraph 121(t) of the MPGs, developed country Parties are required to provide information on “information on reporting on multilateral finance”, including information on “Whether and how multilateral finance has been reported as climate-specific and how the climate-specific share was calculated, including by, for example, using existing international standards” (UNFCCC, 2019[1]).

For example, in its third BR, France has used the MDBs average shares of 2014/2015 to account for its 2016 contributions (Government of France, 2017[19]).

In 2015, and more recently in 2018, the OECD has estimated and attributed climate finance flows from MDBs to developed and developing countries, following the methodology agreed in 2015 by the Technical Working Group (TWG) for tracking Progress Towards the $100 billion Goal (OECD-CPI, 2015[23]; OECD, 2018[5]). According to the TWG methodology it is possible to calculate and attribute developed countries’ shares of multilateral outflows, covering both concessional windows (which do not raise additional funds in capital markets) and non-concessional windows (which raise funds from international capital markets), but this will require additional information on MDBs’ portfolio that is only partially publicly available.
3.2.5. Elements that need to be clarified

The MPGs introduce a number of issues and elements that will need to be further clarified in order to design new CTFs. These include:

**Reporting information on multi-bilateral channels**: The MPGs foresee the option of reporting information on multi-bilateral contributions under either “bilateral, regional and other contributions” (Paragraph 123), or “multilateral contributions” (Paragraph 124) (UNFCCC, 2019[1]). To avoid confusion and inconsistencies, it would be advisable to define under which table Parties are to track multi-bilateral contributions. As already pointed out by Canada (UNFCCC, 2016[11]), under the current reporting system information on multi-bilateral flows is sometimes overlooked or double counted, as CTF tables currently in use do not facilitate reporting of bilateral funds embedded in multilateral institutions. Options for addressing this issue include developing a separate CTF for multi-bilateral flows or reporting information on multi-bilateral flows under “multilateral contributions”, as it would allow for the specification of both the channelling institution and the recipient.

- **Reporting information on guarantees**: Likewise, further clarifications by each reporting Party on whether guarantees are accounted for under finance provided or for their mobilisation effect on private finance would be useful. According to the MPGs’ text, guarantees can be included in either CTF table. However, if an individual guarantee was reported in both tables it would lead to double-counting (see section 4).

---

39 To date, there are no commonly-agreed definitions of multi-bilateral contributions within the UNFCCC framework. According to the DAC reporting system, a contribution is to be considered multi-bilateral when a donor contracts a multilateral financial institutions to deliver a programme/project in a recipient country in its behalf (OECD, 2019[49]).
4. Financial support mobilised

The MPGs state that developed country Parties “shall” report information, for the previous two reporting years, on climate finance mobilised through public intervention in tabular and/or textual format. With the MPGs, reporting of this information becomes mandatory. Further, the MPGs require developed country Parties to report information on “national circumstances and institutional arrangements”, as well as on “underlying assumptions, definitions and methodologies” used to report on items of financial flows (Paragraphs 119 and 121 of the MPGs) (UNFCCC, 2019[1]).

Because significant leeway is given to Parties in how to report, not all Parties may decide to report information on financial support mobilised using a tabular format. The development and adoption of a common tabular format to report financial support mobilised would nevertheless greatly help to improve the transparency of the information on this element. Furthermore, while paragraph 12(a) of the MPGs requests the SBSTA to develop common reporting tables, it is unclear whether this will include the tabular format for finance mobilised, given the voluntary nature of its adoption (UNFCCC, 2019[1]).

4.1. Relevant experience and potential challenges

Current guidelines for the reporting of information on financial support mobilised do not clarify whether this information is to be reported in a textual and/or tabular format. Previous CCXG analyses (Ellis and Moarif, 2017[3]; Vallejo, Moarif and Halimanjaya, 2017[2]) underline that less than half of Annex II Parties have experience in collecting and reporting information on finance mobilised under the UNFCCC[42], and only one country has reported such information in a tabular format, incorporating it into Table 7(b) of the CTF on financial flows provided via bilateral channels. For those Parties who have reported on mobilised climate finance to the UNFCCC, the information provided encompasses various levels of detail, different timelines, uses different currencies and adopts different

---

40 This section is supported by an analysis conducted by the authors on the third round of BR reports submitted by Annex II Parties.

41 These include exchange rates used; grant equivalency; efforts taken to enhance comparability and accuracy of information reported; the support as being climate-specific and information on the efforts taken to avoid double counting.

42 A review of the third round of BRs shows that less than half (12) of Annex II Parties have reported quantitative examples on private climate finance mobilised through public interventions. Of these, only six countries have scaled this information up to obtain a country-level estimate of the amount of finance mobilised.

43 As included in decision 9/CP.21 (UNFCCC, 2015[20])
definitions and accounting methodologies. Overall, very few Parties have included sufficient information on estimation methods and underlying assumptions (UNFCCC, 2018[12]; Vallejo, Moarif and Halimanjaya, 2017[21]).

To support their reporting to the UNFCCC, some developed country Parties (including Belgium, Denmark, France, Germany and Norway)44 have undertaken pilot studies aiming at estimating the amount of bilateral private climate finance mobilised. These studies were often informed by the work conducted under the OECD Research Collaborative (RC) on Tracking Private Climate Finance45 and under the DAC. These initiatives have in fact improved the ability of Parties to systematically measure and track mobilised climate finance. For example, the RC on Tracking Private Climate Finance has contributed to the development of comprehensive methodologies for estimating flows of publicly-mobilised climate finance in developing countries. These methodologies include causality assumptions and attribution techniques capable of avoiding double counting (OECD-RC, 2015[13]). Further, since 2017 the OECD-DAC regularly collects data on private finance mobilisation for selected official development finance instruments (including guarantees, syndicated loans, equity shares in collective investment vehicles, credit lines, and direct investments in companies). This data, although not yet being able to provide a complete picture of the numbers on mobilisation, can be collected in an international statistical system. As a result, in their BRs, several developed country Parties that report on mobilised climate finance draw upon this information and indicate that they have relied on the related methodologies developed by DAC and the RC (e.g. France, Germany)46, or that will rely on these methods (e.g. Italy)47.

Existing CCXG work (e.g. (Ellis and Moarif, 2017[3]; Vallejo, Moarif and Halimanjaya, 2017[2])) lays out in-depth analysis of the main challenges that Parties face when reporting information on financial support mobilised. These include:

- Defining the “mobilised” nature of climate finance (e.g. assessing causality and attribution);
- Difficulty to institutionalise the tracking of (climate) finance mobilised;
- Lack of visibility of how much climate finance is mobilised by bilateral climate finance flows to multilateral organisations;

44 (Van der Laan, 2015[43]; Abeille et al., 2015[31]; Kempa and Moslener, 2016[44]; Torvanger, Narbel and Francke Lund, 2015[45])


46 (Government of France, 2017[19]; Government of Germany, 2017[32])

47 (Government of Italy, 2017[34])

48 Assessing if, and to what extent there is a link of causality between the intervention and the flow mobilised. In this regards, in the Joint Statement on Tracking Progress Towards the $100 billion Goal, most OECD countries have agreed to report information on the private finance “associated with activities where there is a clear causal link between a public intervention and private finance and where the activity would not have moved forward, or moved forward at scale, in the absence of our governments’ intervention” (Multiple Governments, 2015[27])

49 Determining if and how an amount mobilised is to be attributed to specific actors.
• Identifying and categorising the different types of instruments and public interventions that mobilise finance;
• Avoiding double-counting (e.g. when multiple partners fund a single activity).

Despite recent improvements, the relative lack of experience in reporting on finance mobilised – at least in the UNFCCC context — and the complexity of the information that is demanded by the MPGs, could potentially render reporting on this item particularly challenging. Furthermore, the lack of commonly agreed definitions of “mobilised” climate finance\(^50\) constitutes a potential challenge for comparability and consistency of the data reported.

### 4.2. Common Tabular Format and areas of work

This section explores options and potential areas of work that Parties may wish to consider when developing new CTFs for finance mobilised under the SBSTA. Examples of reporting tables for financial support provided are presented in section 6.

As part of required information on underlying assumptions, definitions and methodologies relevant to climate finance mobilised, the MPGs require Parties to provide information on how double counting was avoided, on the definition of public and private finance, and on how private finance was assessed as mobilised, including by identifying a clear causal link between a public intervention and mobilised private finance (UNFCCC, 2019\(^{[1]}\)). The provision of this type of information, which is critical for enhancing clarity and transparency, could be included in the documentation boxes supporting the tables on financial support mobilised.

For instance, the mobilisation effect of some interventions (e.g. providing grants for a climate-friendly activity) might be easier to assess than others (e.g. developing a feasibility study for potential of a climate-friendly activity); therefore, it could be useful for the tables or for the documentation boxes to include a space where reporting Parties could indicate the degree of causality to the estimated amount mobilised. This information could have a significant impact on the amount of finance mobilised reported (e.g. a public intervention may be directly responsible for only part of the total amount mobilised). While estimating quantitatively the degree of causality might be technically challenging, at a first stage, countries could indicate within the table whether the potential causal link is that of a “direct mobilisation” or “indirect mobilisation”, providing a definition for either in a documentation box.

The development of tabular formats under the UNFCCC could usefully draw lessons from experience on tracking climate finance mobilised under other initiatives (i.e. as mentioned above, the OECD RC and the DAC) as well as from Parties’ pilot studies. This experience highlights that options for designing a CTF for financial support mobilised could consider:

- **Facilitating the identification and categorisation of instruments and interventions used to mobilise climate finance:** the CTF could allow for the identification of four types of interventions used to mobilise finance: public finance interventions; public policy interventions; capacity-building and technology development and transfer. Parties could then report more granular information (e.g. via a dedicated column or space in the documentation box) on the specific type(s)

\(^{50}\) The assessment of the third round of Annex II Parties’ BRs reveals that Parties have different understandings of what is to be considered as financial support “mobilised”.

Unclassified
of instruments used under these categories. This would imply reorganising the list of response options currently suggested by the MPGs. The MPGs, in fact, considers “policy interventions”, “capacity building” and “technology development and transfer” to be “instruments” used to mobilise finance. It could be useful to reorganise these options and consider these three elements, along with a fourth element of “public finance interventions”, as types of public interventions, under which specific instruments can be identified. For instance, instruments of public finance interventions would include grants, concessional loans, non-concessional loans and equities. Were non-finance types of interventions to be used, it could be useful to allow for the adoption of notation keys (e.g. “NA”) in correspondence of the information on “amount used to mobilise finance”.

- **Facilitating the use of converging classifications (e.g. sectors receiving climate finance):** Standardised response options could be available for sectors and sub-sectors, as for financial support provided (see 3.2.1).

### 4.2.1. Linkages between finance provided and finance mobilised

There are numerous potential linkages between the reporting of information on climate finance provided and on climate finance mobilised. While these aspects are included in different sub-sections of the MPGs, it is not specified whether CTF should be developed for each sub-section (i.e. separate tables should be developed for both financial support mobilised and financial support provided), or whether selected sub-sections could be integrated. Although developing two separate tables is indeed an option, integrating reporting elements of climate finance provided, and the associated level of mobilisation, into one single CTF table could facilitate consistency, reduce countries’ efforts in gathering data on financial flows, and also reduce the potential for double-counting. There is some precedent for this outside the UNFCCC context. For example, the OECD-DAC is already in the process of integrating information about finance provided and associated mobilised finance into one CRS table.

Indeed, there could also be drawbacks to using a single integrated table. For example, there may be cases (e.g. guarantees) where climate finance is mobilised, without also being provided. Notation keys could potentially be used to highlight such cases (e.g. “not applicable” N/A).

### 4.2.2. Element for further clarification and potential areas for further work

The MPGs state that information on grant equivalent can also be reported for the amount of climate finance mobilised (UNFCCC, 2019[1]). It is not clear how calculating a grant equivalent of mobilised climate finance could be done, and therefore if this language was included in the MPGs in error. It would be advisable for Parties to clarify for which amounts Parties are to report information on grant equivalent.

---

51 Estimating the amount of climate finance mobilised via public policies, capacity building and technical assistance, and assessing the related causality and attribution, is methodologically challenging and further research is needed (OECD-DAC, 2017[25]) as there are currently no robust methodologies for estimating mobilisation of private finance for many public policies.
5. Financial support received

The MPGs state that developing country Parties “should” report information on financial support received through public intervention in a CTF. Further, the MPGs request developing country Parties to report information on “national circumstances, institutional arrangements and country-driven strategies”, as well as on “underlying assumptions, definitions and methodologies” used to report on items of financial flows (Paragraphs 130 and 131 of the MPGs) (UNFCCC, 2019[1]).

The MPGs provide significantly more guidance, if compared to current reporting guidelines, on the specific elements that developing country Parties are to report on for financial support received. With the MPGs, the CTF element is for the first time introduced in reporting guidelines for developing country Parties.

5.1. Relevant experience and potential challenges

Under the current reporting framework, developing country Parties hold limited experience in reporting information on financial support received in a tabular format, as the use of a CTF is not provided for. The UNFCCC Secretariat has developed proposals for reporting tables on support received as part of a document providing training material for the preparation of the reports (UNFCCC, n.d.[14]). The tables were designed so to cover information on funding from multilateral sources, from Annex II and other developed country Parties and from multilateral institutions, including regional development banks. While no developing country Party’s report to the UNFCCC has adopted these exact tables, many Parties have adapted the tables to better match their own national circumstances and needs (Vallejo, Moarif and Halimanjaya, 2017[2]), or have enriched the tables with additional information such as sectors and type of support.

Recent CCXG work on developing countries’ reporting experience (Vallejo, Moarif and Halimanjaya, 2017[2]) and further analysis conducted for the purpose of this paper, finds that most developing country Parties that have submitted a BUR (45 out of 154 Non-Annex I Parties) do report information on finance received (35 Parties), and the vast majority (32 Parties) does so in a tabular format. Where a tabular format is used, there is not necessarily consistency between the information that is reported by countries on different elements. Information on definitions and methodologies, coverage and level of detail reported vary considerably across Parties (Ellis et al., 2018[4]). For example, while many Parties report information on financial support received per specific project/activity (e.g. Viet Nam, Namibia and Ghana), other Parties report total amounts received per donor or per total

---

52 This section builds from an analysis conducted by the authors on the BUR reports submitted by 45 non-Annex I Parties.

53 These include exchange rates used; grant equivalency; efforts taken to enhance comparability and accuracy of information reported; the support as being climate-specific and information on the efforts taken to avoid double counting.

54 (Government of Viet Nam, 2017[35]) (Government of Namibia, 2018[36]) (Government of Ghana, 2018[37])
sum of bilateral or multilateral contributions received (e.g. Ecuador). In 2016, the Standing Committee on Finance (SCF) noted that because of the considerable variations in reporting, it is not possible to aggregate data for total support received by developing country Parties (UNFCCC-SCF, 2016; Vallejo, Moarif and Halimanjaya, 2017).

There are, nonetheless, a number of countries that report information on finance received in a tabular format providing relatively complete and granular information (examples include Brazil, Ghana, South Africa and Chile). For these countries, the information reported often includes several of the reporting elements identified under the MPGs (e.g. implementing entity, financial instrument and sector). Some countries also include information on the climate-specific component and climate-specific funding (e.g. Brazil and Ghana). Most reporting countries do not separate information on financial support from information on capacity-building and technology support. This exercise is often considered particularly challenging, as the latter two types of support received may include financial elements (Corfee-Morlot, Guay and Larsen, 2009; WRI, 2017). Finally, as of 2017, only South Africa has tracked and reported information separately on private climate finance received (Vallejo, Moarif and Halimanjaya, 2017).

Current reporting experience highlights there are a number of key challenges that countries face when reporting information on finance received (Vallejo, Moarif and Halimanjaya, 2017; Ellis and Moarif, 2017; Ellis et al., 2018). These include:

- Collecting data and tracking finance received outside of the national government (for example funding directed towards NGOs or local governments);
- Identifying finance received as targeting climate change versus other development goals;
- Tracking financial flows originating from multiple financial contributors;
- Providing information at the project-level;
- Tracking and reporting information on private climate finance received.

Some of these challenges are directly linked to constraints in institutional capacity. Many developing country Parties in fact do not have purpose-built monitoring systems for climate finance tracking, and instead relay on existing systems originally designed for monitoring public expenditure and official development assistance. This renders the identification of specific reporting elements requested by the UNFCCC (e.g. type of support, i.e. “adaptation”, “mitigation” or “cross-cutting”) difficult (Vallejo, Moarif and Halimanjaya, 2017).

5.2. Common Tabular Format and areas of work

Establishing common reporting tables for developing countries will require balancing the need to accommodate different reporting capacities and encouraging reporting, without hindering the overall level of comparability and, potentially, of aggregation. The MPGs’ text clarifies that the reporting tables are not mandatory, and that specific reporting elements are to be reported “to the extent possible, and as available and as applicable” (UNFCCC, 2019).

Having a tabular structure can help developing countries that are

---

55 (Government of Ecuador, 2016)
57 (Government of Brazil, 2016; Government of Ghana, 2018)
reporting information on finance received for the first time to identify the main elements to focus on, and can also facilitate improved reporting over time. Taking these elements into consideration, this section explores key issues that Parties may wish to consider when developing CTFs for financial support received. Examples of CTF tables are presented in section 6.

In order to improve clarity and understanding of the information reported, it would be helpful for developing country Parties to include in their reports the methodologies and definitions that they have adopted to track and report information on financial flows received (including exchange rates, timeframes, and types of instruments). Information on “national circumstances, institutional arrangements and country-driven strategies” and on “underlying assumptions, definitions and methodologies” (Paragraphs 130 and 131 of the MPGs) could be included in a documentation box (UNFCCC, 2019[1]) accompanying the CTF table.

There are roughly two types of informational elements that the MPGs request: elements that will imply selecting one option out of a set of potentially standardised classifications (e.g. for channel, financial instrument, sector and type of support), and elements for which textual and qualitative descriptions will be needed (e.g. whether the activity has contributed to technology development and transfer and use, impact and estimated results of the activities). If these different elements are correctly addressed, the new CTF tables could significantly facilitate comparability of data across developing country Parties and consistency within a same country. For example, if tables included standardised responses for the first set of elements, the result would be an enhanced convergence of categorisations.

Furthermore, it would be advisable for new CTF tables to be designed in a machine-readable format (i.e. Excel tables or any other open source spreadsheet software), as it is currently the case for CTF tables on financial support provided. To date, the developing country Parties that report information on support received in tabular format, only submit the PDF version of the table. Submitting this information in a machine-readable format would significantly facilitate the elaboration and aggregation of data, when and if needed. In addition, reporting information in a spreadsheet would allow for the inclusion of automatic checks, additions and drop-down menus.

5.2.1. Facilitating convergence of classifications and enhancing understanding

CTF tables for financial support received could provide a set of optional standardised classifications that Parties can choose from when filling in the table. Developing and presenting concrete categories of elements to be reported could guide countries to report in a more detailed and consistent way and could help them to better understand what to report on. Furthermore, having pre-defined response options within the CTF table could help those countries that collect information on financial support by submitting questionnaires to recipient institutions to better structure the questions and suggest multiple-choice responses. Options for facilitating convergence of classifications in the new CTF tables include:

- Providing standardised response options for the identification of financial instruments (e.g. those listed in the MPGs): It could be useful for Parties to use these standardised responses when filling in the information requested. This practice could facilitate understanding of the data reported, and could potentially allow for enhanced comparability, both within a country and across countries.
• **Providing standardised response options for the identification of sectors:** Under current reporting experience, not many Parties include information on the sector(s) targeted by the contribution received. Further, when this information is reported, the responses are often relatively heterogeneous even within a country, and it is hard to identify common categories. To address this issue, CTF tables could provide a number of standardised response options for Parties, including the option of recognising that the contribution targets multiple sectors. To potentially improve comparability of information over time and across all Parties, the same standardised list of closed options could be provided in CTFs for financial support provided and mobilised.

• **Clarifying the channel of the contribution (multilateral or bilateral):** The MPGs request developing country Parties to indicate the channel of a contribution. To date, the vast majority of Parties reporting this information include all the contributions received in one single table, irrespective of the channel and often without specifying whether it is a multilateral or a bilateral contribution. Only some developing country Parties use separate tables for contributions received via multilateral and bilateral channels (e.g. Ghana). To address this element, new CTFs for financial support received could either include two separate tables/sections for the two types of financial support received, or they could include a column where Parties can indicate whether the contribution is “multilateral” or “bilateral”. This latter option could potentially facilitate those Parties with limited reporting capacity and/or experience. When the channel of the contribution is not known, in fact, Parties could indicate it through the use notation keys (e.g. “not available”, NA).

• **Providing standardised options for macro-categories of recipient and implementing entity:** Identifying the recipient and implementing entity of a contribution can require advanced monitoring and tracking systems, and to date only a limited number of countries (e.g. Jordan) have included this type of information. To facilitate reporting on this element, CTFs could allow for a first distinction between different types of implementing entities (e.g. governmental, non-governmental, national or subnational), and then allow for the provisions of further details if these are available.

The MPGs indicate that information on support received should be provided “to the extent possible, and as available and as applicable”, giving countries leeway on the information to include in the table. It would be useful for CTF tables to provide notation keys, so to allow Parties to clarify where information was not available (e.g. because of capacity constraints) or not applicable, rendering reporting more transparent.

**5.2.2. Increased granularity and project details**

New CTFs could play a significant role in promoting and encouraging more disaggregated reporting of data on financial support received at the project-level, thus enhancing transparency of the information collected. The MPGs already identify a number of elements useful for the understanding of the nature and scope of the project, including the title of the activity, whether the activity has contributed to technology development and transfer and/or capacity building and the use, impact and estimated results. In addition to this, the CTF

---

58 (Government of Ghana, 2018[37])

59 (Government of Jordan, 2017[26])
could allow for the provision of further informational elements useful for a more comprehensive understanding of the provenance of the contribution (e.g. provider). Taking these into consideration, options for addressing increased granularity while ensuring transparency and consistency of data in the CTF include:

- **Facilitating the provision of descriptive/qualitative information in a concise and standardised manner:** Some elements requested by the MPGs (e.g. contribution to technology development and transfer and/or capacity-building, project descriptions and use, impact and estimated results) imply providing textual descriptions of varying levels of detail and length. However, including long textual elements into a tabular format might compromise the ease of reading. The CTF table could therefore include more guidance on the typology of the information to be reported under certain elements. For example, Parties could simply use the notation keys “CB” (for capacity building), “TS” (for technical support) and “TT” (technology transfer) to indicate whether the amount received has contributed to any of these elements. Parties could be allowed to include more information, if available, in a footnote or in a separate section of the report. Similarly, “programme/project description” could entail summarising the project’s objective, while further information could be reported in a separate section. Finally, for “use, impact and estimated results” Parties could develop national indicators to assess the impacts of the project and report in the table, for example, only whether the implemented project has “underachieved”, “achieved”, or “overachieved” the estimated results. More detailed information on use, impact and results could thereafter be included in a separate section of the report, in a textual format. This element is fundamental to understand whether support is used in an effective way and it would also incentivise contributor countries to continue the provision of support (WRI, 2017[17]; CTFs could facilitate this understanding.

- **Facilitating reporting of information of climate-relevance of a project:** To enhance transparency, and to help countries understand where the support received is directed to, CTF tables could allow for the indication of whether the inflow will target principally (P) or significantly (S) climate change, if this information is available. Some developing country Parties (e.g. Ghana) already report this type of information in their BUR. Options for addressing this element include designing a dedicated column in the CTF table or using pre-defined labels (e.g. “P” and “S”) that can accompany the project title.

---

60 See Annex B

61 (Government of Ghana, 2018[37])
6. Options for common tabular formats

Table 3. Option for CTF table for financial support provided via bilateral and regional channels

Reporting year: YYYY

<table>
<thead>
<tr>
<th>Provider</th>
<th>Recipient</th>
<th>Project/Programme/Activity</th>
<th>Total Amount (Climate-Specific)*</th>
<th>Climate-relevance²</th>
<th>Status</th>
<th>Funding Source²</th>
<th>Financial instrument</th>
<th>Type of Support</th>
<th>Sector</th>
<th>Sub-Sector</th>
<th>Further Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing agency</td>
<td>Country / region</td>
<td>Title</td>
<td>Financial support provided</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Face Value</th>
<th>Grant Equivalent (optional)</th>
<th>Principal; Significant</th>
<th>Disbursed; Committed</th>
<th>ODA OOF Other (specify)</th>
<th>Grant Concessional loan</th>
<th>Non-Concessional loan</th>
<th>Equity Guarantee Insurance</th>
<th>Mitigation Adaptation Cross-Cutting</th>
<th>DAC sectoral classifications</th>
<th>DAC sub-sectoral classifications</th>
<th>Does activity contribute to Capacity Building and/or Technology Development and Transfer</th>
<th>Y, N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Currency</td>
<td>United States Dollars³</td>
<td>Domestic Currency</td>
<td>United States Dollars</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Parties to define in their BTR (documentation box) how they define funds as being climate-specific
b Parties to specify in their BTR (documentation box) the exchange rate used.
c Parties to explain in their BTR (documentation box) the methodologies used to calculate grant equivalent
d Parties to specify in their BTR (documentation box) the methodologies used to define climate-relevance of a project
e Parties to explain in their BTR how they determined finance to be concessional and/or ODA

Source: Authors

REPORTING TABLES – POTENTIAL AREAS OF WORK UNDER SBSTA AND OPTIONS

Unclassified
Table 4. Option for CTF table for financial support mobilised via bilateral and regional channels

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Project/Programme/Activity</th>
<th>Amount mobilised</th>
<th>Amount of resources used to mobilise support</th>
<th>Funding Source</th>
<th>Type of public intervention</th>
<th>Type of Support</th>
<th>Sector</th>
<th>Sub-Sector</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country / region</td>
<td>Title</td>
<td>Face Value</td>
<td>Face Value</td>
<td>Grant Equivalent optionally</td>
<td>Provided</td>
<td>Public finance; public policy; capacity building; technology development and transfer</td>
<td>Instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, policy, type of capacity building support, …)</td>
<td>Mitigation Adaptation Cross-Cutting</td>
<td>DAC sectoral classifications</td>
</tr>
<tr>
<td>Project A</td>
<td></td>
<td>Domestic Currency</td>
<td>United States Dollars</td>
<td>Domestic Currency</td>
<td>United States Dollars</td>
<td>Y; N</td>
<td>ODA OOF Other (specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>…</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Parties to define in their BTR (documentation box) how they define climate finance as being mobilised.
b Parties to specify in their BTR (documentation box) the exchange rate used.
c Parties to explain in their BTR (documentation box) the methodologies used to calculate grant equivalent.
d In this to Parties could indicate whether the amount of resources used to mobilise support has been included in the CTF table on financial support provided.
e Parties to explain in their BTR how they determined finance to be concessional and/or ODA.

Source: Authors
Table 5. Option for CTF table for financial support provided and mobilised via bilateral and regional channels (Integrated Option)

Reporting year: YYYYY

| Provider | Recipient | Project/Programme/Activity | Total Amount (Climate-Specific) | Climate-relevance
c | Status | Funding Source | Financial instrument | Type of Support | Sector | Sub-Sector | Total amount of private finance mobilised (climate-specific) | Type of public intervention | Activity details (if different from main activity) | Does activity Contribute to Capacity Building and/or Technology Development and Transfer | Additional Info |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Source: Authors

---

- **a**: Parties to define in their BTR (documentation box) how they define funds as being climate-specific
- **b**: Parties to specify in their BTR (documentation box) the exchange rate used
- **c**: Parties to explain in their BTR (documentation box) the methodologies used to calculate grant equivalent.
- **d**: Parties to specify in their BTR (documentation box) the methodologies used to define climate-relevance of a project.
- **e**: Parties to explain in their BTR how they determined finance to be concessional and/or ODA
Table 6. Option for CTF table for financial support provided via multilateral and multi-bilateral channels (inflows)

| Reporting period: YYYYY |

<table>
<thead>
<tr>
<th>Institution</th>
<th>Channel</th>
<th>Total amount of inflow</th>
<th>Climate-specific outflow (optional)(^1)</th>
<th>Status</th>
<th>Funding source</th>
<th>Financial instrument</th>
<th>Type of support</th>
<th>Type-specific amount (optional)</th>
<th>Sector</th>
<th>Subsector</th>
<th>Recipient</th>
<th>Project/Programme/Activity title</th>
<th>Does activity Contribute to Capacity Building and/or Technology Development and Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MDB A</strong></td>
<td>Multilateral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MDB B</td>
<td>Multilateral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Name of multilateral institution</strong></td>
<td><strong>Multilateral; Multi-bilateral</strong></td>
<td><strong>Domestic Currency</strong></td>
<td><strong>United States Dollars</strong></td>
<td><strong>United States Dollars</strong></td>
<td><strong>United States Dollars</strong></td>
<td><strong>Disbursed</strong></td>
<td><strong>ODA</strong></td>
<td><strong>Non-Concessional loan</strong></td>
<td><strong>Equity Guaranty Insurance</strong></td>
<td><strong>Other</strong></td>
<td><strong>Mitigation; Adaptation</strong></td>
<td>Cross-Cutting</td>
<td><strong>[DAC sectoral classifications]</strong></td>
</tr>
<tr>
<td><strong>Country; Region</strong></td>
<td><strong>Y; N</strong></td>
<td><strong>Domestic Currency</strong></td>
<td><strong>United States Dollars</strong></td>
<td><strong>United States Dollars</strong></td>
<td><strong>United States Dollars</strong></td>
<td><strong>Disbursed</strong></td>
<td><strong>ODA</strong></td>
<td><strong>Non-Concessional loan</strong></td>
<td><strong>Equity Guaranty Insurance</strong></td>
<td><strong>Other</strong></td>
<td><strong>Mitigation; Adaptation</strong></td>
<td>Cross-Cutting</td>
<td><strong>[DAC sectoral classifications]</strong></td>
</tr>
</tbody>
</table>

---

\(^{1}\) Parties to define in their BTR (documentation box) how they define funds as being climate-specific.

\(^{2}\) Parties to specify in their BTR (documentation box) the exchange rate used.

\(^{3}\) Parties to explain in their BTR (documentation box) the methodologies used to calculate grant equivalent.

\(^{4}\) Parties to specify in their BTR (documentation box) the methodologies used to estimate the climate-specific outflow of a contribution.

\(^{5}\) Parties to explain in their BTR how they determined finance to be concessional and/or ODA.

Source: Authors
Table 7. Option for CTF table for financial support received

<table>
<thead>
<tr>
<th>Reporting period: YYYY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project/ Programme/ Activity</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Project A</td>
</tr>
<tr>
<td>Project B</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

a. Parties to specify in their BTR (documentation box) the exchange rate used.

Source: Authors
7. Conclusions

The Modalities, Procedures and Guidelines (MPGs) agreed at COP24 set the rules for the reporting of information by Parties under the Enhanced Transparency Framework (ETF) of the Paris Agreement (PA). The MPGs provide guidance for the reporting of, _inter alia_, financial support provided, mobilised and received.

The MPGs require developed country Parties and request developing country Parties to report information on financial support provided and received in a “common tabular format” (CTF). The MPGs also require developed country Parties to report information on financial support mobilised in a “tabular and/or textual format” (UNFCCC, 2019). Furthermore, developed country Parties are required and developing country Parties are requested to report information on “national circumstances and institutional arrangements” relating to climate finance as well as on the “underlying assumptions, definitions and methodologies” adopted (UNFCCC, 2019).

The MPGs represent an enhancement of the current United Framework Convention on Climate Change (UNFCCC) reporting framework for climate finance in terms of who is required to report, what is to be reported on, and how it is to be reported. Thus, the MPGs expand the coverage of reporting Parties—all developed country Parties are required to report on financial support provided, and other countries providing support are requested to do so as well. The MPGs also lay out more detailed guidance on the elements to be reported, e.g. by providing a list of possible response options of labels under a specific reporting element. Furthermore, the use of CTFs for the reporting of information on financial support could significantly help to facilitate a more streamlined and systematic reporting of climate finance. This, in turn, could lead to an enhanced understanding and, potentially, comparability and aggregation of the data that is being reported.

Despite the potential benefits of reporting information in a tabular format, a number of technical or political challenges that Parties face when reporting information on climate finance remain to be overcome. Notably, political challenges such as the lack of commonly agreed definitions and methodologies could reduce comparability of the data that is reported. Technical challenges, such as the difficulty in tracking climate finance received, could also reduce comparability. Technical challenges could also lead to some inconsistency, e.g. if different approaches are used to report on the climate-specificity of a contribution.

New reporting tables could therefore focus on addressing some of these challenges facilitating, to the extent possible, consistency and comparability of information on climate finance reported by Parties. New CTFs could, for instance, facilitate comparability and consistency by encouraging the use of converging classifications e.g. via the use of closed response options for reporting on sectors and instruments through which climate finance is provided. In order to facilitate transparency, new CTFs could also specifically prompt reporting on any other relevant information at the project-level (e.g. institution providing the contribution) and for detailed information on methodologies used or whether existing international standards have been adopted.
New CTFs for financial support provided could build upon existing experience while also extending reporting to elements agreed to at COP24 such the voluntary option of reporting the grant equivalent value of a contribution. In contrast, the CTFs for mobilised climate finance (while not being mandatory) do not have an internationally-agreed template on which they can build. However, widespread use of a CTF for reporting on mobilised climate finance could potentially focus on facilitating a more systematic and streamlined developed country Party reporting of this element. Significant differences across reporting Parties are nonetheless likely because of different definitions and methods for estimating mobilisation.

Reporting information on financial support received is not mandatory. However, the detailed guidance of the MPGs could help developing country Parties to report information on this item, and could also facilitate improved reporting over time. It would be useful to design tables such that they allow for different levels of detail, while facilitating the reporting of core information. For example, CTFs for reporting on financial support received could allow for standardised response options for the reporting on financial instruments and sectors.

The MPGs introduce some new reporting elements, which will need to be taken into consideration when developing new CTFs. In particular, the MPGs foresee the possibility of reporting on certain information that individual Parties do not currently have access to, including information on multilateral outflows of climate finance. This information can be tracked by multilateral financial institutions, who do not have reporting obligations under the PA. If Parties are to report such information, either collectively or individually, Multilateral Development Banks (MDBs) would need to report information on multilateral outflows and underlying assumptions and methods in a more disaggregated manner, so that Parties could subsequently report it to the UNFCCC.

The inclusion of even voluntary CTF tables in the reporting practices of Parties could enhance the transparency, comparability and consistency of climate finance data reported to the UNFCCC. Yet, a number of issues and challenges are likely to mean that some levels of inconsistency and lack of comparability will remain. These issues and challenges include those at the international level, such as the lack of commonly-agreed definitions, assumptions and methodologies for the reporting of climate finance. There are also challenges at the national level, such as the political and technical constraints faced by some Parties when collecting information on climate financial flows. Further experience in reporting gained over time, as well as further collaboration and exchange of information on behalf of the multilateral institutions channelling climate finance outflows could nevertheless facilitate improvements in the comparability and consistency of data reported.
Annex A. Calculating Grant Equivalent

Grant equivalent is an accounting method that captures the value of a contribution (e.g. a loan, an equity or a guarantee) accounting both for its principal repayment and interest payments, but discounting them to obtain their equivalent in today’s money. In other words, it allows to reduce the expected value of future reflows to the value they would have today, as money today is worth more than the prospect of the same amount tomorrow. The grant element, expressed as a percentage, is the grant equivalent as a share of the extended loan. The OECD glossary of statistical terms defines the grant element as “the difference between the face value of a loan and the discounted present value of the service payments the borrower will make over the lifetime of the loan, expressed as a percentage of the face value” (OECD, 2013[13]). The World Bank and the International Monetary Fund use the same definition.

The central element of the grant equivalent accounting methodology is, therefore, the discount rate that is applied to expected future reflows, and which takes into account factors such as time preference, inflation and risk (e.g. risk of default). In practice, to calculate the grant equivalent of a contribution, the providing Party will have to take the discounted value of future reflows (i.e. repayments) and subtract it from the amount extended today. When the loan’s interest rate is lower than the discount rate, the grant element will be positive, as the negative difference between the amount extended and the value of expected (and discounted) future reflows is to be considered as a “grant”. Therefore, the more concessional a loan is, the higher the grant element will be.

While it could be technically possible to determine the grant equivalent value of any financial flow for which information on (a) repayment schedule; (b) initial outflow and (c) expected reflows is available, in practice there are a number of issues that render reporting on this element difficult. These include the lack of commonly agreed methodologies under the UNFCCC.

To calculate the grant element of bilateral loans to the official sector, the DAC uses simplified recipient-based discount rates based on country groupings (6% for UMICs; 7% for LMICs; 9% for LDCs and LICs). For loans to multilateral institutions, the DAC uses a 5% discount rate for global institutions and MDBs, and 6% for other organizations, including sub-regional organisations. The grant equivalent will be thereafter calculated by multiplying the grant element by the amount extended. The calculation of the grant equivalent is applied only to loans considered as ODA. According to DAC methodologies, for a loan to be ODA-eligible, it has to meet three criteria:

1. Having a developmental purpose;
2. In the case of bilateral loans, meeting the grant element threshold of 45% for LDCs and other LICs, of 15% for LMICs and of 10% for UMICs (e.g. the grant element of a loan will have to be 45% or higher for the loan to be considered ODA); in the case of loans to multilateral organisations, meeting a 10% threshold;
3. Being “concessional in character”.

As of January 2019, the measurement of 2018 ODA flows is based on grant equivalents, although reporting on the basis of face value will continue in parallel.
Annex B. The Rio Marker Methodology

The Rio Marker methodology is a system used within the DAC-CRS database to indicate to what extend a contribution targets one or more objectives of the Rio Conventions (on biodiversity, climate change and desertification) (OECD-DAC, 2017[18]; OECD-DAC, 2018[10]). These “Rio Markers” include one on climate change mitigation marker and one on climate change adaptation. The system is based on a scoring approach according to which a project/activity can be marked as:

- **Principal (2)**, if climate change adaptation or mitigation are stated as fundamental in the scope of the activity/project.
- **Significant (1)**, if climate change adaptation or mitigation are explicitly included in the scope of the activity/project but are not considered to be the fundamental driver.
- **Not targeted (0)**, if the activity/project does not target climate change adaptation and/or mitigation in any significant way.

When reporting information on bilateral contributions to the UNFCCC, most developed country Parties rely on the Rio Markers’ classification. For projects marked as “principal”, the totality of the contribution (100%) are considered as climate-relevant. For the projects marked as “significant” the share of the contribution to be considered climate-relevant may vary. In their reporting to the UNFCCC, Parties adopt therefore different coefficients to scale down the total value of a contribution “significantly” targeting climate change.
References


UNFCCC (2019), Decision 18/CMA.1: Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement, Report of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on the third part of its first session, held in Katowice from 2 to 15 December 2018, UNFCCC Secretariat, Bonn, https://unfccc.int/sites/default/files/resource/cma2018_3_add2%20final_advance.pdf.


UNFCCC (2016), *Development of modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement, Submissions from Parties and observer organizations, Subsidiary Body for Scientific and Technological Advice Forty-fifth session Marrakech, 7–14 November 2016*, UNFCCC Secretariat, Bonn, http://www.unfccc.int/7482.


