Approaches to identify and report support received

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Why map climate finance and support received

- Comply with the reporting requirements of the UNFCCC
- Follow up on and report support by source and identify potential underutilized vehicles
- Verify and evaluate the information about support provided by sources of climate finance
- Lessons from various experiences of the financial instruments used

- Improve confidence, transparency and accountability
- Improve understanding of how support is utilized
- Analyse whether the support is effective
- Facilitate the development of policies to enhance climate finance through the provision of more complete data
Existing global databases

Aid Atlas: [https://aid-atlas.org](https://aid-atlas.org)
## Existing global databases


<table>
<thead>
<tr>
<th>Sector/sub-sector</th>
<th>Year</th>
<th>Provider</th>
<th>Amounts</th>
<th>Scope</th>
<th>Sector/sub-sector</th>
<th>Financial instrument</th>
<th>Short description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

- Year
- Provider
- Amounts
- Scope
- Sector/sub-sector
- Financial instrument
- Short description
OECD DAC Rio Marker system

Used for financial contributions labelled as Official Development Assistance (ODA)

Policy marker, not calculation of finance, but...

Indicate if the objective is related to environmental issues including climate change

Not Targeted (0)
The activity does not target the objective (mitigation or adaptation) significantly

Significant (1)
Mitigation or adaptation is explicitly stated but it is not the fundamental driver. The activity has other prime objectives but it has been formulated or adjusted to help meet the relevant climate concerns.

Principal (2)
Mitigation or adaptation is explicitly stated as fundamental in the design of, or the motivation for, the activity.

Countries use variety of percentages to estimate climate content of marked contributions e.g. The EU uses 0%, 40% and 100%, respectively.

Source: OECD, OECD DAC Rio Markers for Climate Handbook
Existing tools and experiences - your choice

Map national finance related to climate change:

- **Quick review** of budget and programmes:
  - Rio Markers - Mapping development finance towards the Rio Conventions (support provided from external sources)

- **In depth** - analysis and review:
  - CPEIR, Climate Public Expenditure and Institutional Review - One-off deeper analysis of national expenditures tailored to the country context
Rio Markers - Mitigation

Principal or Significant if the activity contributes to:

a) the mitigation of climate change by limiting anthropogenic emissions of GHGs, including gases regulated by the Montreal Protocol; or

b) the protection and/or enhancement of GHG sinks and reservoirs; or

c) the integration of climate change concerns with the recipient countries’ development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; or

d) developing countries’ efforts to meet their obligations under the Convention.

Score “principal” if directly and explicitly aims to achieve one or more of the above four criteria.

Source: OECD, OECD DAC Rio Markers for Climate Handbook
Rio Markers - Adaptation

Principal or Significant if the activity intends to: **Reduce the vulnerability** of human or natural systems to the current and expected impacts of climate change

a) the climate change adaptation objective is explicitly indicated in the activity documentation; and

b) the activity contains specific measures targeting the definition above.

To guide scoring as principal:

- **Setting out the context of risks, vulnerabilities and impacts** related to climate variability and climate change
- Stating the **intent to address the identified risks, vulnerabilities and impacts** in project documentation
- Demonstrating a **clear and direct link** between the identified risks, vulnerabilities and impacts and the specific project activities

Source: OECD, OECD DAC Rio Markers for Climate Handbook
Example of scoring - Rio Markers

<table>
<thead>
<tr>
<th>Provider country</th>
<th>Recipient Country</th>
<th>Project Title</th>
<th>Finance Instrument</th>
<th>USD amount '000</th>
<th>Sector</th>
<th>Mitigation</th>
<th>Adaptation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Morocco</td>
<td>Solar power plant</td>
<td>ODA loan</td>
<td>437,840</td>
<td>Energy generation and supply</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>
CPEIR — largely building upon UNDP handbook

• Similar to other Public Expenditure Reviews normally conducted by Ministries of Finance, however with an added focus on policies and institutional set up

• Objectives amongst others:
  • Improves the understanding of the roles and responsibilities of institutions, and their coordination, in implementing climate actions.

  • Quantifies climate related expenditures through the budgetary system and extra-budgetary channels. Provides a tool for the future to track climate finance through national delivery channels.

  • Identifies opportunities and constraints for integrating climate change within the national and sub-national budget allocation and expenditure process. Thus, can serve as a starting point to strengthen cross-government coordination, incl. with Finance and Planning Ministries, local governments, as well as private sector, civil society and development partners.

  • Can map the linkages between climate vulnerability areas (by geography, sector, and population groups) and climate responses. Through this, the CPEIR will be able to identify the gaps, if any, in climate policies to protect and benefit the vulnerability groups and opportunities to redirect policies and budget allocations accordingly.
CPEIR continued

Duration: Six to nine months between the start of the review and the completion of the draft report. In addition, three months to validate and finalise the report.

Potential for permanent process: Climate expenditure tracking tool where climate expenditures can be measured in a systematic and regular manner. However, may take years to establish, and CPEIR can be repeated regularly until then.
CPEIR continued

Step 1

“No

“Is the Expenditure climate related?”

Step 2

Classification of climate related expenditures

i) Standardized UNDP/World Bank CPEIR Typology
ii) National Policy Objectives Typology

Step 3

A) Weighting Climate Relevance

i) Approach 1 – CPEIR Climate Relevance Index
ii) Approach 2 – CPEIR Benefit Cost Ratio

B) Applying Poverty and Gender Weights

Yes
Example of weighing/scoring - CPEIR examples

<table>
<thead>
<tr>
<th>Weighting more than 75%</th>
<th>Examples</th>
<th>Clear primary objective of delivering specific outcomes that improve climate resilience or contribute to mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>High relevance</td>
<td>Rationale</td>
<td></td>
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<tr>
<td></td>
<td>Energy mitigation (e.g. renewables, energy efficiency)</td>
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<tr>
<td></td>
<td>Disaster risk reduction and disaster management capacity</td>
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<tr>
<td></td>
<td>The additional costs of changing the design of a programme to improve climate resilience (e.g. extra costs of climate proofing infrastructure, beyond routine maintenance or rehabilitation)</td>
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<tr>
<td></td>
<td>Anything that responds to recent drought, cyclone or flooding, because it will have added benefits for future extreme events</td>
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<tr>
<td></td>
<td>Relocating villages to give protection against cyclones/sea-level</td>
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<tr>
<td></td>
<td>Healthcare for climate sensitive diseases</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building institutional capacity to plan and manage climate change, including early warning and monitoring</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Raising awareness about climate change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Anything meeting the criteria of climate change funds (e.g. GEF, PPCR)</td>
<td></td>
</tr>
</tbody>
</table>

Source: UNDP, A methodological guidebook climate public expenditure and institutional review (CPEIR)
### Example of scoring/wieghing - CPEIR examples

<table>
<thead>
<tr>
<th>Medium relevance</th>
<th>Rationale</th>
<th>Either (i) secondary objectives related to building climate resilience or contributing to mitigation, or (ii) mixed programmes with a range of activities that are not easily separated but include at least some that promote climate resilience or mitigation</th>
</tr>
</thead>
</table>
| Weighting between 50% to 74% | Examples | • Forestry and agroforestry that is motivated primarily by economic or conservation objectives, because this will have some mitigation effect.  
• Water storage, water efficiency and irrigation that is motivated primarily by improved livelihoods because this will also provide protection against drought.  
• Bio-diversity and conservation, unless explicitly aimed at increasing resilience of ecosystems to climate change (or mitigation).  
• Eco-tourism, because it encourages communities to put a value of ecosystems and raises awareness of the impact of climate change.  
• Livelihood and social protection programmes, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability. This will include programmes to promote economic growth, including vocational training, financial services and the maintenance and improvement of economic infrastructure, such as roads and railways. |

Source: UNDP, A methodological guidebook climate public expenditure and institutional review (CPEIR)
Example of scoring/weighting - CPEIR examples

<table>
<thead>
<tr>
<th>Low relevance</th>
<th>Rationale</th>
<th>Activities that display attributes where indirect adaptation and mitigation benefits may arise</th>
</tr>
</thead>
</table>
| Weighting between 25% – 49% | Examples | • Water quality, unless the improvements in water quality aim to reduce problems from extreme rainfall events, in which case the relevance would be high  
• General livelihoods, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability in areas of low climate change vulnerability  
• General planning capacity, either at national or local level, unless it is explicitly linked to climate change, in which case it would be high  
• Livelihood and social protection programmes, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability. This will include programmes to promote economic growth, including vocational training, financial services and the maintenance and improvement of economic infrastructure, such as roads and railways |

<table>
<thead>
<tr>
<th>Marginal relevance</th>
<th>Rationale</th>
<th>Activities that have only very indirect and theoretical links to climate resilience</th>
</tr>
</thead>
</table>
| Weighting less than 25% | Examples | • Short term programmes (including humanitarian relief)  
• The replacement element of any reconstruction investment (splitting off the additional climate element as high relevance)  
• Education and health that do not have an explicit climate change element |

Source: UNDP; A methodological guidebook climate public expenditure and institutional review (CPEIR)
Maldives 1\textsuperscript{st} Biennial Update Report

- Submitted in Nov 2019
- Reported Information on Finance include:
  - Financial Support Received
  - Non-Monetized Capacity Building and Technology Transfer Received
  - Support Received for BUR Preparation (Non-Monetized)
  - Information on Support Needed

- Tracking of Support received and needed not straightforward
- Financial Data was acquired via:
  - Ministry of Finance (donor + national budget and co-finance)
  - Ministry of Finance Data – corroborated with data from line ministries
  - Donor agreements (MOUs); donor contribution + national contributions in kind

- Definition of Adaptation vs mitigation
- Reporting formats/tables based on the Guidance provided by Consultative Group of Experts under UNFCCC/ best practices
- Covering Years 2014-2017 (both years inclusive, periodically adjusted pro rata)
### Maldives: Donor Financing

<table>
<thead>
<tr>
<th>Project</th>
<th>Description of project</th>
<th>Start Year</th>
<th>End Year</th>
<th>Donor</th>
<th>Implementing Entity</th>
<th>Supporting Entity/s</th>
<th>Support Received (USD)</th>
<th>Total</th>
<th>2014-2017 (in pro-rata basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project for Provision of a Solar Power Generation System to Dhiffushi Island</td>
<td>Support the construction of a core solar power system in K. Dhiffushi. Coupled with the advanced technology of Kansai Electric Power and designed from the bottom up, this project is expected to provide momentum in the Maldives for a shift from full dependence on diesel generator to a hybrid system with a renewable energy.</td>
<td>2016</td>
<td>2016</td>
<td>Government of Japan</td>
<td>Ministry of Environment &amp; STELCO</td>
<td>361,256.00</td>
<td>-</td>
<td>-</td>
<td>361,256.00</td>
</tr>
<tr>
<td>Support of the Climate Neutrality Strategy of Maldives</td>
<td>This project aims to ensure that the public institutions and private stakeholders in the Maldives have the skills and expertise necessary to devise comprehensive strategies for minimising harmful greenhouse gas emissions and to take appropriate action.</td>
<td>2011</td>
<td>2015</td>
<td>Government of Germany</td>
<td>Ministry of Environment</td>
<td>GIZ</td>
<td>3,387,875.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preparing Outer Islands for Sustainable Energy Development (POISED)</td>
<td>The project will install solar-diesel hybrid grids on outer islands and the greater Male region. Skills development support will also be given to the Ministry of Environment and Energy and the main power utilities State Electricity Company and FENAKA Corporation Ltd. for the hybrid rollouts</td>
<td>2014</td>
<td>2016</td>
<td>Grant: ADB, Strategic Climate Fund and Japan Fund for Joint Crediting Mechanism Loan: European Investment Bank and Islamic Development Bank</td>
<td>Ministry of Environment, FENAKA &amp; STELCO</td>
<td>55,000,000.00</td>
<td>60,000,000.00</td>
<td>-</td>
<td>115,000,000.00</td>
</tr>
</tbody>
</table>
Maldives: Non-Monetized Capacity Building & Technology Transfer Received

- Period 2014-2017
- No straightforward way of collecting this information
- Due to time constraints; information was collected via the tables submitted by Annex 2 countries and only those trainings recorded at the Ministry of Environment
Maldives: Information on Support Needed

• Via desk review of existing plans and policies + NDC Implementation Plan
• Followed by stakeholder consultations to identify key priorities and needs for the sectors
• These were compiled and validated via consultation with the sectors
• Table includes needs for:
  • Adaptation and Building Climate Resilience
  • Mitigation and enhanced GHG
  • Reporting/Enhanced Transparency
• Initial target was to include financial figures – however time constraints and lack of relevant expertise and capacity on methodologies
Lessons learned in Maldives:

Climate finance information is available with various entities in the country but there is no systematic collection, collation and archiving of this information.

Limited access to climate finance data for national projects and limited participation of line ministries in data analysis and reporting of finance data.

Improving data access, in either a separate system, a system linked with the national budget, or a system that improves the access to the current sources of information is needed.

Inconsistencies between different publications/reports on climate finance, even some cases of the same institution.

The contributions from donors to the Maldives are trackable, but requires the consultation with several sources that in itself are not systematically organized.

Lack of reporting on private sector’s climate-related investments.
CHILE:  
4th Biennial Update Report-BUR (2020)  
Chapter: Needs and Support Received
CHILE: General methodology & definitions

-Following the methodological framework provided by the Convention: Guidelines for the presentation of biennial update reports of Parties not included in Annex I of the Convention (Annex III, Decision 2 / CP17 *); which specify that NAI countries, including Chile, must provide updated information on:
  - Needs for climate action, with respect to financial resources, capacity building and technical assistance, and technology transfer, including the analysis of their gaps and barriers.
  - Support received in the form of financial resources, capacity building and technical assistance, and technology transfer, received by the country from the Global Environment Facility, Parties included in Annex II of the Convention and other Parties that are developed countries, the Green Climate Fund and other multilateral institutions.

* Information available at http://unfccc.int/resource/docs/2011/cop17/spa/09a01s.pdf#page=

- The classification of both the needs and the support received is based on the purpose of the contribution or the need, and not on the administration of resources, nor on their pecuniary or non-pecuniary nature.

- From this, three areas were defined,
  - Policies, programs and projects (financial resources)
  - Capacity building and technical assistance
  - Technology transfer
CHILE example: Structure and methodology of the "Needs" component

- Step 1: public or private

- Step 2: sort by Area (different for public and private):
  - **PUBLIC**
    - Reporting
    - Mitigation
    - Adaptation
    - GHG Inventory
    - International negotiations
    - Cross-cutting
  - **PRIVATE**
    - water resource management
    - banking
    - commerce, telecommunications, services and tourism
    - building
    - energy
    - mining
    - fishing
    - waste and recycling
    - agriculture
    - air and maritime transport
    - food, containers and packaging

- Step 3: description of gaps, barriers, needs, and priority

**Methodology:**

- Initial survey with a form template to fill
- Meetings with stakeholders: public and private
- Compilation and filling final tables
- Quality assurance (peer review)
CHILE example: Mapping Support received: methodology and definitions

- **Stage 1**
  - Registry
  - ID
  - Status

- **Stage 2**
  - Survey
  - Validation
  - New data

- **Stage 3**
  - Clarification
  - Data crossover:
    - donors
    - implementers

- **Stage 4**
  - Verification:
    - private
    - websites

- **Stage 5**
  - COP25
  - Ministry of Environment centralized dataset (OAI)

1) Support for the preparation and publication of national communications (reporting)

2) Support received (international) for activities related to climate change
   - Financing of policies, programs and projects
   - Capacity building and technical assistance
   - Technology transfer
Grant equivalent
- how to estimate values of concessionality

- OECD: "the grant equivalent is an estimate, at today’s value of money, of how much is being given away over the life of a financial transaction, compared with a transaction at market terms. The grant equivalent is the grant element multiplied by the amount of money extended."

- Grants have a grant element of 100% as they are fully provided as “gifts”. By contrast, a loan offered at market terms has a grant element of 0%. However, with a concessional loan, the lender adds an element of generosity. Using grant equivalent thinking provides a more accurate estimate of the "effort" of a financial contribution.

- Not easy to calculate, no detailed agreement on approaches. Here are some examples of approaches from UK, IFC and GCF:
  - https://ida.worldbank.org/debt/grant-element-calculations
  - https://www.greenclimate.fund/document/grant-equivalent-calculator

- The GCF tool is programmed in excel, considers loans, equity and guarantees, and calculate each element separately to arrive at a result.
Grant equivalent GCF calculator tool

The loan part

**LOAN**

Please select the input mode

**Standard mode**

Please leave the relevant input cells blank if you wish to use the manual input mode

<table>
<thead>
<tr>
<th>Input</th>
<th>Standard</th>
<th>Manual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total nominal loan amount (GCF portion)</td>
<td>US$M</td>
<td>100.0</td>
</tr>
<tr>
<td>Total nominal grant amount (GCF portion)</td>
<td>US$M</td>
<td>2.0</td>
</tr>
<tr>
<td>Annual commitment fee due to GCF</td>
<td>% of undisbursed amount at the end of each year</td>
<td>Equivalent principal payment</td>
</tr>
<tr>
<td>Total other fees due to GCF on Day 0</td>
<td>US$M</td>
<td>-</td>
</tr>
<tr>
<td>Tenor of GCF Loan</td>
<td>Years</td>
<td>20</td>
</tr>
<tr>
<td>Grace period of GCF Loan</td>
<td>Years</td>
<td>3</td>
</tr>
<tr>
<td>Does the grace period also apply to interest payments due to GCF?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Repayment type</td>
<td>Equal principal payment</td>
<td></td>
</tr>
<tr>
<td>Interest rate charged by GCF</td>
<td>% p.a. (to the outstanding amount at the end of each year)</td>
<td></td>
</tr>
</tbody>
</table>

**Loan Disbursement Schedule (GCF Portion)**

<table>
<thead>
<tr>
<th>Year of disbursement</th>
<th>% of Total Nominal Loan Amount Disbursed (at the beginning of each year)</th>
<th>100% Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>70.0</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
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<td>4</td>
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<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
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</tr>
</tbody>
</table>

**Legend**

- Input
- Output

**Note:** Disbursements are assumed to occur at the beginning of each period, and interest and commitment fees flow at the end of each period, with interest accrued throughout the year.

**New:** Principal payments are also assumed to occur at the beginning of each period, starting from year 1.

**Uniform discount rate**

Please select the discount rate to be used based on the loan structure.

**Manual input discount rate (if applicable)**

Please input the discount rate.

**Discount rate adopted**

% p.a.

5.00
Examples of UNFCCC potential reporting tabular formats for support received

Table 7. Option for CTF table for financial support received

<table>
<thead>
<tr>
<th>Project/Programme Activity</th>
<th>Amount received</th>
<th>Financial instrument</th>
<th>Channel</th>
<th>Status</th>
<th>Recipient Entity</th>
<th>Implementing Entity</th>
<th>Type of Support</th>
<th>Sector</th>
<th>Sub-Sector</th>
<th>Status of activity</th>
<th>Timelines of activity</th>
<th>Does activity Contribute to Capacity Building and/or Technology Development and Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title of Project/Programme Activity</td>
<td>Domestic Currency</td>
<td>United States Dollar</td>
<td>Grant: Conventional loan; Non-Conventional loan; Equity; Guarantee; Joint venture; Other (specify)</td>
<td>Multilateral: Bilateral</td>
<td>Committed; Received</td>
<td>Governmental; non-governmental; national; international; other (specify)</td>
<td>Mitigation Adaptation; Conserving</td>
<td>Energy; Transport; Industry; Agriculture; Forestry; Water and Sanitation</td>
<td>--</td>
<td>Planned; ongoing; completed</td>
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</tr>
<tr>
<td>Project A</td>
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<tr>
<td>Project B</td>
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<td>Total</td>
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</tr>
</tbody>
</table>

Source: Falduto, C., Ellis J., 2019: Reporting Tables – potential areas of work under SBSTA and options. Part II – Financial support provided, mobilised and received, Climate Change Expert Group - Paper No. 2019(2). OECD IEA

Source: UNFCCC, 2019: SBSTA 50 agenda item 10 (c), Informal note by the co-facilitators, Version 25/06/2019
Take home points

- Existing global databases to obtain information on support provided as base to map support received and cross reference
- Access tools and make your own assessment of what you consider climate relevant and decide on appropriate weights
- Learn from other countries' experience: study country BURs, reach out to countries to exchange ideas