



# Tracking climate finance

Jane Ellis

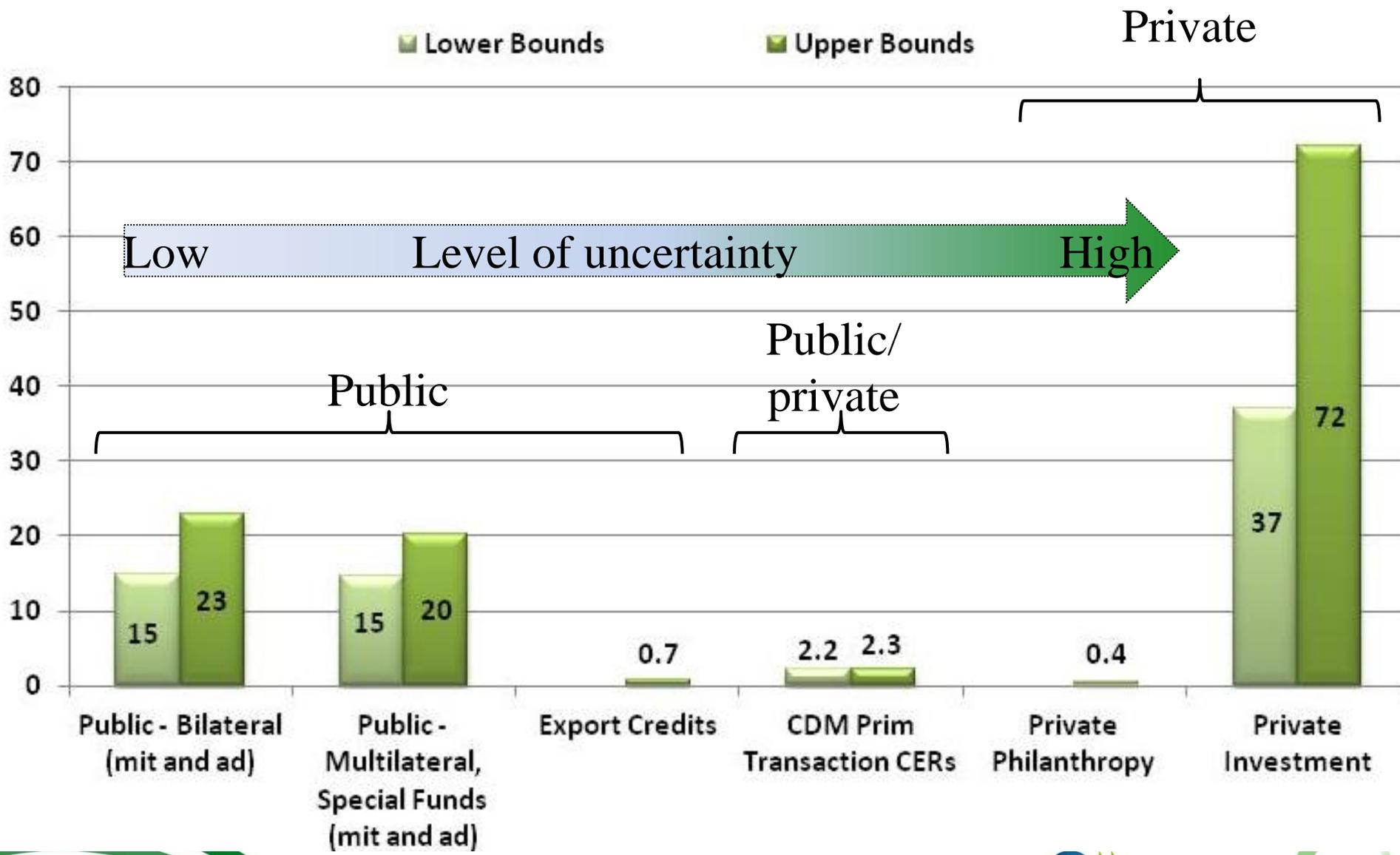
[jane.ellis@oecd.org](mailto:jane.ellis@oecd.org)

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# Presentation outline

- What is climate support?
- Climate flows – theory and practice
- What are the gaps in M, R, V of climate support?
- Current guidelines
- Putting theory into practice...
- Conclusions

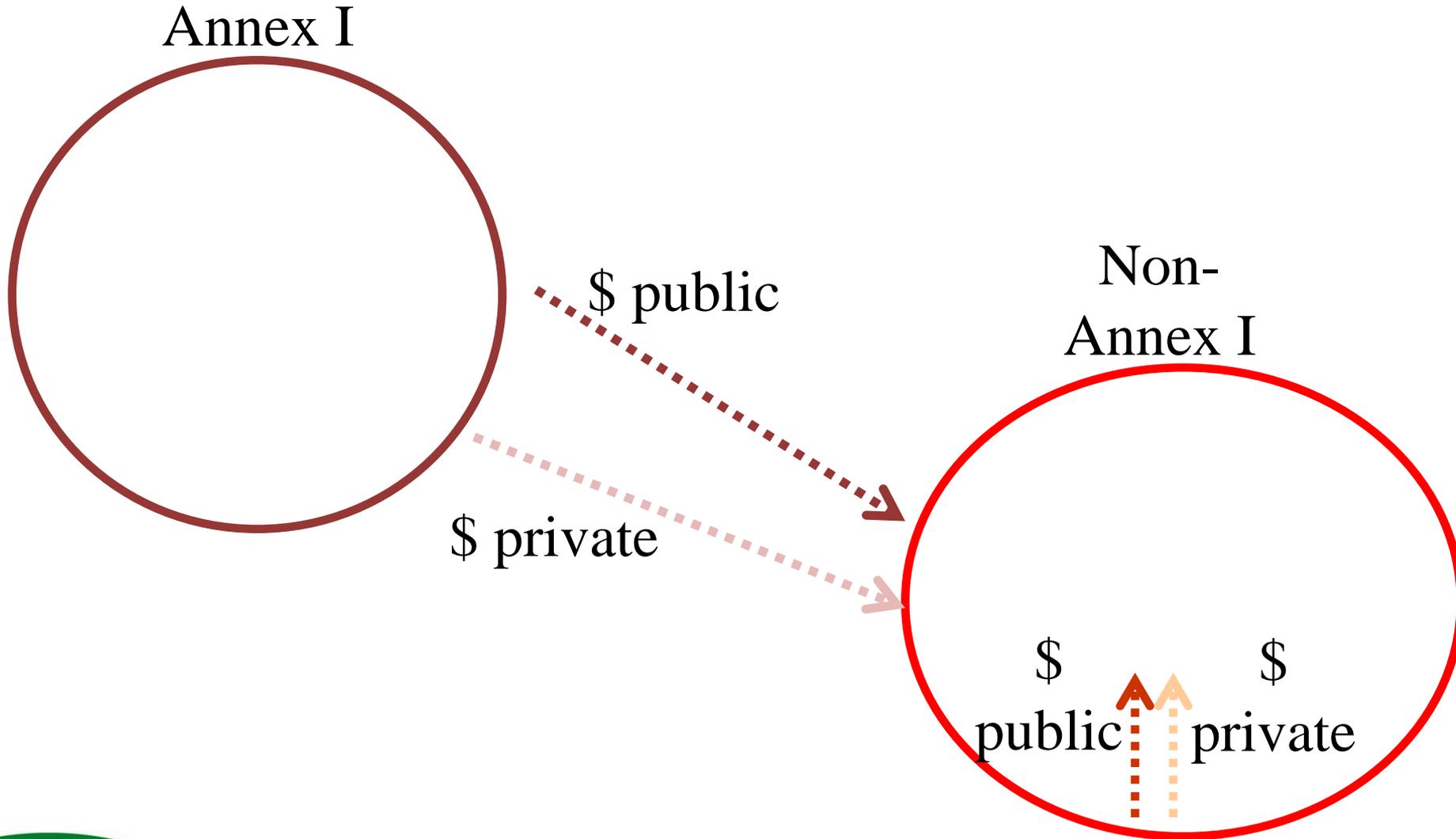
# N-S Climate Finance: \$70-120bn p.a.



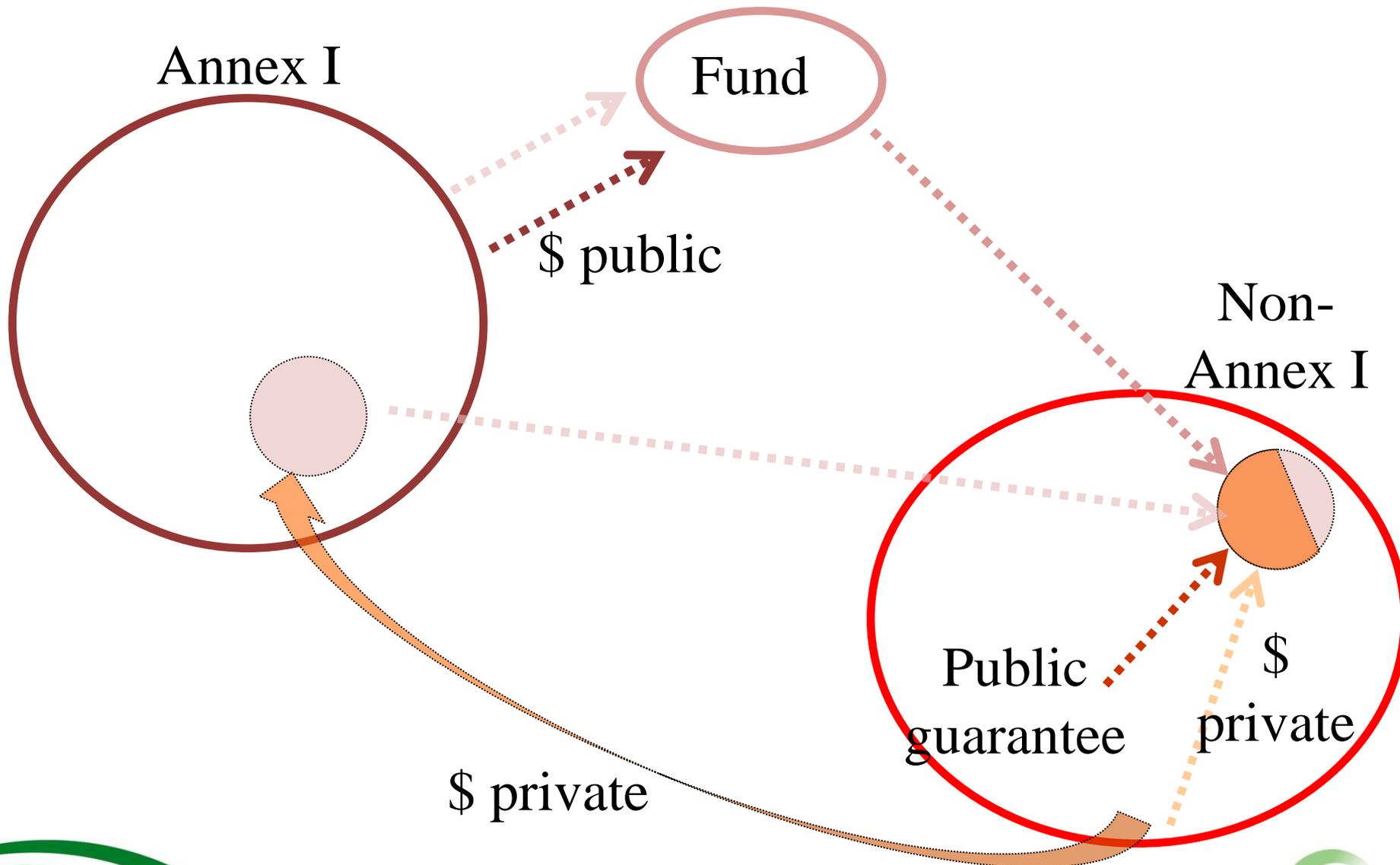
# Why do we need to track climate finance?

- National (support needed):
  - ◆ To identify gaps, and facilitate their funding
- National (support received):
  - ◆ To direct support to priority areas
- International commitments:
  - ◆ National Communications, Biennial (update) reports
  - ◆ FSF, \$100bn commitment (developed countries)

# Financial Flows: Theory



# Financial Flows: Possible practice...



# Challenges for Robust Tracking

- Lack of data, disparate and overlapping sources
- Reporting mandates – national vs international
- Intertwined flows
- Aggregation of different types of flows
- Double-counting
- Timing of measurement
- Impact of flow on climate
- Country of origin
- Bypassing government systems (where available)

# Gaps in international reporting of climate support

- UNFCCC guidelines lead to incomplete picture of support provided and received:
  - ◆ Focus on public support
  - ◆ Donors other than Annex II countries (e.g. Korea) not required to report, though some do
  - ◆ Information on support received extremely patchy (although double-book keeping in principle)
  - ◆ Developed country reporting will be strengthened shortly (reporting tables expected at COP18)

# Gaps in international reporting of climate support (2)

- Limited information on:
  - ◆ Private outflows from AI; inflows to NAI
  - ◆ MDB flows
  - ◆ Domestic NAI flows
- Difficult to disentangle private flows (AI/NAI; within AI)
- Inconsistent reporting:
  - ◆ No common definition of “new and additional”
  - ◆ Time periods covered (AI)



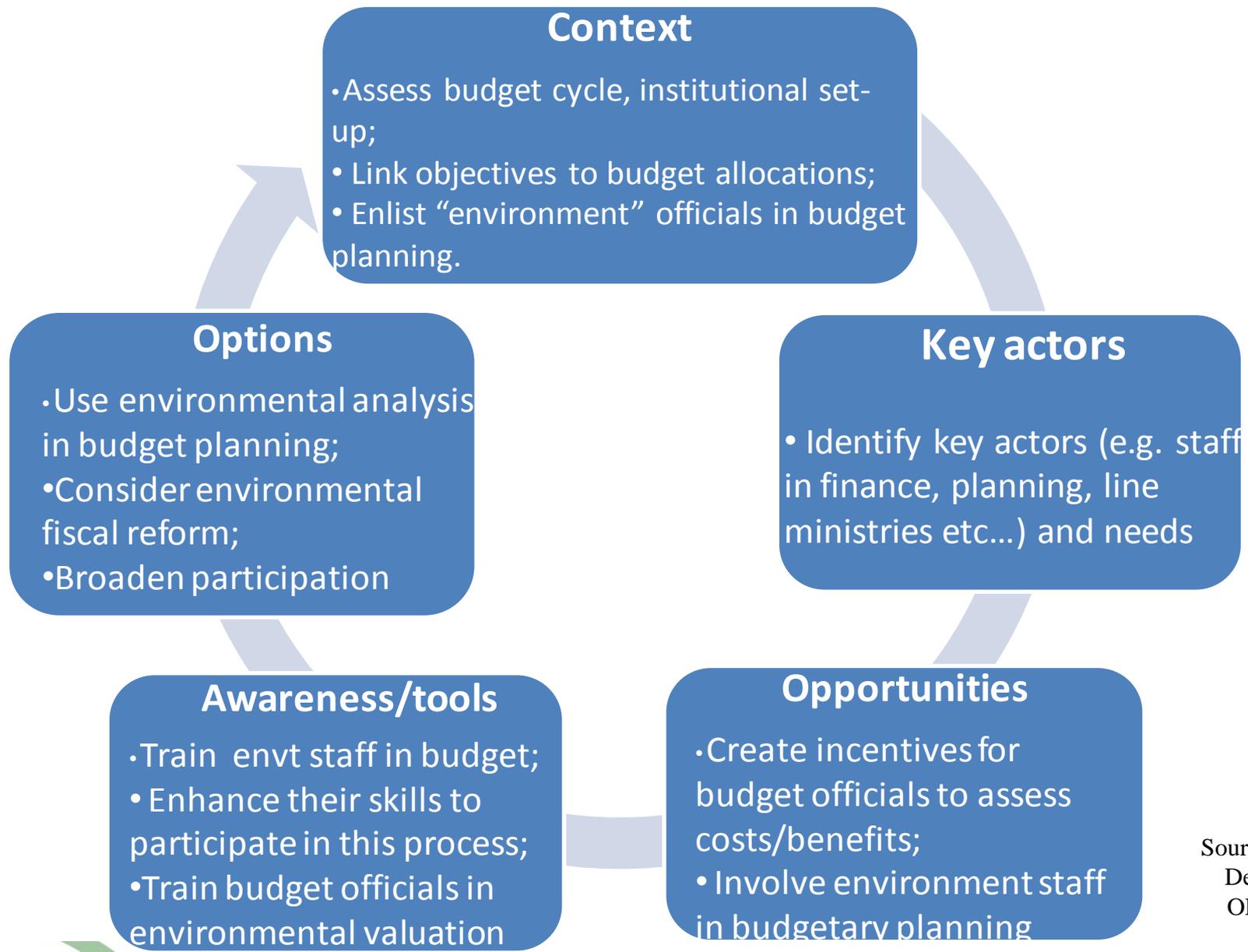
# New guidelines (COP17)

NAI “should” provide in biennial update report:

- Constraints and gaps, and related financial, technical and capacity needs, including a description of support needed and received (from GEF, developed countries, multilaterals, GCF);
- Information on the level of support received to enable the preparation and submission of biennial update reports;
- Information on domestic measurement reporting and verification

NB in National Communication – also domestic funding

# Greening budget planning



Source: Greening  
Development  
OECD, 2012

# Conclusions

- Wide variety of climate support needs and flows
- There are gaps in reporting for climate support:
  - ◆ No internationally-agreed definition of climate finance (or what “mobilised” means)
  - ◆ No single integrated international system for storing and accessing financial data, although components exist (e.g. OECD-DAC)
  - ◆ Flows may frequently bypass government systems
  - ◆ Significant uncertainties on the largest flows

# Conclusions

- M, R, V not straightforward as flows sometimes complex, not always direct
- Many political and technical questions remain, e.g.:
  - ◆ What counts to 100bn? (Flows, projects, instruments)
  - ◆ How to demonstrate causality/mobilised?
- All countries need to improve M, R and V for climate finance ... but will take time (and capacity)
- Improved transparency an important interim step
- Increased co-ordination can help to integrate climate into national budget ... and improve M, R, V

# Key questions

- What is needed in-country in order to identify and quantify needed climate support (\$, Tech, CB)?
- What climate finance tracking is currently in place?
- When to track? (Commitments, disbursements)
- Are systems in place to systematically track inflows from AI Parties, GEF, GCF, multilaterals? Private sector? If not, how to establish this?
- How do we ensure consistency between information on inflows and outflows?
- How can we make data comparable?

# Thank you



[www.oecd.org/env/cc/ccxg](http://www.oecd.org/env/cc/ccxg)

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