

# UK Presentation to CCXG

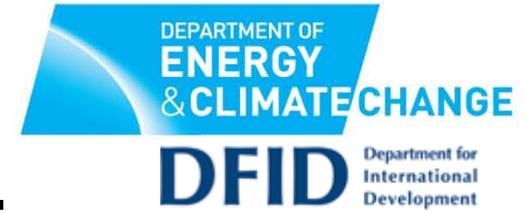
## September 2012

*A working project level approach to forecast  
and monitor private climate finance mobilised*

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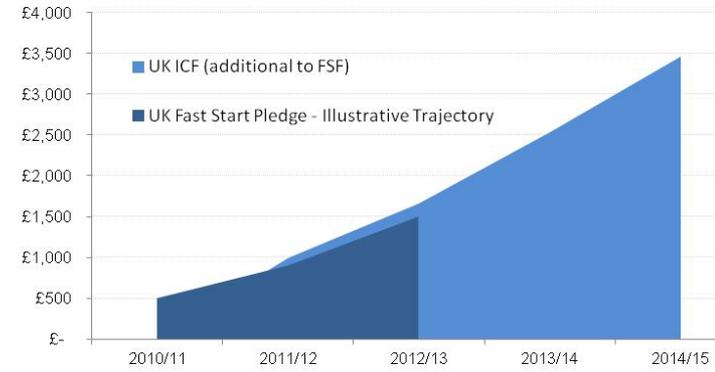
- Introduction to UK International Climate Fund
- UK's working level approach;
  - Rationale for a Project Level approach
  - Overview of the Methodology
- Areas for Future Development
- Summary

# The UK International Climate Fund is designed to help developing countries tackle climate change and reduce poverty.

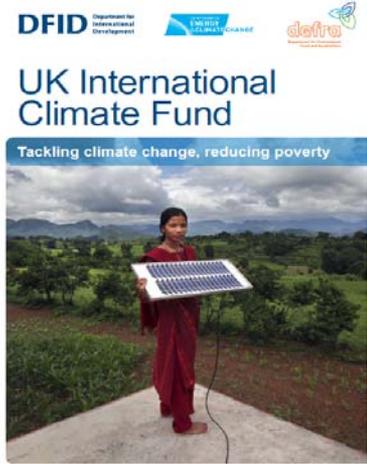


- The UK will provide £2.9 billion of international climate finance through the ICF from 2011 to 2015, in addition to our 2010 FSF commitment.
- Delivery shared between 3 Departments:
  - Department for International Development,
  - Department of Energy and Climate Change, and
  - Department for Environment, Food and Rural Affairs

UK International Climate Finance (£m, cumulative)



- Fund Priorities:
  - Build global knowledge and evidence
  - Develop, pilot and scale up innovative low carbon, climate resilient programmes
  - Support country level action
  - Build an enabling environment for private sector investment
  - Mainstream climate change into UK ODA



- Significant emphasis on Monitoring and Evaluation

For more information see DECC Website:  
[www.decc.gov.uk/en/content/cms/tackling/international/icf](http://www.decc.gov.uk/en/content/cms/tackling/international/icf)

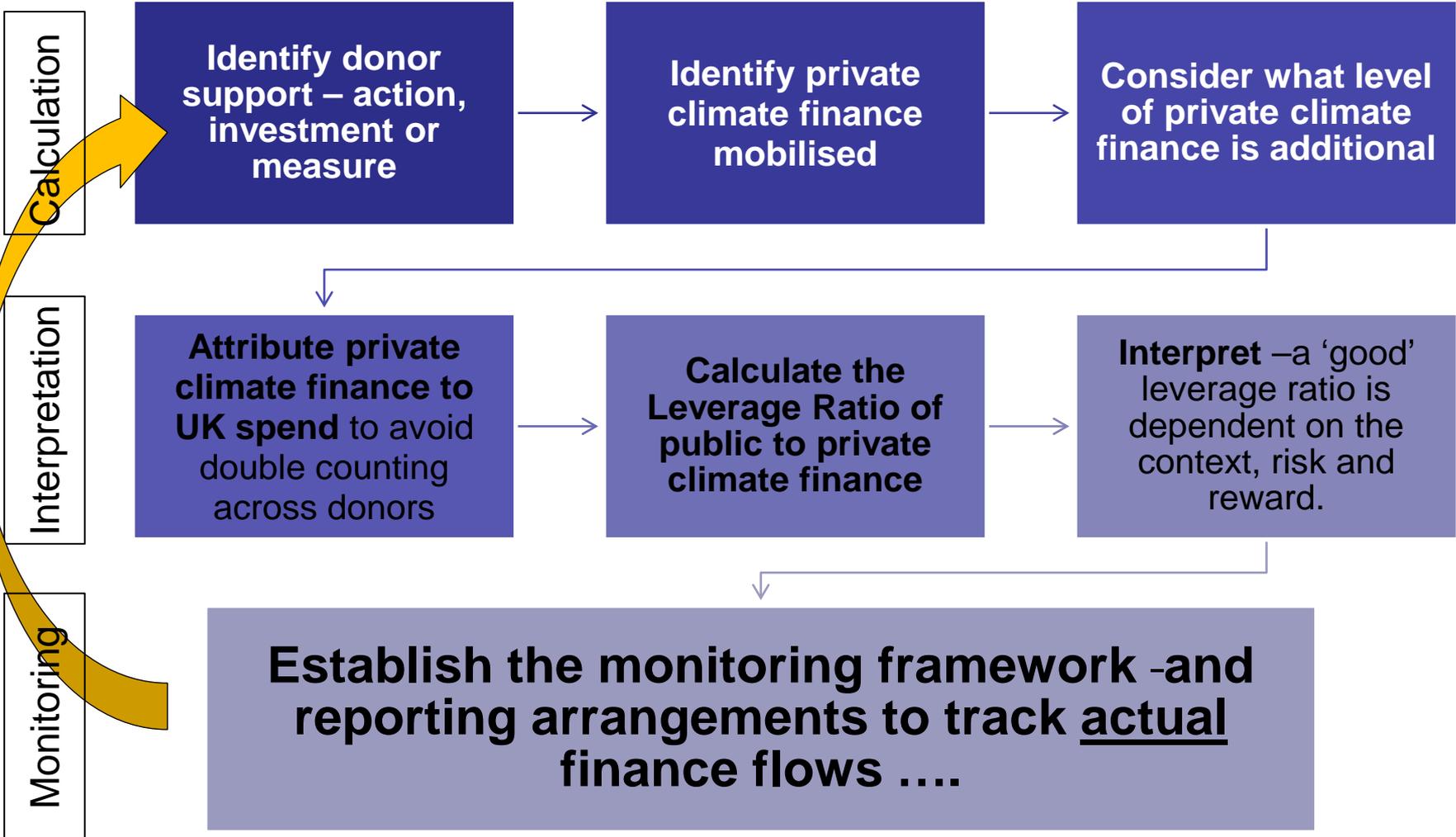


**We've taken a 'Project Level' approach – starting with our project/action and then forecasting and monitoring private finance mobilised by this action....**

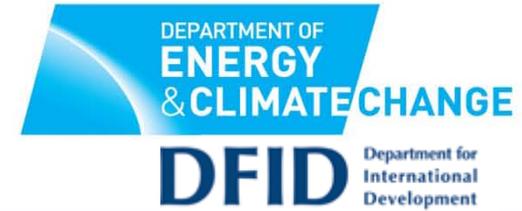


- **Advantages of a project level approach:**
  - A basis for country reporting to UNFCCC
  - Specifically focus on flows mobilised by public intervention
  - Supports reporting within the next two years based on forecasts (before actual flows are realised and monitored).
  - Allows assessment of project's effectiveness & supports lesson learning on project design, mobilisation and effectiveness.
- **We however recognise that:**
  - Need for a cost-effective and operable system.
  - Programmatic approaches, or standardised approaches may be more appropriate in some instances.
  - 'Top level' approaches may be more suited for some types of private climate finance flows – such as carbon markets

We've developed a working approach to forecast and monitor private finance mobilised and are applying this to our key private sector projects....



**This is a working level approach - there is undoubtedly significant scope for improvement and development.....**



- Our methodology is '**work in progress**' - needs to be tested and developed over wider range of projects and learn from other approaches.
- Future work to develop methodologies could include:
  - **Reviewing evidence and methodologies** on project level forecasts of private finance mobilised, leverage ratios, and actual MRV'd finance flows
    - **Item 5 CCXG Work Proposal**
  - **Scrutinising the different technical definitions and methodologies and reviewing the robustness of existing approaches.**
  - **Developing guidance on core methodologies** across the range of key instruments to mobilise private finance
  - **Developing standardised / programmatic approaches**



# Summary

- Project level approach – credible and transparent approach for country reporting and lesson learning.
- UK developed a “working” approach – but needs testing and improving.
- Need to develop standardised methodologies and guidance to facilitate robust project level reporting across donors and for consistent and transparent reporting to UNFCCC.
- Key to credible reporting and to avoiding double counting are considerations for how finance is mobilised, additional and attributed.
- Need to consider role of central reporting systems and how this fits with project level & donor level reporting.