



# Mobilising Climate Finance: Definitions and Methods

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# Definitions for tracking and attribution

- No harmonisation of: terminology, definitions or methods for tracking private climate finance.
  - ◆ Thus, we do not know exactly what numbers presented by different actors are conveying
- Lack of harmonisation on definitions impacts how climate finance is attributed
- Attribution and tracking are different issues.
  - ◆ Attribution rules could be used to avoid double counting. Do we need to attribute to individual actors, when commitment is collective?

# Additionality

- Assessing additionality of climate finance is not an observable, so needs to be based on assumptions
- There is a spectrum of “causality”
- Importance of different investors in mobilising climate finance varies:
  - ◆ In different parts of the project lifecycle (e.g. enabling activities vs project funding)
  - ◆ Type of investor (e.g. anchor investor)

# Tracking issues

- We won't be able to track every last dollar ...
- However, key sources will be missing from UNFCCC reports unless guidance is changed
- Difficult to track country of origin of finance, especially when going through intermediaries
- Keep cost-effectiveness of tracking system into account
- Tracking should help us learn about effectiveness of climate finance

# Double counting

- Double counting may be higher if there is individual reporting, rather than collective reporting
- Double counting could be reduced if we “count at the coalface” (... but this is in contrast to UNFCCC requirements)
- Technical assistance can be powerful, but including this could also lead to double-counting.

# Role of public interventions

- Sources and destination of climate finance are shifting
- Risk reduction is crucial in mobilising private sector
- Different actors best placed to reduce different risks

# Individual vs collective reporting

- Countries will want to report individually on public finance; some will also want to report individually on mobilised climate finance
- Need for collective vs individual reporting will depend on why we are tracking (e.g. Are we doing enough to reach to 2 deg goal?, attribution?, progress to USD 100bn)
- Individual and collective reporting not mutually exclusive