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The practical challenges of monitoring climate finance: Insights from Climate Funds Update

Charlene Watson, Smita Nakhooda, and Alice Caravani, Overseas Development Institute, Liane Schalatek, Heinrich Böll Foundation

The international community is focusing increasing attention on the need for more information and transparency on climate finance. Much of this interest has emerged in the context of developed country pledges to mobilise USD 100 billion in climate finance, per year, by 2020 under the UNFCCC.[1] Increased monitoring of climate finance is essential to ascertain whether countries are on track to meet such commitments. Furthermore, there is agreement that climate finance should be mobilised in a context of mutual accountability. To this end, there has been agreement that developed countries' efforts on mitigation and finance should be "comparable, transparent and accurate".[2]

This brief reflects on the practical experience of monitoring climate finance from the Climate Funds Update (CFU), a joint initiative of the Overseas Development Institute (ODI) and the Heinrich Böll Foundation (HBF), established to increase the transparency of climate finance flows (see Box 1). CFU was launched in 2009 and seeks to monitor 22 dedicated public climate change finance initiatives from the point when donors pledge funding, through to the actual disbursement of climate finance. This brief highlights and makes the case for a focus on public finance, before considering the adequacy of information available, drawing on the CFU experience. It concludes by suggesting key priority areas for efforts to harmonise climate finance reporting.

The case for a focus on public finance

A fundamental challenge in monitoring climate finance is that there is no agreed definition of what counts as 'climate finance'. The principles of the United Nations Framework Convention on Climate Change (UNFCCC) suggest that developed countries mobilise 'new and additional' financial resources to meet the 'incremental costs' of climate change. The practical interpretation of this principle, however, has been a source of substantial debate and controversy (see Corfee-Morlot et al., 2009; Romani and Stern, 2011; and Fransen et al., 2012 for a discussion on the methodological challenges of interpreting this principle).

In light of these controversies, more encompassing definitions of climate finance have been proposed. For example, Buchner et al., (2011) propose that '*climate finance flows include both international (bilateral Official Development Assistance, Other Official Flows, export credits, and multilateral concessional and non-concessional flows) and private finance (carbon market finance, REDD+, Foreign Direct Investment and other private flows).*'

There are many governmental and multilateral initiatives to monitor climate finance, including the Organisation for Economic Co-operation and Development (OECD)'s Development Assistance Committee (DAC) Creditor Reporting System (CRS), UNFCCC National Communications, voluntary fast start finance self-reporting (coordinated by developed countries), voluntary reporting on programmes to reduce emissions

1. These pledges were first made under the Copenhagen Accord in 2009 (which stated that reporting on finance should be "robust, rigorous and transparent"), and then confirmed in the Cancun Agreements of 2010, as well as the Durban Platform of 2011.
2. Copenhagen Accord, Para 4. The Bali Action Plan of 2007 further affirms the need to monitor report and verify support for the nationally appropriate mitigation action, as well as the implementation of those actions.

from deforestation and degradation, and independent reporting initiatives of the Multilateral Development Banks (MDBs). Nevertheless these initiatives lack transparency, comparability and comprehensiveness (Brown et al., 2011).

CFU focuses on concessional public finance (including grants) mobilised with the express purpose of helping developing countries respond to climate change through mitigation or adaptation. This brief does not comment on the extent to which the principles of the UNFCCC, particularly that of new and additional finance, apply to these funds, especially since country contributions almost always come from their official development assistance (ODA) budgets. Only few monitored funds hold exceptions to this rule with regards to supplementary sources of funding: for example the Kyoto Protocol Adaptation Fund, which is financed through a 2% levy of proceeds from the Clean Development Mechanism (CDM); and funding for the German International Climate Initiative (ICI) which is indirectly linked to finance raised from a national auction of emissions allowance units. Since 2004, about USD 32 billion has been pledged to these funds.[3]

CFU does not track other official flows (OOF) or ODA that may also support recipient countries to respond to climate change. OECD member countries are able to specify whether their OOF or ODA spending contributes to climate change adaptation or mitigation as a 'principle' or 'significant' objective using the Rio Markers when they report to the OECD DAC CRS. As a result, OECD estimates of climate specific and relevant spending are more encompassing than the dedicated climate finance that we monitor on CFU. The OECD estimates that public multilateral organizations spend USD 14-17 billion per year on climate change activities, and bilateral organisations spend USD 15 - 23 billion (Clapp et al., 2012). However, these estimates are based on self-reporting and classification, without independent review or verification.

Monitoring Finance

CFU is one of a growing number of independent initiatives that seek to plug the gaps in publicly available information on climate finance (see Appendix 2).[4] Such scrutiny increases accountability for the mobilisation and delivery of public climate finance in accordance with commitments made by parties to the UNFCCC. Transparency is essential to understanding who benefits from public climate financing, and how scarce public resources are being used. It improves understanding of the extent to which the finance available meets demonstrated needs for finance. The delivery of public climate finance also plays an essential role in fostering trust between developed and developing countries, and in the UNFCCC process to deliver fair and effective outcomes. Public finance can, in some circumstances, help to shape market conditions and correct failures which help redirect private decisions and investment towards climate change goals. Furthermore, public finance is necessary to address financing need that are not priorities for the private sector.

CFU monitors three general categories of climate finance initiatives. First, it tracks all multilaterally governed funds focused on climate change. Many of these funds have formal links to the UNFCCC process, such as: the climate change focal area under the Global Environment Facility (GEF), an operating entity of the UNFCCC; the Adaptation Fund created under the Kyoto Protocol; and, the GEF-administered Least Developed Countries Fund and Special Climate Change Fund. Other multilateral funds, such as the Climate Investment Funds which are administered by the World Bank in partnership with regional development banks, and the UN-REDD programme, do not have formal links to the Climate Convention process. Second, are bilateral initiatives of developed countries which are often administered largely through their existing development agencies, although substantial bilateral climate finance is also spent through multilateral climate funds. Bilateral initiatives include Germany's International Climate Initiative, the Norwegian International Forest Climate Initiative, the UK's International Climate Fund, and Japan's Fast Start Finance Initiative. CFU notes that its coverage of bilateral initiatives is presently incomplete, but is are working to expand it.[5] Third, CFU has selective coverage of national funds that developing countries have established through which donors may choose to channel funding, such as the Brazilian Amazon Fund, or the Indonesia Climate Change Trust Fund (ICCTF).

3. An average rate of USD 4 billion per year.

4. Other similar initiatives include WRI's fast start finance monitoring. Some civil society groups have also begun to focus on their own country's efforts: for example Germanwatch, the Heinrich Böll Foundation, Oxfam Germany, and Brot für die Welt have launched a website focused on scrutinising German climate finance contributions at http://www.germanclimatefinance.de/. Bloomberg New Energy Finance is a private service focused on private investment in climate relevant sectors.

5. See for example forthcoming reviews of UK and US Contributions to Fast Start Finance completed by WRI and ODI in collaboration with the Open Climate Network.

Box 1. What is Climate Funds Update?

CFU was established in 2009 and seeks to monitor 22 dedicated public climate change finance initiatives from the point when donors pledge funding, through to the actual disbursement of climate finance. It is updated bi-monthly through the collation of both qualitative and quantitative data on climate finance.

CFU tracks the:

- countries providing climate change finance
- finance these countries have committed
- institutions entrusted with managing these funds
- type of finance funds made available (e.g. grants, loans, guarantees)
- range of countries and entities that are eligible to access the fund
- objectives of climate finance (general climate change mitigation, forest-based climate change mitigation, or adaptation)
- actual allocation of these funds across regions and countries
- range of projects they actually support
- status of disbursement of finance

Desk research → **Note qualitative and quantitative fund changes** → **Confirm changes with fund managers** → **Update fund descriptions and database** → **Highlight changes since last update** → **Changes to CFU are posted on the website**

The information on each fund presented on CFU is obtained through desk research including web searches and documents such as Trustee Reports, press releases, key decisions at conferences or meetings, and notes submitted by civil society organisations. Correspondence with the administrators of these funds is then initiated to check the accuracy of the figures and to correct any errors before the information is made public on the website. The fund administrators are of course under no obligation to report to CFU, and their collaboration with this independent initiative is entirely voluntary. Their cooperation is central to the effectiveness of CFU, with verification improving the degree of accuracy and confidence in the data presented. Many fund managers have also been very responsive to requests for information, and over time, as the reputation of the initiative has become more established, and its positioning as a credible source of objective information on climate finance has become clearer, the responsiveness of fund managers has further increased.

Source: http://www.climatefundsupdate.org

Accessing information on a regular basis

The primary challenge that CFU seeks to address is the need for up-to-date information on how money is being spent. The periodicity of financial reporting across the different funds makes it complex to collate and present up-to-date fund information. Table 1 below defines the terminology used to indicate the status of funds monitored on CFU.

Table 1. Fund status terminology of Climate Funds Update

Pledged	Deposited	Approved	Disbursed
A verbal or signed commitment from donors to provide financial support to a particular fund.	Funds that have been transferred from the donor into the account(s) of the fund.	Funds that have been officially approved and earmarked to a specific project or country programme.	Funds that have been spent either through administrative means or directly to an implementation programme or project, with proof of spend.

Some funds monitored by CFU report more frequently, and some are more comprehensive than others (Table 2). Those funds that report frequently also tend to report more comprehensively. Overall, relatively comprehensive information is available on funds pledged. It is also in the interests of fund managers to disclose information on how much finance has actually been deposited, perhaps because it helps to increase accountability for countries to follow through on their pledges. A much smaller number of funds report on project approval, and very few funds report how much finance has been disbursed.

Table 2. Typology, reporting period and availability of information on climate finance initiatives.

Green indicates clear, accessible and complete information; yellow indicates disaggregated and/or partial information, but with current information; orange indicates disaggregated and/or partial information, with low confidence that data is current; and red indicates poor or no availability of information. Note that for bilateral initiatives pledge and deposited are treated as the same category as no money is transferred into a separate fund.

Fund	Governance	Reporting period	Pledged	Deposited	Approved	Disbursed
Adaptation Fund	Multilateral - UNFCCC	Every three months	Green	Green	Green	Green
Amazon Fund	Multilateral National Trust Fund	Every month	Green	Green	Green	Green
Least Developed Countries Fund	Multilateral - UNFCCC	Approx. every six months	Green	Green	Green	Green
Strategic Climate Change Fund	Multilateral - UNFCCC	Approx. every six months	Green	Green	Green	Green
Global Environment Facility 4	Multilateral – UNFCCC	Approx. every six months	Green	Green	Green	Green
Global Environment Facility 5	Multilateral – UNFCCC	Approx. every six months	Green	Green	Green	Green
UN-REDD	Multilateral (UNDP, UNEP, FAO)	Every two hours	Green	Green	Green	Green
Clean Technology Fund	Multilateral (MDB)	Every six months	Green	Green	Green	Yellow
International Climate Initiative	Bilateral (Germany)	Not regularly	Green	Green	Green	Red
Pilot Programme on Climate Resilience	Multilateral (MDB)	Every six months	Green	Green	Yellow	Yellow
Congo Basin Forest Fund	Multilateral National Trust Fund	Not regularly	Green	Green	Yellow	Yellow
Forest Carbon Partnership Facility	Multilateral (World Bank)	Not regularly	Green	Green	Yellow	Yellow
Scaling Renewable Energy Programme	Multilateral (MDB)	Every six months	Green	Green	Yellow	Yellow
Forest Investment Programme	Multilateral (MDB)	Every six months	Green	Green	Yellow	Yellow
International Climate Fund	Bilateral (UK)	Not regularly	Green	Green	Yellow	Yellow
Global Climate Change Alliance	Multilateral (EU)	Not regularly	Yellow	Yellow	Yellow	Yellow
Global Energy Efficiency and Renewable Energy Fund	Multilateral (EU)	Not regularly	Orange	Orange	Orange	Orange
Indonesian Climate Change Trust Fund	Multilateral National Trust Fund	Not regularly	Orange	Orange	Orange	Orange
International Forest Climate Initiative	Bilateral (Norway)	Not regularly	Orange	Orange	Red	Red
International Forest Climate Initiative	Bilateral (Australia)	Not regularly	Orange	Orange	Red	Red
Japan's Fast Start Finance	Bilateral (Japan)	Not regularly	Orange	Orange	Red	Red

Source: information of the status of finance is predominantly sourced from fund and implementing agency websites and trustee reports also available on fund websites

Multilateral reporting is more consolidated and regular

In general, the experience of CFU suggests that multilateral reporting is more consolidated and regular. This may reflect the fact that these funds have been operational for a relatively longer period of time. UNFCCC multilateral funds such as the Adaptation Fund and the Strategic Climate Fund have put in place systems to report on disbursement. The GEF Trust Fund's (5th replenishment) financial status is regularly updated every six months with the pledges and deposits made by countries reported in the 'Trustee Report Global Environmental Facility Trust Fund', although information on disbursement is often difficult to access. The CIFs report the status of financial contributions from the different countries to the funds twice a year when their governing committees meet. The UN-REDD programme reports the amount that countries have 'committed' through UNDP's Multi-Partner Trust Fund Office 'Gateway', updated every two hours. Less formalised pledges are tracked in the quarterly UN-REDD Programme Funding Framework, which is reviewed at Policy Board meetings.

It is worth noting that the impediments to reporting are not just technical. UN-REDD and the ICCTF are both UNDP administered multi-partner trust funds, underpinned by technical systems that allow reporting in real time on the status of fund disbursement. However, while these systems are used for UN-REDD, they are not used for the ICCTF for which information has generally not yet been made publicly available.

Bilateral climate finance initiatives often do not report on a regular basis. For example, the website of Australia's International Forest Climate Initiative (IFCI), a bilateral source of finance established in 2007, has not been updated for almost two years. Germany's ICI has set good precedents by reporting comprehensively on the projects it funds, however it does not report on disbursement. It is notable, however, that the Amazon Fund of Brazil, which receives funding from Norway, Germany, and recently from the Brazilian petroleum company Petrobras reports on all stage of the funding chain, from pledge through to actual disbursement. The Amazon Fund is a performance based fund, to which pledged funding is deposited when progress in implementing programmes and achieving results is demonstrated. The strong reporting practices of the Amazon Fund demonstrate that it is possible for developing country-based institutions to meet high standards of information disclosure and transparency.

Monitoring the status of climate finance

Distinguishing the status of finance delivery is crucial for transparency as it provides information on whether pledges are being met, and whether finance is reaching recipients. Climate funds, however, do not use consistent terminology, and where they do, terms are not always interpreted the same way. This makes it difficult to accurately assess the delivery stage of climate finance both within and across the funds. A careful distinction between what countries pledge and what is actually deposited is essential to avoid over representing contributions. CFU seeks to provide a common interpretation of the status of fund implementation, and present comparable data.

Similarly, once funds are deposited, it may take time to develop a credible portfolio of projects worthy of funding. In turn, there is a crucial distinction between approving a project, and actually disbursing funding to allow its execution and realisation. There can often be long lags between the two stages. Reporting on disbursement is important to allow accurate accounting for how much funding has actually been spent. It also provides an important accountability function: if pledges have not been followed up on with deposits, then the responsibility for action clearly lies with contributor countries. On the other hand, if deposited funds have not been disbursed to recipient countries, the challenge may lie in the administration of the fund, or in the execution of the project which suggests a shared accountability with the recipient institution. This observation should not suggest a single focus on timeliness in progressing through the fund administration process, but it is an important indicator of how smoothly the funding process is working.

Correspondence with fund managers has allowed better understanding of the various stages at which funds report, and a reasonably accurate matching with the CFU terminologies (see Appendix 1).

The CFU project database now includes approximately 1000 projects. CFU is not presently able to track climate finance beyond the stage of disbursement to an implementing agency in the recipient country. Our data currently only includes project titles which briefly describe project activities; our information on project activities is somewhat limited. The multitude of implementing agencies involved in a project compounds the difficulty of tracking projects further (see Box 2), and there is a paucity of public information beyond disbursement. There may sometimes be a difference between an intermediary agency reporting disbursement and an institution based in a developing country actually receiving funding. In an ideal world, it would be possible to corroborate reported disbursement with a confirmation of receipt within a developing country. A lack of coordination and comparability in the frameworks for monitoring and evaluation of climate finance further impedes efforts on this count. One possibility to consider is the independent monitoring of climate finance flows by groups based in recipient country governments. Such efforts are resource intensive and require substantial time and capacity to achieve such detail for the growing number of projects. If lessons on how well these funds are spent are to be learnt, however, such information will be critical.

Box 2. A diversity of actors are involved in implementing projects

Multilateral climate initiatives work through a diversity of implementing agencies. The Global Environment Facility works through implementing agencies including the United Nations (UNDP, UNEP, UNIDO), MDBs (African Development Bank, European Bank for Reconstruction and Development and the Inter-American Development Bank), the World Bank, and the International Fund for Agricultural Development. Many of these in turn, administer projects in partnership with non-governmental organisations (NGOs) or government institutions. The Climate Investment Funds work through MDBs as implementing agencies, who in turn lend funds on to public institutions and private companies based in recipient countries. For instance the Congo Basin Forest Fund, administered by the African Development Bank, provides substantial funding to NGOs. The Adaptation Fund allows developing countries to nominate their own institutions to serve as National Implementing Entities (NIEs) who can have "direct access" to finance if they are accredited to meet minimum fiduciary standards. Eight NIEs have been accredited to date, including NGOs and some ministries.

Bilateral climate initiatives tend to be administered by their implementing agencies: the UK Department for International Development (DfID) in the case of the UK International Climate Fund, and the Australian Agency for International Development (AusAID) in the case of Australia's International Forest Carbon Initiative. Similarly, Germany's ICI is administered by the Ministry of Environment and co-financed by the Ministry of Foreign Affairs. All of these initiatives support programs implemented by their development agencies, as well as programmes implemented by other international organisations including UN Agencies, MDBs, and NGOs. Conversely the Global Energy Efficiency and Renewable Energy Fund (GEEREF) financed by the European Commission (EC) and administered by the European Investment Bank is an exception, as it invests in private equity funds, which in turn make investments in energy efficiency and renewable energy.

Comparability of information

The comparability of information is essential to aggregate trends across funds. CFU seeks to present verified information to the public in a standardised format. In doing so it has encountered a number of challenges:

Reporting gross flows

It is only possible to report gross flows of climate finance rather than net figures, due to a lack of publicly available information on the exact terms on which finance is being made available. When climate finance is delivered as a loan, insufficient data on the terms of the loan impedes accurate tracking of the total amounts of climate finance transferred. The CIFs for example, provide loans in addition to climate finance grants, however the proportion of finance delivered through a loan and the loan structure is not always clear. The terms on which finance is offered to private sector institutions is not made publicly available for business confidentiality reasons. In addition the terms of disbursement are not always made clear from publicly available documentation, including for projects with public sector institutions in developing countries. As a result, when climate finance is delivered as a loan, it is not possible to accurately account for interest that may have to be paid on a loan, or to track repayment of the loan over time. Administration costs, which can be a significant percentage of the overall funding amount, are also not always clearly identified in publicly disclosed budgets, making it difficult to distinguish such expenditures from the overall spending. The fact that CFU can only report gross figures creates a risk of not presenting amounts of finance actually received by developing countries with adequate precision.

Currency comparisons

A second challenge is the need to track finance in a common currency. Funding is usually monitored in US Dollars (consistent with the practice adopted by most multilateral climate funds). Where possible we apply the exchange rates specified by fund managers making these conversions; but when this information is not publicly available we use rates as reported on global websites.[6] Nevertheless, fluctuations in exchange rates present a complication for tracking climate finance, as the value of a pledge may have changed by the time it is actually deposited to a fund. The devaluation of the Euro and British Pound for example, has resulted in a smaller volume of finance deposited to the Climate Investment Funds than was originally pledged. CFU therefore applies an annual average exchange rate to pledges, based on the year in which the pledge was made. For other categories – deposit, approval and disbursement – we apply the exchange rate in the month in which the delivery occurs. This can create the appearance of inconsistencies in data. For example, if funding for an approved project is only disbursed in the following year following an increase in the exchange rate, the amount of finance disbursed may appear higher than originally predicted.

Double counting

A final challenge is the risk of counting the same climate finance contribution more than once. This risk is particularly high when funding deposited in a multilateral fund arises from a bilateral fund. For example the UK International Climate Fund channels finance through nine of the multilateral climate funds that are also monitored on CFU. Care must be taken not to 'count' this finance twice. A lack of synchronisation of reporting systems can also result in discrepancies between different sources of information on the same climate fund; a pledged or deposited figure which is self-reported by a donor country into a multilateral fund may well differ from the amount of finance that a multilateral fund reports to have received from a contributor country.

A second risk is counting the same climate finance spend more than once. In some instances multiple climate finance initiatives can support the same project. It will be important to ensure that the same project is not counted multiple times which could lead to an inflation of the number of projects receiving funding. To date, the number of funds and projects that CFU monitors has been relatively small, allowing for careful management of these issues based on good knowledge of the priorities and modalities of each of the funds. As the number and type of funds increases, so does the complexity of flows and, in turn, the risk of double counting.

Conclusions

The challenges of monitoring climate finance are increasingly well recognised. CFU has narrowed its monitoring efforts to public climate finance through multilateral and major bilateral dedicated climate change initiatives. There are compelling imperatives for transparency on these flows - including ensuring public understanding of how tax payers' money is being spent. Yet even with this relatively narrow scope of finance, CFU has encountered substantial challenges in accessing adequate information at the various stages of operation from these funds. Over time, CFU has observed substantial improvements in reporting and disclosure practices. Nevertheless, to provide a more **comprehensive** picture of climate finance, coordinated efforts to expand the monitoring of other sources of climate finance will be necessary.

The lack of regular and detailed information on the status of finance is a major and on-going hurdle to monitoring. The more established multilateral funds, however, tend to have more regular and comprehensive reporting on fund status. Newer sources of bilateral finance have less regular reporting systems, and information on the status of finance is harder to find. In both cases, we encounter difficulties tracking finance once it has been disbursed in a developing country. This poses difficulties for **reliability and comprehensiveness** of the monitoring of climate finance. Better information on how these funds are spent,

6. The Climate Funds Update sources exchange rate data from www.OANDA.com

is essential in order to understand how effectively the funds are being spent. Monitoring climate finance beyond the implementing agency is therefore a critical first step for evaluating the effectiveness of climate finance. On the other hand, a number of international institutions and independent research institutions, including the ODI, are beginning to consider the effectiveness of climate finance using a combination of research methods, including case study based explorations. Nevertheless, there is a need to work towards a more comprehensive system of reporting.

Finally, ensuring the **comparability** of climate finance data is compounded by a number of challenges including: the instruments of climate finance, the currencies of the funds, the application of time variant exchange rates and, complicated inter-linkages between the sources of climate finance. CFU has made methodological choices to deal with time variant exchange rates through the course of finance flows from pledge to disbursal, and gross accounting of grants (without administration costs) and loans (without repayment information) finance. Any efforts to develop more coordinated frameworks for monitoring climate finance will encounter similar challenges, and will have to find methodological solutions. In the case of CFU, simplicity (with transparency about the underlying choices and their potential implications) has been prioritised over methodological complexity.

Many of the challenges confronted in monitoring climate finance on CFU are surmountable, although there may be both political and practical impediments to increasing the availability of information. Efforts to achieve greater harmonisation and reporting of financial figures across institutions can help ameliorate some of the challenges outlined in this paper and reduce the risks of misinterpretation and inconsistency of data. Any efforts towards harmonisation should seek to increase standards of transparency, accountability and the completeness of disclosure. It remains to be seen whether the process of operationalising the Green Climate Fund will offer guidance that strengthens reporting practices on climate finance.

To that end our analysis suggests the need for progress on the following practical issues:

- Better synchronisation and regularity across institutions for reporting of financial data, including the application of common terminology from pledge through to disbursement, so as to reduce the risks of misinterpretation and the inconsistency of data;
- Consistent and comprehensive reporting on the status of finance, particularly with regards to disbursement data. Ideally, all funds would report on whether funding pledged has been **deposited**, when it has been **approved** for a project or programme, and when funds have actually been **disbursed** to a recipient institution, and provide information on when each of these stages was reached;
- Greater provision of information on the implementation of projects and programmes throughout their life cycle to allow better understanding of their impact and effectiveness over time.

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Appendix 1: Terminologies applied for the different stages of finance

Selection of Funds	Pledged	Deposited	Approved	Disbursed	Extra-categories
Climate Funds Update	A verbal or signed commitment from donors to provide financial support to a particular fund.	Funds that have been transferred from the donor into the account(s) of the fund.	Funds that have been officially approved and earmarked to a specific project or country programme.	Funds that have been spent either through administrative means or directly to an implementation programme or project, with proof of spend.	N/A
UN-REDD Programme	'Commitments' signing a Standard Administrative Arrangement (SAA).	'Deposits' - refer to the funds deposited by the donor to the bank account of UNDP/MDTF Office.	'Budget' - approved budget allocated to projects.	'Transfers' - Funds transferred from the MDTF Office to a Participating UN Organization based on an allocation approved by the UN-REDD Programme Policy Board.	'Expenditure' - Disbursement plus 'un-liquidated obligations/ commitments' (ie amounts officially 'accounted for' but which may not have been paid for yet) of the Participating UN Organizations, related to payments due for the year.
Adaptation Fund	'Donations' -reported in Adaptation Fund Board meeting documents.	'Receipts' - reported in Adaptation Fund Board meeting documents.	'Approved'	'Cumulative Cash Transfers' - reported in the "Financial Status of the Adaptation Fund Trust Fund" report, produced for each AFB meeting.	N/A
GEFs LDCF and SCCF	'Pledges / Commitments' - found in the 'Status Report on the LDC and SCCF'. Pledges are made initially by countries, before being formalised in fund administration agreements (referred to as 'committed').	'Paid (receipts)' - amounts agreed to in fund administration agreements are recorded as 'paid' (so deposited).	'Council Approved' - / Endorsed', 'PPG Approved', 'PIF Approved' (only for medium scale projects)	'CEO Endorsed / Approved', 'IA Approved', 'Under Implementation', 'Project Closure', 'Project Completion'	'CEO PIF Clearance'
Japan's FSF	'Pledge'	N/A	N/A	N/A	N/A
Australia's IFCI	'Pledge'	N/A	N/A	N/A	N/A

Appendix 2. Initiatives tracking climate finance (Adapted from Global Witness 2011)

Tool	Managed by	Description	Source
Climate Funds Update	ODI and HBF	Independent website monitoring dedicated multilateral climate funds and bilateral climate initiatives from donor pledges through to the disbursement of project financing to increase the transparency of climate finance flows.	www.climatefundsupdate.org
Voluntary REDD+ Database	REDD+ Partnership (FAO/ UNEP)	Improving transparency around REDD+, finding and addressing gaps and overlaps in REDD+ financing, and sharing experiences on REDD+. It relies solely on information voluntarily submitted by countries and institutions.	www.reddplusdatabase.org
Fast Start Finance	Coalition of governments, led by the Netherlands	Countries determine the reporting template and level of specificity they provide.	www.faststartfinance.org
Indepen-dent Fast Start Finance Tracking	World Resources Institute	Tracks and reports pledges from donor countries, including what is 'new and additional' and the channelling institution(s) used.	www.wri.org/publication/ summary-of-developed-country-fast-start-climate-finance-pledges
REDD Countries Database	The REDD Desk (Global Canopy Programme and Forum on Readiness for REDD)	A database of a range of ongoing REDD+ activities organised by country and summarising key information across a broad range of areas including policies, plans, laws, statistics, activities and financing. Only three countries have been launched on the platform but twelve more are currently being researched.	www.theredddesk.org/ countries
Fast-Start Finance Submis-sions by Annex 1 Parties	UNFCCC	The UNFCCC Conference of the Parties invited developed countries to provide submissions detailing the fast-start climate finance they are providing, in order to enhance transparency. Ten submissions have been received (Australia, Canada, Hungary, Iceland, Japan, Liechtenstein, New Zealand, Norway, Switzerland and USA), but donors such as the UK, France and Germany have not submitted information to the UNFCCC.	www.unfccc.int/resource/ docs/2011/cop17/eng/ inf01.pdf
Climate Finance Tracker	World Bank	The website reports funding by sector, sources and finance mechanism. It provides information on funding objectives, financing mechanism, application procedures, project types, decision making structure, and project examples. Complete and up to date information on the financial status of each initiative is lacking.	www.climatefinanceoptions. org/cfo/node/189
UN Multi-Partner Trust Fund Office Gateway	UNDP	Real-time information on contributions, projects and detailed balance of resources committed, deposited, budgeted, transferred and expenditures. The portfolio includes MPTFs, 'Delivering as One' UN Funds and Joint Programmes that support humanitarian, recovery, reconstruction and development processes. It only covers a limited number of climate change initiatives.	www.mdtf.undp.org
FCPF Dashboard	World Bank – FCPF	Periodical updates of country status on the Forest Carbon Partnership Facility Readiness progress, with figures on grants signed and/or disbursed, as well as a financial summary.	www.forestcarbonpartnership. org/fcp/node/283

Climate Finance Policy Briefs

This series of policy briefs provides an independent commentary on current themes associated with the international debate on climates finance. The papers are prepared by the Heinrich Boell Foundation and ODI and posted on the Climate Funds Update website.

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Overseas Development Institute
111 Westminster Bridge Road, London, SE1 7JD, United Kingdom
Tel:+44 (0)20 7922 0300

Heinrich Böll Stiftung North America
1432 K Street, NW, Suite 500; Washington, DC 20005-2540. U.S.A.
Tel:+1 202 462 7512