Austrian Presidency of the Council of the European Union

# Submission by Austria and the European Commission on behalf of the European Union and its Member States

## Subject: Biennial submissions from the EU and its Member States on their updated strategies and approaches for scaling up climate finance from 2014 to 2020

Vienna, 4 October 2018

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# Executive Summary

*The EU and its Member States are committed, as part of the collective developed countries' goal, to continuing to scale up the mobilization of international climate finance while supporting a country-led economic and financial transition towards low emissions and climate resilient societies. The observed progression of EU climate finance over the past years is in line with the 2016 USD 100 billion Roadmap and represents a substantial contribution toward meeting this collective goal together with the other developed countries.*

## *EU mobilization of climate finance*

- *Commitment to the USD 100 billion goal*

*The EU and its Member States are committed to continuing to scale up the mobilization of international climate finance, as part of the developed countries' collective goal to jointly mobilize USD 100 billion per year by 2020 through to 2025 for mitigation and adaptation purposes, from a wide variety of sources, instruments and channels. The collective mobilization goal of USD 100 billion per year by 2020 remains an important contribution to drive the transformational change envisaged by the Paris Agreement.*

- *Important contribution towards the USD 100 billion goal*

*Our public support for climate-specific finance has almost doubled in nominal terms over the last three years. Based on national Biennial Reports to the United Nations Framework Convention on Climate Change, the EU and its Member States are collectively the largest provider of climate finance to developing countries, amounting to EUR 20 billion in 2016 (compared to EUR 10.6 billion in 2013). This figure includes climate finance sources from public budgets and other development finance institutions. It also includes EUR 2.7 billion from the EU budget and EUR 1.9 billion from the European Investment Bank.*

*The EU is also a top contributor to multilateral funds and mechanisms. The EU and its Members States are the largest contributor to the Green Climate Fund (GCF) with a total of USD 4.7 billion committed, accounting for almost half of the USD 10.3 billion of total pledges during the initial resource mobilization. We have strongly supported the seventh replenishment of the Global Environment Facility (GEF), with a* *commitment of about EUR 1.9 billion, accounting for over 50% of the total contributions. We have also provided 95% of all voluntary funding to the Adaptation Fund.*

*The EU and its Member States support multilateral development banks and their activities in developing countries, both through their own resources and through increased mobilization of private climate relevant investments.*

- *Support for adaptation*

*The EU and its Member States will continue their efforts to channel public climate finance towards adaptation. While striving for a balance between adaptation and mitigation from a provider's perspective, support for adaptation projects and programmes remains essentially demand-driven and reflects the needs and priorities of developing countries, in particular the poorest and most vulnerable countries.*

- *Recipient country ownership through support for Nationally Determined Contributions*

*The EU and its Member States will continue to work together with developing countries and delivery partners to implement Nationally Determined Contributions, enhancing the effectiveness of climate finance and raising ambition globally. Such cooperation fully takes into account the synergies between climate objectives and other international agendas such as the sustainable development goals as adopted by the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda on financing for development.*

## *Targeted support of country led transition towards low emission and climate resilient societies*

- *Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development*

*The Paris Agreement goals and the transition to a low-emissions, climate-resilient world cannot be achieved with public finance alone. In this context, the EU and its Member States continue to increasingly promote the mobilization of private finance through targeted use of available public funding and through capacity-building and support for policy instruments conducive to the alignment of public and private sector investment with low greenhouse gas, climate-resilient growth. We also support initiatives to put in place conditions and incentives for investors to fund projects, such* *as low-carbon and energy-efficient infrastructure, and mitigate the risks posed by climate change.*

- *Roles of policies and enabling environments for mitigation and adaptation finance*

*The EU and its Member States will continue working with developing countries to enhance the domestic and international conditions for promoting climate action, including through comprehensive support around planning and policy, improving access to finance, technology transfer and capacity-building.*

- *Capacity-building and facilitating enhanced access*

*The EU and its Member States fully recognise the importance of capacity-building, including in relation to enhanced access to climate finance, as is reflected by the key support programmes described in section 2. We will continue to work together with developing countries to address the barriers associated with access to climate finance, especially for the poorest and most vulnerable countries, and to build institutional capacity and strengthen policy environments. This is a common element in interactions with dedicated climate funds and multilateral development banks as well as in supported climate-related actions in developing countries.*

# Section 1. Common elements of the strategies and approaches of the EU and its Member States

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

- The EU and its Member States will continue to increase their international climate finance, with many aiming to double their 2014 levels by 2020, and thus contribute substantially to the developed countries' joint mobilization goal of USD 100 billion per year by 2020 from a wide variety of sources.
- This increase is taking place through a high level of climate relevant development finance, strong engagement with multilateral development institutions and mobilization of private investments in climate projects in developing countries. Trends over the past few years show that climate finance is growing steadily in line with the individual announcements.
- Many Member States apply annual climate finance programming in line with their budget cycles, while others have in place medium-term programming cycles allowing them to plan contributions over a certain number of years.
- The EU and its Member States support multilateral development banks, including the European Investment Bank, and their activities in developing countries, as they are scaling up climate finance mobilization towards their 2020 pledges both through their own resources and through increased mobilization of private climate relevant investments.
- The European Investment Bank, the EU Bank, has committed to increase its lending for climate action in developing countries to 35% of total lending in these regions by 2020. In 2017, the EIB provided approximately EUR 2.6 billion from all resources for climate action investments in developing countries, exceeding 35% of EIB lending in these regions and, thereby, signalling the progress made towards meeting its commitment.
- The European Bank for Reconstruction and Development dedicated over half of its mobilized funding (EUR 876 million) for green activities in 2017. The EU and its Member States also support multilateral and regional development

banks or projects or funds managed by these banks such as the World Bank Group, Asian Development Bank, African Development Bank.

- The EU and its Member States substantially contribute to or support climate relevant projects undertaken by other multilateral institutions such as Green Climate Fund, Global Environment Facility, Least Developed Countries Fund, Adaptation Fund, Special Climate Change Fund, Climate Investment Funds, UNDP (including NDC UNDP Support Program), FAO, UNFCCC, IPCC, UNEP, Montreal Protocol Multilateral Fund, Forest Carbon Partnership Facility, World Bank's Energy Sector Management Assistance Programme, Global Green Growth Institute, International Fund for Agricultural Development, Asian Infrastructure Investment Bank and many others.
- The EU and its Member States are increasingly mobilizing private climate finance, directly leveraged by public funding, including through private investment tranches in structured funds and public-private partnerships.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

- The EU and its Member States are already channeling or have put in place policies to provide public climate finance for adaptation and mitigation in a balanced manner and will continue to support both adaptation and mitigation reflecting the demands, needs and priorities of supported developing countries, in particular the most vulnerable developing countries.
- The support covers programmes and projects in areas important for recipient countries such as strengthening the early warning system to face extreme weather events; reducing vulnerability to drought and strengthening livelihoods; promoting renewable energy and energy efficiency; reinforcing integrated water and waste management; addressing deforestation and forest degradation (REDD+), land rehabilitation and soil improvement; sustainable mobility; sustainable agriculture; infrastructure; administrative capacity; biodiversity and integrated coastal zone management.
- The EU and its Member States give special attention to the least developed countries, the Small Island Developing States and most vulnerable countries when allocating public climate finance. These activities focus on supporting

adaptation activities addressing the underlying causes of vulnerability and strengthening climate resilience.

- Many Member States are contributing to the Green Climate Fund, the Global Environment Facility, the Adaptation Fund, the Least Developed Countries Fund and Special Climate Change Fund, and other multilateral funds with significant adaptation portfolios, or directly co-financing projects funded by these Funds.

## 3. Information on their policies, programmes and priorities

- The EU and its Member States are consistently mainstreaming the Paris Agreement goals and the 2030 Sustainable Development Goals in their development cooperation policies and assistance, while taking into account the needs and priorities of the developing countries and contributing to the eradication of world poverty. For instance, the 2015-2020 African Renewable Energy Initiative (AREI), with announced contributions of EUR 10 billion, aims to install 10 GW of additional renewable energy output by 2020, expanding access to sustainable energy to 625 million people without energy access in the African continent.
- The policies and instruments in place are generally designed to help developing countries mitigate and adapt to the impacts of climate change, promote jobs and livelihoods, reduce poverty and support cleaner economic growth. Instruments include technology transfer, technical assistance and concessional financing, among others. They also support building developing countries´ capacity to meet their international climate obligations under the UNFCCC and the Paris Agreement, including the implementation of their Nationally Determined Contributions and reporting requirements.
- The EU and its Member States also support implementation of developing countries' Nationally Determined Contributions through different multilateral funds and initiatives such as the NDC Partnership and others mentioned above.
- The European Investment Bank is an important contributor to climate finance with technical and financial experience on climate change which allows it to play a key role in helping the global community meet the goals of the Paris Agreement and, specifically, in supporting the implementation of the EU climate policies and Nationally Determined Contributions. This includes the definition of investment programmes and project preparation.

- Climate action has been mainstreamed in the EU's 2014-2020 multiannual financial framework by ensuring that at least 20% of the EU budget, including support to developing countries, is climate related. The EU is now considering a proposal by the European Commission to increase the mainstreaming target to 25% for the period from 2021 to 2027 in line with the EU's commitment to continued and stable financing of climate action.
- Besides bilateral and multilateral support, the EU and its Member States are increasingly focusing on mobilizing private sector finance and expertise. Private investment, alongside and attracted by public investment, is crucial to scaling-up climate finance and closing current finance gaps worldwide as described in greater detail in the next section.

## 4. Information on actions and plans to mobilize additional finance

- The EU and its Member States are making ongoing efforts to enhance the mobilization of broader public and private sector finance through support provided to developing countries. Increasing results on private finance mobilization is particularly important to maximize the impact of climate finance, and to facilitate transformational change in line with the Paris Agreement objective of making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Programmes and policies targeted at achieving this goal include consideration of both direct mobilization of private climate finance, and indirect mobilization through supporting partner countries in building capacities and establishing enabling environments for private investments.
- Support in this area takes many forms, including taking a first-loss position to de-risk private investment, enhancing business to business cooperation, creating innovative public private partnerships, use of carbon pricing systems and export credits, and providing longer-term capacity-building and policy support. A number of EU Member States have national entities that have a specific focus on leveraging finance from the private sector, including Denmark's 'Climate Investment Fund', Finland's 'Finnfund', Germany's 'KfW' and its private sector investment bank 'DEG', France´s 'AFD', Sweden´s 'Swedfund', Austria´s Development Bank, the Spanish Development Finance Institution (COFIDES) and the UK's 'UK Climate Investments'. With the support from the Green Climate Fund, the European Investment Bank is in the process of setting-up and fundraising for a follow-on fund to the current

Global Energy Efficiency and Renewable Energy Fund (GEEREF), GEEREF NeXT, which aims to raise up to USD 750 million in total mobilizing up to USD 30 billion in investments on the ground.

- Ongoing programmes supported by multiple EU Member States with a specific focus on private mobilization include the Global Climate Partnerships Fund (GCPF), the InsuResilience Global Partnership, the Partnership for Market Readiness (PMR), the Clean Technology Fund, amongst many others. Large-scale, multi-year initiatives supported by EU Member States are also seeking to enhance performance around finance mobilization, for example the announcement from Germany and the UK (alongside Norway) on REDD+. In 2018, the European Fund for Sustainable Development has mobilized EUR 800 million in guarantees and EUR 1.6 billion in blending, which will overall translate into over EUR 22 billion public and private investments in Africa and the EU Neighbourhood in areas such as sustainable energy, micro, small and medium enterprises financing, sustainable agriculture, sustainable cities. Numerous new and ongoing bilateral programmes also exist with specific objectives around private finance mobilization, e.g. Netherlands Climate Investor One (see individual Member State chapters for more detail).
- These are complemented in many cases by detailed tracking and monitoring processes to evaluate progress and promote performance, to ensure improvement over time.
- The EU and its Member States are working to enhance collective engagement of the private sector in climate-related investment through synergies with the broader development finance architecture, including by encouraging alignment of the Multilateral Development Banks and Development Finance Institutions climate and non-climate related portfolios with the objectives of the Paris Agreement, and promoting the UN Sustainable Development Agenda 2030.
- Actions are also underway to engage the global finance sector to promote alignment with climate objectives. The EU and a number of EU Member States have led or supported several initiatives and coalitions as part of the One Planet Summit, including a coalition in support of the recommendation of the Task Force on Climate-related Financial Disclosure (TCFD), the launch of the “Greening the Financial System” network by central banks and supervisors, a working group among six of the largest Sovereign Wealth Funds and the Climate Action 100+ coalition, bringing together 289

institutional investors. Domestic and international initiatives to promote green finance include the work of the EU High Level Expert Group on Sustainable Finance, European Commission's Sustainable Finance Action Plan and legislative proposals to align the incentives of the EU financial regulation with the sustainable development goals, France's Agenda on Green Finance, Sweden's Stockholm Sustainable Finance Centre, the UK's Green Finance Task Force, the Italian Observatory on Sustainable Finance (OIFS) with its Italian Financial Centre for Sustainability, and Ireland's IFS2020 for the ongoing development of international financial services including Green and Sustainable Finance.

## 5. Information on steps to enhance their enabling environments, following on the report of the co-chairs of the extended work programme on long-term finance

- The EU and its Member States fully recognize the importance of effective enabling environments and country ownership both for the delivery of climate finance, and to facilitate progress towards the achievement of the three key objectives of the Paris Agreement. We are committed to work with developing country partners to enhance the domestic and international conditions for promoting climate action, including through comprehensive support around planning, policy, improving access to finance, and technology transfer, and capacity-building.
- The EU and its Member States are working domestically to establish effective enabling environments, through policies and initiatives that signal a shift towards a future economy in line with the Paris Agreement. For example, with a new Energy Agreement, Denmark has taken concrete steps to become a low emission society independent of fossil fuels by 2050 and aiming for net zero emissions by 2050. The Czech Republic adopted a Climate Protection Policy that includes a 2030 strategy and plan setting specific policies and measures for the gradual transition to low emission economy until 2050. The German Climate Action Plan 2050 focusses on robust transformation pathways, and a program of measures to reach 2030 targets, including consideration of structural change and employment. France has established an Agenda on Green Finance, including initiatives on green bonds best practices, and evaluation committee. Sweden has adopted a new Climate Act, with the stated goal to achieve a net zero carbon economy before 2045.

The UK passed its national Climate Change Act in 2008, which sets out strict domestic economy-wide carbon budgets, and has taken numerous actions recommended by its independent Green Finance Task Force. The Netherlands is drafting a climate agreement that will increase its $CO_2$ emission reduction target for 2030 and is engaging with public and private actors to accelerate the national transition. Austria adopted a Climate and Energy Strategy ("#mission2030"), which aims for a 100% shift to renewables in power supply by 2030 and long-term decarbonisation across all sectors.

- The EU and its Member States also engage in international fora to promote enabling environments favoring climate action, for example through support for the G20 Hamburg Action Plan on Climate and Energy for Growth, EU Action Plan on Financing Sustainable Growth. The Action Plan identifies key actions to reorient capital flows towards sustainable investments, better integrate sustainability risk management and increase transparency on sustainability issues.
- Numerous Member States support initiatives related to carbon pricing, including the Carbon Pricing Leadership Coalition, to give signals to policy makers, businesses and investors on the importance of taking emissions into consideration in decision making. Many are also taking steps to address the incentives related to investment in carbon-intensive activities, for example through the Friends of Fossil Fuel Subsidy Reform, an informal group of non-G20 countries, aiming for political consensus on the importance of fossil fuel subsidy reform.
- The EU and its Member States also take part in and help driving a number of international initiatives alongside developing country partners to share national experiences and collaborate to better promote effective enabling conditions for the implementation of the Paris Agreement. These include the Transport decarbonization alliance, the Iberoamerican Network of Climate Change Offices (RIOCC), the Powering Past Coal Alliance, the Mobilize Your City partnership and Clean Energy Transitions Programme.
- Specific programmes supported by the EU and its Member States targeted specifically at promoting enabling environments include: the NDC Partnership, the Capacity-Building Initiative for Transparency, and the Climate Finance Readiness Programme, and the Climate Technology Centre and Network (CTCN), to which the EU is the largest donor.

# Section 2. Actions taken by the EU and its Member States

## AUSTRIA

### 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Austria takes its efforts to scale up international climate finance seriously. In 2013, Austria adopted a national climate finance strategy (KFS) and established a new inter-ministerial working group (AGIK) dedicated to climate finance. The KFS contains a matrix with an extensive work programme on issues pertaining to climate finance.

KFS was reviewed in 2016. The Austrian government adopted a revised version of the strategy in 2017. The revision builds on the existing strategy, placing further emphasis on, inter alia, mainstreaming climate finance, mobilizing private climate finance, and transparent criteria for tracking and reporting on climate finance. The revision also foresees a comprehensive review by 2020 with a view to further revising KFS for the post-2020 period.

At COP 21 in Paris, Austria pledged to provide at least half a billion Euros in climate finance between 2015 and 2020, in addition to its pledge to the Green Climate Fund.[1] Austria is currently well on track to meet – and possibly exceed – this pledge. We have since then also increased funding to the Green Climate Fund by an additional EUR 6 million. In 2018 Austria pledged EUR 50.5 million for the seventh replenishment of the Global Environment Facility (GEF). Austria also contributes to various Trust Funds of International Financial Institutions (IFIs). Out of approximately EUR 35 million contributions to IFI Trust Funds by Austria in 2017, EUR 5 million were 100% climate-relevant and EUR 15 million were 50% climate-relevant according to the Rio markers. This funding to IFI Trust Funds is in addition to core contributions to several IFIs which also at least partially contribute to climate finance.

1 http://newsroom.unfccc.int/financial-flows/list-of-recent-climate-funding-announcements/

Austrian contributions to climate finance provided to developing countries from 2010 to 2016 are represented in the figure below. They include aggregated amounts of grants, public loans, equity and guarantees.[2]

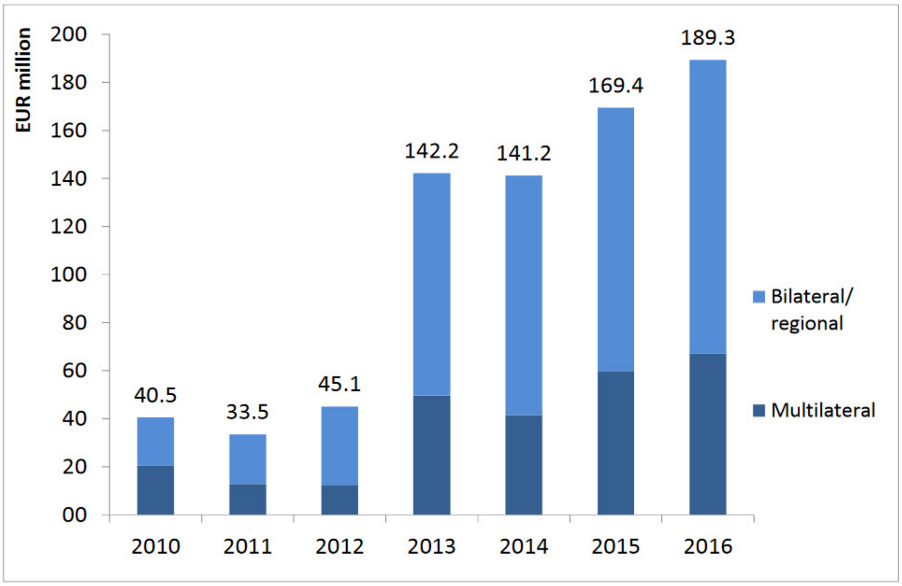



Figure: *Austria's provision of climate finance to developing countries, 2010-2016*

At a time when our national budget is severely constrained, Austria's climate finance contribution represents a serious effort by all domestic stakeholders to scale up climate finance and underlines the importance given to this topic.

## 2. 4. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Austria aims for a balance between adaptation and mitigation. Ensuring such a balance is part of our KFS, which is monitored on an annual basis using OECD DAC Rio marker data. In 2016 (currently the last year for which final data are available), 59 percent of Austrian bilateral climate-related ODA was marked as mitigation-relevant, 15 percent was marked as adaptation-relevant, and 26 percent was marked as cross-cutting, addressing both mitigation and adaptation. "Adaptation" and "mitigation" are concepts that can oftentimes not easily be separated in practice. Many projects are therefore cross-cutting in nature. For example, projects in the

[2] N.B. As final climate finance figures for 2017 were not ready by the editorial deadline for this submission, we have refrained from including preliminary data that is not comparable to final data for 2010 to 2016, respectively.

areas of agriculture and water security often address adaptation and mitigation in a holistic manner. Focussing on targeted thematic projects that address concrete needs and concerns of local communities is one of the ways to ensure a balance between adaptation and mitigation. Focussing on the poorest and most vulnerable countries – and regions and communities within countries – is another way this can be achieved. Both approaches are part of Austria's strategic outlook to climate finance.

## 3. Information on their policies, programmes and priorities

Austria provides public and private climate finance through a series of policies and programmes, each focusing on specific priorities. Bilateral programmes are programmed by the Federal Ministry for Europe, Integration and Foreign Affairs (BMEIA) and mainly implemented by the Austrian Development Agency (ADA). Multilateral programmes are undertaken by the Federal Ministry of Finance (BMF). The Development Bank of Austria (OeEB) is implementing projects in a wide range of developing and transition countries. OeEB is Austria's single biggest contributor of international climate finance. In 2016 its contribution to international climate finance amounted to EUR 85 million and thus made up 45 percent of Austria's overall provision of roughly EUR 190 million. OeEB intends to potentially increase this share in the future.

In addition to the bilateral and multilateral programmes mentioned above, the Federal Ministry for Sustainability and Tourism (BMNT) has established a climate finance programme starting from, and building on, the fast start climate finance phase.

All policies, programmes and priorities are aligned with strategic criteria as contained in our national climate finance strategy, KFS. These criteria include (1) a goal of balancing adaptation, mitigation and REDD+ activities, (2) consistency with ODA reporting, (3) maximising synergies with other policy objectives, (4) efficiency, effectiveness and transparency of the use of funds and (5) development of quality-assurance systems.

Three current examples highlight Austrian activities in bilateral and multilateral programmes, respectively:

## Clean Energy for Costa Rica

Photo © OeEB

In April 2016, OeEB contributed USD 13.125 million to FMO's USD 149 million financing for the construction of an 80 MW wind farm in Costa Rica.

Costa Rica's energy supply is based almost exclusively on renewable energy. However, since more than half of the electricity is produced from hydropower, this often results in power outages and thus a high dependence on energy imports during the dry season. In order to diversify the energy mix, the Costa Rican Government focuses on wind energy to complement the country's hydro-based energy generation. The 80 MW wind farm project co-financed, among others, by OeEB and Oikocredit will be located in the province of Guanacaste in the northwest of Costa Rica and will support the energy supply during the dry season. This helps secure the country's energy supply, while reducing its dependence on energy imports and supporting the country's economic development.

## ClimaProof – Enhancing environmental performance and climate-proofing of road infrastructure in the Western Balkan Region through an EU integration perspective

Since 2016, Austrian Development Agency, the agency of Austrian Development Cooperation, is supporting UNEP's *ClimaProof* Programme to the tune of EUR 1.5 million. The project aims to improve the capacities of the countries of the Western Balkans concerning climate-proofing investments in the infrastructure sector. This is to be achieved through integration of EU best practices concerning climate-proofing and green infrastructure in the development of road infrastructure. The implementation of this project will result in increased technical capacities of the relevant national authorities in the field of climate change adaptation, specifically climate-proofing of road infrastructure, green infrastructure and evidence-based policy development in the field of climate change adaptation.

Photo: © ADA

## Austrian contribution to the Green Climate Fund

At COP 20 in Lima, Austria announced a contribution to the initial capitalisation of the Green Climate Fund. The pledged sum of EUR 26 million has already been transferred in full.

With this contribution, Austria acknowledges the importance of the GCF as a key international instrument of support for climate action in the context of sustainable development.

Image © GCF

## 4. Information on actions and plans to mobilize additional finance (Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance)

Austria is committed to take actions to mobilize additional climate finance. This includes work undertaken by AGIK, an inter-ministerial working group on international climate finance, which covers exploration and mobilization of additional financial sources. Where such actions require international cooperation, e.g. concerning alternative sources of climate finance, Austria proactively contributes to the work in relevant fora, such as ICAO, IMO, OECD and UNFCCC. Austria is currently exploring tracking, and reporting of, the mobilization of additional climate finance inter alia through commercial export credits. Furthermore, other options for stronger private sector involvement are being explored. In addition, OeEB is in the process of considering the option of setting up an Impact Fund in order to raise private capital from institutional investors.

Austria is enhancing its national enabling environments through work under the inter-ministerial AGIK working group.

# BELGIUM

## BRIEF INTRODUCTION

*Belgium committed to provide EUR 50 million/year public climate finance up to 2020 and is already implementing important initiatives aimed at mobilizing private finance in developing countries. In providing support, Belgium's political entities are guided by the needs of the recipient countries, and therefore recognize that public climate finance will continue to play a key role in supporting climate change mitigation and adaptation and that private climate finance is key to achieving the transformational changes necessary to stay well below 2°C.*

*Over the period 2016-2017, Belgium provided more than EUR 200 million climate finance, surpassing the initial pledge it made at COP21 in Paris. Due to its priorities at the international level and to their unique expertise, the support provided by the Belgian political entities is resolutely turned towards LDCs and African countries. Such an approach is not expected to vary drastically in the coming years.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

In December 2015, Belgium's political entities (namely, the Federal State and the Regions) signed a burden-sharing agreement for the period 2013-2020. Based on this agreement, Belgium pledged to provide EUR 50 million/year public climate finance up to 2020. In addition to that, Belgium also strives to mobilize private sources of finance to tackle climate change issues in developing countries.

Through its Development Cooperation Ministry, the Federal Authority is a longstanding contributor to multiple multilateral climate funds (GEF, LDCF, SCCF, AF) and also provides direct bilateral support to its 14 partner countries. Various civil society organizations - that operate in a wider range of developing countries – are also supported, while the Federal Climate Change Service strives to support relevant climate-related partnerships that support developing countries implementing their nationally determined contributions. Future multilateral and bilateral support provided by the Federal Authority in the coming years should keep flowing according to these principles. In 2016-2017, the Federal government contributed more than EUR 139 million climate finance, including to the LDCF. In 2018, it decided to provide an additional EUR 8 million to its multi-annual contribution to the LDCF, and is currently working on a new contribution for this fund, starting in 2019 (subject to approval). Recently, the Belgian investment company for developing countries also received additional funds for investments (loans, equity and other financial instruments) in climate related activities, mainly for renewable energy projects (EUR 10 million in 2017 and EUR 20 million in 2018).

From 2016 onwards the **Walloon Region** has a dedicated EUR 8 million budget available each year for climate finance which is supplemented by other funding from various Ministries. This recurrent budget allows the Walloon Region to be longstanding contributor to the Adaptation Fund but also to be reactive to call for funding as for example for the CBIT. For the past two years, the Walloon Regions has also been contributing to the LDCF, IRENA and the Climate and Clean Air Coalition. On top of its multilateral contributions, the Walloon Region also implements bilateral projects.

The **Government of Flanders** provided EUR 24,6 million in 2016-2017 to mainly support adaptation actions in African partner countries. The publicly available database allows a full overview of disbursed and expected levels of support by the Government of Flanders, including an analysis of the data and explanation on the used methodologies: https://www.fdfa.be/en/climate. The indicative numbers for 2018-2022 only reflect shares of projects already approved, and therefore a strong level of certainty that these funds will be disbursed. For 2018, this currently amounts to EUR 6,15 million.

The **Brussels Capital Region** also provides climate finance to the most vulnerable countries. Historically, the financial support provided by the Brussels-Capital Region was concentrated in multilateral funds (namely the Adaptation Fund and the Green Climate Fund), but the Region also recently decided to support climate-specific bilateral projects in partner countries. For the period 2016-2020 a total budget of EUR 11.25 million is being dedicated to climate finance.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

At the international level, Belgium strongly supports a balance between adaptation and mitigation in the provision of financial support, and has a specific focus on the importance to allocate sufficient funding to the needs of the poorest and most vulnerable countries.

As a result of this, Belgium direct bilateral assistance is targeted towards 14 countries, 13 of which are located in Africa and 9 of which belong to the group of Least Developed Countries (LDCs). On the ground, Belgium strives to support a country driven approach, emphasizing that climate investments can be much more effective when owned and driven by local governments. Ultimately, such a programming approach allows recipient countries to determine themselves the adequate balance of support they wish to receive.

Moreover, Belgium is also an historical contributor to most of the UN climate change funds such as the GCF, the Adaptation Fund, the LDCF and the SCCF. When doing so, Belgium aims towards maximum aid effectiveness and – in line with the Declaration of Paris and the principles of “Good multilateral donorship” – rationalize its cooperation with multilateral organizations by providing them maximum core funding and limiting earmarked contributions to the programmes they conduct. This approach leaves Belgium’s partners with a broader liberty to organize their activities and therefore often help them reach an optimal balance between their adaptation and mitigation activities.

## 3. Information on their policies, programmes and priorities

Over the period 2013-2016, Belgium’s financial, technological and capacity-building support to non-Annex I Parties mainly focused on: (i) adaptation and crosscutting activities; (ii) provision of bilateral and multilateral support under the form of grants, (iii) contributions mainly directed towards Africa and Least Developed Countries (LDCs), (iv) contributions to climate-specific multilateral funds (Green Climate Fund, Adaptation Fund, Least Developed Countries Fund, etc.) or specialized UN agencies.

In addition to that, Belgium strives to:

1) **Further strenghtening of the mainstreaming of climate mitigation and adaptation issues** within all programs and activities of the Belgian development cooperation.

2) **Development of specific climate activities to support countries in the South to implement their climate strategies**. This encompasses i.a.

Belgiums support to multilateral climate funds such as the Least Developed Countries Fund, the Adaptation Fund and the Green Climate Fund, support for private sector development in climate related sectors (such as renewable energy) through the Belgian Investment Company for developing countries (BIO) and specific initiatives related to disaster risk reduction.

3) **Improvement of policy coherence for development**, in this case to strengthen coordination and cooperation between the different actors involved in the development and implementation of climate related policies at home and abroad.

## 4. Information on actions and plans to mobilize additional finance;

All Belgian political entities also strive to mobilize private sources of finance in their partner countries. In addition to that, Belgium is also active as alternate board member in the board of the Green Climate Fund and aims to enhance the operationalization of the fund and improve its effectiveness. These efforts should also lead to additional finance flowing to developing countries. In the context of a future replenishment of the GCF Belgium will take i.a. the following elements into consideration: good governance of the fund, rate of operationalization and access to finance for Belgium's partner countries.

Belgium is also active in the Adaptation Fund Board and aims to mobilize additional funds to finance concrete adaptation projects, including from innovative sources.

**Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance.**

Swiftly implementing policies and programmes to make financial flows compatible with a low-carbon climate-resilient development is a priority for Belgium, as it is a prerequisite to stay well below 2°C above pre-industrial levels.

In this context, Belgium is developing various activities aiming to support effective enabling environments both in Belgium and in developing countries:

**At the international level**, Belgium is actively involved in several coalitions aiming at redirecting carbon-intensive investments towards Paris-compatible objectives, such as the Powering Past Coal Alliance, the Climate and Clean Air Coalition or the Carbon Pricing Leadership Initiative. For years now, Belgium has also been supporting the activities of the International Partnership on Mitigation and MRV. In this context, it facilitates two clusters of countries (one French-speaking and one Portuguese-speaking) that aim at reinforcing partner countries' capacities to develop ambitious mitigation strategies and plans. It does so by providing a platform for exchanging best practices among partners, sharing experiences and making concrete interventions wherever possible. Belgium participates in the cluster's activities by providing support for its coordination and by co-financing the organization of webinars, workshops and potential bilateral interventions.

**Belgium also takes very concrete steps internally to enhance its enabling environment.** For example, the Belgian Federal Climate Change Service also organized in 2017-2018 a national debate on carbon pricing, whose aim was to identify avenues to put a price on carbon in the non-ETS sectors (mainly the transport and building sectors). The results of this initiative have been recently published, and are currently being discussed at the political level. All documents related to this project are available on www.climat.be. This initiative complements recent important efforts realized to scale-up green investments at the national level, including through the emission of the Belgium's inaugural green OLO in April 2018. This EUR 5 billion, 15-year debt was at the time the second-largest sovereign green bond to come to the market, and made of Belgium the third EU country to issue such a bond.

All these activities are important steps towards building the necessary enabling environments to spur public and private investments in low-carbon projects and reducing support to carbon intensive activities.

# BULGARIA

Bulgaria is among the countries listed in Annex I of the UNFCCC and is considered as a country with economy in transition and do not have obligations to support developing countries. Bulgaria also ratified the Paris Agreement and will work with its partners to ensure the delivering of the commitments enshrined in it and especially its central aim to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Bulgaria is not among the Parties included in Annex II of the Convention, and as such is not bound by Articles 4.3, 4.4 and 4.5 of the Convention.

Nevertheless, Bulgaria has made a voluntary contribution to the Green Climate Fund (GCF) in 2015. At COP21 Bulgaria announced its grant contribution of EUR 100 000 to the Green Climate Fund through the Ministry of Foreign Affairs of Republic of Bulgaria.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

The voluntary support provided by Bulgaria has gone towards both mitigation and adaptation through the Green Climate Fund. However, as mentioned above Bulgaria is not among the Parties included in Annex II of the Convention, and as such is not bound by Articles 4.3, 4.4 and 4.5 of the Convention.

At EU level for support to another Member State to fulfill its obligations under Decision 2009/406 / EU, Bulgaria has concluded an Agreement for the Sale of Annual Emissions Allowances (AEAs) by 2022 with the Republic of Malta. This is the first such deal in the European Union. By the end of the period revenues are expected to be in the range of BGN 2 million. They are and will be used for projects to reduce greenhouse gas emissions and adaptation to climate change at national level.

Within the framework of two agreements between the Republic of Bulgaria and the Republic of Austria on the sale of prescribed units of emission by virtue of Art. 17 of the Kyoto Protocol between 2011 and 2014 have implemented projects to improve the energy efficiency of 77 public sites in the country totaling BGN 27 million - schools, universities, kindergartens, community centers, theaters, sports halls, hospitals, polyclinics, administrative buildings. Partial (on the de minimis principle of state aid regulation), two corporate projects for energy generation from renewable energy sources are also funded. The aim of the agreements is to support Austria in achieving its commitment under the Kyoto Protocol by using Joint Implementation (JI), Clean Development Mechanism (CDM) and Green Investment Scheme (GIS) based projects.

## 3. Information on their policies, programmes and priorities

Bulgaria is not among the Parties included in Annex II of the Convention, it has not as of yet formulated a full set of national policies on providing climate finance to developing countries.

However, Bulgaria actively participates in the global efforts to mitigate climate change and adapt to the changes that already have taken place on national level. There is an active Climate Change Mitigation Act since 2014. The Third National Action Plan on Climate Change is also being implemented. The Action Plan provides specific measures for reduction of greenhouse gas emissions across all sectors and these measures are consistent with both the national policy on climate change and the potential of the national economy to reduce emissions. The overall effect of the measures will ensure the implementation of the commitments taken and the achievement of the legally binding European objectives. The total effect of the proposed measures by sectors, expressed in expected reduction of greenhouse gas emissions by 2020, is estimated at 44.832 million t CO2eq and the cost of the measures is estimated at BGN 10.575 billion.

Bulgaria participates successfully in the European trading scheme for greenhouse gas emissions with 127 installations throughout the country. In accordance with Directive 2003/87/EC and the Climate Change Mitigation Act the revenues from sale through an auction of all the allocated to the Republic of Bulgaria quotas for installations and for aviation activities are used for reduction of the greenhouse gas emission through development of renewable energy sources in view to observing the commitments of the EU for 10% use of energy from renewable energy sources by 2020, as well as for development of other technologies, contributing for the transition to safe and sustainable economy with low emissions of carbon and for assistance the observation of the commitment for increasing the energy effectiveness by 20% till 2020.

At national level Bulgaria also developed Guidelines on Mainstreaming of Environmental Policy and Climate Change Policy in CP, CAP and CFP Funds 2014 - 2020. The guidelines are an important starting point for the planning of interventions in the field of environment and climate change in the course of development of programmes co-financed by ESIF in 2014-2020.

The guidelines on mainstreaming of environmental policy and climate change policy find their adequate inclusion in the Partnership Agreement (PA) of the Republic of Bulgaria, outlining the ESIF support for the 2014-2020 period. They have been taken into account when describing the demarcation and complementarity of the measures with immediate environmental effect. They also contribute to the fulfilment of the requirements for targeted funding relevant to EP and CCP. The Common Provisions Regulation obliges Member States to provide information on the support relating to climate change, in line with the ambition to allocate at least 20% of the EU budget for this purpose.

The guidelines aims to ensure the implementation of mandatory environmental legislative requirements and to promote the selection of projects that contribute as much as possible to the protection of the environment and the achievement of sustainable development. The document outlines general and specific criteria for evaluating project proposals for a particular sector or environmental policy.

## 4. Information on actions and plans to mobilize additional finance (Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance)

Bulgaria is not among the Parties included in Annex II of the Convention, it has not as of yet formulated a full set of national policies on providing climate finance to developing countries.

# CZECH REPUBLIC

The Czech Republic is fully aware of climate change and importance of keeping the increase in global average temperature to well below 2°C and shifting towards low carbon development pathway. In this context, the Czech Republic supports the implementation of climate change mitigation and adaptation measures through its official development assistance (ODA) that is administrated by the Ministry of Foreign Affairs in cooperation with other relevant Czech ministries and agencies.

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Since 2010, when the Czech Republic announced its first climate finance commitment within the Fast Start Financing, it has been providing climate-specific financing to developing countries. From this moment on, the Czech Republic provided funding for several development climate-specific projects. Generally, the Czech climate finance comes from public sources but the Czech Republic actively observes international development with regard to the concept of private financing in order to leverage its climate resources in the future.

As announced on previous high level events (2014 Climate Summit in New York, 2015 COP 21 in Paris), the Czech Republic contributed CZK 110 million (approximately USD 5.3 million) to the Green Climate Fund (GCF) within the initial resource mobilization for a period 2014-2018 and CZK 40 million (approximately USD 1.4 million) to the German agency for international cooperation GIZ (Gesellschaft für Internationale Zusammenarbeit) for implementation of its Climate Finance Readiness Programme in the years 2014-2019. In 2017, the Czech Republic signed the Donor Agreement with the United Nations Environment Programme (UNEP) and provided a contribution of CZK 20 million for readiness activities in Western Balkan countries, namely in Serbia, Albania and Montenegro, for a period 2017-2019. Among others, the Czech Republic has also contributed to the Global Environment Facility (GEF).

The Czech Republic sees also an opportunity to scale-up its climate finance through the newly introduced tool, so-called Challenge Fund: Czech Solutions for SDGs, developed within the Czech-UNDP partnership. The objective of this Fund is to facilitate transfer of Czech know-how and innovative solutions that would address the development challenges in the project countries (Bosnia and Herzegovina, Georgia, or the Republic of Moldova) while it assumes involvement of the private sector in development cooperation.

Climate finance flows reached approximately CZK 7.5 million in 2016 of which multilateral flows amounted to EUR 2.78 million and bilateral flows reached EUR 4.77 million.

The Czech Republic takes into account the importance of international climate funds in scaling-up climate action in developing countries and it will endeavor to provide a contribution to the GCF within its forthcoming replenishment process.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Environmental and climate protection are priority cross-cutting issues for the Czech Republic and therefore they are reflected in all of Czech Official Development Assistance activities. The Czech ODA is based on principle of partnership. This means that the majority of projects is demand-driven and reflects the needs of recipient countries. The Czech Development Agency plays an essential role in the process of assigning the adaptation and mitigation RIO markers to all bilateral projects according to the OECD DAC methodology. Based on yearly climate finance reporting of the Czech Republic, there is a long-term trend of predominant adaptation-related climate finance over mitigation-related climate finance.

## 3. Information on their policies, programmes and priorities

A Development Cooperation Strategy of the Czech Republic 2018-2030 represents the key instrument of the Czech foreign policy and it contains international commitments and ways how to address global challenges, such as climate change. In this respect, this strategy reflects the Czech Republic´s commitments to protect environment and tackle climate change and its objective to help the partner countries to increase their resilience to the negative impacts of climate change and natural disasters risks. Climate protection is contained in one of the thematic priorities of the Czech development cooperation: Sustainable management of natural resources. This thematic priority covers two Sustainable Development Goals (SDG) of the Agenda 2030 for Sustainable Development: Clean Water and Sanitation (SDG 6) and Climate Action (SDG 13).

Financial support of climate action to the developing partner countries is provided through bilateral and multilateral channels of ODA. Within the bilateral development cooperation, the Czech Republic focuses on its priority countries: Bosnia and Hercegovina, Cambodia, Ethiopia, Georgia, Moldova and Zambia. In addition, there is a category of countries, so-called Specific Countries, where the Czech government has an interest in developing partnership/targeted support in the context of post-conflict stabilization and reconstruction processes (Afghanistan, Palestine, Ukraine, and Syria). There are also countries whose priority status terminated in 2017 (Mongolia, Kosovo, Serbia) and are in a transition period for completing any ongoing projects and phasing out the development cooperation. The Czech Republic is actively involved in many international organizations that aims to achieve the global development goals and other international commitments. In terms of multilateral ODA, the Czech Republic contributes to various development activities of the European Union and other international organizations (mainly United Nations platforms) and financial institutions. Multilateral ODA is provided primarily through GEF and GCF.

In 2017, a new Climate Protection Policy of the Czech Republic was adopted. This strategic document represents a strategy in the field of climate protection by 2030 as well as a plan which contributes towards gradual transition to low emission economy/decarbonization of the economy until 2050. The climate protection policy focuses on measures to reduce greenhouse gas emissions and therefore it is complementary to the approved Strategy on Adaptation to Climate Change in the Czech Republic (adopted in 2015) which focuses on the adaptation to climate change in the Czech Republic.

## 4. Information on actions and plans to mobilize additional finance (Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance)

The Czech Republic considers enabling environment as an inevitable precondition for effective use of climate finance in developing countries. Therefore, it welcomes all initiatives and projects focused on effective implementation of activities and measures related to capacity-building.

In this respect, the Czech Republic has provided support to the GIZ for readiness activities within the Climate Finance Readiness Programme (2014-2019) in selected developing countries (e.g. Peru, Vietnam, Tajikistan, Georgia and Bangladesh). These activities consist of institutional support, strategic and conceptual activities in advancing and implementation national climate strategies (e.g. Nationally Adaptations plans) and policy packages for ambitious, climate-resilient and low-carbon development pathways as a basis for funding decisions, national GCF investment plans and corresponding project pipelines, and global knowledge and experience sharing.

The aim of contribution to the UNEP (2017-2019) is to facilitate the engagement with and access to the Green Climate Fund for project countries. The project focuses on project countries´ preparedness to use GCF financial support for climate action and it lies in furthering the activities for what concerns capacity-building and technical support for the development of concepts and proposals to be submitted to the GCF.

# DENMARK

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

*Denmark aims at maintaining a high level of climate relevant development finance, and will continue its successful efforts to mobilize private investments in climate projects in developing countries over the coming years.*

Denmark is actively engaged in the mobilization of international climate finance to meet the global climate change challenge and address the needs of developing countries. Denmark provides international public climate finance through the Danish development assistance. This includes earmarked climate finance through the Danish Climate Envelope as well as through a range of bilateral and multilateral interventions. The level of climate relevant development assistance has been more than DKK 1 billion annually for a number of years. Increasing climate finance from private sector sources will be key to increasing the overall volume of finance available to meet the climate change challenge. Denmark remains committed to the joint goal of developed countries to mobilize USD 100 billion annually by 2020 from a wide variety of sources, including public and private finance, bilateral and multilateral contributions, as well as alternative sources of finance.

In addition to public finance, Denmark is actively engaged in mobilizing climate finance from private sources, including through enhancement of enabling environments nationally and internationally. Through instruments managed by our development financing institution, IFU, climate relevant investments of more than DKK 1 billion have been mobilized annually in 2015 and 2016. Finally, Denmark continues its strong engagements with the multilateral development financing institutions as a channel for scaling up climate finance mobilization both through their own resources and through increased mobilization of private climate relevant investments

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

*Denmark aims to ensure that public finance for adaptation and mitigation is provided in a balanced manner that reflects the needs and priorities of developing countries supported.*

The new Danish development & humanitarian strategy - the World 2030 – is based on UN's Sustainable Development Goals (SDG) and reflects this common global vision for sustainable growth and development of the world towards 2030. Through target-oriented, integrated approaches, Denmark will work to reduce poverty, address migration, promote global peace and stability as well as sustainable growth and development. The strategy is geographically differentiated focusing on: 1) Poor, fragile countries and regions, 2) Poor, stable countries and 3) Transition and growth economies. Adaptation activities will mainly be targeted to the first two groups of countries aiming at addressing the underlying causes of vulnerability and strengthening climate resilience. Support to mitigation will in particular address transition and growth economies and will make use of a number of new and innovative instruments aimed at encouraging private sector lead green growth and mobilizing private investments.

Furthermore, Denmark aims to ensure that public finance for adaptation and mitigation is provided in a balanced manner that reflects the needs and priorities of developing countries supported as agreed in the dialogue between Denmark and the respective partner countries. This is reflected in the principles for the climate envelope. It aims at ensuring that approximately half of the Envelope's funds are directed to low income and lower-middle income countries, with an emphasis on support for adaptation and resilience. Part of Danish financing for adaptation supports multilateral funds such as the Least Developed Countries Fund, and bilateral adaptation projects are supported as an integral part of wider development assistance programmes. The other half of the Envelope's funds is directed toward mitigation activities. Examples of Danish financing for mitigation include support for bilateral government to government partnerships on the low-carbon transition with seven emerging middle-income economies as well as contributions to the NAMA Facility DKK 73 million and to the Center for Clean Air Policy (CCAP) with DKK 10 million.

## 3. Information on their policies, programmes and priorities

*Denmark is contributing to a number of funds and programmes such as the Green Climate Fund, which is a high priority for Denmark. Denmark also engages actively* *with the multilateral development banks to ensure a greater focus on sustainable development.*

Through the Climate Envelope Denmark has supported a large number of initiatives. Denmark has pledged USD 70 million from 2014 to 2016 to the Green Climate Fund, where Denmark is an active Board member. Additionally, Denmark expects to pledge to GCF in the next replenishment. The Fund is of high priority for Denmark, as the Fund is expected to channel and help mobilize a significant part of the USD 100 billion from 2020 for both adaptation and mitigation purposes. Furthermore, Denmark supports mitigation activities, for instance through support to the World Bank's Energy Sector Management Assistance Programme (ESMAP). Danish support to the Global Green Growth Institute (GGGI) seeks to advance a low-carbon and climate resilient development in developing countries, and support as such both adaptation and mitigation. Denmark has also pledged a new contribution of DKK 450 million to the Global Environment Facility (GEF).

Public finance channeled through the Danish Climate Envelope represents approximately one third of Denmark's total contribution to international public climate finance. Public finance also includes climate related activities and contributions mainstreamed into Danish bilateral and multilateral assistance. Examples of such initiatives include Danish multilateral support to the African Development Bank's Sustainable Energy Fund for Africa (SEFA) as well as bilateral support to the Green Growth and Employment Programme in Kenya that enhances resilience of grazing lands in the semi-arid part of the country and supports energy audits of Kenyan manufacturers. Further, Denmark actively encourages greater focus on sustainable development and climate change in the multilateral development banks.

## 4. Information on actions and plans to mobilize additional finance

*To ensure the goals of the Paris agreement we have to shift financial flows and increase efforts to mobilize private climate finance. Denmark has launched an initiative, which aims at increasing investments in green technologies.*

If we are to ensure the goals of the Paris agreement, we have to shift financial flows in accordance with article 2.1(c) and increase efforts to mobilize private climate finance. In addition to providing public finance, Denmark is actively engaged in a number of activities to mobilize finance from private and alternative sources, and considers leverage of private climate finance to be crucial to address the climate challenge.

The Danish development financing institution – IFU – is playing an important role in the effort to increase mobilization of private climate relevant investments by making risk capital available in the form of equity, loans or guarantees for project companies in developing countries both through own resources and through a number of funds managed by IFU and also involving institutional investors, such as pension funds. One of these funds, the Danish Climate Investment Fund, has mobilized climate finance from other sources, including private investors for a total of DKK 8-9 billion. The Fund co-invests in climate-relevant projects and catalyses additional investment from other, mainly private sources, such as banks, funds and pension funds. The newly established SDG Fund will be even larger with expected mobilized investments in the order of DKK 35 billion when fully invested of which a significant part is expected to be climate relevant investments contributing to climate resilience and low greenhouse gas emission development. In addition to development assistance, Denmark issues export credits to engage the private sector in climate mitigation. Denmark has allocated funding to support developing countries in establishing enabling frameworks for mobilization of finance for scaled up investments in clean energy, with technical assistance being provided by multilateral development banks and international expert organizations including OECD, IEA and IRENA. Lastly, Denmark has launched a new initiative on Clean Energy Investment and Finance in the context of Clean Energy Ministerial, with the objective of strengthening international collaboration through knowledge exchange as well as support for developing countries in mobilizing clean energy investments. Partners. Additional momentum will be provided by a Clean Energy Investment Coalition announced by the Danish Prime Minister, which will strengthen partnerships across a range of public and private stakeholders with a view to mobilizing commitments and actions by countries, subnational levels and the private sector to scale up investments in clean, low carbon energy and to accelerate the shift of investments and finance flows away from fossil fuels.

## 5. Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance

*Denmark works with emerging economies to enhance their enabling environments by sharing knowledge of energy sector planning, policy and regulation. Further, Denmark supports the building of enabling environments including for adaptation in developing countries through bilateral support. Domestically the Danish tradition for broad political agreements ensures stable and predictable conditions for private companies in the energy sector.*

Public climate finance provided by Denmark gives priority to initiatives that supports enabling environments in receiving countries, including through strengthening of national and community-level climate change policies, planning frameworks and information systems. Priority is also given to initiatives that mobilize institutional investors and climate related investments in developing countries, including targeted financial instruments aimed at reducing barriers and risks that limit such investments. Denmark has taken a number of steps to enhance enabling environments, both at home and abroad.

Domestically Denmark has a long tradition for providing stable and predictable conditions for private companies and investors through broad agreements across the political spectrum in relation to climate and clean energy goals. With a new energy agreement Denmark has taken concrete steps to become a low emission society by 2050. Policies are supported by a strong focus on innovation, technology and skills in private businesses and research institutions. Danish institutions and private equity are playing a key role in financing large-scale, sustainable energy projects in Denmark and abroad. Public institutions and private equity are leading in providing new models for financing large infrastructure projects in Denmark, Europe and around the world.

Abroad, the Danish government to government partnerships contribute to enhancing enabling environments in emerging middle-income economies by sharing Danish experience and best practices, in particular by sharing knowledge of enabling energy sector planning, policy and regulation as well as providing capacity-building in the partner countries to support low-carbon transition. Denmark moreover supports the development of enabling environments for climate action, incl. adaptation through bilateral support e.g. in Mozambique, Kenya, Uganda, and through multilateral channels such as GGGI, the Least Developed Countries Fund support for National Adaptation Plans, the Green Climate Fund's readiness facility and the NDC partnership.

# ESTONIA

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

The Government of Estonia is committed to fighting against global climate change, focusing especially on the situation in countries which are most affected by climate change, such as the least developed countries and the Small Island Developing States.

Estonia is not one of the Parties listed in Annex II to the Climate Convention; consequently, Estonia is not obliged to fulfil the commitments under Articles 4.3, 4.4 and 4.5 of the Convention. Despite this, Estonia has contributed and will contribute to climate finance voluntarily.

Estonia recognizes that the need for financing to reach the climate policy objectives is one of many important elements that need to continuously be tackled. Both public and private funding should support investments into programmes and policies aimed at reducing emissions and increasing resilience to climate change.

During the period of 2015–2020, Estonia has decided to contribute EUR 1 million annually for financing international climate cooperation by supporting environmentally sustainable development of partner countries, through contributing to bilateral projects and multilateral organisations and regional funds. The sources are the revenues of the auctioning of EU ETS (Emissions Trading System) allowances to international climate cooperation and 100% of the revenues from EU ETS Aviation auctions to funding innovative climate projects and start-ups. From the pledged sum Estonia has also contributed EUR 1 million to Green Climate Fund in 2015-2016. The rest has been and will be directed to developing countries through bi- or multilateral channels and annual project calls.

During the period 2011-2014 Estonia contributed EUR 4.7 million to the environmentally sustainable development of partner countries like Ukraine, Georgia, Moldova, Afghanistan and Belarus.

Concerning the predictability of funding climate related objectives, Estonia will continue medium-term planning of public sector financing through our four-year State Budget Strategy. The four-year Strategy is updated annually, consequently information regarding Estonia's planned contribution for post-2020 years will become available upon next updates of the State Budget Strategy (by May 2019, etc.).

Estonia intends to continue to contribute to development cooperation according to its capabilities.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Estonia aims to support both, adaptation and mitigation actions in developing countries. Estonia's main focus of finance is on mitigation to climate change and adapting to it, for example by supporting renewable energy sources, energy efficiency or transport and industry efficiency projects, as well as by strengthening administrative capacity regarding climate action or supporting solutions of adapting to climate change.

Estonian Ministry of the Environment adopted recently (15.06.2018) a regulation aiming to support developing country cooperation and stipulating specific rules for international climate cooperation. The main aim of the regulation is to support both, mitigation and adaptation related actions in developing countries. Through annual project calls, bi- and multilateral cooperation Estonia aims to ensure the balance between adaptation and mitigation oriented actions in developing countries.

## 3. Information on their policies, programmes and priorities

As stipulated by the Government of the Republic Act, the Ministry of Foreign Affairs coordinates Estonia's development cooperation. In relation to cooperation focusing on climate policy objectives, this is done in cooperation with other relevant institutions, incl. the Ministry of the Environment and others. The general goal of Estonia's development cooperation is to contribute to the eradication of world poverty and to attain the Sustainable Development Goals. Environmental protection is also one of the three main measures of sustainable development.

To achieve sustainable development goals, the sustainable use of the environment and natural resources is indispensable. Considering this, one of the goals of Estonian development cooperation is to contribute to finding environmentally sustainable solutions in partner countries as well as at the global level. Estonia's development policy supports low carbon and sustainable development. The framework of both the European Union 2020 Strategy and the National Reform Programme Estonia 2020, one of the core objectives of which is green growth, is valuable to promoting the awareness of different sectors about the potential multiple benefits of climate objectives related financing. However, the possibility to plan climate related contributions is also related to the tight financial situation at international, national and other levels, as other policy areas are of increasing importance, too. Consequently, continuous efforts should be made to find more synergy with investments made in sectors with a high impact on climate change, such as energy, transport and housing.

Living up to our commitment made in Paris during COP21, Estonia is and will keep contributing to climate-oriented cooperation with developing countries.

Estonia follows the principles set out in Article 10 (3) of the Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2013 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, that at least 50% of the auction revenues should be used for climate objectives. The climate-related measures designed to achieve these objectives form a part of the State Budget Strategy, based on national objectives and the objectives of sectoral development plans.

One of the measures in the State Budget Strategy 2018–2021 to be funded by the revenues from greenhouse gas emissions allowance trading system in 2013–2020 is Estonia's contribution to international climate change cooperation. During the period of 2015–2020, Estonia has decided to channel EUR 5 million from the revenues of the auctioning of EU ETS allowances to international climate cooperation and 100% of the revenues from EU ETS Aviation auctions to funding innovative climate projects and start-ups.

Estonia has been and will be supporting developing countries in the fight against climate change via bi- or multilateral channels under bi- or multilateral agreements.

To date, funding from the private sector has been mobilized into domestic climate related activities rather than climate cooperation. In the future, Estonia is planning to involve the private sector more and more in financing climate cooperation in developing countries.

From 2018 June, Estonia opened it's first annual round of project calls to support climate cooperation projects in developing countries. The main focus of these calls is mostly to support Estonian greentech companies and non-governmental organisations which could export their products and know-how to developing countries, helping them to tackle climate change. For this, we have previously conducted a feasibility study to identify Estonia's greentech and green growth sectors with the biggest export potential.

## 4. Information on actions and plans to mobilize additional finance

- **Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance.**

Estonia will continue medium-term planning of public sector financing through our four-year State Budget Strategy that includes planning climate financing. In accordance with relevant legal acts, the priorities of cross-sectoral and sector development plans are considered among the bases for budget strategy preparation and consequent budget planning. Consequently, strategic planning documents where climate policy objectives are prioritized are considered among the bases in budgetary processes, with the Ministry of the Environment being responsible for this area of responsibility.

To date, funding from the private sector has been mobilized into domestic climate-related activities rather than climate cooperation, however, Estonia is planning to increase the involvement of private sector in financing climate cooperation in developing countries. As also mentioned before, Estonia opened it's first annual round of project calls in 2018 June to support climate cooperation projects in developing countries. Through the project calls we aim to support different mitigation and adaptation oriented projects, for example supporting Estonian greentech companies and non-governmental organisations to export their products and know-how to developing countries, helping them to tackle climate change. Applicants are required to contribute financially at least 10% of total eligible costs of the project. In this way Estonia is seeking to mobilize private finance.

# EUROPEAN UNION

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Climate action is a key priority for the European Union (EU) and climate action has been mainstreamed across the board in the Union's 2014-2020 multiannual financial framework (MFF) by ensuring that at least 20% of EU budget, including support to developing countries, is climate related. On 2 May 2018, the European Commission proposed to increase the mainstreaming target to 25% for the period from 2021 to 2027 in line with EU's commitment to continued and stable financing of climate action, both within and beyond the EU's borders.

The EU's approach to public climate finance is twofold: to provide grant funding directly to the poorest and most vulnerable countries, and to use grant funding to leverage private investment, by combining grants with loans and equities from public and private sources, including bilateral and multilateral development banks. The second approach is defined as blending and is channeled through dedicated thematic and geographical facilities. The preparation of the 2019 Draft Budget[3] provides an indication on what the expected levels of EU public climate finance may be in 2019 and 2020. The climate-specific expenditure under the main EU cooperation and development programmes and instruments is estimated at approximately EUR 1.5 billion and EUR 1.6 billion respectively for 2019 and 2020.

Climate action is also an over-arching policy goal for the European Investment Bank (EIB), mainstreamed into all its sector policies and activities. As the EU's Bank, the EIB makes a very important contribution to supporting the EU's climate change policy goals and leadership role outside the EU. It is the largest multilateral financier for climate action and one of the largest sources of finance for it worldwide.

The EIB has committed to dedicate at least 35% of its annual lending to developing countries to climate action by 2020. In 2017, the EIB provided approximately EUR 2.6 billion from all resources for climate action investments in developing countries, exceeding 35% of overall EIB lending in these regions and, thereby, signalling the progress made towards meeting its commitment. The EIB also needs to meet a

[3] http://ec.europa.eu/budget/library/biblio/documents/2019/SoE2019%20with%20covers.pdf

minimum 25% climate target for the geographical area under its current External Lending Mandate over the period of the mandate (2014-2020).

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

The EU strives to achieve a balance between adaptation and mitigation through climate action mainstreaming into development and cooperation programmes with developing countries. In particular, this relates to the programmes on energy, agriculture, infrastructure, water, forestry and disaster risk reduction. The budget allocated to interventions focusing on adaptation accounted for slightly more than half of the EU external cooperation spending on climate change over the period 2014-2017.

There are a number of examples of dedicated programmes and initiatives focusing on adaptation and mitigation and, in particular, on the needs of the most vulnerable developing countries:

- The EU adaptation flagship initiative, the Global Climate Change Alliance+, provides a platform for dialogue and cooperation and technical and financial support to the Least Developed Countries and Small Island Developing States. It has funded more than 70 projects of national, regional and worldwide scope in Africa, Asia, the Caribbean and the Pacific, with commitments of EUR 737.5 million for the period 2007-2020.
- The EU finances the Electrification Financing Initiative (EUR 115 million) aims to support investments that increase and improve access to modern, affordable and sustainable energy services.
- The NAMA facility supports developing countries and emerging economies that show an ambition to play a leading role in tacking climate change. It provides them with funding to begin implementing their Nationally Appropriate Mitigation Actions.
- The EU is an active partner of the InsuResilience Global Partnership, which aims to stimulate the creation of effective climate risk insurance solutions and markets and the smart use of insurance-related schemes for people and assets at risk in poor and vulnerable developing countries.

- The Support to Earth Observation services (EUR 85 million) will help address the gap and implement the AU-EU Research & Innovation Partnership on Climate Change and Sustainable Energy, including full, free and open access to high-resolution satellite processed data from the service component of the Copernicus programme. The EU is also supporting through Horizon 2020 partnership with African research and knowledge centres, specifically on renewable energy and climate services, with a focus on water, energy, land use, health or infrastructure.
- The EU supports climate mitigation, adaptation and access to safe and affordable energy in cities, namely through the Global Covenant of Mayors for Climate and. In 2016, the EU has also launched a Covenant of Mayors for Sub-Saharan Africa, a 4-year project aiming at increasing the capacities of African cities and providing them with a platform to share knowledge and best practices.
- The EIB is undertaking a “Gap and Market Analysis” across all geographies, sectors, mandates and products. This will result in new, high impact initiatives and partnerships, also in view of increasing EIB’s support for investment in adaptation to reduce and manage climate-related risks. The EIB will deploy a new Climate Risk Management System in 2019 that will support inter alia more systematic identification of adaptation and resilience activities going forward.
- In 2017, the EIB signed two loans with the Caribbean Development Bank for a total amount of EUR 120 million to support climate change mitigation, adaptation and resilience projects in the small island nations of the Caribbean. This will contribute to help this vulnerable region to recover from recent hurricanes and prepare for future extreme weather events.

## 3. Information on their policies, programmes and priorities

- **Role of EU budget and external instruments**

Unlike national budgets, the EU budget is predominantly focused on investment and its programmes are multiannual in nature, providing a stable and predictable framework over the medium to longer term. As far as the EU external cooperation is concerned, such framework provides climate finance to developing countries and it is designed to increasingly integrate climate change into the EU's strategy for development assistance. The latter is mainly delivered through the three largest policy-driven instruments: the Instrument for Pre-accession Assistance, the

European Neighbourhood Instrument), and the Development Cooperation Instrument). The European Development Fund, financed by Member States and therefore not part of the EU budget, completes the package of instruments for external assistance. Together they account for 93.8% of the EU's external action funding. The EU's thematic development programmes and instruments seek to help developing countries meet the relevant Sustainable Development Goals (SDGs). In this context, the EU external cooperation interventions in the field of climate action are generally designed to help partner countries develop technical capacity and knowledge for meeting their international climate obligations (including their Nationally Determined Contributions), be equipped for formulating and implementing climate related policies and projects, and effectively address context-specific, climate related challenges in their territories. Besides the financial instruments it manages directly, the EU can also use blended instruments aiming to further expand the scope of the EU financing supporting climate action and leverage additional resources.

- **Role of the European Investment Bank**

The EIB has unique technical and financial experience on climate change which allows it play a key role in helping the global community meet the goals of the Paris Agreement and, specifically, in supporting the implementation EU climate policies and Nationally Determined Contributions. This includes the definition of investment programmes and project preparation. The EIB is also supporting initiatives at the sub-national level, particularly in the urban development sector, through partnership with the EU's URBIS programme, and collaboration with the Global Covenant of Mayors.

The EIB will continue its close work with other multilateral development banks and international financial institutions in identifying priorities for climate action and coordinating support. The EIB is already identifying areas where flagship initiatives can be launched, e.g. in support of climate action in cities (energy efficiency in buildings, recycling and energy recovery from solid waste), the decarbonisation of energy and transport, and the improvement of the resilience of communities through projects that promote water and food security in addition to rural and regional economic development.

- **Mobilization of private finance**

The EU is using innovative ways to deliver support which engages the private sector in adaptation and mitigation activities in developing countries. Private investment, alongside and attracted by public investment, is crucial to scaling-up climate finance and closing current finance gaps.

- The EU External Investment Plan encourages investment in developing countries in Africa and the EU Neighbourhood region and is adapted to the specific needs of developing countries. It focuses on priority investment areas, such as sustainable energy, micro, small and medium enterprises financing, sustainable agriculture, sustainable cities. The EUR 1.5 billion European Fund for Sustainable Development Guarantee in addition to the EUR 2.6 billion of the Africa and Neighbourhood Investment Platforms are expected to unlock private investment and mobilize an additional EUR 44 billion investment until 2020, in particular in less developed and riskier countries whilst crowding in private sector players in areas and sectors in which they do not traditionally intervene. At present, the European Fund for Sustainable Development has mobilized EUR 800 million in guarantees and EUR 1.6 billion in blending, which will overall translate into over EUR 22 billion public and private investments.
- For the EU to meet its commitments in terms of climate finance, specific Climate Change Windows were created in the EU regional blending facilities, namely: Africa Investment Facility, Latin American Investment Facility, Caribbean Investment Facility, Investment Facility for Central Asia, Asia Investment Facility, Investment Facility for the Pacific, Neighbourhood Investment Facility. They encompass both public and private investments in strategic areas such as transport, energy, environment, water, sanitation and forests.
- The Global Energy Efficiency and Renewable Energy Fund, an EIB managed fund-of-funds, has successfully unlocked new private investment in climate related projects across Africa, Asia, Latin America and the Caribbean. With the support from the Green Climate Fund, the EIB is in the process of setting-up and fundraising for a follow-on fund, GEEREF NeXT, which aims to raise up to USD 750 million in total mobilizing up to USD 30 billion in investments on the ground.
- The Climate Resilience Solutions Fund, currently under appraisal by the EIB, would invest in private companies providing climate resilience solutions for developing countries in Africa, Asia and Latin America.

## 4. Information on actions and plans to mobilize additional finance

- **Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance.**

The successful low-carbon and climate-resilient transformation of the economy requires mobilizing private capital and capital market resources from a variety of long-term oriented investors and, more broadly, aligning on all financial flows with the climate goals. It is for this reason that the European Commission adopted an Action Plan on Financing Sustainable Growth on 8 March 2018 with ten key actions to reorient capital flows towards sustainable investments, better integrate sustainability in risk management and increase transparency on sustainability issues. It is based on the policy recommendations by the European Commission's High-Level Expert Group on Sustainable Finance[4]. More investments will be channelled into sustainable activities thanks to new rules (proposals made by the European Commission in May 2018) that define the criteria for a harmonised EU-wide classification system (taxonomy), enhance investors' duties and disclosures, and create low-carbon benchmarks.

The EU is also a recognised leader in terms of emissions trading with the EU Emissions Trading Systems covering almost half the EUs emissions and delivering 43% emission reductions to 2030. It actively promotes emissions trading as a model for implementation, and offers bilateral support to China and South Korea in implementation, and leads a dialogue between emissions trading administrators in the Florence process.

[4] https://ec.europa.eu/info/publications/180131-sustainable-finance-report_en

# FINLAND

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Finland uses annual budget cycles, but tries to use multilateral agreements when possible. Finland announced in 2015 in Paris that Finland intends to provide over half a billion euros in new investment funding for developing countries over the next four years, a substantial part of which will contribute to climate finance.

Finland's public climate finance is included in the annual public budget cycles and the rolling 3-year financial frames of the Government. Thus, it is not possible to give any exact mid- or long-term predictions of the overall public climate finance. At the level of multilateral institutions, like the GEF and the GCF, and bilateral country programming and individual projects multiannual agreements or commitments are in use. The actual performance and disbursements are reflected in various reports, including the recent seventh National Communication and third Biennial Report to the convention. For the GCF, Finland has pledged EUR 80 million for the Initial Resource Mobilization period. Last IRM -payment will be made in 2020. In the context of the GEF Finland has pledged about EUR 31 million for its seventh replenishment round ending in June 2022.

Finland announced in Paris in 2015 that Finland intends to provide over EUR half a billion in new investment funding for developing countries over the next four years, a substantial part of which will contribute to climate finance. The first allocation (EUR 130 million) from this investment package was made in 2016 to Finnfund (Finnish Fund for Industrial Cooperation Ltd.), which is a state-owned development finance institution with a strong mandate to support climate relevant projects. In 2017, Finland set up a joint climate fund with the World Bank's private sector arm IFC to support renewable and clean energy solutions in developing countries (Finland-IFC Blended Finance for Climate Fund[5]). This EUR 114 million investment will be used over a five-year investment period to create markets and mobilize private investments to support climate work. The allocation decision on investment funding

[5] https://www.ifc.org/wps/wcm/connect/e84ceea1-c706-4225-b7ef-ee90b411b856/Finland-IFC-Climate-factsheet-112017_v1.pdf?MOD=AJPERES

for 2018 is under preparation, however, considerable part will be targeted towards climate work.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

The division between mitigation and adaptation support varies according to the year, but it is usually close to 50-50. The focus in our bilateral cooperation is on the least developed countries and fragile states.

Finland is committed to the decisions and recommendations by the COP and various institutions with regard to a balanced treatment of mitigation and adaptation needs. However, at the multilateral level the implementation of this aim depends primarily on the performance of the respective institution, based on the needs and demand of the recipient countries. Also bilaterally the programme priorities and selection of concrete projects is to a great extent the outcome of joint planning and agreement between respective partners. This is being followed during reporting, the division between mitigation and adaptation support varies, but it is usually close to 50-50. For example, in 2014 about 54 per cent was allocated to mitigation and about 46 per cent to adaptation and in 2016 about 58 per cent was allocated to mitigation and about 42 per cent to adaptation.

According to the Government Report on Development Policy[6], published in February 2016, the focus in our bilateral cooperation is on the least developed countries and fragile states. Partner countries in Africa include Ethiopia, Kenya, Mozambique, Somalia and Tanzania. In Asia, Finnish bilateral support focuses on the three poorest, fragile states: Afghanistan, Myanmar / Burma and Nepal. Beyond these partners Finland supports e.g. Zambia, Central Asia and Vietnam. On multilateral side, e.g. in the new IFC climate fund the focus is on supporting projects in the least developed countries, other low-income countries, and lower-middle income countries and territories.

[6] http://formin.finland.fi/public/default.aspx?contentid=341918&nodeid=15445&contentlan=2&culture=en-US

## 3. Information on their policies, programmes and priorities

Finland has been active in following sectors relevant to climate change: agriculture, energy, forestry, meteorology and water. Particular focus is placed on responsible private sector engagement and mobilizing private sector finance and expertise.

Finland has integrated the goals and objectives of the UNFCCC and the Kyoto Protocol into its development policy, while taking into account the fact that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties. Climate sustainability has been one of the cross-cutting objectives of Finland's development policy and development cooperation since 2012. The Government Report on Development Policy takes account, among others, of the current situation in developing countries, the goals of the UN 2030 Agenda for Sustainable Development and the binding climate convention and the Paris Agreement.

The Government Report on Development Policy outlines the priority areas: 1) the rights and status of women and girls have strengthened; 2) developing countries' own economies have generated jobs, livelihood opportunities and well-being; 3) societies have become more democratic and better-functioning; and 4) food security and access to water and energy have improved, and natural resources are used sustainably.

Finland has been active in following sectors relevant to climate change: agriculture, energy, forestry, meteorology and water. What comes to capacity-building, most of the Finnish bilateral climate relevant projects include a capacity-building component. Similarly many multilateral organisations that we support provide capacity-building (e.g. GEF). The Finnish Government considers important that the business sector promotes sustainable development in its field, respecting the best practices and obligations of corporate social responsibility. Therefore, particular focus is placed on responsible private sector engagement and mobilizing private sector finance and expertise.

## 4. Information on actions and plans to mobilize additional finance

Finland provides around EUR 530 million during 2016 to 2019 in new investment funding for developing countries, a substantial part of which contributes to climate finance.

Mobilizing private climate finance is an emerging part of Finland's policies. Private sector projects in developing countries are being supported, for example, by Finnfund and Finnpartnership. Finnfund is a state-owned company that finances private projects in developing countries by providing long-term risk capital for profitable projects. The funding modalities include equity investments, loans and/or guarantees. It cooperates with Finnish and foreign companies, investors and financiers. Finnpartnership, on the other hand, aims to increase business-to-business cooperation between companies in Finland and in developing countries. About half of the investments made by Finnfund in recent years can be regarded as climate finance because they have been used for projects in renewable energy, to prevent deforestation, to enhance energy and material efficiency or to improve the ability of poor people to adapt to the challenges posed by climate change.

The government of Finland has decided to use around EUR 530 million during 2016 to 2019 as investment funding to support programmes/projects in line with Finnish development policy, especially to climate funding and creating sustainable jobs and livelihoods in the private sector. As outlined earlier first allocation was given to Finnfund (EUR 130 million) and in 2017 agreement was reached with IFC on the new Finland-IFC Blended Finance for Climate Fund. In addition, e.g. the Energy and Environment Partnership (EEP) Programme is important tool to leverage additional finance. In the case of the EEP programme in Africa, the leverage ratio is 1:2.01 and a total of about EUR 114 million was mobilized by December 2016, including also other sources than private finance. Finland has decided to allocate EUR 15 million to the new Energy and Environment Partnership Trust Fund (EEP Trust Fund) in Southern and East Africa in the period from 2018 to 2022[7].

## 5. Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance

Finland considers important to support enhancing enabling environment and keeping the focus on the broader picture as set out in the Paris agreement under article 2.1.c. Most of the Finnish bilateral programmes and projects with a climate-related objective also include a capacity-building component.

[7] http://formin.finland.fi/public/default.aspx?contentid=370193&contentlan=2&culture=en-US

Finland considers important to support enhancing enabling environment and keeping the focus on the broader picture as set out in the Paris agreement under article 2.1.c. Finland supports capacity-building among developing countries in several ways. Most of the Finnish bilateral programmes and projects with a climate-related objective also include a capacity-building component. A significant share of the multilateral institutions and programme supported by Finland are specifically or significantly focusing on capacity-building. The current Finnish Development Policy also calls for promoting the consolidation of the developing countries' own economic base. Finland supports developing countries' access to finance for investments that enable sustainable development.

Finland also joined the Carbon Pricing Leadership Coalition (CPLC) in April 2016. Finland is in many ways a pioneer in carbon pricing. We were the first country in the world to introduce a carbon tax back in 1990. Additionally Finland is part of the Friends of Fossil Fuel Subsidy Reform (the "Friends") which is an informal group of non-G20 countries set up in June 2010, aiming to build political consensus on the importance of fossil fuel subsidy reform. Other members include Costa Rica, Denmark, Ethiopia, New Zealand, Norway, Sweden and Switzerland. Furthermore, in Tax and Development Finland's Action Programme 2016 to 2019 we recognize the fossil fuel subsidy reform as part of the wise management of public resources.

# FRANCE

*France is strongly committed to the collective goal of developed country Parties to mobilize each year USD 100 billion per year by 2020 through to 2025 for mitigation and adaptation purposes, from a wide variety of sources, instruments and channels. France committed to provide EUR 5 billion of climate finance in 2020, including EUR 1.5 billion in adaptation finance, with a priority given to Africa and the Least Developed Countries and those who are most vulnerable to climate change, especially in the agricultural sector. The French development agency (AFD), the largest provider of climate finance provided by France, has published a 2017-2022 climate and development strategy which provides quantitative and qualitative forward-looking information on its commitments, actions and partnerships. In addition, France plays a leading role in mobilizing private climate finance and promoting actions to shift investments in line with the article 2.1.c of the Paris Agreement, both domestically and in recipient countries, through capacity-building, dedicated facilities and international initiatives such as the ones launched at the One Planet summit.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

France is a major contributor of international public climate finance, with more than EUR 29 billion provided since 2005. A large share of this contribution has been provided through bilateral channels, although multilateral climate finance has also steadily increased over the last years. In 2016, France provided more than EUR 3.3 billion of public climate finance to developing countries, from bilateral and multilateral sources. This represents a 22% increase as compared with 2015. For the year 2017 a further 15% increase is expected (from 2016 levels). This evolution is consistent with France's objective announced at the United Nations General Assembly in September 2015 to commit EUR 5 billion of international climate finance by 2020. Since COP21, France has increased its 2020 adaptation funding target to EUR 1.5 billion in 2020 (from an initial objective of EUR 1 billion announced in 2015. France strives to provide transparency on its climate finance support through both multilateral and bilateral channels, including forward-looking information to the extent possible.

The 2018 Interministerial Committee for International Cooperation and Development conclusions[8] provide detailed information on France's overall strategy on development and climate, as well as on our broad thematic and geographical priorities within the framework of the French ODA trajectory for 2018-2022.

With regard to multilateral commitments, France is a long-standing and major contributor to the main climate funds and development banks. It has already disbursed more than 90% of its initial pledge to the Green Climate Fund (GCF) and will make the final payment by the end of this year. France is committed to securing a successful replenishment of the GCF, and continue to work to strengthen its governance and policies for more impact. We have also reaffirmed our strong support to the Global Environment Facility (GEF) for the period 2018-2022, with a commitment for this period of USD 300 million. We also support dedicated funds such as the Least Developed Countries Fund and the Land Degradation Neutrality Fund. France will continue to provide further support for climate action in developing countries through its core contributions to multilateral development banks, while continuing to push for the scaling-up of their climate finance towards their 2020 pledges.

In addition, we are a contributor to many multilateral initiatives - as founding members for many of them - including *inter alia* the International Solar Alliance, the Africa Renewable Energy Initiative, the Climate Risks & Early Warning Systems initiative and the Central African Forest Initiative. Our commitment to these initiatives is usually addressed through a multi-annual core contribution to ensure efficiency and support over time.

The AFD has published a 2017-2022 climate and development strategy which provides forward-looking information on the AFD Group's climate action. As these actions will by nature largely depend on national contexts, it does not prescribe sectoral action. Yet, AFD has regular bilateral interactions with recipient country partners to define priorities and areas of intervention at the national level.

Other bilateral actions include the ongoing replenishment of the "French GEF" for 2019-2022, a fund dedicated to promote a sustainable global environment. For the period 2015-2018, EUR 90 million have been allocated to this fund.

[8] https://www.diplomatie.gouv.fr/IMG/pdf/18-0495-2018.02.08_cicid_releve_de_conclusions_global_-_final_revue_elysee_cle833ba2.pdf

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

The latest conclusions of the Interministerial Committee for International Cooperation and Development reaffirm that financing with climate co-benefits will continue to represent at least 50% of the AFD's commitments. Within that target, adaptation funding will be increased to EUR 1.5 billion per annum from now until 2020, with priority given to Africa and the LDCs and countries that are most vulnerable to climate change, especially in the agricultural sector.

In order to scale up its adaptation finance, AFD will deploy additional capacity-building resources, with particular attention to the most vulnerable countries. The Adapt'action facility (EUR 30 million in grants for 2017-2020) aims to provide support to 15 African countries and Small Island Developing States for establishing a detailed forward-looking characterisation of the climatic risks they are facing, for identifying and prioritising adaptation options, managing uncertainty and, ultimately, defining and operationalising action plans and investment programmes. The Facility pursues three main objectives : (i) to help countries to reinforce or put in place a governance for an effective NDC implementation by conducting capacity-building activities; (ii) to translate NDCs into sectoral public policies and actions plans; and (iii) to support countries in developing climate projects or programmes, especially in terms of adaptation. The 2050 facility, which has been approved in July 2018, will complement this work through in-depth analyses of long-term transitions in up to 20 countries.

At the European level, France brings EUR 5,4 billion to the overall budget of the 11th European Development Fund (EUR 30,5 billion). The EDF is the main instrument for providing development aid to African, Caribbean and Pacific (ACP) countries and to overseas countries and territories.

As part of its multilateral commitment, France strongly supports the allocation of climate finance to address the needs of the poorest and particularly vulnerable countries, *inter alia* in our action at the Boards of the GCF and the GEF and in our financial contribution to the LDC Fund (EUR 25 million in 2016-2017).

In addition, France will continue to fulfill its commitment to renewable energies in Africa, through the increase of its support to AREI to EUR 3 billion for 2016-2020, and will implement the Adaptation-Biodiversity initiative for the Pacific region announced at the One Planet Summit.

## 3. Information on policies, programmes and priorities

The French policies, programmes and priorities are notably defined through the Government's action plan on climate, the Interministerial Committee for International Cooperation and Development and the 2017-2022 AFD Climate and Development strategy.

The French contribution to climate finance is mainly implemented through the French development agency (AFD). As mentioned, AFD has financed in 2017 124 projects with climate co-benefits, for a total commitment of approximately EUR 3.8 billion. This represents a 15 % increase as compared to 2016 in the volume of climate finance, and an additional 41 projects financed.

As part of its 2017-2022 strategy, the AFD Group has made four **commitments:**

- The group will ensure a "100 % Paris Agreement-compatible" activity, meaning that all of its interventions will be consistent with low-carbon and climate-resilient long-term development and that AFD is now engaged in a proactive effort to demonstrate the consistency of all interventions with regard to the objectives of the Paris agreement.
- AFD has set differentiated climate targets based on geographical areas (climate commitments should represent at least 70 % of funding for Asia and Latin America, 50 % for the Mediterranean and 30 % for sub-Saharan Africa by 2022).
- The group will strive to contribute to redirecting finance and investment flows in line with the article 2.1.c of the Paris Agreement.
- AFD will co-build solutions and bring influence to bear on standards related to climate.

## 4. Information on steps taken to enhance their enabling environments

Making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development will not be achieved through public climate finance only. Appropriate action on the financial sector and the design of appropriate incentives such as price signals are key to shift financial flows towards low-carbon investment. To this end, France has taken action both domestically and internationally to promote sustainable finance and carbon pricing among others.

The One Planet Summit, convened in Paris on December 12th 2017 by President Macron together with the United Nations General Secretary and the President of the World Bank, gave a high-level political impetus to a number of initiatives contributing to the redirection of investments and the mobilization of climate finance, both public and private. This process is ongoing: a One Planet follow-up high level event will take place in New York City on September 26th in order to take stock of progress made since the summit and further engage public and private actors to raise their ambition. Several initiatives were launched at the One Planet Summit including a coalition in support of the recommendations of the Task force on Climate-related Financial Disclosures (TCFD), the launch of the "Greening the Financial System" network by central banks and supervisors, a working group among six of the largest Sovereign Wealth Funds to create a framework integrating climate change in their decision-making (the framework has been launched in Paris on July 6th), or the Climate Action 100+ coalition, bringing together 289 institutional investors with nearly 30 trillion USD of assets under management to scale up engagement with systemically important corporate greenhouse gas emitters.

France has also taken initiatives to support the effective implementation of carbon pricing, which can provide decisive incentives to shift investments towards low-carbon solutions. More generally, France intends to continue to promote the advancement of carbon pricing, notably through its participation to the **Carbon** Pricing Leadership Coalition and various other bilateral initiatives and sharing of experiences. The One Planet Summit also contributed to several announcements related to carbon pricing.

Capacity-building is fundamental to enable the full, effective and sustained implementation of the Convention, the Protocol and the Paris Agreement. In 2015, France dedicated almost EUR 310 million euros to capacity-building activities. Priorities for France relate to adaptation, GHG inventories, reporting and transparency, NDC preparation and implementation. In the transportation sector, France launched, together with a group of countries (Costa Rica, the Netherlands, Portugal, Luxembourg and Finland), cities and companies, the Transport Decarbonisation Alliance (TDA), aiming at demonstrating that accelerating transport decarbonisation is possible. Moreover, the Mobilize Your City (MYC) Partnership (supported by France together with Germany and the European Commission) aims at establishing sustainable mobility plans in 100 cities and 20 countries by 2020, by providing a methodological framework and technical assistance. Since 2014, France has also supported (technically and financially) the activities of the French speaking cluster (funded by Belgium, France and Germany), aiming at sharing information and experience between French speaking developing and developed countries regarding, inter alia, inventories of GHGs, the development of Nationally Appropriate Mitigation Action, effective measurement, reporting and verification (MRV) of emissions and, since 2018, adaptation.

# GERMANY

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

*Germany continues to contribute to the Copenhagen commitment (2009) of developed countries to mobilize jointly USD 100 billion per annum by 2020, and through to 2025, with a new collective quantified goal to be agreed prior to 2025. During the Petersberg Climate Dialogue in 2015, Chancellor Angela Merkel announced that Germany seeks to double its international climate finance from the 2014 target value of EUR 2 billion to EUR 4 billion by 2020 (from budgetary sources and grant equivalent of development loans. The Federal Government of Germany remains committed to increasing its financing from budgetary sources accordingly. In addition, Germany continues to provide significant amounts of mobilized public and private climate finance, including from KfW and DEG.*

In 2016, Germany provided international climate finance from budgetary sources amounting to EUR 3.36 billion for international climate finance. Germany's financial support has been growing steadily over the last years. In addition, Germany mobilized public finance from capital resources through KfW Development Bank and Deutsche Investitions- und Entwicklungsgesellschaft GmbH (DEG) in the amount of EUR 5.17 billion. Germany continues its work to mobilize private climate finance and to develop consistent methodologies to measure mobilized public finance and mobilized private climate finance.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

*The German Government follows a country partner demand-driven approach in the allocation of bilateral climate finance. In this context, Germany strives for a balanced allocation of its budgetary resources for climate finance to both climate change mitigation and adaptation. Germany provides targeted support to the most vulnerable countries in the group of least developed countries (LDCs) and small island developing states (SIDS), strengthening their adaptive capacities and increasing the resilience of their agricultural production and infrastructure.*

Striving for balance, Germany has historically provided its climate finance support from budgetary sources close to parity throughout the past years and will continue to do its best in order to maintain this balance. In 2016, EUR 1.45 billion of federal budgetary sources are attributable to mitigation measures, EUR 1.14 billion to adaptation measures and EUR 771 million to cross-cutting measures.

The regional distribution of bilateral climate finance from budgetary sources in 2016 was as follows: Africa received EUR 947 million, Asian, Middle East and South-East European regions EUR 887 million, Latin America and the Caribbean region EUR 372 million. Global projects through bilateral channels and budgetary climate-specific contributions through multilateral channels amounted to a total of EUR 1.16 billion. The needs of particularly vulnerable countries are taken into account in the regional balance.

## 3. Information on their policies, programmes and priorities

*In line with the decisions of the United Nations Framework Convention on Climate Change (UNFCCC), German international climate finance continues to address climate change mitigation, including reduction of emissions from deforestation and forest degradation (REDD+) and biodiversity conservation, as well as adaptation to climate change through comprehensive approaches that include climate finance i.a. for climate-sensitive infrastructure, technology transfer, enabling regulatory frameworks and capacity-building. This holds true across all sectors and regions.*

*Germany remains committed to mainstreaming climate change into its policies for development finance, e.g. by demanding, if possible, a link between new projects/programmes and countries' NDCs.*

The German Federal Ministry for Economic Cooperation and Development (BMZ) and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) both support international climate activities through bilateral and multilateral programmes and funds.

The NDC Partnership will continue to play a decisive role, being an important vehicle for Germany's support to NDC implementation. The NDC Support Facility is an important tool for the partnership to support climate friendly transformation at beneficiaries' level, e.g. electrification of public transport or development of resilient agriculture etc., amongst others.

## Public Climate Finance

1. Climate Finance is part of sustainable development and therefore a significant element of our long-term development cooperation. The main part i.e. more than 80 % of the German international climate finance is provided by the Ministry of Economic Cooperation and Development (BMZ). BMZ supports climate activities in nearly all of its approximately 80 partner countries and mainstreams climate change aspects into its entire development portfolio. The Paris Agreement and the Agenda 2030 serve as interdependent guiding policies. Within the context of regular intergovernmental consultations, priority sectors for German development cooperation are discussed and agreed with individual partner countries and thus constitute the pillars of joint medium-term cooperation strategies. In each partner country, this dialogue is coordinated by and channeled through the responsible national institution for the coordination of development cooperation.

- BMZ is currently revising its climate finance marker guidelines. In the future, every climate-relevant initiative and project shall refer to the partner country's NDC.
- Important focus areas of German climate finance include energy sector transformation and risk insurance, for instance within the framework of the
    - Africa Renewable Energy Initiative, 2015-2020, which aims to install 10 GW of additional renewable energy output by 2020, providing sustainable energy supply to 625 million people without energy access in the African continent. In total, the initiative pledged USD 10 billion between all of its contributors and up to 2016, Germany had already provided EUR 1.2 billion and agreed to provide EUR 3 billion by 2020.
    - InsuResilience Global Partnership, 2015-2020: This initiative will create access to direct or indirect insurance against climate risks for up to 400 million additional poor and vulnerable people in developing countries by 2020.

2. The International Climate Initiative (Internationale Klimaschutzinitiative, IKI) - launched in 2008 - serves as the main climate funding source of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMU). Since the Paris Agreement has entered into force, the International Climate Initiative IKI has prioritized in order to put the Paris

Agreement into action through support for NDCs, long-term strategies and generally highly ambitious and transformative approaches in climate policies. For 2018, the IKI will be able to program EUR 450 million. This is part of the overall German target to doubling its climate finance by 2020. For further information please refer to: https://www.international-climate-initiative.com/en/

3. Germany allocated 86.8% of its climate finance from budgetary resources to non-multilateral (mainly bilateral and regional) cooperation in 2016. As far as multilateral cooperation on climate issues is concerned, Germany uses budgetary sources in order to contribute to finance i.a.: Green Climate Fund, Climate Investment Funds, Adaptation Fund, Global Environment Facility, Least Developed Countries Fund (LDCF), Special Climate Change Fund, Forest Carbon Partnership Facility, Montreal Protocol Multilateral Fund, Climate Investment Funds.
4. In addition, Germany mobilizes significant amounts of public climate finance primarily in the form of highly concessional loans through KfW Development Bank and Deutsche Investitions- und Entwicklungsgesellschaft GmbH (DEG).

### Mobilized private climate finance

Last but not least, Germany has mobilized private climate finance, consisting of private investments, directly leveraged by public funds, in the context of revolving credit lines for local (development) banks, private investment tranches in structured funds and public-private partnerships. Germany continues its work to mobilize private climate finance and to develop consistent methodologies to measure mobilized public finance and mobilized private climate finance.

## 4. Information on actions and plans to mobilize additional finance

*Germany continues to provide new and additional climate finance every year through bilateral and multilateral cooperation. German climate finance from budgetary sources is supposed to further increase in line with a path laid down to ensure that it will meet its 2020 target of providing EUR 4 billion as mentioned in (1.). In addition, Germany mobilizes public and private climate finance primarily by providing concessionary loans and by refinancing local banks with a view to climate-relevant financing products, developing structured funds, climate risk insurance schemes, other de-risking instruments, as well as equity participations. Germany remains* *committed to supporting its partners in their effort to direct – not only climate - finance to sustainable pathways in line with article 2.1.c of the Paris Agreement.*

Germany has initiated and contributed to several large scale climate finance initiatives, thereby providing a reliable indication on the volume of its climate finance up to 2020.

## Examples of Bilateral Initiatives for Additional Finance

- REDD+, 2015-2020: During the Paris Climate Change Conference in December 2015, the governments of the United Kingdom, Norway and Germany announced that they would jointly provide USD 5 billion for the period 2015–2020, for REDD+, if countries come forward with ambitious and high quality proposals.
- Transformative Urban Mobility Initiative (TUMI), 2016-2021: TUMI targets the development of sustainable urban transport in developing and emerging economies. This involves investments adding up to more than EUR 1 billion per year in bus rapid transport systems, light rail and underground networks, footpaths and cycle paths.
- The German Climate Technology Initiative (DKTI) by BMZ earmarks additional budget funds for technological solutions in newly industrialized and developing countries – including least-developed countries (LDCs) – as a contribution towards fulfilling international climate policy commitments. In 2018, Germany earmarked EUR 300 million additional budgetary funds for this initiative.
- Numerous bilateral projects and programmes leverage additional and highly concessional loans through KfW and/or private capital. Examples include flagship projects, e.g. the construction of major capacity solar power plants in Morocco's Ouarzazate and the Solar Power Partnership with India, which aims at installing 100 Gigawatt with German financial support of up to EUR 1 billion until 2020. Furthermore, the support mechanism for additional electricity generation from renewable energy under GET Fit Uganda, for instance, leveraged some USD 428 million of public and private finance on USD 104 million of top-up grants, mostly via project finance.
- NDC Partnership: Germany has provided EUR 9 million in financial support for the NDC Support Unit. In addition, EUR 56 million for in-country support in the context of NDCP have been provided by BMZ (World Bank, WRI,

UNDP, UNFCCC). BMU and its International Climate Initiative provide EUR 76 million through a consortium of eleven delivery organisations.

- InsuResilience Global Partnership: BMZ has committed EUR 110 million at COP23.
- Global Climate Partnership Fund (GCPF): The GCPF is an innovative public-private partnership for mitigation of GHG with a fund volume over USD 500 million (of which 1/3 from private investors). It focuses on financing energy efficiency and renewable energy projects for SMEs and private households in developing countries, primarily in cooperation with local financial institutions.
- For further information on projects and programmes supported by Germany running over the next years please consider: for BMU, IKI support https://www.international-climate-initiative.com/en/projects/; for BMZ: http://www.bmz.de/en/issues/klimaschutz/index.html#/en/

## Multilateral Commitments for Additional Finance

- Germany has been a reliable contributor to the Green Climate Fund (GCF) and Global Environment Facility (GEF). Germany considers both instruments of core importance to the climate finance architecture and will continue contributing to them in future replenishment cycles.
    - GCF: The GCF will complement existing bilateral and multilateral instruments as the key instrument in the multilateral climate finance architecture. Germany contributed EUR 750 million during GCF's initial resource mobilization period from 2015 to 2018. Germany aims for a substantial replenishment of the Green Climate Fund.
    - GEF: In April 2018 Germany committed EUR 420 million (+9% in USD as compared the previous replenishment) for the 7$^{th}$ replenishment (2019-2022). Germany includes only the climate-relevant share for its climate finance (most recent reporting period: 65%).
    - LDCF, administered by GEF: Germany's contribution in 2017 amounts to EUR 50 million, with a total German contribution of EUR 215 million, thus being the largest LDCF contributor.
- Adaptation Fund: As stated by the Environment Minister Hendricks during COP23, Germany wants to ensure the Adaptation Fund becomes a firm pillar of the finance architecture of the Paris Agreement. Therefore Germany

increased its contribution by EUR 50 million, becoming the biggest contributor to the Adaptation Fund with a total of EUR 240 million.

- Germany increased its support to the Forest Carbon Partnership Facility (FCPF) during COP 23, committing EUR 150 million.
- Montreal Protocol Fund: In 2017, Germany's contribution amounted to EUR 59 million for protection of the ozone layer.

## Approaches to Mobilizing Private Climate Finance in Bilateral and Multilateral Initiatives

Private climate finance will continue to be mobilized by using a twofold approach, e.g.:

1. Providing support that directly mobilizes private climate finance for mitigation and adaptation measures (cf. 1. and 5.).

2. Germany supports partner countries in designing, implementing and financing enabling environments for private investment in mitigation and adaptation measures, creating capacities that will enable institutions to develop financial products and build a portfolio over the long term. Thus, Germany indirectly mobilizes additional private investments in developing countries.

## 5. Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance

*Germany is committed to enhancing enabling environments for climate action in its international cooperation as well as within the framework of the different international as well as EU and national processes.*

Germany engages in various international fora, such as G7, G20 to promote enabling environments favoring climate action. Germany is committed to support actions as laid out in the G20 Hamburg Action Plan on Climate and Energy for Growth and the EU Commission's Action Plan on Sustainable Finance.

In the national context, the German Climate Action Plan 2050 aims to identify robust transformation pathways for all areas of action, and thus creates an enabling environment and investment certainty for all actors. The Plan will be underpinned by a program of measures to reach the 2030 targets. In addition, Germany established the Commission on Growth, Structural Change and Employment. By December 2018, the Commission will prepare a set of measures for structural development in regions depending on lignite mining and a plan for the gradual reduction and phase-out of coal-based power generation, to ensure that the medium- and long-term climate targets are achieved respectively gaps for short term targets are reduced.[9]

Germany acknowledges the importance of creating enabling environments in order to mobilize private climate finance. In this regard, Germany draws on a comprehensive mix of technical and financial assistance:

- Combination of feed-in tariffs, grant and loan financing for renewable energy infrastructure construction by private independent power producers (e.g. GET Fit)
- De-risking private investments in geothermal power plants by providing up-front grant financing for geothermal exploration drillings (e.g. Geothermal Development Facility)
- Providing policy advice on sound investment incentives (e.g. Egyptian-German Committee for the Promotion of Renewable Energy)
- Supporting the development of bankable projects (e.g. rAREH)
- Reducing financial risks and improving financial market development (e.g. eco.business Fund and Regional Liquidity Support Facility)
- Capacity development for public and private institutions (CF Ready)
- Providing and supporting climate risk instruments (e.g. InsuResilience)
- Multi-stakeholder Dialogues

[9] For further information: https://www.bmu.de/en/report/kommission-wachstum-strukturwandel-und-beschaeftigung-nimmt-arbeit-auf/

# GREECE

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Greece will continue to strive to contribute financially for the achievement of the Paris Agreement goals, according to its capabilities and fiscal constraints stemming from its debt crisis. In 2017, Greece provided approx. EUR 4.5 million of climate-related finance to developing countries, from bilateral and multilateral sources. Currently, Greece has a system to track only public financial flows associated with climate change and not private.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Greece is fully aware of the needs of developing countries, especially the most vulnerable of them, for adaptation finance because adaptation is a national priority for Greece as well. Greece is in favor of a good balance between adaptation and mitigation finance according to countries' priorities. Greece's climate finance as a contribution to UN Trust Funds and international organizations is mainly addressed to cover adaptation issues.

## 3. Information on their policies, programmes and priorities

In order to facilitate and finance the transfer of, access to and deployment of climate-friendly technologies for the benefit of non-Annex I Parties; to support the development and enhancement of endogenous capacities and technologies of non-Annex I Parties; and promote and scale up private investment in mitigation and adaptation activities in developing countries, National Law 4369/2016 (article 50) has been legislated so that part of the funds from auctions of undistributed emission allowances from the EU ETS may be allocated to developing countries for assisting to reduce their GHG emissions and to adapt to climate change.

Overall responsibility for development cooperation lies with the Ministry of Foreign Affairs, where the General Directorate for International Development Cooperation (Hellenic Aid /"YDAS") has systems in place to track, measure and record climate change related assistance provided to developing countries. Specifically, the Hellenic Aid programme coordinates programming, allocation and monitoring of development cooperation, multilateral and bilateral funding. The Ministry of Economy is responsible for Greece's contributions to multilateral institutions, such as the Global Environmental Facility, the World Bank, the European Bank for Reconstruction and Development and the United Nations Development Programme. The Ministry of Environment and Energy is responsible for the allocation of annual official and multilateral contributions to international organizations, United Nations convention secretariats including the United Nations Environment Programme and the UNFCCC, trust funds and agencies related to environmental and climate issues.

According to the provisional data for 2017, total ODA granted approximated to USD 313.58 million i.e. 0.16% of Gross National Income. Bilateral aid was USD 84.67 million (27% of total ODA) while multilateral aid reached USD 228.91 million (73% of total ODA). Multilateral contributions to EU institutions were USD 191.24 million, of which USD 67.68 million were channelled to European Development Fund. Contributions reportable as ODA to United Nations institutions accounted for USD 13.63 million, of which USD 4.73 million to UNDPKO, USD 1.72 million to WHO, USD 1.63 million to FAO, USD 1,09 million to ILO, USD 0,95 million to UNESCO.

## 4. Information on actions and plans to mobilize additional finance

Acknowledging the importance to mobilize additional public and private finance, Greece is exploring ways to

i. mainstream climate change mitigation and adaptation in its ODA,
ii. develop synergies for the achievement of the SDGs and
iii. mobilize private finance, especially from the banking sector.

# HUNGARY

*Hungary intends to continue to provide climate finance to developing country Parties through multilateral and bilateral channels in the coming years. Taking into account its fair share from the common effort, the Hungarian Government is scaling up international climate finance from the floor of HUF 2 billion (approx. EUR 6.1 million) for the years 2016-2018, as per the announcement made at the COP21 climate change conference, noting that public climate finance is expected to remain at a similar level in the coming years. Hungary focuses on adaptation action in its international as well as domestic climate finance activities.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Hungary reports annually financial and technological support provided to developing countries under the Monitoring Mechanism Regulation (MMR) of the European Union, in accordance with the UNFCCC biennial reporting guidelines for developed country Parties [tables 7, 7(a) and 7(b)] in line with Decision 9/CP.21 on Methodologies for the reporting of financial information by Parties included in Annex I to the Convention. The MMR reporting requirements are updated on a continuous basis, reflecting the changes of the common tabular format, agreed at the UNFCCC negotiations.

Hungary compiles Biennial Assessments and National Communications, containing information on international climate finance activities. Furthermore, Hungary reports biennially in the Strategies and Approaches submission of the EU.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

In general adaptation to the adverse effects of climate change is a priority for Hungary due to country's particular vulnerability. Therefore a separate national institution called National Adaptation Center has been established to tackle the issue. In the light of the above, Hungary has a wide knowledge in adaptation mechanisms and other activities. Since we have value added expertise in water management and agriculture in particular, future projects predominantly will come from these areas.

However, we intend to keep a balance in our future financing based on the needs of our developing country partners and our capacities. During the planning of possible bi- and multilateral climate change projects, the Ministry for Innovation and Technology is taking into account the country's limited resources, geographical and political priority areas and sectors.

## 3. Information on their policies, programmes and priorities

A government decision of 2015 on Hungary's participation in international climate finance outlines the scope and channels for climate finance and identifies major partner institutions for Hungary's international climate finance activities. The decision also opts for providing financial means: HUF 1 billion (about EUR 3 million) through the Green Climate Fund and another HUF 1 billion for bilateral and trilateral climate finance projects. The amount of HUF 2 billion – as per the announcement made at the COP21 climate change conference – was to be reimbursed over the course of 2016-2018, this is a floor for the scaling up climate finance by 2020, noting that public climate finance is expected to remain at a similar level in the coming years.

Hungary has built and maintains a strategic partnership with the Global Green Growth Institute (GGGI). Through the GGGI, Hungary funded and implements two projects: the establishment of the Western-Balkan Green Fund, a regional climate finance vehicle to support the implementation of the Nationally Determined Contributions in the Western-Balkan countries; and a sustainable energy-water project for irrigation in Uganda.

The majority of the HUF 1 billion allocated for bilateral cooperation with developing countries is focused on adaptation related projects. Our currently on-going projects in Africa are in the areas of sustainable forestation, adaptive water management, and sustainable irrigation also including a project for climate smart agriculture with zero carbon energy. Another currently running programme in Southeast Asia aims to use sewage for heating and cooling buildings. One further project in Southern Europe is dedicated to climate change (mitigation and adaptation) strategy development including with supporting analytical tools and data system.

## 4. Information on actions and plans to mobilize additional finance

The EU ETS Directive prescribes that EU Member States should spend at least 50% of the auction revenues on measures addressed to tackle climate change. Hungary is using this resource to finance domestic and international measures – through climate finance projects – for the low carbon and climate resilient development. The auction revenues are projected to increase in the coming years, also increasing the overall budget for national and international climate finance.

Hungary is in the process of establishing new policy measures to enhance its enabling environment for providing and mobilizing international climate finance.

# IRELAND

*Ireland is committed to advancing its delivery of climate finance, in line with the goals of the Paris Agreement and to intensifying its support for climate action. The focus of Ireland's climate finance expenditure on project-oriented aid is reflective of a strong tradition of providing grant-based international development aid. Additionally, Ireland's recognition of the key role played by multilateral climate finance mechanisms is reflected by its continued support of the Green Climate Fund (GCF), the Least Developed Countries Fund (LDCF) and the Adaptation Fund (AF). Ireland is on track to meet its commitment, announced at COP21 in Paris, to provide climate finance support amounting to EUR 175 million in public grant funding for climate finance in developing countries over the period 2016 to 2020.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Ireland reported approx. EUR 64 million in climate finance for 2017, an increase of 21% on 2016 figures. Over 90% of Irish financial support was channelled to bilateral and non-Government action in 2016 and 2017, with the remainder targeting multilateral climate finance mechanisms. Ireland's 2016 climate finance expenditure, EUR 52.7 million, represented an increase of 46% on the 2015 figure of EUR 36 million, an increase reflecting improved reporting of Ireland's climate expenditure, in particular regarding funding provided to civil society organisations.

Ireland's climate finance expenditure figures in 2016 and 2017 demonstrate strong progress towards meeting the country's EUR 175 million commitment made at COP21. The majority of Irish bilateral aid takes the form of grant aid targeting climate action in developing countries, largely in sub-Saharan Africa, with a focus on adaptation needs.

The Adaptation Finance Transparency Gap Report published by 'Adaptation Watch' in 2016 ranked Ireland second among developed countries for overall transparency in reporting Climate Finance. A continuing examination of Irish bilateral projects and programmes seeks to maximise transparency, with Ireland seeking to make all such information publicly available.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing

**countries that are particularly vulnerable to the adverse effects of climate change**

Ireland's climate finance expenditure in 2016 of EUR 52.7 million can be broken down between adaptation (75.8%), mitigation (2.4%) and cross-cutting measures (21.8%). The majority of Ireland's bilateral climate finance is channelled through Irish Aid, Ireland's programme for overseas development. This climate finance is targeted to Least Developed Countries (LDCs), with a specific focus on adaptation action, or action that optimises synergies between adaptation and mitigation. Ireland is currently exploring potential funding options for helping to address the unique climate challenges faced by Small Island Developing States (SIDS) and will continue to support its partners in developing their NDCs, integrating climate change into development programmes and in preparing and implementing their National Adaptation Plans (NAPs). This approach also contributes to a broader global balance between mitigation and adaptation.

## 3. Information on their policies, programmes and priorities

Ireland is fully committed to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, in accordance with Article 2.1.c of the Paris Agreement.

Specific examples of Irish support in 2016 and 2017 include:

- Continued support for the GCF, with contributions of EUR 2 million in 2016 and a further EUR 2 million in 2017
- In 2017 Ireland became a contributor to the Adaptation Fund for the first time, with a contribution of EUR 300,000
- Ireland joined the NDC Partnership in 2017, which provides support to developing country parties in the creation and progression of their NDC's
- Ireland co-chairs the Steering Committee on Partnerships for Small Island Developing States (SIDS) group in New York (alongside Belize), and is currently exploring avenues to extend additional strategic support to SIDS on climate change

Given the importance of the agricultural sector for Ireland's Key Partner Countries, a significant portion of climate finance provided focuses on agriculture, food security and resilience. Ireland's Department of Foreign Affairs and Trade and Department of

Agriculture Food and Marine collaborate to enhance support on agricultural research and training to developing countries.

In particular, Ireland plays a leading role on a number of agriculture-based programmes including the Global Research Alliance (GRA) on Agricultural Greenhouse Gases, the Global Alliance for Climate Smart Agriculture (GACSA), the Africa Agri-Food Development Programme (AADP) initiative, the UN Food and Agriculture Organisation (FAO), the UN World Food Programme (WFP), the EU REDD Facility and the CGIAR Research Programme 'Climate Change, Agriculture and Food Security'. These programmes promote research and development, knowledge-sharing, enhance local food industries, and support sustainable agriculture and forestry practices.

In addition to supporting climate resilient agriculture initiatives, Ireland's development cooperation programme supports a range of interventions in Least Developed Countries to strengthen climate resilience, working with vulnerable communities experiencing some of the most severe climate impacts. For example, Ireland supports climate adaptation in food and nutrition systems, disaster preparedness through development of early warning systems and local disaster risk reduction committees, and promotes access to sustainable, renewable forms of energy for rural off-grid users. Ireland, through membership of the Least Developed Countries Expert Group (LEG), also works directly with governments at national Level to support countries in designing strong and effective National Adaptation Plans, building national and local capacity to receive finance and implement these Plans.

## 4. Information on actions and plans to mobilize additional finance

- Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance.

In the context of global enabling environments, Ireland views multilateral climate finance mechanisms as playing a key role in driving the transition to low-carbon and climate resilient economies in line with Article 2.1.c of the Paris Agreement. Ireland sees a key role for the Green Climate Fund in this regard, pledging its support for the GCF at COP 21 and making contributions in 2016 and 2017 with expectations of further annual contributions in advance of the first replenishment of the GCF. Ireland also recognises the importance of the Adaptation Fund under the Paris Agreement and provided a contribution of EUR 300,000 in 2017. Ireland has long been a supporter of the Least Developed Countries Fund and has a multi annual funding arrangement in place. Ireland made contributions of EUR 1 million to the Fund in 2016 and again in 2017.

The Paris Agreement also recognises the role of private climate finance in creating enabling environments and driving climate action of the scale needed in order to achieve its goals. Ireland committed at COP 21 to explore avenues to mobilize private climate finance and is currently examining potential modalities to support such mobilization.

Steps taken to enhance enabling environments in a bilateral context are being progressed by the Department of Foreign Affairs and Trade (DFAT). Through DFAT, Ireland remains an active supporter of the climate work of United Nations International Strategy for Disaster Reduction (UNISDR), World Resource Institute (WRI), and the International Institute for Environment and Development (IIED). As a member of the Least Developed Countries Expert Group (LEG), Ireland continues to encourage its key partners to prioritise the LDC group in their capacity-building efforts. Additionally, through its engagement in the LEG, Ireland continues to contribute (financially and technically) to the NAP process in country, through NAP Expos, SBI-mandated assessment of progress on NAPs, and support to specific priority countries.

# ITALY

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

*Italy announced, at COP21 in 2015, that it will increase its support for international climate finance reaching at least USD 4 billion between 2015-2020. This represent an overall mobilization target for the entire period, from different sources including public and private, bilateral and multilateral.*

The primary objective of setting this mobilization target is to scale up international climate finance from different sources over time: in particular increasing public finance and using public finance and policy interventions to effectively mobilize private finance. In order to reach this target Italy is undertaking continuous efforts to scale-up its international climate finance and will continue to do so. Our public climate finance in the period 2015-2016 increased more than 70% compared to the levels of previous years (2013-2014), while improving the quality and transparency of our reporting.

To ensure predictability of public climate finance flows to developing countries in the next years, Italy will continue to use the following channels:

- The Italian Ministry for the Environment (IMELS) will continue to channel up to 2020 a share of the proceeds from the auctioning of greenhouse gas emission allowances from the EU ETS. The amount of resources available will depend on the market price of those units in the following years.
- The Italian Ministry of Economy and Finance (MEF) will continue to provide funds to multilateral institutions which among the others promote environmental activities targeted for climate change.
- The Ministry of Foreign Affairs and International Cooperation (MFAIC) financing for development cooperation in the next years will focus on climate change, in particular adaptation and resilience.

**BOX 1: Examples of multi-year contributions to multilateral institutions**

- EUR 250 million contribution to the **Green Climate Fund (GCF)**. MEF is actively contributing to the on-going process toward a collective engagement in the first Green Climate Fund replenishment, confirming the Italian leading role in the field;
- EUR 92 million will be provided for the 7th Replenishment of the **Global Environment Facility (GEF)** Trust Fund from MEF. Over the period 2018-2020, the total disbursement to the GEF, in light of past replenishments, will be approximately EUR 87 million.
- The Ministry of Economy and Finance is among the 10 largest shareholders of the MDBs. These institutions are committed to channel a growing share of funds to climate related projects, in line with their commitment to substantially increase climate investments, also through private sector mobilization. Italy in the MDBs has the following capital shares: IBRD 2.84; IFC 3.17; MIGA 2.80; IDB 1.96; IDB Invest 3.32; AsDB 1.81; AfDB 2.43; EBRD 8.61; AIIB 4,06 ; CDD 6,04.
- As for the replenishment of Multilateral Development Funds over the period 2018-2020, the contributions by MEF will amount to about EUR 325 million for the **African Development Fund (AfDF)**, approximately EUR 14 million for the **International Fund for Agricultural Development (IFAD)**, EUR 32 million for the **Asian Development Fund (AsDF)**, EUR 760 million for the **International Development Association (IDA)** and EUR 4,5 million for the **Multilateral Investment Fund (MIF)**.
- Italy's contribution for the **Multilateral Fund (MLF)** replenishment period 2018-2020 will be USD 28,3 million (USD 9,44 million yearly). The contribution will be also partly allocated to enable the first technical assistance and investment implementation measures of the Kigali Amendment, which is expected to avoid up to 0.5°C of global warming by the end of the century.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

*In the provision of public financial resources Italy aims at striking a fair balance between mitigation and adaptation over time. In particular, the objective is to support those countries that are most vulnerable to the effects of climate change: the Small Island Developing States (SIDS) and the African countries.*

Direct support for adaptation in the period 2015-2016 increased more than five times compared to previous years. The adaptation component in 2015-2016 represents approximately 50% of the total public climate finance, without considering crosscutting activities. In the 2015-16 biennium, Italy allocated the 47% of its bilateral and multi-bilateral support to Least Developed Countries, and particularly to African LDCs (80% of total LDCs support) and Asian LDCs (12%).

IMELS is assisting primarily African Countries and SIDS. All projects and programs financed by IMELS in the framework of the agreements signed, are proposed by developing countries and reflect priorities and objectives included in the Nationally Determined Contributions (NDCs) and other relevant climate change and development strategies.

Priority mitigation and adaptation actions have been focused on the following areas: strengthening the early warning system to face extreme weather events and reducing vulnerability of livelihoods to drought; promoting renewable energy and energy efficiency; strengthening integrated water and waste management; addressing deforestation and forest degradation (REDD+), land rehabilitation and soil improvement; sustainable mobility; biodiversity and Integrated Coastal Zone Management.

**BOX 2: IMELS examples on ongoing/future actions on adaptation**

- IMELS is supporting the **Adaptation Fund** totaling USD 16.36 million for the period 2015-2017. Strategically, the AF activities will be coupled, when and where it is possible, with the adaptation projects funded through the IMELS bilateral cooperation. The aim is to create synergies and increase the financial and operative leverage of the initiatives, by adopting common methodologies and approach, provided they have shown to be successful. In this connection, the first adaptation project funded through the bilateral cooperation in 2018 is the "**Project Proposal for Climate Smart Integrated Rural Development Project in the Pastoralist area of Ethiopia**", in co-operation with the Ministry of Environment, Forest and Climate Change.
- Technical Arrangement with the Ministry of Agriculture, Water Resources and Fisheries of the **Tunisian Republic** ( May 2018);
- MoU with the Ministry of Environment, SEDD of the **Moroccan Republic** (2016). Two projects are related to adaptation: one approved project for the Integrated Coastal Zone Management and a second one on Environmental Education and schools.
- MoU with the Ministry of Science, Technology and Environment of the **Republic of Cuba** (2017) – Currently two projects has been approved such as: Integrated Coastal Zone Management for the Malecón Coastal and Improve national capacities in the application of advanced technologies for Cuban marine ecosystems.
- MoU with the Ministry of the Environment, Forest and Climate Change of the Federal Democratic **Republic of Ethiopia** (2016): in particular, the Project Supporting Ethiopia's Early Warning System will be implemented within 2020.
- MoU with the Ministry of Environment, Physical Development and Natural Resources of the **Republic of Sudan** (2016): in particular, the Project Supporting Sudan Meteorological Authority's Early Warning System will be implemented within 2020.
- MoU among IMELS and fourteen **Pacific Small Islands Developing State** (since 2007): IMELS supports PSIDS in the adaptation activities mainly within two means of implementation included in theirs NAPA, which are water security and ocean-based adaptation.

MFAIC-driven climate cooperation will mainly continue to focus on adaptation and resilience with a cross cutting approach. Climate change is already exerting a destabilizing pressure where fragile ecosystems overlaps fragile societies: potentially drylands, mountains, the Arctic, South East Asia and more. MFAIC helps fragile communities to adapt and prepare for climate risks, especially drought and desertification: these two trends, being slow onset, are less visible than extreme weather events but nonetheless exert deeper and wider pressures on stability and as forced population movements push factor.

Particular attention is devoted to disaster relief and risk management. In 2016 the Italian Cooperation has been particularly active in responding to the emergency caused by extreme weather phenomenon in Ethiopia and Southern Africa, for a total amount of EUR 11 million, improving access to clean water and sanitation and strengthening the ability of local communities to respond to the climatic shocks as well as to prevent and manage risks.

Equally significant was the intervention in the Chad Lake basin (EUR 17 million), in Western Africa (EUR 4.5 million) and in the Horn of Africa (nearly EUR 14 million). MFAIC initiatives include crucial projects in the fields of agriculture and food security, education, health as well as protection of refugees, displaced persons and migrants and their host communities. Particular attention has been paid to the inclusion of persons with disabilities and the protection of minors and gender equality.

Following the UNSG urgent appeal in 2017, MFAIC approved the immediate release of EUR 10 million in favour of the four most affected countries (2 million for Somalia, 2 million for South Sudan, 3 million each for North East Nigeria and for Yemen). Initiatives, in the field of food security, protection and WASH, have been carried out by WFP, UNICEF and the ICRC as well as in partnership with the Italian NGOs.

MFAIC recently in 2018 allocated EUR 7 million in favour of two initiatives in Southern Africa and Ethiopia, aimed at improving food security, clean water and sanitation as well as strengthening the ability of local communities to respond to the climatic shocks.

## 3. Information on their policies, programmes and priorities

*Since 2015, Italian Development Cooperation has undergone an important legislative reform, leading to a new institutional framework designed to make it more effective as well as to improve policy coherence. Under the new system, MFAIC gives guidance in the definition of development cooperation policies, while the Italian Development Cooperation Agency (AICS), established with the reform, is in charge of implementing policies. The law also confirms "Cassa Depositi e Prestiti" (CDP) as the lead financial institution for development cooperation, with new innovative Public Private Partnership mechanisms. In addition, a permanent inter-ministerial "table" for coordinating support in the field of climate change (priorities, actions, countries etc.) has been set up, to effectively mainstream environmental and climate considerations into development cooperation activities.*

MFAIC adopted an integrated approach to environment and development cooperation actions, overcoming the traditional approach mainly focused on social and economic challenges. More than 300 initiatives included a climate relevant component, following efforts towards environmental compliance, integration, and mainstreaming. MFAIC climate cooperation expands in EU and multilateral efforts beyond its active contribution to the three Rio Conventions, for instance as coinitiators of the S.A.M.O.A. Pathway for Small Islands Developing States; with founding role in the Global Island Partnership; as front line participants in the first ever Climate Debt Swap successfully launched by the Government of Seychelles; as main funders of the Mountain Partnership; or as the first to operationalize land recovery and land degradation neutrality solutions for adaptation in partnership with IOM and UNCCD in Burkina Faso, Niger and Senegal, and as the first to finance UNCCD 3S Programme, covering the socially and environmentally fragile communities of drylands, islands, and mountains.

Since 2015, the bilateral cooperation activities promoted by IMELS have been enlarged to new areas of the world. IMELS signed 31 new bilateral agreements with developing countries, including regional groups, to implement NDCs, to support mitigation and adaptation actions, to facilitate access to climate finance, to provide capacity-building, technology transfer, technical assistance and Public-Private Partnerships through the joint development of projects. In this framework, IMELS works closely with MFAIC, AICS and CDP. All MoUs and related budget allocation remain into force for a period of 5/6 years from their signature with possible extensions. Currently, most MoUs have already ongoing projects and activities, with related transfer of the first installment to the counterpart.

**BOX 3: IMELS geographic priorities in bilateral agreements beyond 2020 (MAP):**

- **Ongoing:** **Tunisia** (*Ministry of Energy*) 2017; **Tunisia** (*Ministry of Agriculture*) 2018; **Morocco** (*Ministry of Environment - SEDD*) 2016; **Egypt** (*Ministry of Environment*) 2015; **Lebanon** (*Lebanese Center for Energy Conservation 2016-LCEC*); **Jordan** (*Jordan Renewable Energy and Energy Efficiency Fund*) 2018; **Palestine** (*Environment Quality Authority*) 2016; **Kurdistan** (*Ministry of Transportation and Communications of the Kurdistan Regional Government of Iraq*) 2017; **Qatar** (*Ministry of Environment*) 2016; **Botswana** (*Ministry of Environment, Natural Resources Conservation and Tourism*) 2015; **Ethiopia** (*Ministry of the Environment, Forest and Climate Change*) 2016; **Djibouti** (*Ministry of Habitat, Planning and Environment*) 2016; **Kenya** (*Ministry of Energy and Petroleum*) 2018; **Lesotho** (*Ministry of Energy and Meteorology*) 2016; **Mali** (*Ministry of the Environment, Sanitation and Sustainable Development*) 2017; **Democratic Republic of the Congo** (*Ministry of Environment, Nature Conservation and Sustainable Development*) 2016; **Rwanda** (*Ministry of the Environment*) 2016; **South Africa** (*Department of Water and Sanitation*) 2016; **Sudan** (*Ministry of Environment, Physical Development and Natural Resources*) 2016; **Swaziland** (*Ministry of Tourism and Environmental Affairs*) 2017; **CARICOM** 2015, **Mauritius** (*Ministry of Energy and Public Utilities*) 2018; **Seychelles** (*Ministry of Environment, Energy and Climate Change*) 2018; **Union of the Comoros** (*Ministry of Production, Environment, Energy, Industry and Handicrafts*) 2015; **Argentina** (*Ministry of Environment and Sustainable Development*) 2017; **Costa Rica** (*Ministry of Environment and Energy*) 2016; **Cuba** (*the Ministry of Science, Technology and Environment of the Republic of Cuba*) 2017; **Cuba** (*Ministry of Energy and Mines*) 2018; **Mexico** (*Ministry of the Environment and Natural Resources*) 2016; **Peru** (*Ministry of the Environment*) 2016; **India** (*Ministry of New and Renewable Energy*) 2017; **Kazakhstan** (*Ministry of Energy*) 2017; **Georgia** (*Ministry of Environment and Natural Resources Protection*) 2017; **China** (*Ministry of Environment and Ecology, Chinese Academy of Social Sciences, Ministry of Science and Technology, Ministry Of Industry and Information Technology, National Commission for Reform and Development, Municipality of Beijing, Municipality of Shanghai, Tongji University of Shanghai*); **Vietnam** (*Ministry of Natural Resources and Environment*); **Maldives** (*Ministry of Environment and Energy*); **Pacific Small Island Developing States** (*Governments of fourteen PSIDS*) 2007; **Ghana** (*Ministry of Environment, Science, Technology and Innovation*); **Panama** (*Ministry of Environment*); **Papua New Guinea** (*Ministry of Environment, Conservation and Climate Change*).
- **Under negotiation:** Dominican Republic; Ecuador; Paraguay; Mozambique; Tanzania; Zambia; Kiribati; São Tomé e Príncipe; Liberia; Ivory Coast; Belarus; Uzbekistan; Azerbaijan; Russian Federation; Malaysia; Myanmar; Thailand; Indonesia; Philippines.

## 4. Information on actions and plans to mobilize additional finance

*Italy is continuously implementing measures to increase and scale up the mobilization of public and private resources. Leveraging private finance is a component of all IMELS bilateral agreements and activities. Italy is in the process of undertaking a pilot study for tracking mobilized private finance through public interventions, with the view of progressively integrate these figures in the reporting and refine our capacity to gather data and apply more complex methodologies.*

The whole Italian development cooperation system coordinated by the MFAIC, and IMELS with respect to climate change, is carried out and leveraged in association with other central and local authorities, academia and the private sector. It has not only deployed new specific actions to sustain mitigation, adaptation and resilience efforts but also adopted climate action as a thoroughly cross-cutting dimension of its programs and actions, particularly in exposed and vulnerable regions, with a priority for areas where fragile ecosystems overlap fragile communities.

IMELS will continue to promote synergies between bilateral and multilateral activities with developing countries, in particular for Africa and SIDS. IMELS have signed several Agreements with international organizations, institutions and banks (such as: UNDP, AfDB, AsDB, WB) in order to find additional funds to scale up/leverage bilateral initiatives, providing technology transfer and consequently, including the mobilization of private finance. IMELS specifically promotes the alignment of MDBs and DFIs climate and non-climate related portfolios with the objectives of the Paris Agreement and the UN Sustainable Development Agenda 2030.

**BOX 4: Specific examples on ongoing/future actions and plans**

- IMELS in May 2018 signed a Framework Agreement with **Cassa Depositi e Prestiti (CDP)**, the Italian National Development Bank and financial institution in development cooperation, for the setup of a ***"Climate & Sustainable Development Italian Platform (CSDIP)"*** through which private investments will be leveraged to support projects and initiatives to mitigate and adapt to climate change in developing countries. Broad is the list of instruments foreseen to attract private investment, ranging from loans to guarantees that cover the risk of the project, to capital investments and grants. The possibility of attracting additional funding in blending and/or through other local, national, European, international or multilateral financial institutions is also expressly envisaged.
- In implementation of a relevant decision by G7 Environment Ministers Meeting in Bologna 2017, IMELS, **UNDP** and **FAO** have jointly established the "**Africa Centre for Climate and Sustainable Development (ACCSD)**". The Africa Centre will focus on facilitating exchange of information among G7 countries on interventions, initiatives and best practices on fighting climate change, and in general on the achievement of SDGs in support of African Countries with the aim of:
  - ✓ facilitating easy access to a complete overview of interventions and initiatives and documentation;
  - ✓ identifying gaps in current interventions and initiatives and information and discuss with donors to prepare initiatives to reduce or close these gaps;
  - ✓ assisting/facilitating private sector engagement in implementing activities; and
  - ✓ improving the efficiency and effectiveness of current donor resources applied.
- In July 2017 IMELS has signed an Agreement with **UNDP** (Climate & Forest) for the implementation of **"Global Italian initiative on REDD+ National Implementation - GIORNI"**, to support three developing countries (Ecuador, Ghana, Myanmar) in implementing their REDD+ National strategies, with a focus on private sector engagement, sustainable agro-commodities supply chain and to submit REDD+ projects to the GCF.
- In addition, in September 2017 IMELS signed a **strategic partnership with UNDP** for the assistance by **UNDP** to the bilateral cooperation activities of IMELS with developing countries, with an initial contribution of EUR 2 million.
- At the end of 2017 IMELS has established a Trust Fund with the **World Bank**, named "**Africa's Green and Climate Resilient Development (AGREED)**", that will support the African countries to promote green growth and adaptation to climate change in their development process. Countries will be assisted in preparing project proposals and mobilizing financing for their implementation. Italy is contributing with USD 12 million for an initial period of three years.
- Through a partnership established with **IFC** on the **"Clean Energy Access Program"**, IMELS supports Lighting Global, the World Bank Group's platform to promote sustainable growth of the international off-grid solar market, and promotes market development by working with private companies to lower first-mover risk and mobilize private sector investment through market intelligence, quality assurance, business support services and consumer education.
- IMELS is also contribing to **"Sustainable Energy Fund for Africa (SEFA)"** multi-donor trust fund with the purpose of unlocking investments in small/medium scale sustainable energy projects in Africa. Since its launch, **SEFA** has committed USD 64 million across the entire programme, for an investment pipeline of around USD 1.5 billion and over 500MW new capacity. Among the tools utilized by SEFA, the case for providing pure grants (i.e. a subsidy) for preparation of renewables has given place to the notion of "risk capital".
- IMELS started supporting in 2018 the **IFC**'s "**Off-Grid PPP Program**" (USD 5,38 million) to increase access to modern, off-grid energy services in sub-Saharan Africa by using innovative PPP approaches to support the scale up of DESCOs. The plan is to structure and support the implementation of various PPP models designed to attract private sector participation in the "off-grid market" using renewable energy sources.
- The initiative on ***Sustainable Development Finance*** between IMELS and **Central Bank of Lebanon** (signed in 2016 for a duration of 5 years) foresees the creation of an innovative green financial mechanism. The initiative, with a contribution of EUR 5 million from IMELS, is part of a broader climate finance program promoted by the Bank of Lebanon to encourage Lebanese enterprises through leased loans which contribute to the Lebanese National Energy Program (NEEREA), set up to implement the agreements under UNFCCC.
- Italy is steadily supporting the **Green Climate Fund**, as a key operating entity of the Financial Mechanism of the UNFCCC. IMELS, in the context of its bilateral programmes, is supporting developing countries partners in accessing the resources of the Green Climate Fund and developing projects through existing accredited entities.

## 5. Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance

*International development cooperation is an essential tool to strengthen the global response to the threat of climate change, by both reducing emissions and adapting to climate change. Enhancing the capacity to respond to climate change in the least developed and most vulnerable countries, is a priority for Italy.*

In order to ensure the efficient and effective implementation of the activities foreseen by the IMELS' bilateral cooperation and to address the needs of developing countries and enhance country ownership, each Memorandum of Understanding establishes a Joint Committee (JC). The JC is composed by representatives of both Governments involved and provides general guidance to the established collaboration, approves work programs and budget, supervises and supports the cooperation activities by taking stock and assessing the implementation and progress of projects, takes financial decisions over such activities. To complement this approach and ensure that activities implemented are in line with the expected results, periodical site visits of national experts to monitor and assess activities on the ground are carried out.

Capacity-building activities are well balanced among mitigation and adaptation measures and the transfer of technologies are provided according to the needs and specific circumstances of the recipient countries. Regarding the measures and activities related to technology transfer, as a general approach, all the projects implemented, under implementation or planned, do consider knowledge transfer, adequate and specific training courses for the installation and maintenance of the equipment in addition to the specific technologies transferred to the beneficiary countries.

Technology transfer and capacity building is a pervasive component of all MFAIC driven climate-specific and climate related actions. It not only covers strictly technological solutions (i.e. solar for irrigation) but extends to community, territorial and local finance management skills: for example, assistance and training for community seed banks, watershed management, land recovery and agroforestry, natural parks adaptation, value chains building for resilient productions, etc. Particular attention has been devoted to disaster relief and risk management.

# LATVIA

*Support to developing countries plays an important role in reaching the agreed goal of limiting the global average temperature increase to below 2°C above pre-industrial levels, achieving the transformation to low GHG emissions economies, and supporting climate-resilient sustainable development. Latvia is not an Annex II Party therefore the provisions of United Nations Framework Convention on Climate Change Article 4.3, 4.4 and 4.5 are not applicable, therefore, Latvia do not have obligations regarding support to the developing countries. Nevertheless, as a part of the EU, Latvia voluntary has been providing financial support in climate change area to developing countries.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Latvia reports annually on provided financial and technological support to developing countries under Article 16 of Regulation (EU) No 525/2013 of the European Parliament and of the Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC. Latvia understands the necessity of predictability of funding for the trust building with developing countries, related to USD 100 billion goal. However, it should be taken into an account that Latvia, due to strict budgetary constraints, has limited opportunities to participate in the financing of climate change and to support developing countries. Therefore, unfortunately, Latvia abstains from provisioning of climate finance projections for the upcoming years.

Despite limited resources, Latvia contributed EUR 350 000 to the Green Climate Fund at the end of December 2014 and intends to continue to work on the support to developing countries in the future. Latvia has fulfilled its obligations under agreement in respect of participation in the Eastern Europe Energy Efficiency and Environment Partnership Fund (hereinafter - E5P) – annually EUR 10 000 for the period 2011-2015[10]. Furthermore, an additional voluntary contribution of EUR 35 000

[10] In fact, payment for 2014 was carried out in 2015 and the last instalment for 2015 was carried out in 2016.

was provided to E5P in 2014. All these funds are being allocated to energy efficiency projects in Ukraine.

Additionally to financial contributions mentioned above, Latvia provided around EUR 45 300 to partner countries, like Ukraine, Georgia, Moldova and Azerbaijan in the period 2011-2014. The aim was to build the capacity of public administration and experts and provide a methodological support for public awareness rising, and to promote climate change mitigation actions and use of technologies.

Latvia is still working on the options of assistance for supporting developing countries and seeks how to increase its voluntary commitments to mobilize climate finance from different sources.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

The voluntary support provided by Latvia through the Green Climate Fund is related to both - mitigation and adaptation. Investments in Ukraine through E5P Fund are related to mitigation. Likewise, bilateral investments/agreements in Georgia, Azerbaijan and Moldova have been focused more on mitigation.

## 3. Information on their policies, programmes and priorities

Procedure of the policy development process in Latvia is determined by the Rules of Procedure of the Cabinet of Ministers and Rules of Procedure of the Parliament (Saeima). Ministries develop state policies and draft legal acts. The Ministry of Environmental Protection and Regional Development of the Republic of Latvia (hereinafter – MoEPRD) is the institution that has the overall responsibility for national climate policy and its compliance with the EU and UNFCCC's requirements.

*The National Development Plan 2014–2020 (*hereinafter - NDP2020*)* hierarchically is the highest national-level medium-term planning document. NDP2020 is closely related to the *Sustainable Development Strategy of Latvia until 2030* (Latvia2030) and the *National Reform Programme* for the Implementation of the *EU2020 Strategy* (NRP).

In 26 March 2014 Cabinet of Ministers adopted *Latvia's Environmental Policy Strategy 2014-2020* replacing the previous one. The Strategy is a national level planning document for the environmental sector that includes guidelines for low-carbon policies' development, low-carbon technology introduction and sustainable land management in farming.

Currently Latvia elaborates Low-carbon development strategy for 2050 and develops Latvian National Strategy for Adaptation to Climate Change until 2030.

There are different strategies and programmes for different national sectors, but, unfortunately, as Latvia is not among the Parties included in Annex II of the Convention, a strategy or policy on providing climate finance to developing countries is not developed yet.

It should be noted that Latvia pays a great attention to national climate change programmes. Latvia, as a Party to the Kyoto Protocol, has a possibility to participate in the flexible mechanisms provided for by the Protocol. In 2009-2015 the International Emissions Trading (IET) mechanism was important to Latvia, as the country acted as a seller of Assigned Amount Units (AAU). Revenues obtained from the sale of AAUs were directed to national budgetary programme *Climate Change Financial Instrument* (hereinafter - CCFI), dedicated to the reduction of greenhouse gas emissions (GHG). In total, the funds of CCFI constituted ~208 MEUR. The CCFI has organized 23 open calls for projects within 16 different open tenders. Overall, 2604 projects are completed.

Moreover, after the completion of CCFI a new financial instrument called the Emission Allowances Auctioning Instrument (EAAI) has been established. The EAAI is aimed at tackling global climate change, supporting adaptation to the consequences of climate change and reducing GHG emissions in accordance with national legislation on pollution. EAAI is funded directly from emission allowances (EUA) auction's revenues. Four calls for projects has been organized since 2016 with overall co-funding amount MEUR of 50.

## 4. Information on actions and plans to mobilize additional finance (Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance

Latvia is not an Annex II Party of the Convention, and it has not formulated national policy on providing climate finance to developing countries yet. Latvia is still considering and weighting on the options of assistance for supporting developing countries.

# LITHUANIA

*Although Lithuania is among the countries listed in Annex I with the specific added condition that the country is undergoing the process of transition to market economy and do not have obligations to support developing countries, as part of the EU, Lithuania voluntary has been providing technical and financial support in climate change area to developing countries since 2011. Since 2011 Lithuania has given approx. EUR 2 million through bilateral and multilateral channels to support climate related projects in developing countries.*

*Since 2014 Lithuania aims to support bilateral projects with a focus to Eastern European Partnership countries. So far the technology transfer (solar power plants) projects have been implemented in Georgia, Moldova and Malaysia. At the moment bilateral projects are being implemented in Mali, Georgia and Armenia.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Lithuania seeks to increase its voluntary commitments to mobilize climate finance from different sources. In the end of 2017 the Ministry of Finance, the Ministry of Foreign Affairs and the Ministry of Environment have agreed together from 2018 to double Lithuania's climate finance to developing countries and have intentions to mobilize EUR 1 million for climate financing from public and private sources annually till 2020.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Lithuania aims to support not only mitigation actions, but also adaptation measures in developing countries. The Ministry of Environment through bilateral development cooperation projects encourages national entities to implement both mitigation and adaptation measures. In fact to entities seeking to implement adaptation measures in developing countries, the Ministry of Environment is ready to finance up to 100 percent of the implementation of adaptation projects.

## 3. Information on their policies, programmes and priorities

Lithuania's aim to ensure financial and technological support for the implementation of climate change mitigation and adaptation measures in other countries, as well as cooperation with other countries in developing climate change-oriented projects is determined in various legal acts:

- Law on Development Cooperation and Humanitarian Assistance;
- Law on financial instruments for climate change management;
- Inter-institutional action plan of implementation of objectives and tasks of the National climate change management policy strategy for 2013-2020;
- National Interinstitutional Development Cooperation Action Plan for the period 2017-2019 and updated for the period 2018-2020.

Lithuanian institutions responsible for financial support to developing countries in the field of climate change mitigation and adaptation are:

- Ministry of Environment through the funding from the Climate Change Special Programme (the main financial fund);
- Ministry of Foreign Affairs which administrates development cooperation projects, some of the projects are climate related and
- Ministry of Finance that makes contributions to international funds and programs, including contributions to the European Investment Bank's Eastern Partnership Technical Assistance Trust, which also finances climate action projects in the Eastern Partnership Countries.

Through 2011-2013 period the Ministry of Environment provided climate finance through various multilateral and regional funds. In 2015 Ministry of Environment made a contribution to the Green Climate Fund.

From 2014 onwards the Ministry of Environment supports bilateral development cooperation projects related to climate change. The decision to focus on bilateral support was due to new legislation and policy adopted by the Government of Lithuania (mentioned above). The Ministry of Environment believes that bilateral support is more efficient and beneficial for both parties. It not only helps to share Lithuanian experience and gain valuable relationships through cooperation, but also creates enabling environment to using public finances to mobilize private sector investments into low carbon solutions under bilateral cooperation projects transferring technologies to developing countries.

Eligible for this bilateral support are a variety of Lithuanian entities (private and public) which intend to implement climate change mitigation and adaptation projects in developing countries. Each year Ministry's *Commission on development cooperation and humanitarian aid* announces calls for project concepts/applications and selects the most distinguished projects. Requirements for projects and all procedural issues are laid down in the *Manual on the implementation of development cooperation activities by state and municipal institutions and agencies*, approved on 26 March 2014 by Resolution No 278 of the Government of the Republic of Lithuania.

Generally applicants (for climate mitigation projects) are required to contribute financially at least 10% of total eligible costs of the project. In this way Lithuania is seeking to mobilize private finance. The Commission approves the list of eligible countries, usually Lithuania gives priority (additional evaluation points) to the Eastern European partnership countries.

## 4. Information on actions and plans to mobilize additional finance

- **Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance.**

Lithuania plans to voluntarily double its climate finance to developing countries. As mentioned above, it is agreed that starting from year 2018 Lithuania will mobilize EUR 1 million for climate financing in developing countries from public and private sources annually till 2020.

In addition, Ministry of Environment gives a lot of attention to bilateral support to developing countries, which also creates enabling environment to using public finances as a tool to mobilize private sector investments into low carbon solutions under bilateral cooperation projects.

# LUXEMBOURG

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Over the past years, Luxembourg has provided considerable financial and technical assistance to developing countries related to both adaptation and mitigation, with a focus on least developed countries and small island developing states. During the United Nations Sustainable Development Summit that took place in New York in September 2015, Luxembourg's Prime Minister announced that Luxembourg would provide a total amount of EUR 120 million for International Climate Finance (ICF) from 2014 to 2020. This amount includes a yearly EUR 5 million contribution to the Green Climate Fund, corresponding to a contribution of 10 EUR/capita/year and a total of EUR 35 million. These funds are new and additional to Luxembourg's Official Development Assistance (ODA).

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

In 2017, a strategy for the allocation of Luxembourg's ICF pledge was adopted. This strategy provides guidance related to the themes and preferential sectors, geographical distribution, eligibility criteria and forms of support offered by the ICF.

Luxembourg's ICF pledge concentrates on three main areas: (i) GHG emissions mitigation, (ii) adaptation to a changing climate, and (iii) actions for reducing emissions resulting from deforestation and forest degradation, for the conservation of carbon stocks, and for a sustainable forest management and a consolidation of forest carbon stocks (REDD+). Preferential sectors benefiting from the Luxembourg's ICF are:

- mitigation (renewable energy, energy efficiency, transport, waste management, agriculture);
- adaptation (especially in the least developed countries (LDCs) and Small Island developing States (SIDS): resilience to climate change, reducing vulnerability to climate variability, early warning, adaptation in the agricultural sector);

- REDD+ (fight against deforestation and forest degradation, activities that are integrated into national REDD + activities).

A balanced distribution is the main criteria for distributing ICF funds and it is adapted to the needs of the target countries. The Paris Agreement reiterated the objective to increase substantially funding for adaptation. The Luxembourg strategy foresees the following distribution key: (i) 40% for adaptation measures, (ii) 40% for mitigation measures, and (iii) 20% for the REDD+ – knowing that this distribution is indicative, and that account will be taken of the needs of the host and partner countries.

The ICF program further seeks a balanced distribution of the host countries, with, to the extent possible, a minimum amount of 50% of the ICF for projects in cooperation (current and former) partner countries, the LDCs and SIDS.

The strategy proposes criteria for the eligibility of activities as well as of beneficiaries and managers of ICF Funds (experience, implementation at the field level, registration and/or license by the regulator or financial sector surveillance authority of the country, administrative and financial capacity). Regarding NGOs and associations in particular, their selection will be based on simple and easily verifiable criteria (proof of prior activities, experience in the field, financial health, bilateral consultation between the Department of the Environment and the Directorate for Development Cooperation and Humanitarian Affairs of the Ministry of Foreign and European Affairs to avoid double funding). Five main selection criteria are applied:

- impact and efficiency;
- compliance with sustainable development;
- transforming potential;
- creation of an enabling environment for investments;
- national priority, political will, needs of the beneficiaries.

The ICF is be provided, on the one hand, through donations, and on the other, by own funds, special capital (at risk, initial, patient) and guarantees (e.g. first loss). The Department of the Environment will make an analysis of the support required by funding applicants and, if it is considered useful, can steer applications, depending on the type of funding requested, to different evaluation platforms or specialized entities that can support the Department of the Environment in its analyses and monitoring.

## 3. Information on their policies, programs and priorities

International climate finance is one of the priorities of the Government policy. Ambitious targets have been set at COP21 in Paris. Public investment will not be sufficient and it is therefore necessary that the latter constitutes a lever for the mobilization of other sources of financing, including financing from the private sector.

To this end, the "Climate Finance Task Force" (CFTF) has been convened early 2015, in an informal, interdisciplinary and multi-stakeholder format, bringing together representatives of the public sector and the private finance sector with the double aim to make a meaningful contribution to the international fight against climate change and advising the Government on ways to establish Luxembourg as an international centre for climate finance. The initial work of the CFTF was aiming at sensitizing the private sector partners to both the challenge of climate finance and the economic opportunities that come with serious investment mainly in economically viable infrastructure for the production of renewable energy around the world.

The following initiatives of the CFTF which are supported financially by the “Climate & Energy Fund” can be mentioned:

- The “LuxFlag Climate Finance Label” was officially launched on September 23, 2016. The goal is to grant an official label to funds investing in climate action while respecting well-defined criteria. The Government has been actively involved in the development of these criteria. In 2017, the “Luxflag Green Bond Label” was launched. The primary objective of the Green Bond Label is to reassure investors that the Green Bond follows internationally recognized standards and uses its proceeds to finance green projects. This label is additional to the ones already launched by “LuxFlag” since 2006; the microfinance label, the environment label and the ESG label issued to funds that meet criteria complying with environmental and social objectives and governance;
- The Luxembourg Stock Exchange on September 27, 2016 launched the first platform in the world entirely dedicated to green financial instruments ("Luxembourg Green Exchange"). It can be considered as a precursory project to promote the role of Luxembourg in green finance;
- In September 2017, a Contribution Agreement between the Government and the European Investment Bank (EIB) was signed, with the aim to implement a

platform dedicated to climate finance, the "LU-EIB Climate Finance Platform". The objective of this joint initiative is, on the one hand, to finance innovative investment projects with high impact in the fight against climate change, in and outside of the European Union, and on the other, to increase the leverage effect on investments from the private sector by reducing the financial risk of private partners investing in innovative climate action. A participation of EUR 30 million over 3 years, that is divided between the "Climate & Energy Fund" and funds from the Ministry of Finance, has been secured;

- On October 20, 2017, the Government, together with the banks BCEE and BIL and the insurance company Foyer, and in collaboration with "Luxembourg Microfinance and Development Fund SICAV", have launched the "Forestry and Climate Change Fund" (FCCF). This public-private partnership will provide financing for companies, communities and small farmers to manage secondary and degraded forests in the tropics. By creating the enabling environment for business models that allow the generation of revenues, deforestation can be stopped so to yield a substantial positive climate impact;
- The idea for an accelerator for climate finance was a demand from the private sector and was developed in a working group within the CFTF. The main objective of the "International Climate Finance Accelerator Luxembourg" (ICFA Luxembourg), officially launched in 2018, is to allow for small and innovative climate-related funds and asset managers to set up successfully in Luxembourg and attract private investment. It is directly complementary to the "LU-EIB Climate Finance platform" and the "LuxFlag Climate Finance Label". The Accelerator takes the form of a public-private partnership and is composed of interested stakeholders (Government, law firms, Big4) who will make up the governance structure and finance the project.

Furthermore, the "Climate & Energy Fund" participates in a wide range of ICF projects, including:

- Multilateral programs such as the Green Climate Fund (GCF), the United Nations Convention to Combat Desertification (UNCCD), the United Nations Environment Program (UNEP) – "Vanishing Treasures", the Global Green Growth Institute (GGGI), the Sahara and Sahel Observatory (OSS);
- Initiatives such as "CREWS" (Climate Risk and Early Warning Systems), "BNCFF" (Blue Natural Capital Financing Facility and Fund - IUCN), "Gold

Standard Gender Equality guidelines and Requirements" (Gold Standard), "Energy Sector Management Assistance Program" (ESMAP – World Bank);

- Bilateral climate related projects with hosts counties (e. g. Vietnam, Senegal, Cabo Verde and Fiji);
- several NGO projects.

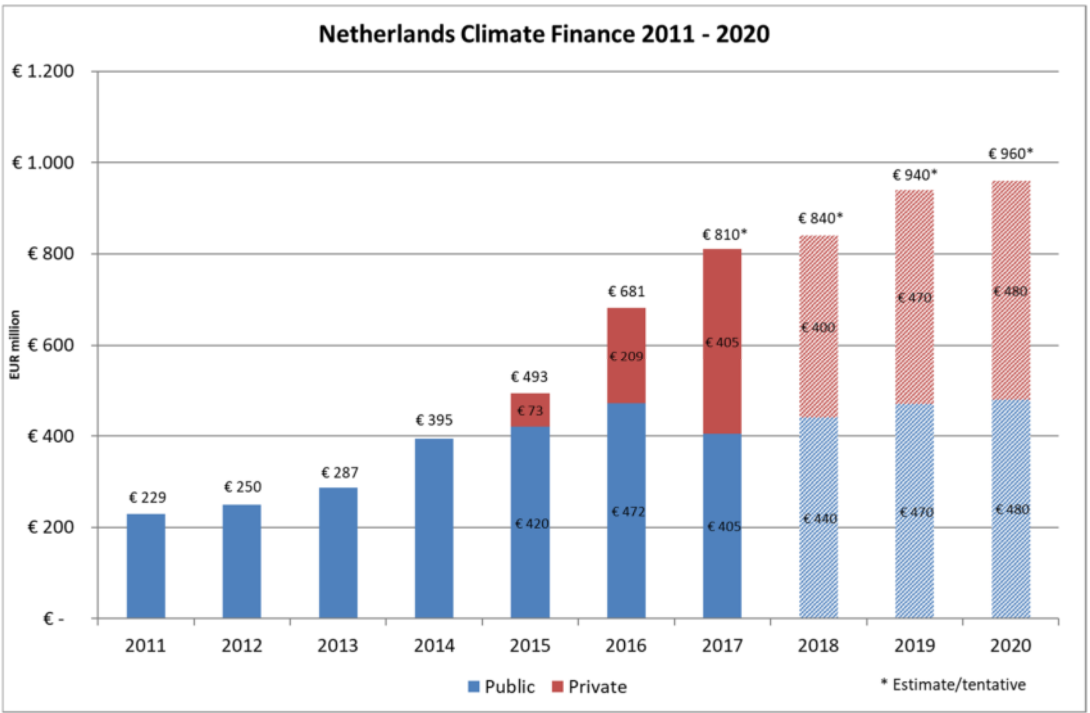
## 4. Information on actions and plans to mobilize additional finance

Luxembourg has successfully built instruments specifically designed to leverage private capital and to mobilize the private sector in the fight against climate change (section 3 above), and remains determined to pursue its efforts in this regard.

# NETHERLANDS

## 1. Expected levels of climate finance mobilized from different sources

The Netherlands approaches Climate Finance as an integral part of its international cooperation. The Minister for Foreign Trade and Development Cooperation is responsible for the programming and planning of climate finance. The Netherlands is committed to contribute a fair share in the international effort to support mitigation and adaptation activities in developing countries. Over the period 2011 to 2020 we expect to realize a total of over EUR 3.89 billion in public climate expenditure and EUR 2.04 billion mobilized private finance. Since 2010, the Netherlands realized a year-on-year increase in total climate finance. In 2018, we aim to increase our effort again to EUR 840 million of which EUR 440 million public and EUR 400 million mobilized private finance. This includes the launch of a new climate fund, which will receive an additional EUR 40 million per year from 2018-2021 above our previously announced climate finance figures and additional climate finance (EUR 30 million in 2019 and EUR 40 million in 2020). The aim of the Netherlands is to provide at least EUR 480 million public finance in 2020 and mobilize a similar amount in private climate finance.




NB. Figures for 2017, 2018, 2019 and 2020 are estimates, furthermore estimates for 2019 and 2020 are based on assumptions regarding the 2019 and 2020 budgets and still need Parliamentary approval. Figures for 2011-2016 are based on BR1, BR2 and BR3; figures for 2017 are reported to Parliament. All private finance figures are based on annual reports to Parliament (HGIS verslag 2015, 2016 and 2017).

## 2. Policies, programmes, priorities, and information on actions and plans to mobilize additional finance

As the Netherlands' climate finance is an integral part of its development cooperation, it is characterised by a strong poverty focus. Climate change vulnerabilities are unevenly distributed and are generally greater for disadvantaged people and communities. The Netherlands climate finance is therefore intended first and foremost to assist the poorest communities and countries. In our climate interventions, we work through alliances with the private sector, knowledge institutes/networks, NGOs and multilateral organizations. The Netherlands climate interventions focus on renewable energy, forestry, water management and climate resilient agriculture. Special attention is given to prevention and gender. The Netherlands is currently reviewing its bilateral aid relationships and will put a greater emphasis on collaboration with countries in West-Africa/Sahel, Northern-Africa, Middle East and the Horn of Africa. However, given the global challenge, there is flexibility to provide support to programmes and initiatives that target climate change at a global level beyond the regions listed. The Ministry recently updated the country climate profiles, which aid departments and Embassies in identifying climate relevant interventions.

The multilateral architecture is key in the creation of an effective mix of climate finance delivery instruments. The Netherlands has traditionally been an active supporter and funder of the multilateral institutions. Many of these institutions play an increasingly important role in climate action. The Netherlands also contributes to climate change specific multilateral funds. We committed EUR 100 million to the Green Climate Fund and are member of the board of the GCF. Furthermore, the Netherlands recently committed EUR 83 million to the GEF. The Netherlands has contributed USD 76 million to the SREP program of the Climate Investment Funds and provides the co-chair for SREP governance meetings. In 2019, the Netherlands intends to spend similar amounts on climate action through multilateral channels.

The Netherlands also works closely with civil society in implementing its climate related activities. Civil society offers the creativity, access and mobilizing power to address complex challenges like climate change. Within the water and food security programmes synergies with climate change are pursued and increasingly operationalized. The Netherlands also invests in access to renewable energy for people who do not have electricity and still depend on heavily polluting traditional cooking practices. The Dutch Government has set a target to provide 50 million people with access to renewable energy between 2015 and 2030. Up to 2016 already 4,6 million people have been reached. In this sector we invest amongst others in a stronger role for the private sector, through local micro, small and medium enterprises (supported by the Energizing Development partnership with Germany, UK, Norway, Switzerland, and Sweden) and through larger private sector projects (financed by Dutch Development Bank FMO through its Access to Energy Fund). To support the development of policies, enabling environment and public investment in developing countries, the Netherlands has continued its contribution to the Energy Sector Management Assistance Program of the World Bank with a pledge of USD 35.3 million for the period 2017-2020.

The Netherlands is also involved in different activities aimed at ending deforestation: through stimulating 'deforestation-free' agro commodities supply chains (Amsterdam Declarations), influencing legislation in developing countries to end illegal deforestation (EU-Flegt program), by improving monitoring and regional cooperation between countries (ACTO) and through various programs that aim to protect forests as part of an integral landscape approach. The Netherlands also supports the multi-donor partnership PROFOR (PROgram on FORests) and Tropenbos International to enhance capacity and understanding of the role of forests in climate adaptation and mitigation, and in relation to sustainable trade.

The Netherlands supports knowledge institutes to develop a better knowledge base for mitigation and adaptation support, both among donors and recipient countries. WRI is the leading think tank on sustainable development and authority in the climate negotiations and effective climate finance. Funding for the Climate Development Knowledge Network (CDKN) was recently renewed and is now continued through the South-South-North Centre and IDRC. This program is important in positioning developing countries in the international climate negotiations as well as improving climate finance planning.

In the coming years, the Netherlands will continue to focus its climate action on renewable energy, ending deforestation, water and food security. In doing so we will work on addressing the root causes of climate change by supporting countries in their transition towards low greenhouse gas emissions and climate-resilient development pathways including through a focus on climate change as a contributing factor to instability and conflict. This will ensure that development is sustainable, leads to low-carbon development and builds resilience and leads to a more stable and safer world.

## 3. Addressing the balance between adaptation and mitigation

Our funding decisions are guided by the aim to maintain a strong poverty focus in the Dutch climate finance efforts. Historically, the Netherlands invested equally in adaptation and mitigation. Through the poverty focus, several activities contribute to mitigation as well as adaptation (climate smart agriculture, access to renewable energy). In the coming years, the Netherlands will focus specifically on the role of the private sector in adaptation.

## 4. Steps taken to enhance enabling environments/shifting investments domestically and internationally

Climate change cannot be addressed through public interventions only. The private sector must be part of the transformative change and can help to enhance the innovation that is needed to mitigate and adapt to climate change. This is also recognized in the Paris Agreement which stipulates that all finance flows need to be made consistent with low-carbon and climate resilience pathways. The private sector has to be involved if we want to transition towards low-carbon and climate resilient development. This requires the development of conditions that enable the private sector to invest in adaptation and of bankable projects that demonstrate the role of the private sector in ensuring a resilient inclusive future.

The Netherlands has worked with the private sector in its international cooperation for a long time. Since 2004, we are partnering with the private sector in Public Private Partnerships in the water, food and energy sector. Bilateral funds that are strong on climate adaptation are the Sustainable Water Fund, the Facility for Sustainable Enterprises and Food Security and the FMO Access to Energy Fund. Through FMO, the Netherlands supports the PPP ‘Althelia Climate Fund’ to generate forest-based emissions reductions. The Netherlands also invests in funds that promote readiness for climate relevant investments, such as ESMAP for Energy, PPIAF for infrastructure and IFC Sustainable Business Advisory.

Building on past experience, our strategy is to increase private sector involvement by promoting the development of new ideas to mobilize more climate finance (bottom-up). In this regard we support the 'Global Innovation Lab for Climate

Finance', supported the creation of Climate Investor One and established a yearly event for business and civil society to present ideas to mobilize more finance for climate actions in developing countries (Mobilizing More for Climate). In 2018, the Netherlands will create a new climate fund that will also focus on stimulating private sector investment in climate action in developing countries.

The Netherlands believes that private actors play an important role in the transition towards a low-carbon economy and climate resilience and will continue to work together with the private sector and other partners to develop new and innovative ways to engage the private sector in investing in climate action.

Transparency is a key element of measuring progress and the Netherlands will continue to invest in enhancing transparency of climate finance flows. All financial information from the Ministry for Trade and Development Cooperation can be found online on the following website: http://public.tableau.com/views/RijksbegrotingHoofdstukXVII/ChapterXVII. All information on projects funded as part of the Netherlands' development cooperation can be found here: https://www.openaid.nl/.

# PORTUGAL

*Since 2009, Portugal has been reinforcing its international support for climate finance. This is operationalized via a dedicated window for international cooperation in the field of climate change in the Environmental Fund (previously Portuguese Carbon Fund) and earmarking specific financing resources to cooperation for development projects.*

*Portugal continues committed to helping our partner countries to meet their priorities related to combating climate change and increasing their resilience to the negative impacts of climate change, by providing climate finance support amounting to EUR 10 million in public grant funding for climate financing in Portuguese African Speaking Countries and Timor-Leste over the period 2017 to 2020.*

*The support provided by Portugal is project-oriented, based on the needs and priorities identified by the partner country during the respective Strategic Cooperation Program negotiations, and agreed between both countries. 100% of the Portuguese climate financing is directed to LDC'S and/or SIDS, included in the most vulnerable to climate change group.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

From 2016 to 2017, Portuguese climate finance increased about 33% from around EUR 2 million to EUR 3 million. The Environmental Fund plays currently an important role in climate change financing and a crucial role in order to meet Portuguese commitment to provide climate finance support amounting to EUR 10 million from 2017 to 2020.

Since 2016 climate financing was mostly channeled through bilateral support for the African Portuguese Speaking Countries, involving public and private sector stakeholders and NGOs.

Until now bilateral climate financing took the form of grant aid focused on the needs and priorities identified during the negotiations of the Strategic Cooperation Programs, agreed with each developing country.

ODA data including climate related financing is obtained and reported according to the DAC/OECD Converged Statistical Reporting Directives for the Creditor Reporting

System (CRS) and the Climate Change Rio Markers. Portuguese ODA financing can be consulted online by sector, country and project on the Portuguese Aid Agency website: http://www.instituto-camoes.pt/activity/o-que-fazemos/cooperacao/atuacao/reportamos/reportamos-2 .

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Support provided by Portugal is project-oriented, based on the needs and priorities identified by the partner country during the respective Strategic Cooperation Program negotiations, and agreed between both countries, and according to the priorities referred on the respective NDC's. 100% of the Portuguese climate financing is directed to LDC'S and/or SIDS, included in the group of countries most vulnerable to climate change.

Until 2016 and in the context of the fast start initiative the majority of the projects financed had mitigation as the main focus. Provisional data for 2017 indicate a shift in that balance with adaptation focused projects featuring the majority of projects funded.

## 3. Information on their policies, programs and priorities

Portugal continues committed at helping developing country Parties towards a consistent low carbon and climate resilient development.

The current Strategic Cooperation Programs with the Portuguese main partner countries have identified environment and climate change as a priority area for intervention, with the exception of Angola and Timor-Leste which are currently under negotiation.

The Environmental Fund replaces and aggregates in one single instrument three previously existing Funds, namely the Portuguese Carbon Fund, the Water Resources Protection Fund, and the Fund of Environmental Intervention. The goal of this rearrangement is to make environmental policy financial support more effective and allocate resources more efficiently. The Environmental Fund has more capacity and allows an integrated vision for the environmental policy.

This Fund is since January 2017 the main financial instrument to support the transition to a resilient, competitive and low-carbon economy by financing or co-financing measures that contribute to the fulfilment of the commitments of Portugal under the Kyoto and other international and EU commitments on climate change protocol. It operationalizes the Portuguese commitment to provide climate finance support amounting to EUR 10 million from 2017 to 2020, mostly via bilateral support to projects led by partner developing countries.

## 4. Information on actions and plans to mobilize additional finance

- **Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance.**

As an EU Member State, Portugal made the commitment to mobilize 0.15 % to 0.20 % of its GNI as ODA allocated to Least Developed Countries (LDCs) by 2030. It also endorsed the commitment derived from the 2014 ministerial-level meeting of the Development Assistance Committee (OECD/DAC) to focus the support from member countries on countries most in need (which includes Fragile States, Least Developed Countries and Small Island Developing States).

Achieving the ambitious Agenda 2030 and Paris Agreement commitments requires the mobilization of financial resources and new funding models are needed, where ODA can and should continue to play a strategic role as a catalyst in mobilizing additional resources for development.

In this regard and in order to complement and improve aid policy coherence and effectiveness toward the Agenda 2030 and Paris Agreement implementation and according with the DAC/OECD Cooperation for Development Mid Term Review recommendations, Portugal is pursuing a coherent approach on private sector development in order to find other sources of finance for development and identify opportunities to leverage our interventions, namely by:

i) Actively following the international discussions that are taking place in the OECD, namely the first “Conference on Private Finance for Sustainable Development” held in January that brought together the blended finance, impact investment and green finance;

ii) Ensuring closer and effective work with International Financial Institutions (IFI), to leverage private sector support;

iii) Proposing just recently to the Portuguese civil society partners the creation of a Working Group for the Private Sector. This Working Group will deal with issues such as private investment in development, green growth, blending, etc, and represents the importance we attribute to partnerships, mainly through experience sharing and identification of joint actions;

iv) Actively supporting partner countries in creating legislative and regulatory frameworks that are conducive to private sector development, by supporting projects and technical assistance on good governance and institutional capacity-building.

The Portuguese Environmental Fund can be used in partnership with international financial institutions resources, which is key to leverage a more strategic use of public resources, especially in the environment and climate change sectors.

The Fund may also establish mechanisms to coordinate with other public and private entities, in particular with other public or private national funds, European or international funds, financing instruments related to the development of environmental policies, aimed at the pursuit of the objectives of sustainable development.

# ROMANIA

*Romania is committed to delivering on the commitments enshrined in the Paris Agreement, and we will continue to work with our partners to ensure that global temperature rise this century is kept well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Romania is not among the Parties included in Annex II of the Convention, and as such is not bound by Articles 4.3, 4.4 and 4.5 of the Convention. Nevertheless, Romania has, on a voluntary basis, provided financial support toward fighting climate change through both bilateral and multilateral channels. For example, in 2016 Romania has provided public financial support through:

| Type | Funds/Source | Amount (EUR) |
|---|---|---|
| Multilateral | Green Climate Fund | 44 444 |
| | UNFCCC Trust fund for supplementary activities | 49 466 |
| | EU Eastern Europe Energy Efficiency and Environment Partnership | 60 000 |
| | United Nations Environment Programme | 578 646 |
| Bi-lateral | Disaster Prevention and Preparedness Grant for Georgia and Armenia | 46 67 |

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

The voluntary support provided by Romania so far has gone towards both mitigation and adaptation, including through the Green Climate Fund. Bilateral investments in Georgia and Armenia have been focused on adaptation and capacity-building in rural communities.

## 3. Information on their policies, programmes and priorities

As Romania is not among the Parties included in Annex II of the Convention, it has not as of yet formulated a full set of national policies on providing climate finance to developing countries.

## 4. Information on actions and plans to mobilize additional finance

- **Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance**

As Romania is not among the Parties included in Annex II of the Convention, it has not as of yet formulated a full set of national policies on providing climate finance to developing countries.

# SLOVAKIA

*In September 2013, Slovakia was accepted as a fully-fledged member of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC). At the time of formulation of Millennium Development Goals (MDGs) before 2000, Slovakia was still a recipient of aid. Nowadays with the Agenda 2030 and Sustainable Development Goals (SDGs) in place, Slovakia is already acting as a donor country.*

*Environment protection and climate change are integral part of Slovakia´s development cooperation projects and programmes. Slovakia has been making a significant effort to fight against adverse effect of climate change, also through contributing and supporting climate change projects and programmes. Moreover in recent years Slovakia has improved internal work required to comply with the recent obligations on transparency of support. Slovakia is not listed in Annex II to the Convention, therefore is not bound to fulfil the commitments under Articles 4.3, 4.4 and 4.5 of the Convention. Despite this fact, Slovakia has been providing financial contributions to many projects and programmes that are considered to be climate related. In the light of commitments of the Paris Agreement, Slovakia is ready* to continue providing financial support to developing countries for climate related activities.

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

As stated in the Annual report on financial and technology support provided to developing countries, in 2016, Slovakia provided in total EUR 2 986 644,18 considered as climate specific, to developing countries. From this sum mitigation contribution accounted for EUR 1 820 114,01, adaptation contribution was EUR 832 875,45, and cross-cutting contribution was EUR 333 654,72. In 2016 Slovak Republic financially supported 20 capacity-building projects that are listed in with total financial contribution of EUR 216 160. In comparison with the previous year Slovakia raised the climate specific finance with the 2015 contribution being at the level of EUR 2 196 007.

Slovakia currently has no forward looking information on expected levels of climate finance, neither provided any announcements in Paris. From the financial information provided in Annual reports 2014, 2015, 2016 Slovak climate finance demonstrates upward trend. Slovak public climate finance is a part of the annual public budget cycles and the rolling three year financial budget strategy of the Government. Therefore, it is not possible to give an exact mid-term or long-term prediction of the total public climate finance. Regarding the financial support through multilateral and bilateral channels, the current financial contributions and disbursements are reflected in various reports, including EU Monitoring Mechanism Regulation, National Communications, or Biennial Reports to the Convention. Slovakia has no information on climate related private finance mobilization yet, therefore it is not possible to provide any information on expected levels of private climate finance mobilized.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Slovakia is committed to the decisions and recommendations by the COP with regard to balance the financial contributions for mitigation and adaptation activities. It aims to ensure a balance between public finance flows to adaptation and mitigation in developing countries. However, the implementation of this goal depends mainly on the performance of the respective institutions. The Ministry of Environment of the Slovak Republic meets the goals primarily by focusing on the needs of the recipient developing countries. It is following and monitoring this issue by reporting on climate finance related contributions, the support to mitigation and adaptation activities to developing countries varies annually.

In 2016 Slovakia provided more contributions in mitigation than adaptation. According to the last Annual Report on Financial and Technology Support Provided to Developing Countries, in 2016 Slovakia contributed through both multilateral and bilateral channels EUR 1 820 114,01 in mitigation activities, while the adaptation contribution was EUR 832 875,45.

In comparison, in 2015 Slovakia´s contribution in adaptation activities was EUR 1 876 500 and in mitigation activities over EUR 315 000. This significant shift was caused mostly by a EUR 1 million mitigation contribution to EBRD´s Green Economic Transition Policy Dialogue Framework for ODA countries of operation and also due to the great number of cross-cutting, not purely adaptation related bilateral grants. Most of the adaptation and cross-cutting finance flows through bilateral channels within the ODA bilateral cooperation. However, the specific focus is given to negotiations between Slovakia and individual developing country taking into account its specific needs, and also considering objectives of the Slovak development strategy.

## 3. Information on their policies, programmes and priorities

Slovakia´s public climate finance contributions for supporting projects, programs and actions in developing countries are channeled almost entirely through Official Development Assistance (ODA). As determined by the Government, the Ministry of Foreign and European Affairs of the Slovak Republic is mandated to coordinate the ODA of Slovakia. Cooperation focusing on climate change policy, and especially climate finance policy making, is coordinated in cooperation with other relevant institutions, primarily the Ministry of Environment and the Ministry of Finance. Slovakia is prepared to continue in contributing to development assistance related to climate change according to its capabilities. Slovakia has integrated the goals and objectives of the UNFCCC and Kyoto Protocol into its development policy, while taking into account the economic and social development. The core of the Slovak development policy is to eradicate extreme poverty and to reduce global poverty and inequality.

The main Slovak developing partner countries are Afghanistan, Georgia, Moldova, Kosovo, Albania, Belarus, Bosnia and Herzegovina, Ukraine, and from African region there are two main partner countries Ethiopia and Kenya, and a country with exceptional humanitarian and developing needs - South Sudan (according to the Medium-Term Strategy for Development Cooperation of the Slovak Republic for 2014-2018).

Since the current Medium – Term Strategy for Development Cooperation of the Slovak Republic for 2014-2018 is coming to its end, a new Medium-Term Strategy for Development Cooperation of the Slovak Republic for years 2019-2023 is being developed and is expected to be finished by the end of 2018. The new development cooperation strategy should be valid for the next 5 years starting in 2019. Environment protection and climate change are going to be one of its main priorities. The main benefits of the new strategic framework for ODA of Slovakia for years 2019-2023 will be linkages to the implementation of Agenda 2030, implementation of OECD / DAC Peer Review recommendations and sectoral focus reflecting current development challenges and needs. Foundations and principles of the new ODA strategy will be formed around Agenda 2030 and SDGs, and Paris agreement and the topic of climate change will be an integral part of it.

## 4. Information on actions and plans to mobilize additional finance

Slovakia has decided to proceed in accordance with the Paris Agreement and is involved in the implementation of the collective commitment of developed countries to provide USD 100 billion annually by 2020 to meet developing countries' climate change needs. In view of the fact that developing countries' access to funds to combat the negative impacts of climate change is one of the critical points of international climate change negotiations, Slovakia supports the new initiatives of developed countries and the financing of climate change projects and as party to the UNFCCC contributes financially to the functioning of the UNFCCC Secretariat. Currently, Slovakia is considering allocation options and possibilities of additional climate related financial support to developing countries.

# SLOVENIA

*At the 15th session of the Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen in 2009, Slovenia has joined to the commitment on assisting developing countries in implementing their climate policies and measures. Additionally, at the 21st session of the Conference of the Parties of UNFCCC in Paris in 2015, Slovenia has fully commited to contributing its fair share to the international climate finance (in order to assistising developing countries in this field), independently and within the EU.*

*The EU Member States, including Slovenia, now strive to follow the commitment within the Paris Agreement to mobilizing USD 100 billion per year by 2020 for the agreed assistance for developing countries. The assistance includes financial resources, a transfer of the "climate-friendly technologies" as well as strengthening an administrative capacity of developing countries in this field. Slovenia (for the time being) mainly provides assistance with financial contribution to the climate related projects in the Western Balkan countries, and minor part for the capacity-building and transfer of knowledge.*

*In recent years, Slovenia has been increasing its climate finances. In the last 5 years (2013-2017) Slovenia has almost doubled its assistance to developing countries. In 2017, Slovenia contributed around EUR 3.8 million for climate finance or assistance in developing countries, which represents an increase of almost 27% as compared to 2016; and in 2016 around EUR 3 million, which represents an increase of 23% as compared to 2015. Slovenia will strive to mantain this amount of around EUR 3.5 million per year for the named climate assistance (mainly for the Western Balkan countries and part as contributin to the Green Climate Fund - GCF) by 2020.*

*In 2016, Slovenia has for the first time enlarged its "climate finance" from the "Slovenian climate change fund" (at least EUR 1 million per year in the years to come), where money is collected from the sale of allowances from the EU-ETS greenhouse gas emissions trading scheme. For 2019 and 2020 Slovenia is planning to contribute also to the Green Climate Fund in the amount of up to EUR 1 million per year.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

In accordance with Article 9 of the Paris Agreement, the relevant decisions of the UN Convention on Climate Change, commitments and decisions at the EU level, in particular the decisions of the Economic and Financial Affairs Council (ECOFIN) and the Environment Council (ENVI), on climate finance to assist developing countries in implementing long-term climate policy measures, Slovenia is also striving towards increasing the amount of climate finance from different sources. For the time being the entire climate finance of Slovenia, presented in statistics, comes from public sources. The Slovenian statistics for the climate finance from the private or other sources are not set yet, but the work in this regard will be intensified.

Slovenia regularly reports about its climate finance in accordance with article 16 of the Regulation on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change (No 525/2013/EU), known as "MMR".

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

In recent years, Slovenia has been increasing its climate finance. In the last 5 years (2013-2017) Slovenia has almost doubled its assistance to developing countries. In 2017, Slovenia contributed around EUR 3.8 million for climate finance or assistance in developing countries, which represents an increase of almost 27% as compared to 2016; and in 2016 around EUR 3 million, which represents an increase of 23% as compared to 2015. Slovenia will strive to keep this amount of around EUR 3.5 million for climate finance assistance by 2020.

The amount of Slovenia's climate finance in recent years was seen as below:

2013 – EUR 1,960,525
2014 – EUR 2,266,840
2015 – EUR 2,393,155
2016 – EUR 2,976,505
2017 – EUR 3,750,808

In 2017, Slovenia has contributed around 30% of its climate finance for multilateral assistance and around 70% to bilateral assistance. Within bilateral assistance (mainly for the Western Balkan countries in particular for Kosovo, Albania, Montenegro, and Former Yugoslav Republic of Macedonia) Slovenia contributed around 3/4 of financial assistance for "climate adaptation projects" and around 1/4 for the "mitigation or the mix of mitigation plus adaptation projects". Some of the assistance projects include also the transfer of knowledge, technologies or good practices from Slovenia to these countries.

Slovenia tries to increase the assistance for the mitigation projects in order to slowly balance them with the adaptation projects, pursuant to the Paris agreement. But in the years to come the needs for the assistance for the adaptation projects in the Western Balkan countries seem to be much higher in comparison to the mitigation ones; so more desired balance between the adaptation and mitigation projects will be slowly adjusted or reached only in the years to come.

## 3. Information on their policies, programmes and priorities

In 2016, Slovenia has for the first time enlarged its climate finance with some money from the "Slovenian climate change fund" (at least EUR 1 million per year in the years to come), where money is collected from the sale of allowances from the EU-ETS greenhouse gas emissions trading scheme. For 2019 and 2020 Slovenia is planning also to contribute to the Green Climate Fund in the amount of up to EUR 1 million per year.

## 4. Information on actions and plans to mobilize additional finance

Slovenia will strive to maintain the climate change assistance on the level of around EUR 3.5 million by 2020.

In the draft Development Assistance Programme of Slovenia for developing countries (to be adopted by the end of 2018), which also includes climate finance, Slovenia plans to increase the annual contribution from the Slovenian climate change fund in the period up to 2030 in order for the total climate finance to reach between EUR 6 and EUR 7 million per year up to 2030. The share of climate finance in 2016 represented around 15% of the total ODA by Slovenia, and by 2030, it is expected to be increased to at least to 30%, which is twice the increase in the share of climate finance, both in absolute term and in the share of all ODA resources by Slovenia.

In the field of international climate finance within the UNFCCC process, Slovenia will also follow the pro-active joint aims, decisions and guidelines, both at the EU and UNFCCC level in order to increasing the wolume of this assistance, and to use the avaliable climate finance at the time in more balanced and efficient way.

# SPAIN

*Spain is fully committed to contributing to the global effort on climate finance for developing countries. In this regard, Spain is working on three main areas: 1) increasing international climate public support; 2) aligning this support with the National Determined Contributions, consistent with a pathway towards a low greenhouse gas emissions and climate resilient development; and 3) mainstreaming climate change in all international instruments.*

*This work has allowed to increase, on a yearly basis, the total climate support provided.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Spain announced in 2015 its commitment to double, by 2020, its international climate support from 2014 levels, by mobilizing an amount of EUR 900 million, and is working to ensuring the achieving of such commitment. In this context, the reported Spanish public climate support for years 2014, 2015 and 2016 is EUR 463 million, EUR 466 million and EUR 595 million, respectively, showing a clear upward trend towards the 2020 goal.

This support is channeled through Official Development Assistance (ODA) and Other Official Flows (OOF) and, in both cases, the focus on climate change is being reinforced.

On the one hand, the Spanish Development Cooperation is increasingly considering climate change in its activities as reflected in two recent strategic documents:

- The V Spanish Cooperation Master Plan (VSCMP)[11] for 2018-2021, which considers the 2030 Agenda and the Paris Agreement as core elements (further information in section 2 below).
- The Guidelines for Mainstreaming Environment and Climate Change[12], developed in 2015 by the Spanish Agency for International Development Cooperation (AECID).

[11] http://www.exteriores.gob.es/Portal/es/SalaDePrensa/ElMinisterioInforma/Documents/V%20Plan%20Director%20de%20la%20Cooperacio%CC%81n%20Espan%CC%83ola.pdf
[12] http://www.aecid.es/Centro-Documentacion/Documentos/Publicaciones%20AECID/151015guiaTMA.pdf

On the other hand, instruments mobilizing Other Financial Flows consider also climate change among their priorities. These instruments are:

- The Corporate Internationalization Fund (FIEM)
- Instruments managed by the Spanish Development Finance Institution (COFIDES)
- Export credits managed by the Spanish Export Credit Agency (CESCE)

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

The Spanish public climate support directed to adaptation actions and projects in developing countries is still lower than the one for mitigation. However, Spain is committed to supporting adaptation needs in developing countries and is exploring several options to enhance the balance between adaptation and mitigation.

In this context, the Spanish Cooperation focuses on adaptation challenges mainstreaming climate change in all interventions, strengthening institutional capacity and prioritizing adaptation needs on sectors such as water, agriculture, infrastructure, etc. As an example, the continuous support on adaptation in the coastal areas of the Latin-American region should be highlighted.

Regarding developing countries that are particularly vulnerable to the adverse effects of climate change, the V SCMP continues to focus on the geographic areas where the Spanish Cooperation work clearly shows an added value, while promoting a results-oriented development cooperation. These areas, as described below, include many countries that are particularly vulnerable to climate change and also Least Developed Countries.

- Latin America and the Caribbean: Bolivia, Colombia, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and Dominican Republic.
- Sub-Saharan Africa: Ethiopia, Mali, Mozambique, Niger, Senegal
- North Africa and the Middle East: Morocco, Mauritania and Palestine
- Asia: Philippines

Furthermore, within this VSCMP, climate change is considered among topics where a regional approach generates an added value promoting the continuation of specific climate change regional programs, such as the ARAUCLIMA Program13 in Latin America and the Caribbean.

## 3. Information on their policies, programmes and priorities

Spain is increasing its support to National Determined Contributions in developing countries through:

- Prioritizing climate change and NDCs in planning documents: The VSCMP, as the main planning document for the Spanish Development Cooperation, integrates the new holistic vision inherent to the 2030 Agenda and the Paris Agreement as core elements. In this regard, it focuses in responding to the international commitments which involve cooperation activities in support of partner countries´ efforts. In the case of climate change, the focus is on the implementation of Developing Countries National Determined Contributions to the Paris Agreement, both on mitigation and adaptation. Furthermore, the VSCMP refers to the 21st century global challenges: humanitarian crises, conflicts, climate related extreme events, migratory flows, desertification, growing food insecurity, health threats, etc., shaping a global context in which vulnerability to any kind of threats, and specifically to climate change, has turned into a prominent concern for development actors.
- Supporting specific multilateral initiatives within UN Agencies and International Financial Institutions (i.e. NDC UNDP Support Program[14]), bilateral and regional programs and projects and existing climate funds (i.e. GCF, GEF, AF).
- Trying to make the best use of all international cooperation instruments and institutions to support NDCs implementation.

## 4. Information on actions and plans to mobilize additional finance

Part of the Spanish public climate support is channelled through instruments which also aim to mobilize the private sector (FIEM, COFIDES, CESCE, as mentioned in section 1). Furthermore, Spain supports several carbon pricing initiatives convinced that these are key tools to address climate change in a cost-effective manner and to

[13] http://www.aecid.es/ES/d%C3%B3nde-cooperamos/alc/programas-horizontales/programa-arauclima#Quees
[14] http://www.undp.org/content/ndc-support-programme/en/home.html

incentivize the mobilization of additional climate finance. Spain participates in different Multilateral Development Banks initiatives focusing on capacity-building, the testing of new instruments, and its contribution to discussions on the design and development of Article 6 of the Paris Agreement. Some examples of these supported initiatives are the Carbon Partnership Facility and the Partnership for Market Readiness, both managed by the World Bank; and the Integrated Carbon Programs for the Mediterranean, managed by the European Bank for Reconstruction and Development. All these initiatives consist on comprehensive packages that include technical assistance, monitoring, reporting and verification, and associated results-based payments in developing countries.

- **Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance**

Spain has continued working in different areas to support the enhancement of enabling environments in developing countries:

- Support to the Iberoamerican Network of Climate Change Offices (RIOCC)[15]. This network can be seen as a tool to enhance enabling environments and reinforce the capacity of countries to address climate change in Latin-America, including the establishment of policies and innovative initiatives as well as the exchange of experiences for catalysing and accessing public and private finance. Multiples synergies have been built between RIOCC and multilateral institutions as well as with the European programs (i.e. EUROCLIMA+).
- Dissemination of national experiences and best practices regarding enabling environments (Climate Projects[16] and Carbon Footprint Registry[17] initiatives) with third countries.

Launch of the Spanish Platform on Climate Action[18] as the Spanish contribution to the Global Climate Change Agenda. This platform is a joint public-private sector initiative that intends to facilitate the alignment of the private sector climate strategies with the public sector actions aiming at meeting the Paris Agreement goals Its goal is to fosster climate action in Spain through the quantified emission reduction commitments of both the administrations and the private sector, as well as through

[15] www.lariocc.es
[16] http://www.mapama.gob.es/es/cambio-climatico/temas/proyectos-clima/
[17] http://www.mapama.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/registro.aspx
[18] https://accionporelclima.es/la-plataforma

the exchange and dissemination, at the national and international level, of best experiences and innovative solutions.

# SWEDEN

*Climate change remains a top priority for the Swedish government, both domestically and internationally.*

*Domestically, Sweden works to become one of the first fossil fuel-free welfare states in the world. In 2017, the Swedish Parliament adopted a law setting up a climate policy framework, instructing the Government to draw up regular action plans and to report annually on progress made. The stated goal is to achieve a net zero carbon economy before 2045.*

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

Internationally, climate action constitutes a key element of Swedish development cooperation. Since COP21 in 2015, Sweden has significantly stepped up its overall climate financing by increasing bilateral efforts, using more innovative means to mobilize private funds, and more than doubling its multilateral climate finance.

Multilateral climate finance is a cornerstone for increasing expected levels of climate finance. Sweden is a leading donor to the global climate funds and continuously works, including in the boards of the funds, towards increased access to climate finance especially for the poorest and most vulnerable countries.

In 2018, Sweden is Co-Chair of the Green Climate Fund, to which Sweden contributes with SEK 560 million in 2017. A Swedish priority is to strengthen the GCF secretariat and make the Board's work more efficient. Sweden also stresses the need of an ambitious upcoming replenishment for the GCF. Substantially increased commitments compared to the initial resource mobilization period (IRM 2015-2018) are necessary to consolidate the GCF's role as a central player in the multilateral climate finance architecture. Sweden stresses the unique role of the GCF, which is designed and mandated to take on greater risks than any other climate financier, and thus with the potential to mobilize climate financing at scale through the private sector.

Continued contributions to the multilateral climate funds are critical for achieving climate goals. A solid replenishment of the Global Environment Facility (Swedish contribution SEK 150 million for 2017) was agreed upon in Stockholm in April 2018.

In the replenishment, Sweden is increasing its contribution to the GEF with more than 50 % in its national currency.

In 2017, the Swedish International Development Cooperation Agency, Sida, provided approximately SEK 3 200 million in climate-specific finance to non-annex 1 countries through bilateral and regional channels. Most of the support is assigned to climate change adaptation initiatives, although considerable amounts support mitigation and cross-cutting projects and programmes.

Detailed information about Sida's operations is continuously published online in accordance with to the internationally agreed International Aid Transparency Initiative (IATI) standard at www.openaid.se. Sida is currently making efforts to enable climate finance reporting through IATI, and a pilot has been developed during 2018.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

Much of the Swedish funding, like the contributions to GCF and GEF, create synergies and/or have cross-cutting benefits for both adaptation and mitigation.

People in poverty are more exposed and more vulnerable to the impacts of climate change. Sweden has a strong focus on adaptation, not least by providing large contribution to the Adaptation Fund and the Least Developed Countries Fund. Sweden is the largest per-capita contributor to these funds (with SEK 150 million in 2017 for each fund), and intends to uphold its ambitions with new contributions. One important Swedish priority is to enable small-scale adaptation financing, particularly through so called direct access to National Implementing Entities.

On a bilateral level, the Swedish International Development Cooperation Agency, Sida, supports a wide array of adaptation projects. One example is the contribution of SEK 50 million 2017-2021 to the National Resilience Program in Bangladesh, which focuses on improved national capacity to handle risks related to national disasters, including improved integration of gender aspects within disaster management. The project is executed in cooperation with the national government and several UN entities.

Sida also supports mitigation efforts in developing countries. One example is the Energy for the poorest pilot in Kenya 2017-2019 (contribution SEK 9.3 million) which uses the social security system for adding an extra cash component to enable usage of solar cells for the poorest.

## 3. Information on their policies, programmes and priorities

A new global strategy for climate, environment and oceans, with a substantial financial envelope (SEK 6 500 million) for the 2018-2022 period was adopted in 2018. With the ocean for the first time being explicitly included as a priority area for the Swedish global development cooperation, the strategy reflects Sweden's increased priority in this area including e.g. its role for climate change adaptation. The strategy is in line with the policy framework for Swedish development cooperation and humanitarian aid from 2016. Since 2015, environment and climate change have become increasingly emphasized in Swedish development strategies, and a large share of Sweden's bilateral development cooperation now has environment and climate change specific objectives.

Multilaterally, Sweden works to increase climate-related work carried out by organizations where it contributes with substantial core contributions. Examples of this are UN entities and multilateral development banks, where we are using board memberships etc. to push investments and activities towards improved integration of climate aspects and to phase out investments in fossil fuels. In 2017, Swedish advocacy contributed to the decision in the World Bank Group of phasing out financing of oil and gas prospecting by 2019, increase its support to adaptation, make its overall carbon footprint public, and contributing to the implementation of Article 2.1c in the Paris Agreement.

Sweden also systematically advocate for the inclusion of gender equality considerations into policies of the MDBs and vertical climate funds. Sida consistently works to integrate gender equality considerations into climate-specific finance. During the last few years, there has been a consistent rise in the level of gender integration in bilateral climate finance.

The Nationally Determined Contributions and the National Adaptation Plans must be linked to countries' own National Development Plans. Sweden has initiated work within the NDC Partnership to highlight the connection between climate action and Agenda 2030, with Swedish embassies piloting processes in several developing countries.

## 4. Information on actions and plans to mobilize additional finance

- **Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance**

Bilaterally, Sida uses instruments such as guarantees to leverage additional climate finance in developing countries. For example, a model has been developed with the International Finance Corporation (IFC), where institutional capital is jointly invested in infrastructure for access to sustainable energy in developing countries. By mobilizing finance from insurance companies, IFC can lend even more money to projects. A Sida-provided guarantee (of USD 57 million) enables, through risk sharing, the insurance companies to put aside money to invest.

Sida also works through partnerships with the private sector to mobilize finance for climate adaptation. One example is the Coffee and Climate initiative, that works to increase climate resilience and adaptive capacities of small-scale coffee farmers in Latin America and Africa. Sida contributes with half (SEK 7 million) of the budget, while the other half is provided by – mainly international - coffee companies.

The Swedish Development Finance Institution, Swedfund, aims at eliminating poverty by investing in companies in developing countries and developing sustainable business practices in the private sector. Swedfund is increasing its investments within the energy and climate sectors. In 2017, it completed its work with developing tools to measure $CO_2$ emissions in its whole investment portfolio.

The Stockholm Sustainable Finance Centre is a government-funded cooperation, inaugurated in 2017, between the Stockholm Environment Institute and the Stockholm School of Economics. It will provide research- based knowledge and know-how, also in developing countries, to support the financial market actors in shifting capital flows towards fossil-free and sustainable pathways.

# UNITED KINGDOM

## 1. Information to increase clarity on the expected levels of climate finance mobilized from different sources

*The UK is firmly committed, alongside other developed countries, to jointly mobilize USD 100 billion of public and private finance a year by 2020, in the context of meaningful mitigation and transparency of action. The UK remains committed to its 2015 pledge to provide £ 5.8 billion in International Climate Finance (ICF) over the 5 years to 2020/21, including a doubling of 2014 levels to at least £ 1.76 billion in 2020. Recognising the importance of adaptation finance for many developing countries, the UK aims to spend half of its climate finance on adaptation, and half on mitigation, achieving this goal in 2016. The UK, alongside Germany and Norway, have pledged to provide up to USD 5 billion to tackle deforestation between 2015-2020, where countries have come forward with high quality projects.*

The UK is among the largest contributors of public climate finance and is committed to providing support which is transparent, transformative and in line with the needs and priorities of developing countries. UK climate finance is provided through a mixture of bi-lateral and multi-lateral channels. We have been the largest donor to the Climate Investment Funds (CIFs), and will continue to champion this work by seeking to establish Clean Technology Fund 2.0, which can raise an estimated additional USD 3-5 billion and mobilize even more private finance. We have made an initial £ 720m commitment to the Green Climate Fund (GCF) and want to see a successful replenishment which heightens the impact of the Fund in enhancing the implementation of the Paris Agreement. We have also committed a further £ 250m to the Global Environment Facility (GEF) for the period 2018-2022.

In addition to a number of bi-lateral and multi-bi programmes delivered through our core £ 5.8 billion commitment, detailed in subsequent sections, the UK will continue to provide further support for climate action in developing countries including through core contributions to multi-lateral development banks, who we support in scaling up climate finance towards their 2020 finance pledges, and through the Cross-Government Prosperity Fund, which includes a focus on promoting reforms to energy markets to accelerate the transition to low carbon growth. £ 120 million in programming under the Prosperity Fund will be designed in close co-operation with partners in South East Asia, China, India, Brazil and Mexico and will be launched in 2018.

The UK Treasury Department periodically undertakes a Spending Review, whereby the budgets of government departments are set. The next spending review will take place in 2019, after which departments will have their budgets from 2020-21 onwards confirmed, including those departments that spend climate finance.

## 2. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change

*Recognising the importance of adaptation for developing countries, UK ICF aims for an equal allocation between adaptation and mitigation. The UK's bilateral adaptation finance is targeted at the poorest and most vulnerable people in the world, and we will be scaling up our bilateral climate support through to 2020/21 as part of our international commitments. Developing countries face a number of barriers and challenges in accessing and attracting climate finance, and we use our influence with dedicated climate funds and MDBs to make sure that the needs of the poorest are prioritised, and that the terms on which the finance is provided are appropriate. Investing our climate finance today helps reduce costs tomorrow – costs that cover impacts ranging from food production to water resources, the natural environment and migration.*

The UK seeks to increase the level of strategic climate change investment in the poorest countries and particularly in Africa. We will work to:

- identify barriers for low carbon markets and design interventions to open markets in the future
- leverage more private finance for climate resilient, low carbon investments
- build a higher quality and quantity pipeline of GCF programmes from Africa and bring African voices in to influence GCF policies

The UK's climate finance portfolio comprises over 200 projects and programmes. Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) – is a £ 140 million programme made up of 15 projects helping people become more resilient to climate extremes in South and Southeast Asia and in the African Sahel. An example of a BRACED project is the Improving Resilience in South Sudan programme (IRISS), which builds community resilience to floods and droughts in one of the most vulnerable countries in the world, where over 90% of its people are reliant on climate sensitive sectors for their livelihoods. IRISS works with communities in South Sudan to develop knowledge and skills so that they can produce long lasting sources of food and reduce their dependence on aid. The training, tools and seeds funded by this programme have expanded the availability of food, from the traditional harvest of just one major cereal crop, to an almost continuous harvest of vegetables throughout the year.

The UK has committed up to £ 100 million to African Risk Capacity (ARC), which strengthens African governments' understanding of drought risk and enables them to buy insurance that will pay out after harvest failures due to droughts. Senegal, Mauritania and Niger received payments totaling USD 26.5 million after poor rains in 2014, providing food aid, animal fodder and other assistance to 1.3 million people. Malawi received a payment of USD 8.1 million in 2016, which they have used for emergency cash transfers to affected people and to replenish the national strategic grain reserve.

Recognising the cross-cutting benefits associated with the forestry sector, through programmes such as the £ 80 million Partnerships for Forests (P4F) and the £ 250 million Forest Governance, Markets and Climate (FGMC), the UK is supporting work to halt deforestation and create new supply chains that are profitable, sustainable and resilient. We help communities to use land in ways that reduce emissions and improve productivity whilst protecting and restoring forests that support important biodiversity, fragile ecosystems and the services they provide in support of adaptation and mitigation.

## 3. Information on their policies, programmes and priorities

*The UK's ICF helps developing countries mitigate and adapt to the impacts of climate change, promote jobs and livelihoods, reduce poverty and support cleaner economic growth. Through our ICF we focus on achieving transformational change through a diverse portfolio of programmes, including a focus on technical assistance, technology deployment, and engagement of the private sector. We employ a thorough and dynamic system of monitoring and evaluation for our climate finance, to ensure the continued impact and relevance of our work.*

UK climate finance has its base in the UK's broader Official Development Assistance work, and delivers on all 4 aims of the UK aid strategy. Our International Climate

Finance is delivered via three government departments, collectively aiming to support international poverty eradication now and in the future by helping developing countries to manage risk and build resilience to the impacts of climate change, take up low-carbon development at scale, and manage natural resources sustainably.

We continue to develop a range of new programmes and consider how to evolve existing ones, working with recipient countries and delivery partners, with a particular increased focus on enabling country ownership and working closely to help countries to implement ambitious NDCs. Once approved, all business cases are uploaded to the UK's development assistance web platform, Devtracker.

With our mitigation finance, we will continue to place a strong emphasis on transformational change, through targeted investment in innovative projects and technologies with the potential to be scaled up and replicated by others, and by tackling barriers that hold the private sector back from investing. Sections 3 and 5 contain more information about current and future programming in this area.

The UK remains committed to promoting climate smart development across the aid portfolio, consistent with the Global Goals. As part of the UK's adaptation strategy we will focus on assisting people to adapt to long-term changes well in advance, anticipate and reduce the impact of climate vulnerability, and absorb the effect of climate extremes. Section 4 contains further information on current and future programming in this area.

2018 will be the 4th year that the UK has published results achieved against a set of Key Performance Indicators (KPIs) tracking outcomes and impacts from climate finance spent. We are now able to use these metrics to inform new programming decisions, and a programme of work is underway to improve the results framework going forward. Our KPIs and their methodologies are published here.

## 4. Information on actions and plans to mobilize additional finance

*Mobilizing private investment is crucial to meeting the long-term goals of the Paris Agreement, and shifting the trillions to ensure the sustainability of future global investment. The UK is a leader in using its public finance strategically to unlock flows of private finance, catalyse private investment and build a sustainable market for low carbon investment. Mobilizing private finance is one of the ICF's Key Performance Indicators, and since 2011 we have mobilized £ 910 million in private finance through our climate finance, with a substantial increase being seen in 2017/2018 on previous years. We expect these results to continue to improve as we scale up support and learn from our previous programming. The UK is also taking a range of actions to accelerate the growth of green finance, as detailed in section 5.*

The UK has a number of live bilateral programmes which attract private investment, including the Climate Public Private Partnership (CP3), the Global Climate Partnership Fund (GCPF), the Global Energy Transfer Feed-in Tariff (GET FiT), and the Renewable Energy Performance Platform (REPP). We are also the largest contributors to the CIFs, which include the Clean Technology Fund (CTF) – a global leader in private finance mobilization. Recently approved projects that will aim to mobilize private investment include:

- The Sustainable Infrastructure Program (SIP) – Established by the UK in 2017, SIP Latin America will focus on Brazil, Colombia, Mexico, and Peru. The programme, delivered by the Inter-American Development Bank, will enable and accelerate the implementation of the countries' Nationally Determined Contributions, focusing on supporting and catalysing private sector investments in low carbon infrastructure by providing capital investments and technical assistance. The UK will provide up to £ 177.5 million from its ICF budget over five years to provide technical and financial support. We are currently actively exploring opportunities to develop a similar programme in Asia to launch in 2019.
- Over the next year the CTF's recently approved Dedicated Private Sector Programme III will allocate at least USD 520 million across the world to clean technology projects, which will also enable the mobilization of significant amounts of further private investment.

The UK is also exploring innovative models for engaging the private sector, including:

- UK Climate Investments has been mandated to invest up to £ 200 million of UK ICF in low carbon projects in emerging markets. The investment mandate requires UKCI to make equity investments into renewable energy and energy efficiency projects in India and Sub-Saharan Africa. Through investing in a minority equity stake, UKCI aims to leverage additional private equity and debt investment into the projects.

## 5. Information on steps taken to enhance their enabling environments

*A key objective of UK climate finance is to achieve transformational change, including by building in-country capacity and enhancing country ownership for low carbon, climate-resilient development. The UK is also taking steps domestically - we have reduced our emissions faster than any other country in the G20, whilst growing our economy. We continue to look for ways to share our low-carbon expertise with our international partners to foster the conditions for making finance flows consistent with low greenhouse gas, climate resilient development.*

### Domestic Action

The UK is taking a range of actions to accelerate the growth of green finance, helping the world meet the USD 90 trillion investment challenge. We are developing world leading green finance capabilities which will benefit global efforts to align finance flows with the goals of the Paris Agreement. In 2017, UK government convened a Green Finance Task Force of leaders from the private sector to deliver a series of recommendations on how the Government and the private sector can work together to accelerate growth in green finance. We will be responding to the recommendations of the Task Force in due course, and have already announced the creation of a Green Finance Institute in London to champion sustainable finance in the UK and abroad, building on more than USD 24.5 billion in green bonds already listed on the London Stock Exchange.

### International support

The UK seeks through its climate finance to work alongside partners to promote the sharing of experiences, best practice and lessons learned in creating the conditions for low-carbon growth. Initiatives include:

- The new ICF UK Technical Assistance Programme (TAP) seeks to increase the capacity and capability of partner countries to accelerate their clean growth transition. Working in partnership, the UK will supply demand-driven, technical expertise, with innovative solutions to global climate challenges. We are in the process of allocating the first £ 6 million for early activities in Mexico and Colombia on a wide range of low carbon sectors and in China specifically on green finance.

- Through the Climate Leadership in Cities programme (CLIC), the UK will provide £ 27.5 million to support cities to plan for, and attract financing for, ambitious climate actions, in order to meet emissions reduction targets in line with the Paris Agreement.
- In 2018 the UK announced £ 3.5 million of funding to extend the '2050 Calculator' programme, which supports developing countries to create interactive and easy-to-use energy models based on the original 2050 Calculator created by the UK Government.
- Since 2012, the UK has provided £ 70 million to support developing countries to build up the technical and institutional knowledge necessary to enable the deployment of Carbon Capture, Usage and Storage (CCUS) technologies. The UK is the largest multilateral donor to CCUS globally.
- The UK supported the inaugural Climate Finance Accelerator (CFA) initiative, a catalytic intervention designed to turn countries' Nationally Determined Contributions (NDCs) into finance plans with pipelines of investment-grade projects by matching government, finance and capital market players from the selected countries of Colombia, Mexico, Nigeria and Vietnam with project and green finance experts from the City of London.
- As a partner in the Global Resilience Partnership, the UK contributes to a global platform which allows access to the latest knowledge and information on how to invest in resilience for development. GRP's aim is to influence policy, build networks and leverage opportunities for engagement to incorporate resilience across scales.
- The UK contributes to the NDC Partnership, which aims to help turn NDCs into specific strategies and measures, raising ambition globally by enhancing cooperation and support for the successfully implementation of the Paris Agreement and Sustainable Development Goals.
- Weather and Climate Information and Services for Africa (WISER) is a £ 35 million, four year programme designed to enhance the resilience of African people and economic development to weather-related shocks. The programme aims to improve the generation and use of Weather and Climate Information and Services (WCIS) across Sub-Saharan Africa, with an initial focus on East Africa. The UK Met Office act as fund manager for the East

Africa component of the programme, focussing on the Lake Victoria Basin and surrounding regions.

- The Capacity Building Initiative for Transparency (CBIT) was established in 2015 to support developing countries to meet new reporting requirements under the enhanced transparency framework of the Paris Agreement. The UK is the largest donor to CBIT to date, committing £ 10 million from the ICF and £ 1 million from the Scottish Government.

## Promoting global energy transitions

As part of the Mission Innovation initiative, the UK has committed to double its public sector clean energy RD&D spend to £ 400 million by 2020/2021. This increase aims to accelerate global clean energy innovation with the objective of making clean energy widely affordable. The UK currently participates in all eight of the innovation challenges and co-leads the carbon capture, utilisation and storage (CCUS) and the affordable heating and cooling of buildings innovation challenges.

In 2017, the UK and Canada launched the Powering Past Coal Alliance (PPCA) with the aim of signing up countries, cities, states and businesses to phase out coal. The PPCA currently has 64 members of the Alliance including countries, cities, states and businesses and we are now looking to continue to build this momentum internationally, including through relevant programme support. The UK is also contributing £ 8 million to the IEA's Clean Energy Transitions Programme, which provides cutting edge technical and policy support across the full range of energy policy areas relevant to the low carbon energy transition.