



Submission by the Czech Republic and the European Commission on behalf of the European Union and its Member States

Subject: EU Submission on information to be provided by Parties in
accordance with Article 9, paragraph 5, of the Paris Agreement

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Executive Summary

The EU and its Member States remain steadfast in their commitment to meet the collective annual USD 100 billion mobilization goal as soon as possible and through 2025, together with other provider countries. The outlook to 2025 as analyzed in the Climate Finance Delivery Plan¹ showed a positive trend in public climate finance, that developed countries will make significant progress towards the USD 100 billion goal in 2022 and provided confidence that it would be met in 2023. The data of the Climate Finance Delivery Plan also provided confidence that developed countries will likely be able to mobilize more than USD 100 bn per year thereafter. Currently a progress report under the lead of the German Envoy for International Climate Action Jennifer Morgan and the Canadian Environment Minister Steven Guilbeault is under preparation. The report will focus on the qualitative progress made since the publication of the Delivery Plan with a specific focus on the 10 action areas defined therein.

The EU, together with its Member States and the European Investment Bank, are the world's biggest contributor of international climate finance to developing countries, providing at least a third of the world's international public climate finance and contributing in the order of over EUR 20 billion per year since 2018. In 2020, our collective commitments came to almost USD 27 billion (EUR 23.5 billion), with 27 % committed to climate adaptation and 21 % to cross-cutting activities (integrating mitigation and adaptation actions). This figure includes climate finance from Member States' public budgets and development finance institutions, as well as EUR 2.6 billion in total from the EU budget and the European Development Fund and EUR 2.8 billion from the European Investment Bank, but does not include climate finance mobilised through (other) multilateral development banks and from the private sector.

Not all Member States of the EU are Parties listed in Annex II to the UNFCCC. Consequently, not all EU countries are obligated to fulfill the commitments under Articles 4.3, 4.4 and 4.5 of the Convention and Articles 9.1 and 9.3–9.5 of the Paris Agreement. Despite this, all EU Member States contribute to climate finance, at least through their contribution to the EU budget.

The EU is a major humanitarian and development donor, and it is increasing its efforts to strengthen climate resilience and support the most vulnerable countries and communities both before and after a disaster strikes. As an example, the EU has allocated EUR 76.5 million to Disaster Preparedness activities in 2022, and is aiming to mainstream preparedness across humanitarian actions. For the EU, these initiatives are key to ensure macroeconomic stability vis-à-vis the increasing risks of climate and natural hazards

¹ <https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf>



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related disasters, and are complementary to actions like the recently approved IMF Resilience and Sustainability Trust (RST) which will help low-income and vulnerable middle-income countries build resilience to external shocks and ensure sustainable growth. The RST complements the IMF's existing lending toolkit by providing longer-term affordable financing to address longer-term challenges, including climate change and pandemic preparedness. As of September 2022, the EU Member States have already pledged substantial contributions – around USD 18.4 bn – to the RST fund².

The **EU** has a strong climate and economic policy with a climate-resilient, sustainable growth plan as its new paradigm under the European Green Deal³. The 2021-2027 Multiannual Financial Framework and the EU's temporary (2021 - 2023/26⁴) recovery instrument (NextGenerationEU⁵) are instrumental for the EU to reach its ambitious Green Deal objectives and have an overall climate action target of at least 30% of total expenditure.

The EU's ambition for climate finance is increasing and will be further scaled up in the years to come. Since 2021, EU's external assistance is implemented through the Neighbourhood, Development and International Cooperation Instrument (NDICI) - *Global Europe*⁶. Climate change is a key priority area for external cooperation as underlined by the climate action spending target. Moreover, the EU's commitment has been further strengthened in September 2021, with an additional EUR 4 billion pledged for climate action over the period 2021-27. It is expected that expenditure to support climate action in vulnerable and developing countries under the EU's budget (without the EU Member States) should be approximately EUR 27.8 billion for the 2021 – 2027 period, which results in an effective 35% spending target of the total NDICI envelope of EUR 79.5 billion.

In its turn, the **European Investment Bank Group's** forward-looking approach to climate action and environmental sustainability financing is guided by the following set of targets:

- The EIB Group will support EUR 1 trillion of investments in climate action and environmental sustainability in the critical decade from 2021 to 2030;
- The EIB will gradually increase the share of its financing dedicated to climate

² Loan account and/or reserve account

³ European Commission, [A European Green Deal](#). The EU has made several ambitious commitments under the Green Deal, notably to become the first climate-neutral continent by 2050 and to reduce net greenhouse gas emissions by at least 55 % by 2030 from 1990 levels. The EU also aims to strengthen its resilience to climate change, to reverse biodiversity loss and the broader degradation of the environment, and to leave nobody behind in the process.

⁴ End of 2023 is the deadline for commitments, while end of 2026 is the final date for disbursements.

⁵ NextGenerationEU (NGEU) is a temporary recovery instrument to help repair the immediate economic and social damage brought about by the coronavirus pandemic and make Europe greener, more digital, more resilient and better fit for the current and forthcoming challenges. 30 % of the EUR 807 billion allocated for NGEU (up to about EUR 250 billion) will be raised through issuance of NGEU green bonds.

⁶ [Global Europe: Neighbourhood, Development and International Cooperation Instrument \(europa.eu\)](#)

action and environmental sustainability to exceed 50 % of its operations by 2025;

- The EIB pledges to increase the share of climate adaptation support to 15 % of the bank's overall finance for climate action by 2025. Also, in 2021 the EIB launched its first dedicated Adaptation Plan which will support objectives of the 2021 EU Adaptation Strategy inside and outside the EU. The EIB will further increase the share of financing it can provide for projects that are primarily motivated by adaptation to 75 % of the project cost globally and to 100 % in the Least Developed Countries and Small Island Developing States.

These commitments apply to the EIB's activities outside the European Union as well as inside it.

Section 1. Common elements of the ex-ante Reporting of the EU and its Member States

Introduction

In this section of the second biennial submission according to decision 12/CMA.1, the EU and its Member States aim at providing a synthetic overview of the common views and approaches. We seek to enhance the clarity of information provided as well as include new aspects that are shared among the EU Member States.

The submission contains indicative quantitative and qualitative information related to Article 9, paragraphs 1 and 3, of the Paris Agreement, including, as available, projected levels of public financial resources to be provided to developing country Parties by the European Union and its Member States. We see the submission as a means to increase mutual understanding and share information on the opportunities, barriers and challenges regarding cooperation between Parties to increase the predictability and efficiency of climate finance, in line with decision 12/CMA.1. Furthermore, the EU and its Member States envisage that the Article 9.5 process will lead to more climate ambition in recipient countries by providing them relevant information and enhance transparency of future finance flows.

I. Key messages of the EU and its Member States

i. Actions taken by the European Union and its Member States – a summary of key initiatives and joint initiatives

A new approach has quickly become the backbone of NDICI - *Global Europe* (the main

financial tool for EU international cooperation from 2021 to 2027) and its programming⁷. It notably includes the conception of **Team Europe Initiatives** (TEIs), which are the flagships of the Team Europe approach. Team Europe consists of the European Union, EU Member States — including their implementing agencies and public development banks — as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). Of the over 150 Team Europe Initiatives at country, regional and global level that coalesce funding around key priorities, more than 40% are set in Least Developed Countries, with initiatives in 27 LDCs targeting European Green Deal priorities. In addition, a number of regional and multi-country TEIs address Green Deal issues, which are overall targeted by more than 90 TEIs, in areas like renewable energy, agriculture, green recovery, sustainable urban mobility, green and smart cities, forestry, water, etc.

To maximise the impact of EU international cooperation, another dimension of the ambitious Team Europe Initiatives is set through the **Global Gateway Strategy**, which will mobilize up to EUR 300 billion between 2021 and 2027 for major investments in infrastructure development, including on climate and energy⁸. For example, specific flagships under the Africa-EU Global Gateway Investment Package⁹ include: **Strategic Corridors** to develop multi-country infrastructure that are climate resilient (more than EUR 1 bn); the **EU African Union Transboundary Water Management Initiative** to support transboundary water resource management for achieving water security in Africa; the **Climate adaptation and resilience** - to enhance the adaptive capacity and resilience of Africa's most vulnerable populations and ecosystems; and the **Great Green Wall** to restore 100 million hectares of actually degraded land (EUR 700 mn p/y until 2025).

In November 2021, the governments of South Africa, France, Germany, the United Kingdom and the United States of America, along with the European Union, announced a new ambitious, long-term Just Energy Transition Partnership (JETP) to support South Africa's decarbonisation efforts¹⁰. It will mobilise an initial commitment of USD 8.5 billion for the first phase of financing (up to 2024 - 2026), through various mechanisms including grants, concessional loans and investments and risk sharing instruments to mobilise the private sector.

Following the launch of the Just Energy Transition Partnership with South Africa, G7 members affirmed their intent to move forward in negotiations with Indonesia, India,

⁷ [Global Europe – Programming \(europa.eu\)](#)

⁸ [Global Gateway | European Commission \(europa.eu\)](#)

⁹ [EU-Africa: Global Gateway Investment Package \(europa.eu\)](#)

¹⁰ [Just Energy Transition Partnership with South Africa \(europa.eu\)](#)

Senegal and Viet Nam. Leaders agreed to review progress on these potential new JETPs by COP27. The JETPs provide a platform by which partner countries can work with coherent climate finance donor support, private sector investors, multilateral development banks (MDBs) and relevant actors to achieve an ambitious and just energy transition. A fundamental principle of JETPs is that they are owned by the host country, with the investment plan and key targets tailored specifically to the needs of their local economy and society, and endorsed by donor countries. Working on governance frameworks to support the achievement of Article 2.1c of the Paris Agreement will be an important element of the partnership concept, since massive investments are needed, especially for the necessary transformation towards a sustainable infrastructure.

EU Member States are the largest block of contributors to the Green Climate Fund's (GCF) first replenishment (GCF-1). As of 31 May 2022, confirmed pledges to GCF-1 by European Union Member States amount to USD 5.5 billion, accounting for more than half of the USD 9.9 billion in total pledges¹¹.

Similarly EU and Member states have joined forces with a broad range of countries to scale up finance for adaptation, building of resilience, shielding against climate risk and avert, minimize and address loss and damage.

The EU acknowledges the call by the Glasgow Climate Pact on developed country Parties to at least double their collective provision of climate finance for adaptation by 2025 from 2019 levels in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources. In 2020, 27,5 % of the EU's and Member States' bilateral finance benefited adaptation, while almost 20 % of the total EUR 16 billion of the bilateral finance supported both mitigation and adaptation action. The EU will lead the way, as expressed in its Adaptation Communication, and urges others to join these efforts.

The 2021 EU Adaptation Strategy¹² includes the consideration international support for adaptation, underscoring the EU support for international climate resilience and preparedness, including through the scaling up of international financial resources, the design of policies and incentives to promote climate resilient investment including in nature-based solutions, and targeted support to partner countries to help unlock existing and new financial resources; as well as the newly established EU Mission on the Adaptation to Climate Change, which could inspire similar action in other countries.

The EU budget has always had a good balance in its international bilateral support and programmes implemented through the EU's institutions. Almost 52% of the international climate finance provided by the European Commission in 2019 contributed specifically to

¹¹ <https://www.greenclimate.fund/sites/default/files/document/gcf-b33-inf05.pdf>

¹² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0082&from=EN>

adaptation activities, with another 28% supporting both adaptation and mitigation action.

Many EU Member States have joined the Champions Group on Adaptation Finance, an informal group of developed countries, most of them EU Member States, established in 2021 that works closely with LDCs and SIDS to increase adaptation finance¹³. The mandate of the Champions Groups includes work on the collective doubling of adaptation finance, on awareness raising on what good quality and effective adaptation finance and action looks like, on barriers to access adaptation finance and on the mobilization of private finance for adaptation.

Many EU Member States and the EU budget have made specific pledges to increase adaptation finance and ensure a balanced approach. The EU collectively continues to be the biggest contributor to the Adaptation Fund and the Least Developed Countries Fund. At COP26 in Glasgow, the European Commission announced a contribution of USDeq. 116.4 mn (EUR 100 mn) to the Adaptation Fund (AF), making the EU and its Member States (including some of their regions) with total pledges of USDeq. 249 mn (EUReq. 214 mn) the biggest contributors to the AF out of the USDeq. 356 million (EUReq. 328 mn) raised in total for 2021¹⁴.

EU institutions and Member States have a particular focus on climate vulnerable countries, in particular LDCs and SIDS. In 2020, over 21 % of the European Commission's international climate finance support was targeted to Least Developed Countries.

Under the German Presidency 2022, the G7 have decided to work together on further developing existing approaches to climate risk finance to create a Global Shield against Climate Risks¹⁵. The aim is to gather existing activities under one roof, making them easier to access, to support better coordination and the mobilisation of additional funding, with a view to reaching the poorest and most vulnerable people and countries.

EU institutions and MS have a particular focus on climate vulnerable countries, in particular LDCs and SIDS, and are strongly engaged in revisiting the global architecture of institutions and funds that support the most vulnerable developing countries in averting, minimizing and addressing the risk of climate related losses and damages. There is a need to strengthen support for protection against climate risk in these countries, more and

¹³ https://um.fi/news/-/asset_publisher/GRSnUwaHDPv5/content/statement-of-commitment-champions-group-on-adaptation-finance-commit-to-driving-political-ambition-on-adaptation-finance-ahead-of-cop27/35732

¹⁴ <https://unfccc.int/news/adaptation-fund-raises-record-us-356-million-in-new-pledges-at-cop26-for-its-concrete-actions-to>

¹⁵ [Global Shield against Climate Risks | BMZ](#)



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better anticipatory finance and improving coordination and links between humanitarian, DRR, development and climate communities to find holistic solutions.

The EU sees the operationalization of the Santiago Network as an important initial step. EU member states already pledged EUR 25 mn to kick off the network and support initial TA projects.

The EU is committed to address barriers and constraints for accessing climate finance. EU Member States are playing an active role in the Task Force on Access to Finance¹⁶, a UK-Fiji led initiative aiming to reduce barriers and impediments for LDCs and SIDS to access climate finance and to promote a more coherent and effective approach among climate finance providers. Germany, together with Sweden, takes on the role of anchor country for Rwanda, where new methods for a programmatic approach to climate finance will be tested at the national and sub-national levels.

Further, the EU is engaged in the UNSG 's climate finance accelerator. Country-driven and programmatic approaches are seen as a promising new concept both for mitigation and adaptation.

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

Article 2.1c is key to the implementation of the Paris Agreement as a whole and supports international climate finance in developing countries.

The EU believes that steps towards making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development is key to the implementation of the Paris Agreement as a whole. Meeting the climate mitigation and adaptation goals requires bringing about a fundamental transformation of all economies and a major shift in the structure of the global economy, financial markets and investments. First and foremost, this means an in-depth transformation of capital markets (capital expenditure, re-orienting business models, new firms) towards a low greenhouse gas emission and climate resilient economy. In this context, the private sector has a pivotal role to play, with the public sector needed to provide appropriate governance frameworks as well as enabling conditions. For our work with partner countries, we support local financial institutions and investment firms and funds to green their operations.

Since the Paris Agreement, actions and measures relevant to this overarching objective from the private and the public sector proliferated. The EU and its Member States have

¹⁶ See e.g. <https://ukcop26.org/wp-content/uploads/2021/09/Taskforce-on-Access-to-Climate-Finance-Revised-Concept-Note.pdf>



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launched policy initiatives relevant to Article 2.1c, which are currently being implemented, such as making existing climate markets and projects more investor-friendly, creating investment opportunities with reliable returns, and political and financial risk assurance to encourage private actors to invest in climate projects and disinvest from carbon intensive sectors. There is also a very dynamic reality of voluntary initiatives by the private sector, picturing a complex and constantly evolving reality with multiple international and transnational initiatives addressed to the substance of achieving 2.1c – even if not labeled as 2.1c.

Ongoing work and steps ahead

The EU and its Member States aim to enhance the climate regime's role in facilitating an understanding of the third objective of the Paris Agreement, and recognize the enabling potential of pursuing coherence of all finance flows in reaching the temperature goal of 1,5°C. Domestic and international policies and measures are being implemented in the EU that help collective progress towards article 2.1c.

Examples of concrete measures in the EU include climate mainstreaming of the EU budget, green budgeting in (currently) 10 Member States (with further six planning to introduce it)¹⁷, carbon pricing (EU-wide, such as the EU ETS, and at (some) Member States' level) and measures to ensure financial/private sector transitions towards sustainability and to better account for climate-related risks these sectors are facing (sustainable finance agenda). The EU sustainable finance agenda is based on the Action Plan: Financing Sustainable Growth of 2018 and on the Strategy for Financing the Transition to a Sustainable Economy of July 2021, with associated legislative acts and proposals (including the EU taxonomy for environmentally sustainable activities).

The EU Taxonomy Regulation entered into force in 2020 and it classifies as sustainable those economic activities which substantially contribute to at least one of the six environmental objectives without, however, doing significant harm to any other of those objectives. Within the EU, such activities must also comply with minimum safeguards and technical screening criteria specific for each objective and established in delegated acts. Technical screening criteria for climate change mitigation and adaptation are already applicable (as of January 2022), while the EU is developing the criteria for the remaining four environmental objectives. The use of the taxonomy screening criteria is largely voluntary. However, entities currently covered by the Non-Financial Reporting Directive (NFRD) are required to disclose the taxonomy eligibility (from 2022) and alignment (from 2023) of their business activities, or that of their investments in the case of financial institutions.

The EU is also in the process of devising other measures, like the Corporate Sustainability Reporting Directive and a proposal for a Regulation for a European Green Bond Standard.

¹⁷ as of May 2021



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As a voluntary label of excellence aligned with the EU Taxonomy, the Green Bond Standard aims to enhance the effectiveness, transparency, comparability and credibility of the green bond market and encourage market participants to issue and invest in such bonds. Bond proceeds must finance/refinance EU Taxonomy-aligned expenditure. Whereas the Corporate Sustainability Reporting Directive will amend the existing reporting requirements of the NFRD and extend the scope to all large companies and all companies listed on regulated markets.

To foster international cooperation, the European Commission and seven other jurisdictions launched the International Platform on Sustainable Finance (IPSF) in October 2019, it has now 18 members and is acknowledged as an important international sustainable finance initiative. The IPSF is also a knowledge partner for the G20 Sustainable Finance Working Group. The aim of the IPSF is to scale up the mobilisation of private capital towards environmentally sustainable investments and it offers a multilateral forum of dialogue between policymakers that are in charge of developing sustainable finance regulatory measures to help investors identify and seize sustainable investment opportunities that truly contribute to climate and environmental objectives.

In 2021, the IPSF released its Common Ground Taxonomy Report which is the result of a high-level comparison of the EU and Chinese taxonomies, the economic activities covered, with regard to the climate change mitigation objective. This report establishes a solid methodology to compare taxonomies with the ultimate objective of making them more comparable and interoperable internationally. This is also in line with the conclusions of the G20 Sustainable Finance Working Group. With this the IPSF is contributing to the international work on ensuring interoperability of sustainable finance approaches.

In 2022, the IPSF is working on a report on transition finance exploring how sustainable finance alignment approaches such as taxonomies, labels and portfolio alignment metrics, as well as corporate strategy and disclosures may integrate transition considerations. This work will also feed into the work of the G20 Sustainable Finance Working Group.

The EU and its Member States continue and increase their efforts to provide technical assistance on a bilateral and regional basis to develop credible and suitable sustainable finance frameworks and to scale up sustainability-related financial instruments. In 2022, the European Commission has set up a High Level Expert Group on scaling up sustainable finance in low and middle income countries. The group will identify challenges, opportunities and provide evidence-based recommendations about EU transformational actions the European Commission can take to accelerate the flow of private capital to sustainable investments in low and middle income countries. It will provide recommendations to prepare a dedicated strategy scheduled for adoption in 2023, part of the EU efforts to address inequalities and foster a green, just and resilient global recovery by mobilising private capital for the Sustainable Development Goals (SDGs).

The **European Green Deal** constitutes the EU growth model and roadmap to achieve



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climate neutrality in the EU by 2050. The EU Green Deal sends a clear signal to investors on the direction of the EU policy for the next 30 years, by disincentivizing investments in fossil fuels or carbon intensive technologies and spurring ones leading to sustainable and climate-resilient development, contributing to all of the goals of the Paris Agreement and the implementation of the Glasgow Climate Pact. This applies not only domestically, but also – and very importantly – to the external relations of the EU. The external dimension of the European Green Deal includes placing climate and the environment at the centre of the EU partnership with Africa, building green alliances with partner countries in Latin America, the Caribbean, Asia and the Pacific, and establishing energy and climate partnerships with the Neighbourhood countries¹⁸. Concrete examples of these policies can be found throughout this submission (NDICI, TEIs, external focus of the 2021 EU Adaptation strategy¹⁹).

The EU "Fit for 55" legislative package is key in achieving the EU climate objectives for 2030 and 2050 and fulfilling the EU's NDC. Pending the final outcome of the respective law-making procedures, it could significantly reshape environmental regulation in Europe, with impact beyond the EU's borders. Two of the most impactful measures constitute the revision of the EU Emissions Trading System ("ETS") and the proposal for establishing an EU Carbon Border Adjustment Mechanism ("CBAM"), a climate measure fully compatible with WTO rules to ensure that the EU's ambitious climate objectives are not undermined by a relocation of carbon-intensive productions outside the EU. The CBAM would initially apply to imports in the five emissions-intensive sectors deemed at greater risk of carbon leakage (iron and steel, cement, aluminium, fertilisers and electricity). The CBAM aims to contribute to the EU's climate neutrality objectives, and encourage partner countries to decarbonise their production processes by levelling the playing field in carbon pricing between the EU and third-country producers. The proposal is still under discussion within the EU and its Member States, and is expected to be operationalized between 2026 and 2035.²⁰

II. Common elements of the EU and its Member States

i. Information on the factors that providers of climate finance look for in evaluating proposals

In the context of multilateral channels of delivery of climate finance, the evaluation criteria for proposals follow the rules and principles established by the multilateral institutions (mainly through the board of the relevant multilateral institution, where developing

¹⁸ See e.g. <https://www.consilium.europa.eu/media/48057/st05263-en21.pdf>, <https://data.consilium.europa.eu/doc/document/ST-6120-2022-INIT/en/pdf> or [EUR-Lex - 52022JC0023 - EN - EUR-Lex \(europa.eu\)](#)

¹⁹ [EUR-Lex - 52021DC0082 - EN - EUR-Lex \(europa.eu\)](#)

²⁰ Sources: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/698889/EPRS_BRI\(2022\)698889_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/698889/EPRS_BRI(2022)698889_EN.pdf)

countries are represented).

While, in most cases, bilateral support is determined in direct dialogue with recipient countries and partners. Because of this, one factor that determines the provision of climate finance is the prioritization of climate action by recipient countries in the development cooperation dialogue between partner countries.

We have identified the following factors that the EU and its Member States often take into account when evaluating proposals:

- National priorities and country ownership – the funding is directed towards national priorities identified by developing countries in their key programmes and plans such as Nationally Determined Contributions (NDCs), long-term climate strategies, National Adaptation Plans (NAPs), and other national climate strategies.
- Impact potential and effectiveness – Providers seek to support countries to drive high-impact programmes, most beneficial for them – both in areas of high mitigation potential or for climate vulnerable populations in need. The action should provide economic, social and environmental benefits, with particular attention given to the most vulnerable communities, and vulnerable groups within communities.
- Innovation – for providers, it is key to enable the demonstration and adoption of an increased number of innovative business models, technologies and practices, including uptake of indigenous knowledge and practices with high potential for mitigation and/or adaptation impact.
- Efficiency – Providers seek to deploy resources to efficient, effective and transparent proposals. The scalability and replicability of the project constitute also an asset. Synergies with activities of other donors, support from the host country and mobilization of funding from private sources are desirable.
- Governance of the project – the project should be carried out by reliable implementing organizations or entities with a detailed implementation plan, qualified personnel, acceptance and participation of local communities, populations or authorities and adequate infrastructure to ensure target-oriented deployment of the funding.
- Enabling environment in the recipient country – a comprehensive policy, regulatory and governance framework is desirable to increase the likelihood of lasting impact through a strategic approach to national circumstances and institutions.

- Gender sensitivity – promoting gender equality and women’s empowerment are typically important criteria in project selection.
- Monitoring and evaluation – the project results shall be monitored, evaluated and verified according to national and international standards.
- Co-benefits: It is beneficial if the project can show positive environmental effects (biodiversity), socio-economic effects (local value added, health protection, income), improvement of working conditions and protection of indigenous people’s interests.

The EU encourages Parties to follow up on the TNAs by further promoting the development and implementation of economically, environmentally and socially sound mitigation and adaptation technology project proposals for example by also developing a **Technology Action Plan**.

ii. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them

There are challenges and barriers in the climate finance delivery chain both on the ‘supply side’ and the ‘demand side’. In the following, the EU and its Member States indicate some examples of challenges and barriers.

Cooperation/coordination between providers and recipients is a prerequisite for improving flows. Aligning and coordinating different actors at international and national level in the design and implementation of climate projects remains challenging. Access to finance for climate action is facilitated when climate action is an integral part of a regular dialogue between relevant stakeholders in development policy and finance. Parties may benefit from support for better matching climate finance needs with the appropriate source of finance available. Private finance could also play a role. It is often the case that cash flows and risk profiles of climate projects are uncertain. In this context, a transparent dialogue between the private capital provider and the financial institution helps to successfully leverage capital, facilitating a more complete consideration of risks. This is especially important for adaptation projects, with less capacity of attracting private capital.

Failing to map existing strategies and relevant policies in recipient countries in some cases resulted in fragmented cooperation or inefficiencies in the allocation of resources. The range of plans and strategies produced by the partner countries, such as the Nationally Determined Contributions (NDCs), National Adaptation Programmes of Action (NAPAs), National Adaptation Plans (NAPs), or Nationally Appropriate Mitigation Actions (NAMAs), Technology Needs Assessments (TNAs) and Technology Action Plans (TAPs), are being taken into account, and complementary strategies should be also considered. In

some cases the coherence of these plans and programmes can be low due to a lack of institutional capacities, cross-sector planning and policy environment. For providers of finance, this can increase challenges in ensuring coherence and avoiding overlaps between the different planning documents.

Measuring the impact of adaptation finance – The lack of internationally standardized methodologies, data and baselines and the difficulty of quantifying the effectiveness of adaptation interventions add to this problem.

Determining and addressing needs and priorities of recipient countries – Recipient countries' plans and programmes provide a helpful basis to understand where finance should be allocated to address needs and priorities. However, those often do not provide the level of information needed to create pipelines of projects and progress on their implementation. It is vital that finance provided targets programmes and proposals tailored to the context in which it is implemented. To that end, "readiness" programs (for example the readiness and preparatory support program of the GCF) are helpful to prepare the dialogue between the recipient country and the provider(s) for a better matching of the project to the countries' needs, priorities identified in their NDCs and other plans and programmes. Moreover, an important factor remains to effectively integrate climate action into national budgets and development plans and the National Sustainable Development Strategies, which facilitates both policy coherence and resource mobilisation. Climate change should become a national development priority.

Effective enabling environments and country ownership are key for both delivering climate finance and facilitating progress towards the achievement of the three key objectives of the Paris Agreement. To make financial support as efficient as possible, it needs the right circumstances e.g. the right institutional arrangements, certainty and enabling environments.

Below are some **suggested areas** where providers and recipients of climate finance can **improve**:

- **Improving country coordination and engaging multiple national stakeholders**, including local governments and the private sector, through both a bottom-up and a top-down approach – this dual approach would ensure that plans, projects and strategies address country needs and priorities, and contribute to strengthening country ownership in the implementation. Promoting a participatory approach with local beneficiaries would help understand vulnerabilities, barriers and enablers for adaptation and mitigation.

- **Understanding and managing climate risks** helps to overcome barriers and seize opportunities of engagement with the private sector. The use of risk-mitigation instruments is a common tool to manage financial risk. For example, the EIB provides concessional lending, risk-bearing/risk-sharing instruments, and combines investment and technical assistance, in particular through blending. These efforts will continue specifically through the mobilisation of EU funding.
- **Strengthening institutional capacities** of developing countries governments and institutions is key to enable the deployment of investments. Several challenges from an investor perspective, including different levels of political stability, security, debt vulnerabilities, exchange rate risk, technical capacities among implementing partners and gaps in regulatory frameworks, can increase the risk level of operations, particularly those in support of the private sector, hindering project development and implementation.
- It is important to ensure **coherence and integration at the national and regional levels between the different planning processes**, such as TNAs, NDCs, Long-term low greenhouse gas emission development strategies, Nationally Appropriate Mitigation Actions and NAPs, including those relevant to climate technologies. To make financial support as efficient as possible, it needs the right circumstances e.g. the right institutional arrangements, certainty and enabling environments. In addition, ensuring better coordination between the different focal points, national designated authorities and national designated entities would also increase coherence of policy planning and implementation.

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

iii. **Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies**

Climate action is most effective where supported projects and programmes are designed and implemented through a **close dialogue and in partnership** with governments and

stakeholders of partner countries. The **engagement of national stakeholders in project design** ensures the consideration of national, regional, or local needs and circumstances in recipient countries. The **full consideration of regional and sectoral plans** such as NAPAs and NAPs remains key as references for the identification of needs and priorities.

To ensure financial support provided meets the climate change mitigation and adaptation needs of recipient countries, **the EU and its Member States work jointly with the partners and project developers to identify the needs of recipients**. In this work, the EU and its Member States involve a wide range of actors, including national, regional and local authorities, multilateral organizations, non-governmental organizations, private-sector organizations, farmers' organizations etc., each working for meeting the needs of the groups they represent.

The principles contained in the **Paris Declaration of 2005, the Accra Agenda of 2008, the Busan Partnership of 2011 and the Addis Ababa Action Agenda of 2015** are important reference points for the EU and its Member States for their international development cooperation and climate finance. The EU and its Member States cooperate with partner countries on the basis of those principles, which include ownership of development priorities by developing countries, focus on results, partnerships for development, transparency and shared responsibility.

For the EU, **country ownership** adequate institutional capacities are indispensable for promoting participatory policy and strategy development, systematic planning and result-oriented execution of interventions as well as the provision of efficient and effective climate and development finance. The EU supports the creation of enabling environments and policy developments to enable the identification of needs and priorities for climate action on the ground.

Developing countries' **Nationally Determined Contributions (NDCs)** are a central reference point for EU climate finance and climate-related development cooperation, as they reflect needs of climate actions and identify conditional targets, guiding the identification of priorities. The EU and its Member States directly support the implementation of NDCs in developing countries, for example through the NDC Partnership. The EU and its Member States consider it important to enhance coherence in the implementation of developing countries' NDCs and Sustainable Development Strategies, and mainstream adaptation and mitigation in development cooperation policies and assistance.

Specifically for adaptation, the support from the EU and its Member States builds on available vulnerability and risk assessments and on the needs and priorities expressed

by developing countries in their national development and adaptation strategies. **These strategies include NAPAs, national strategies on disaster risk reduction (DRR) and national action plans on desertification, land degradation and drought (DLDD).** The EU also supports many partner countries in setting up or improving their NAPs processes or equivalent strategic processes and documents. The EU's Adaptation Strategy adopted in February 2021 puts an emphasis on stepping up international action for climate resilience and preparedness through the provision of resources, stronger global engagement and exchanges on adaptation, as well as prioritizing action and scaling up international finance.

With regard to technology transfer, the EU and several Member States support the Climate Technology Centre & Network (CTCN), which promotes the accelerated transfer of environmentally sound technologies for low-emission and climate-resilient development at the request of developing countries. CTCN provides technology solutions, capacity building and advice on policy, legal and regulatory frameworks tailored to the needs of individual countries.

In order to be effective, the EU and its Member States integrate **capacity-building** measures into programmes, projects and initiatives with partner countries, encouraging systematic capacity needs assessments and the identification of capacity gaps in supported activities. This allows funding to be tailored to existing and emerging needs and interests expressed by developing countries.

In addition, the use of different financial instruments reflects the consideration of the needs of developing countries in allocating financial resources. For instance, different EU Member States allocate a higher share of grants to the most vulnerable groups of countries, such as LDCs and SIDSs, or to adaptation and resilience activities.

The European Union and its Member States also contribute through several **multilateral channels**, and allocate resources to MDBs and IFIs, which have internal mechanisms which allow finance to address the needs and priorities of beneficiaries. Most EU Member States contribute to the Green Climate Fund (GCF), which supports the efforts of developing countries to respond to the challenge of climate change while taking account of the needs of nations particularly vulnerable to climate change impacts.

iv. Information on how support to be provided to developing country Parties enhances their capacities

Capacities are needed in different areas and at different levels, and the needs depend on specific circumstances in the recipient country. Capacity building needs to be country driven and tailor-made; it must address the specific needs and conditions of developing countries and reflect their national priorities. There is no “one size fits all” solution. Recent

discussion in the framework of the global stocktake confirmed that capacity building (CB) is needed not only for public and private institutions, but also for people and communities.

The EU and its Member States are aware of a range of actions and areas where CB may be needed:

- Institutional capacity for all levels of government to enable national planning and implementation processes
- Capacity of civil society to participate in decision making on climate issues and in this way build ownership
- Capacity for academic institutions
- Capacity for implementing the reporting requirements under the UNFCCC and the Paris Agreement
- Capacity for women and girls to participate in community decision making on climate mitigation and adaptation actions
- Capacity for rural and indigenous peoples and communities to adapt to the impacts of climate change, using their local knowledge and new methodologies and technologies
- Capacity for teachers to include climate change issues into education in theory and practice
- Capacity for banks and financial actors to take into account the risks of climate change and to align their policies with mitigation and adaptation needs
- Capacity for the most vulnerable countries and communities to strengthen their adaptive capacities and increase the resilience of their agricultural production, coastal protection and infrastructure
- Capacity for accessing climate finance

Some of these capacity needs are currently addressed at project or activity level through bilateral, targeted support, e.g. through tailored capacity building activities for women and indigenous communities. Others, like capacity building for reporting, are covered by dedicated programmes, e.g. CBIT, to which several Member States voluntarily contribute.

On the basis of the needs identified by the recipient countries, **Portugal** has been supporting them in areas such as institutional capacity for all levels of government to enable national and regional implementation processes and capacity-building for the most vulnerable countries and communities to adapt to the impacts of climate change, using their local knowledge and new methodologies and technologies.

In this regard, the following three projects could be highlighted:

- **Carbon Sustainability Roadmap and Ecosystem Services in São Tomé e Príncipe** with the objective of creating a roadmap to achieve carbon

sustainability both in São Tomé and Autonomous Region of Príncipe. The project focuses on developing a GHG emissions inventory for 3 sectors of the economy, alternative and forecast mitigation activities, as well as to account for the removal of carbon by the natural sinks on the islands. Thus, it will be possible to create a decision support tool, defining scenarios of socio-economic growth, and calculating the differentials associated with said sinks, making available to the global community services to offset their carbon emissions, through the provision of ecosystem services. The project involves the Government of São Tomé e Príncipe and the Government of Autonomous Region of Príncipe.

- **Community Action Plan for Adaptation in Mozambique.** The project aims to increase resilience to the impacts of climate change in Mozambican rural communities, through the implementation of adaptation measures, allowing greater community resilience and the way to a green economy through the stimulus of local activities. The project implementation involves the National Directorate of Environmental Promotion of Mozambique and the Local Environment Authorities.

Pilot Project of Circular Economy in the Urban Water Cycle of the Santa Cruz ETAR – Reuse of Water for Agricultural Purposes. The project aims to contribute to ensuring the availability and sustainable management of water in Cape Verde and identify best practices within the scope of the circular economy in the water sector. The project implementation is lead by the *Agência Nacional de Água e Saneamento in Cabo Verde (ANAS)*.

Poland aligns its development assistance with the principles of counteracting climate change and of creating equal opportunities for men and women. In 2020-2021 Poland supported actions towards woman and youth empowerment, and capacity building. Among which are for example Glow Centre for Empowerment – development of professional potential and empowerment of women and youth in Tayouneh in Beirut, support for women entrepreneurship in the region of delta Sine and Saloum rivers in context of easing results of COVID-19 pandemic or capacity-building and addressing inequalities in development of fire brigade and disaster management systems in Kenya.

EIB Global is rolling out a number of important technical assistance programmes aimed at identifying and preparing investment projects supporting notably digitalization, circular economy or access to finance for women in a number of Sub-Saharan countries. Assisting banks and financial institutions in developing their capacity to identify and assess investment projects is also core to EIB Global's activities, as well as offering training to small entrepreneurs on how to prepare bankable small-scale projects.

The EIB has also been leading a consortium of European development finance

institutions in their preparation of a proposed investment programme for the Global Green Bond Initiative (GGBI, which is to benefit from an European Fund for Sustainable Development Plus (EFSD+) guarantee)). The GGBI will leverage on the Sustainable Finance Advisory Hub to provide a number of green capital market advisory services to (potential) green bond issuers in developing and emerging markets. These services are foreseen to provide advice on the topics of green bond frameworks, green bond project origination and the EU taxonomy, as well as to cover the additional issuance costs of green bonds as compared to vanilla bonds.

v. Information on national circumstances and limitations relevant to the provision of ex ante information

The Member States of the European Union, employ national budgets approved on an annual or bi-annual basis, which do not allow for longer timeframe allocations. Therefore, providing ex ante information on quantitative allocations beyond the timeframes of national budgets is quite challenging, with the exception of contributions to the MDBs or the GCF. Even these longer-term commitments are often still subject to annual parliamentary approval. Contributions to climate finance are also subject to political priorities of elected governments.

Some EU Member States have established dedicated funds, programmes or windows for the provision of means of implementation funded from state budgets or specific sources, e.g. revenues from the auctioning of EU emissions trading credits. Those channels can provide some longer-term predictability, though they are still subject to uncertainties, like the availability of funding or the price of credits. State-owned and private institutions that contribute substantially to the provision of means of implementation, like national development banks, also have their established planning processes and are subject to external circumstances and funding stability.

Compared to the Member States, the European Union has a Multiannual Financial Framework that sets the limits for EU annual expenditure for a period of at least five years. This ensures budgetary discipline and a smooth adoption of the annual EU budgets in line with the EU's political priorities. The Multiannual Financial Framework 2021-2027 has an ambitious climate target of 30 %, which applies to total expenditure and is reflected in appropriate targets in sectoral legislation. The 30 % target underlines the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals. As a general principle, all EU expenditure should be consistent with Paris Agreement objectives, should "do no harm" to the principles of the European Green Deal and shall comply with the objective of EU climate neutrality by 2050 and contribute to achieving the Union's 2030 climate targets.

Section 2. Actions taken by the EU Member States

1. Austria

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Austria uses annual budget cycles. Regarding international climate finance, this means that there is a limit set for commitments that are in most cases implemented over several years.

Detail: Budgetary planning in Austria includes an annual budget and a medium-term expenditure framework (MTEF). The draft of the MTEF is presented to Parliament in autumn together with the annual budget bill. The draft of the MTEF has to be accompanied by a budget strategy report that explains the budget priorities of the government. The annual budget bill, which must respect the boundaries of the MTEF, contains the details for each chapter. The MTEF with its legally binding multi-year approach helps the Ministry of Finance and the line ministries to improve budget planning.

Climate Finance is not identified as such in the Austrian budget, it is contained in different line budgets. From 2021 to 2023, the budget line for climate action will be increased compared to 2020; part of this increase will be dedicated to international climate finance. For more information, see 2) below.

The Austrian Government Programme 2020-2024 foresees the significant increase of the contribution to the Green Climate Fund which was already implemented by an additional commitment of 100 mn € over the period 2020 to 2023, bringing up the total Austrian contribution for this period to 130 mn €.

In the recent replenishment negotiations of the Global Environment Facility (GEF), which concluded in April 2022, Austria pledged 58,76 mn € for the 8th replenishment period of the GEF, which runs from July 2022 to June 2026.

According to the strategy of the Development Bank of Austria (OeEB) - Financing our shared Future – OeEB has set the aim to invest at least an average of 40% of its new business in climate-related projects in the years 2019-2023. The focus of the engagements will be on reducing emissions, for example through renewable energy projects. In this way, the business focus area “combating climate change and its consequences”, which is entrenched in the current Three-Year Program 2019-2021 as well as in the strategic guidelines “Environment and Development”, will be implemented.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Austria provides and mobilizes climate finance through a range of actors, channels and instruments, including contributions to the operating entities of the financial mechanism, the Austrian Development Agency, direct bilateral cooperation and multilateral

organizations and financing institutions.

Detail: The Ministry of Finance supports climate-related activities of International Financial Institutions (IFIs) in line with the Ministry's Strategic Guidelines for IFIs. In addition to promoting an increased focus on climate action in the core activities of IFIs, the Ministry of Finance supports various programmatic activities with a climate focus, such as the World Bank's Climate Support Facility or the EBRD's High-Impact Partnership on Climate Action.

The Ministry of Climate Action provides funding for bilateral projects of 5 mn € annually since 2020. This budget line is foreseen up to 2025, and the ministry endeavours to increase the annual amount.

The Austrian Development Agency (ADA) as the operational unit of the Austrian Development Cooperation (ADC) is in charge of implementing bilateral programmes and projects in line with the country and sectoral priorities set by the Austrian Ministry for European and International Affairs (MFA). In 2020 ADA contributed around 16 Mio € in grants to the Austrian international climate finance. Further through its Environmental, Gender and Social Impact Management System, ADA ensures that climate environmental and climate risks are systematically integrated in all programmes and projects and the Paris alignment of all supported activities is being sought.

OeEB pursues climate action as a cross-sector issue. In this context all instruments can be applied to achieve the horizontal objective of climate protection. Together with a private bank, OeEB currently plans to set up a climate fund, which shall aim to focus on climate protection projects, whilst improving the living conditions of people in developing and transition countries.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Austrian climate finance puts a strong emphasis on most vulnerable groups and countries as well as on gender responsiveness and equality. This is shown in the focus on Least Developed Countries and SIDS and in the strategies underlying the provision of climate finance. Around 32 % of bilateral support are gender relevant.

Detail: The Austrian Strategy for International Climate Finance sets out criteria for selection of bilateral projects. Among these criteria are

- ensuring consistency with present and future international guidelines, particularly with regard to the UN Framework Conventions on Climate Change, as well as the Paris Agreement;
- contribution of the projects to the transformation into a climate resilient economy low in greenhouse gas emissions, with consideration of consistency with long-term Low Emission-Development Strategies and national contributions to the reduction of

greenhouse gases (Nationally Determined Contributions (NDC)) as set out in the Paris Agreement in partner countries;

- relation to national priorities of host countries, as well as the availability of appropriate implementing organisations, implementation plans prepared in a qualified manner and skilled staff, as well as existing infrastructure in host countries in order to enable a targeted use of available means of climate finance;
- maximising co-benefits, such as positive effects on the environment and biodiversity which are not directly climate-relevant, positive socio-economic effects (such as local appreciation, health care, income security), improvement of working conditions and protection of employees, as well as gender equality and the preservation of interests articulated by indigenous populations.

The MFA, which is in charge of development policy, defines climate action as one of its thematic priorities in its Three-Year Programme on Austrian Development Policy, which also outlines the geographic focus areas of the ADC. A focus lies on Least Developed Countries, such as Bhutan, Burkina Faso, Ethiopia, Uganda and Mozambique, on the Western Balkan and Eastern Partnership region as well as on fragile states. Climate Action has been defined as a priority sector in all recent country and regional strategies of ADC (e.g Eastern Partnership countries, Moldova and upcoming Western Balkan strategy). Austria puts a very strong emphasis on gender and leave no one behind. The upcoming new ADC gender policy will have a specific focus on the intersection between gender and climate.

The Strategic Guidelines of the Ministry of Finance for IFIs name sustainable energy and climate as one of four focal areas in the programmatic cooperation. Gender equality is promoted as cross-cutting priority.

The Development Bank of Austria (OeEB) provides long-term financing for private sector entities, equity and funding for technical assistance in all OECD DAC member countries. The following sectors are of specific interest: renewable energy, support of micro-, small and medium enterprises (MSME)/financial inclusion and infrastructure. Climate and Gender equality are cross-cutting themes which are analyzed in every project. A gender analysis is carried out for all projects in all sectors and regions. Economic and developmental sustainability are prerequisites for all projects. OeEB has also signed the European Development Finance Institution (EDFI) "Principles for Responsible Financing", through which EDFI members have mutually agreed on the following Harmonized EDFI Exclusion List for co-financed projects, specifying areas which are not financed, see <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewj8956pkND5AhUyhf0HHVTtDqwQFnoECAgQAQ&url=https%3A%2F%2Fwww.oe-e-b.at%2Fdam%2Fjcr%3A322a53f4-2c8a-4d2e-90bb-244ff14b60a3%2FEDFI-Harmonized-Exclusion-List.pdf&usg=AOvVaw2QC11d5CRR2U5KrdLI-soQ>

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Austria is aiming for balance between mitigation and adaptation finance. The recent figures show that 22 % of Austrian bilateral climate finance goes exclusively to adaptation, 36 % to mitigation and 42 % to cross cutting finance, treating adaptation and mitigation in an integrated manner. Capacity building is a component of most bilateral projects.

Detail: The Austrian Strategy for international climate finance is currently under review and will be updated in the next months. Provisions to increase the share of adaptation finance will be included in the updated strategy.

The bilateral funding by the Ministry for Climate Action is nearly 100 % targeted on adaptation and cross cutting projects. Most of the projects are defined as cross cutting because they include a component of reforestation, while the main focus is on adaptation. Expected future increases in resources will be focused on adaptation.

In the portfolio of OeEB, mitigation projects are predominant over adaptation projects. Cross-cutting activities are increasingly traced proactively. Technology transfer is an integrate part of the projects, when and where applicable. Capacity building is mainly integrated into the technical assistance projects.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Factors that Austrian climate finance providers look for include consistence of the proposal with the relevant planning documents of the developing country, including NDCs and NAPs, inclusiveness, impact, gender responsiveness, governance and human rights.

Detail: The general criteria for project selection are described under 3) above and can be found in the Austrian Strategy for international climate finance and strategy documents of individual providers.

Consistence with the relevant national planning documents, including NDCs, NAPs, long term strategies as well as national legislation in the field of climate are important factors. Other factors include

- a participatory approach towards local communities, creating ownership,
- the promotion of gender equality by enhancing the role of women and girls in projects,
- the inclusion of local knowledge while transferring technology and know how,
- the co-benefits of the project eg on food security and health,
- scalability and replicability,
- reliable governance of the implementing institution,

- monitoring and reporting provisions.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: Austria defines “new and additional” resources as a gradual scaling up of support over the years since the Convention and its Kyoto Protocol entered into force, with new programmes, projects and focus areas supplementing and/or extending existing initiatives over time, with the overall volume of support provided increasing in the longer term.

Detail: Austrian climate finance has increased from 40 mn € in 2010 to 95 mn € in 2013 to 346 mn € in 2019 and 260 mn € in 2020. This represents an increase of 550% from 2010 to 2020. In 2020, 63% of the total number was bilateral and multilateral grants.

With close cooperation and funding from the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology, OeEB together with a private bank currently plans to set up a new and additional Climate Fund, which shall aim to focus on climate action projects, whilst improving the living conditions of people in developing and emerging countries.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: The annual budget planning as described in 1) above sets limitations to the provision of ex ante information.

Detail: The medium-term expenditure framework (MTEF) which contains legally binding expenditure ceilings four years in advance on a rolling basis can be an instrument for ex ante planning. However, there is no dedicated budget line for international climate finance, so it has to be included in several budget lines of the relevant ministries.

Longer term programmes and projects that constitute financial commitments for subsequent years, like contractually determined contributions to funds, can provide certainty and predictability in these areas.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: As there is currently no government commitment to an overall specific figure for future climate finance, Austria bases its assumptions on the figures of previous years and available information on trends for individual providers.

Detail: In reporting, Rio markers are used for reporting and evaluation. However, there is no methodology in place to project levels of climate finance. Given the fact that this methodology is primarily designed for activities in the public sector, adaptive



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interpretations for private sector initiatives need to be made if necessary. Furthermore, the Common Principles for Climate Change adaptation and mitigation by the MDBs and IDFC serve as additional source of verification.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: There are challenges and barriers in the climate finance delivery chain both on the 'supply side' and the 'demand side'. The (un)predictability of funding is certainly a relevant barrier for both sides.

Detail: Among the practical challenges and barriers faced by both sides are long-distance communication, language barriers, local specificities, development status, the lack of enabling environments and stable conditions etc.

The more clarity about the needs and priorities and specific actions to meet them the better resources can be planned. The existence of detailed NDCs, NAPs, national investment plans and other planning documents specifying measures, data and costs can overcome several of the challenges that both sides face. In some cases, support for building capacity for developing such planning instruments will be required.

In general, stable institutional capacity is needed on the side of the receiving country, in the administration on all levels as well as the private and financial sector, to make the case for their priorities and to enable the deployment of investments. However, also on the side of the providers there are challenges, including creating awareness within institutions and managing funds effectively.

From an investor perspective, challenges include debt vulnerabilities, foreign exchange risk, technical capacities among implementing partners and gaps in regulatory frameworks. For OeEB, applying EU regulation in developing and transition countries creates challenges regarding information requirements, e.g. applying the concept of minimum safeguards. EDFs are constantly working on closer relationships with their clients in developing and transition countries and also with the respective representatives in order to improve quality and flow of information, bankability of projects and standards.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: Austrian providers of climate finance from the public sector orient their support on priorities communicated by our partner countries. In the context of climate resilient development, we focus on projects that treat mitigation and adaptation in an

integrated manner. There is a prioritization for LDCs and SIDS in place for ADA and the Ministry of Climate Action.

Detail: While currently there is no overall policy in place to implement the balance between adaptation and mitigation finance, it is foreseen to include such a policy into the update of the Austrian Strategy on international climate finance.

By 2023, OeEB aims to conclude an average of 25 % of new business in the least developed countries (LDCs) over the 5 year period of its current strategy cycle. TA will be used for enlarging the possibilities to also provide climate finance for adaptation purposes. OeEB thus works closely with its clients in order to identify possible projects.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: In line with the commitment of developed countries as a group of mobilizing jointly USD 100 billion dollars a year by 2020 and through to 2025 from a wide variety of sources, Austria is committed to mobilise private climate finance and to extend tracking to cover mobilised private climate finance over time. The most important Austrian actor in mobilizing additional climate finance is the Development Bank of Austria OeEB, as it works together with private sector entities.

Detail: OeEBs projects often involve co-financing partners who are likewise privately owned actors. Thanks to active participation in investment forums mobilization can be enhanced. OeEB also cooperates with multiple international financing partners who develop innovative financing solutions. OeEB's financing products are tailor-made solution.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: All bilateral programmes, projects and initiatives that Austria supports are developed and implemented in close cooperation with our partners. By ensuring compatibility or programmes and projects with national planning, including NDCs and NAPs, needs and priorities of partners are addressed. The clearer the needs and priorities of developing country Parties are specified the better they can be addressed.

Detail: Detail: Austria cooperates with partner countries based on the internationally agreed principles of the "Busan Partnership for Effective Development Cooperation". These principles include:

- Ownership of development priorities by developing countries
- A focus on results
- Partnerships for development

- Transparency and shared responsibility

Austria implements the “Busan Partnership” through country and regional strategies that are jointly developed with our partner countries. These strategies reflect current and emerging interests, needs and priorities of our partners, including in the areas of climate change mitigation and adaptation.

The Austrian Development Agency, through its local Coordination offices, engages in policy dialogue with the partner countries and in line with the Busan Principles on development effectiveness ensures that all of its interventions, in all sectors, are tailored to country-specific situations and needs and aligned with the country`s priorities as laid out in their respective strategies plans and goals including their NDCs.

For OeEB, the possibility to proactively address country`s needs is very limited due to its demand driven situation. Efforts to make finance flows consistent with low GHG emissions and climate resilient development can be supported through technical assistance projects. In addition, as part of the screening and verification of climate financing activities, OeEB conducts cross check of NDC for each investment inquiry.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Austria is mainstreaming the goals and objectives of the Paris Agreement into its policies, including the development policy. Austria is a member of the Coalition of Finance Ministers, a special initiative co-chaired by Finland and Indonesia.

Detail: The Ministry of Finance supports the work of the MDB Joint Working Group on Paris Alignment and advocates for early implementation of the Paris Alignment methodology in the various Boards.

The objectives of the Coalition of Finance Ministers for climate action are set out in “Helsinki Principles” which highlight the engagement of Finance Ministers to act on climate change. The focus is on carbon pricing, macroeconomic and fiscal policies, public financial management as well as climate finance to achieve low-greenhouse gas emissions and climate-resilient growth.

OeEB in cooperation with other EDFIs will develop practical guidance and initiatives for increasing financing for adaptation and resilience to climate change, particularly to reduce vulnerabilities of communities and natural ecosystems to climate impacts. OeEB/EDFIs will also develop practical guidance and initiatives for aligning climate and energy financing with the need for a just transition of the workforce to a low-greenhouse gas economy. EDFIs will develop joint strategies and mandates, such as ElectriFI, to increase the share of climate and energy financing that goes to providing reliable, affordable, and low-greenhouse gas energy access for all.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: The 2003 Development Cooperation Act defines preserving the environment as one of the three overarching goals of ADC. The current Three Year Programme on Austrian Development Policy defines environment and climate next to gender as cross cutting issues and in addition defines climate as one of its five priority areas for cooperation. Climate action is a cross cutting goal in the strategy of OeEB. All projects are screened and checked according to the Rio Marker Methodology.

Detail: While no climate specific target is set for development cooperation, the MFA has a target of 55% as of 2020 of all programmable ODA to be environmental relevant (programmes and /projects where an OECD DAC Environment Marker has been assigned). To achieve this, ADC uses a mainstreaming approach where climate change it is mainstreamed and integrated into other sectors and carried through from central to local level, aiming at supporting an enabling regulatory and policy framework that improves the capacities for climate responsive planning at all levels and provides incentives to the private sector to invest in net zero and climate resilient technologies. This is complemented by targeted action on climate change mitigation, adaptation and resilience, especially in those partner countries and regions where climate change has been identified as a priority sector. As an OECD DAC Member, Austria is supportive of the “DAC Declaration a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change” that was adopted prior to COP 26 and is committed to implement its commitments.

The strategy of OeEB refers to the fact that pursuant to Article 2.1.c of the Paris Climate Agreement, all future national and international financing flows must be consistent with the objective of limiting global warming to a maximum of 2/1.5°C and thus contribute to development with low emissions of greenhouse gases. OeEB is committed to this mainstreaming of climate protection and will also endeavor to support technologies which emit as little CO₂ as possible as part of projects which do not explicitly target climate protection. Being aware of the possible trade-offs between the goal of contributing to economic growth and thus the creation of jobs in developing countries on the one hand and taking measures to combat climate change (SDG 13) on the other, OeEB will specifically target financing projects in the field of renewable energies, so that the increased energy demand in developing countries, which will undoubtedly follow from population and economic growth, is covered in the most climate-friendly way possible. Projects with components in the context of resilience are receiving increasing attentions, foremost those with aspects of biodiversity.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Capacity Development is an integral part of most programmes and projects

Austria supports.

Detail: In order to be effective, these are grounded on systematic capacity needs assessments (strengths and weaknesses of stakeholders) and the identification of capacity gaps including their often-hidden causes in all support activities. This allows for tailoring funding to cater existing and emerging needs and interests expressed by Non-Annex I countries. Country ownership and support for capacity building at various levels including national, regional and local level are further key elements of Austrian support. In many cases Austria relies on national and/or local governments and organizations as implementing partners which also contributes to enhanced capacities and avoids investing in parallel systems. Furthermore, Austria supports the strengthening of scientific and technical capacities in developing countries to provide guidance and assistance to local authorities for policymaking and strategic planning and to develop innovative community-based climate solutions, based on local scientific information. Special attention is given to capacity building for women to enable them to actively participate in climate action and decision making.

p. Possible additional information

Summary: Austria is working on implementing the alignment of finance flows with the goals of the Paris Agreement through various measures, including carbon pricing and green budgeting. Through these initiatives the Austrian government aims at aligning investments by Austrian actors domestically and internationally with a pathway towards low greenhouse gas emissions and climate-resilient development.

Detail: In October 2022, in Austria the national emissions trading NEHG 2022 will start covering energy greenhouse gas emissions caused in the so-called non-ETS sectors (buildings, transport, agriculture, waste management and small industrial plants). This mainly affects the following fossil fuels: petrol, gas oil (diesel), heating oil, natural gas, liquefied petroleum gas, coal and kerosene. Trading participants are required to purchase emission certificates as a prerequisite for placing energy sources on the market.

The Austrian Ministry of Finance is implementing green budgeting instruments in the federal budget, based on the principle that development of the country that is resilient to the consequences of anthropogenic climate change, low-GHG emitting and environmentally friendly involves a development that meets the needs of the present generation without endangering the resources of future generations. In this context, the matter of an efficient and effective climate change mitigation and environment preservation system is inseparably linked with the aim of sustainably managed budgets. Building on the framework of the OECD, a complementary framework of the EC outlines an approach to the national implementation of green budgeting based on five key elements:

- i) The scope in terms of the coverage of environmental objectives, budgetary items and public sector entities,



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- ii) The methodology used for assessing consistency of budgetary policies with environmental goals,
- iii) The results,
- iv) The governance in the sense of determining the responsibilities for each participant, and
- v) The transparency and accountability of the process.

The Green Finance Alliance, launched by the Ministry for Climate Action, supports financial companies on their pathways towards climate neutrality. Thereby, Austria is taking an important step towards the implementation of the climate mitigation objectives for firms from the financial sector as defined in the Paris Agreement. The Green Finance Alliance is among the first global government backed initiatives which calls on financial companies to voluntarily commit to the Paris climate targets and thereby also to specific criteria for their core business.

The activities of the Ministry for Climate Action in the area of green financial education expand existing education and training programs in the financial sector to include climate-related topics. The programs are tailored towards a variety of target groups – from experts to schools, universities and universities of applied sciences, as well as municipalities and private investors.

The Ministry of Finance and the Ministry for Climate Action are working on a Green Finance Agenda to provide a framework for aligning finance flows with the Paris Agreement objectives. Financial institutions, together with public authorities, representatives of the real economy and the scientific sector met regularly to develop the Austrian Green Finance Agenda. The Agenda aims to support the ambition to achieve the national 2030 climate and energy goals and aligning financial flows with the objectives of the Paris agreement in the long term. Chaired by the Ministry of Finance and the Ministry for Climate Action, public and private sector representatives discussed barriers, incentives and necessary frameworks to mobilize private capital for climate action and re-direct financial flows. The goal of this cooperation is to mainstream green finance instruments and implement initiatives that help the financial sector to contribute to the national climate and energy goals.

One result of the process are the recently presented Guidelines of the Management of climate related risk, published by the Financial Market Authority (FMA). Furthermore, national co-ordinated participation in the PACTA2020 initiative (Paris Agreement Capital Transition Assessment) is foreseen in order to assess the degree of alignment of national financial flows to the objectives of the Paris Agreement. The PACTA tool will contribute to the government initiative launched at NY Climate Week in September 2019. Moreover, education and training are arguably the most efficient tools to support empowerment and development of the Green Finance market. Therefore, the Austrian Ministry for Climate Action, the Austrian Ministry of Finance and Climate Bonds Initiative deliver a series of three training modules on green debt instruments and the growing trend for thematic labelling as part of the implementation of the Austrian Green Finance Agenda and in efforts to strengthen green financial literacy.

2. Belgium

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Belgium recognizes the importance of predictability and clarity of information on financial support. Belgium continues to undertake efforts to enhance its information on financial support projected, as well as on financial support provided and mobilized through public interventions.

Detail: Belgium recognizes the importance of predictability and clarity of information on financial support. Belgium continues to undertake efforts to enhance its information on financial support projected, as well as on financial support provided and mobilized through public interventions.

Our four UNFCCC biennial reports in accordance with Decision 9/CP.21, seven annual reports on financial and technology support provided to developing country Parties, conform to article 16 of regulation (EU) n°525/2013 (Monitoring Mechanism Regulation) and the first report on information on financial and technology support provided to developing countries, conform to article 6 of the Implementing Regulation (EU) 2020/1208, contain all (ex-post) information on financial support provided, covering resp. the years 2011-2018, 2013-2019 and 2020.

The first biennial communication, in accordance with Article 9.5 of the Paris Agreement and Decision 12/CMA.1, includes enhanced (ex-ante) indicative quantitative and qualitative information, as applicable, including, as available, on projected levels of public financial resources for the years 2020-2022. This second biennial communication contains information, as applicable, including, as available, on projected levels of public financial resources for the year 2021 onwards.

Belgium's public climate finance includes a high level of climate relevant development finance, mostly through grants, as well as earmarked (specific) climate finance and flows through a wide range of bilateral and multilateral interventions.

Belgium's efforts to enhance transparency of information resulted in qualitative databases per entity which also include relevant information on on-going projects:

- Federal State (Foreign Affairs): <https://openaid.be/en>
- Government of Flanders (Foreign Affairs): <http://www.fdfa.be/en/sustainable-development/climate-and-climate-finance>
- Government of Wallonia (AWAC): <http://www.awac.be/index.php/thematiques/politiques-actions/les-politiques-changement-clim/politique-wallonne/financement-climat-international>

- Brussels Capital Region (Environment): <https://environnement.brussels/thematiques/air-climat/climat/financement-climatique-international>

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Belgium pledged to provide EUR 50 million/year public climate finance for the period 2016-2020 and continues to provide this contribution until a new burden-sharing agreement on international climate finance is set. Belgium provided on average EUR 90,9 million/year in the period 2013-2020. From 2022 onwards, the indicative planned provisions show that this will increase to at least EUR 135 million/year, based on further commitments announced by the federal government.

Belgium is a longstanding contributor to multiple multilateral climate funds and already announced the doubling of the federal contribution to the Green Climate Fund to EUR 20 million/year during the first replenishment period (2020-2023). The federal government also committed to strengthen its contribution to the Least Developed Countries Fund to at least 15 million EUR per year.

Detail: In December 2015, Belgium's political entities signed a burden-sharing agreement to divide the efforts related to the European Climate and Energy Package, the auctioning revenues of emission rights and the contribution to international climate finance. Based on this agreement, Belgium pledged to provide EUR 50 million/year public climate finance for the period 2016-2020, divided as follows:

- Federal State: EUR 25 million
- Government of Flanders: EUR 14,5 million
- Government of Wallonia: EUR 8,25 million
- Brussels Capital Region: EUR 2,25 million

The official progress report on the burden-sharing agreement clearly indicates that Belgium exceeded its target of EUR 50 million/year in 2016-2020:

- Federal State: EUR 364 million (target: EUR 125 million)
- Government of Flanders: EUR 72,7 million (target: EUR 72,5 million)
- Government of Wallonia: EUR 46,6 million (target: EUR 41,25 million)
- Brussels Capital Region: EUR 11,3 million (target: 11,25 million)

In line with the National Energy and Climate Plan 2021-2030, a new burden-sharing agreement will be set for the next period, including a burden-sharing for Belgium's contribution to international climate finance (see section 3 for more details). In the



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meantime, each entity unilaterally continues to contribute to the contribution of EUR 50 million/year public climate finance. Based on pledges made by the federal government (at least 100 million/year) and assuming that the level of finance agreed upon in the burden-sharing agreement is kept or increased, Belgium's total climate finance contribution from 2022 onwards will comprise at least EUR 135 million.

Belgium is a longstanding contributor to multiple multilateral climate funds (Global Environment Facility, Green Climate Fund, Least Developed Countries Fund, Special Climate Change Fund, Adaptation Fund, African Climate Change Fund). At COP26 in Glasgow an additional pledge to the LDCF was made by the federal government, bringing the annual contribution to the LDCF to at least 15 million EUR. Belgium pledged to increase its contribution to the Global Environment Facility, providing 92,5 million EUR for the 8th replenishment.

Belgium also provides support through various UN and other multilateral organisations, such as EUR 1 million earmarked on climate specific goals to FAO's "Flexible Multi-Partner Mechanism and EUR 1 million to WFP Malawi in 2021, both contributed by the Government of Flanders. In 2022, the Government of Flanders channels its contribution to international climate finance through a project call under the name G-STIC Climate Action Programme. EUR 15,88 million can be distributed between project proposals that meet the necessary eligibility and selection criteria. For further information, see: <https://www.climate-action-programme.be/>.

A decision was taken at the Twenty-six Conference of Parties in Glasgow (COP26) to increase funding of Wallonia's contribution to international climate finance by EUR 4 million beyond Wallonia's classical financial contribution. This additional increase was necessary to cover the requirements under the Paris Agreement to fulfil the scaling up obligations of international climate financing. The supplementary budget will be allocated between an increased funding of the amount classically allocated to the Adaptation Fund, on the one hand, and to budget support for bilateral projects developed by ENABEL, the Belgian Development Agency, on the other. These projects are the fuelwood part of the Sahel Portfolio (in particular in Burkina Faso and Senegal) and, within the context of the support to improve the integrated management of transboundary water resources in the Great Lakes region (an equipment acquisition and technical co-operation project of analysis laboratories of four countries bordering the Tanganyika Lake allowing the installation of photovoltaic solar panels (in particular electricity storage). It was also agreed to dedicate EUR 1 million in Loss and Damage funding. Furthermore, a strategy for strengthened partnership between the Walloon Agency for Air and Climate (AWAC), Wallonie-Bruxelles International (WBI)/APEFE and other Walloon departments is foreseen.

Since 2021, the Brussels-Capital Region has increased its contribution to international climate finance to €2.75 million, i.e. an increase of 22% compared to the Brussels contribution of the previous legislature, set at €2.25 million per year. This commitment

was extended to the period 2021 to 2030 in the preliminary draft of the new Air, Climate, Energy Plan (PACE) adopted at first reading on May 25, 2022. The Brussels-Capital Region should engage in a new multi-annual partnership with the Belgian development agency Enabel in 2022. This multi-annual partnership will target international climate financing projects in the beneficiary countries of the previous Agreement between Enabel and the Region of Brussels-Capital (Rwanda, Mozambique, Palestine).

The federal government intends to upscale its finance to EUR 112 million/year from 2022 onwards (subject to approval of budget in parliament). The priorities remain support for adaptation, in LDCs and in Africa. Contributions will include support to GCF, LDCF, UNEP, NDC Partnership, UNDP Climate Promise, CGIAR, Central African Forest Initiative, the Climate Portfolio in the Sahel developed by Enabel and others.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Analysing Belgium's contributions to international climate finance in the period 2013-2020 clearly reveals the following trends, which are the foundation for future contributions:

- Geographic focus on Africa and Least Developed Countries, as these include our partner countries in development policy and include the most vulnerable countries to climate change effects;
- Thematic focus is clearly adaptation and also cross-cutting activities;
- Sectorial focus is more diverse and covers more than 35 different sectors. The sectors that received most support are Agriculture, Water and Sanitation, Environment and Energy.
- High-level of grant-based bilateral and multilateral support;

Detail: Analysing Belgium's contributions to international climate finance in the period 2013-2020 clearly reveals the following trends, which are the foundation for future contributions:

- Geographic focus on Africa and Least Developed Countries, as these include our partner countries in development policy and include the most vulnerable countries to climate change effects;
- Thematic focus is clearly adaptation and also cross-cutting activities;
- Sectorial focus is more diverse and covers more than 35 different sectors. The sectors that received most support are Agriculture, Water and Sanitation, Environment and Energy. Particular attention is also given to reforestation projects;
- High-level of grant-based bilateral and multilateral support;

In addition to that, Belgium strives to:

- Further strengthen the mainstreaming of climate mitigation and adaptation issues within all programs and activities of the Belgian development cooperation.
- Support relevant climate-related partnerships that support developing countries implementing their climate strategies and nationally determined contributions.
- Strengthen international support for climate adaptation finance (i.a. through the Champions Group on Adaptation Finance)
- Active involvement 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.
- Search for win-win situations, which leads to a focus on capacity-building of partners (public or private sector) or technology development or transfer, as well as embedding support in the broader sustainable development agenda.

The National Energy and Climate Plan (NECP) 2021-2030, as well as the respective contributions of the 4 Belgian entities provide a first glimpse of future policies in relation to international climate finance:

- The Federal Government envisages the continuation and scaling-up of budget lines for climate action and strengthening of climate policies in our partner countries. Our priority remains support for adaptation, in LDCs and in Africa. Within this broader scope we particularly aim to strengthen the co-benefits with biodiversity and sustainable forest management, to support resilient and climate smart agriculture and to promote sustainable urban development.
- The Government of Flanders also continues to contribute to international climate finance and launched a project call under the name G-STIC Climate Action Programme to support projects in line with the provisions of the Paris Agreement and the Coalition Agreement 2019-2024. Flanders will develop a Flemish international climate finance strategy once an agreement on the internal burden sharing 2021-2030 is reached. International climate finance is identified as one of the objectives for the use of resources in the Flemish Climate Fund, which includes the revenues of auctioning emission credits, but resources are also provided through other sources, mainly from the Departments of Foreign Affairs and Environment & Spatial Development.
- The Government of Wallonia will also further develop its sustainable investments for the climate & energy transition and identifies its Kyoto Fonds as a source for its future contribution to international climate finance.

The Government of the Brussels Capital Region reiterating its full commitment to the SDGs and the Paris Agreement, emphasizes the importance of reducing its indirect emissions and better quantifying them in order to make its decisions more global and foster its solidarity with other regions of the world.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: /

Detail: The support provided by Belgium in 2013-2020 gives the following information on purposes and types of support:

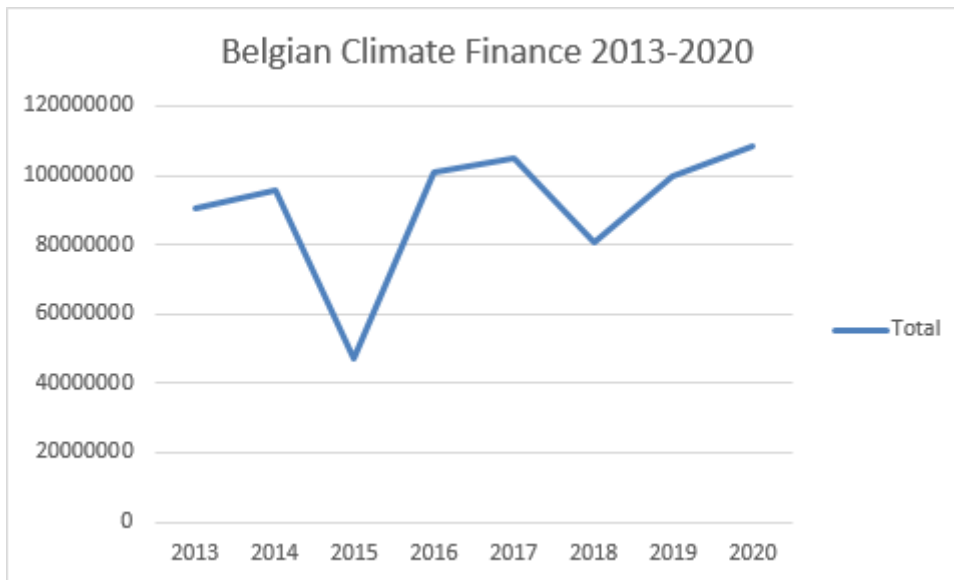


Figure 1: Quantity of Belgian climate finance in 2013-2020

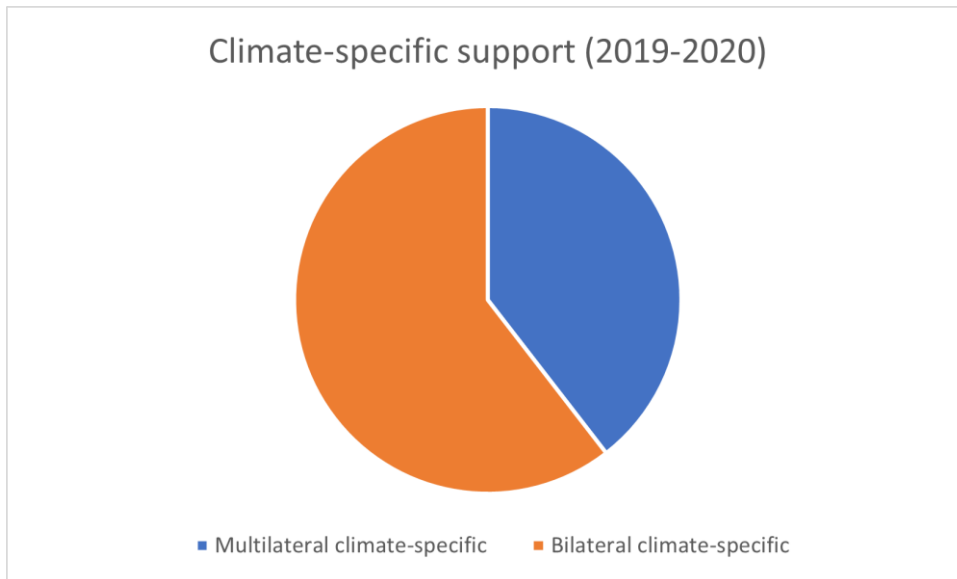


Figure 2: Climate-specific support per channel

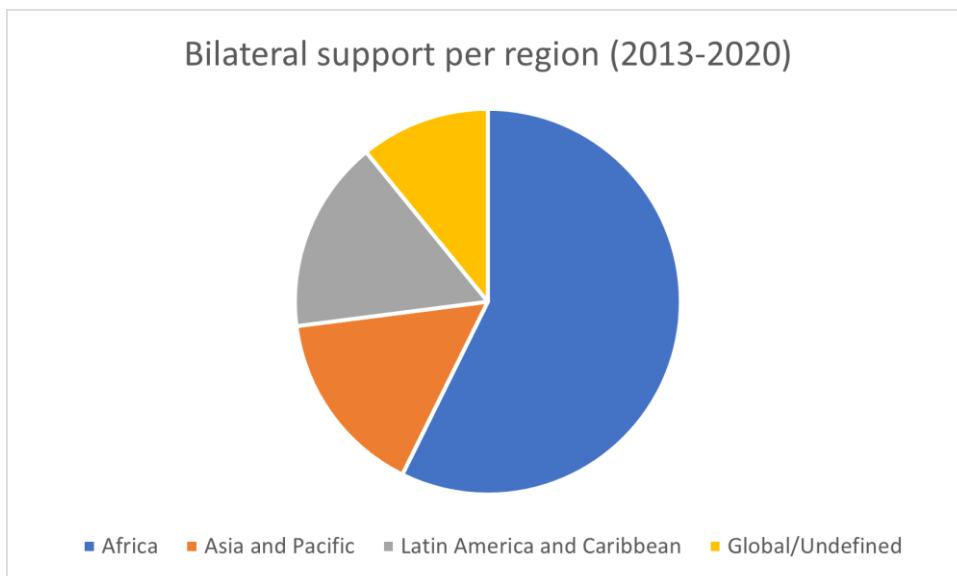


Figure 3: Climate-specific bilateral support per region

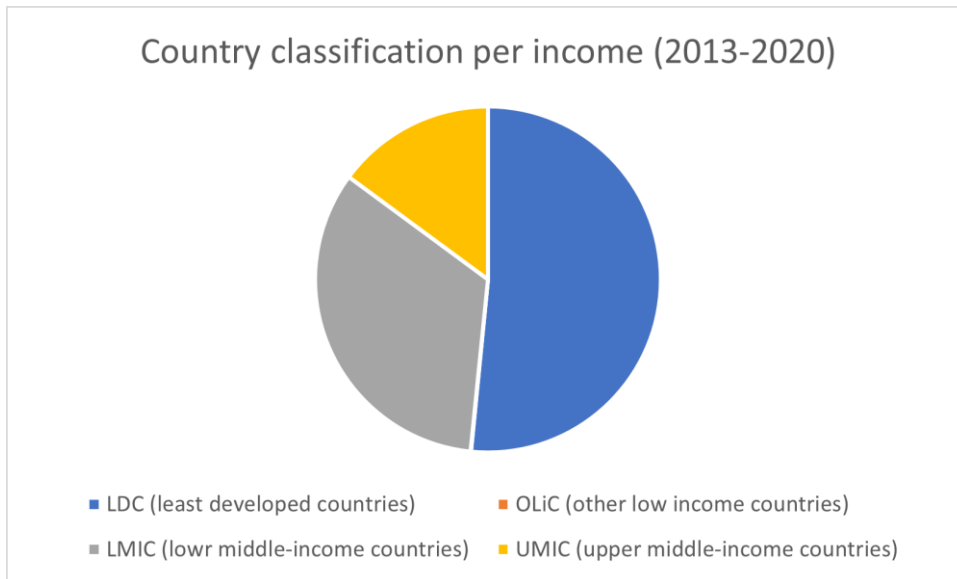


Figure 4: Climate-specific bilateral support per income

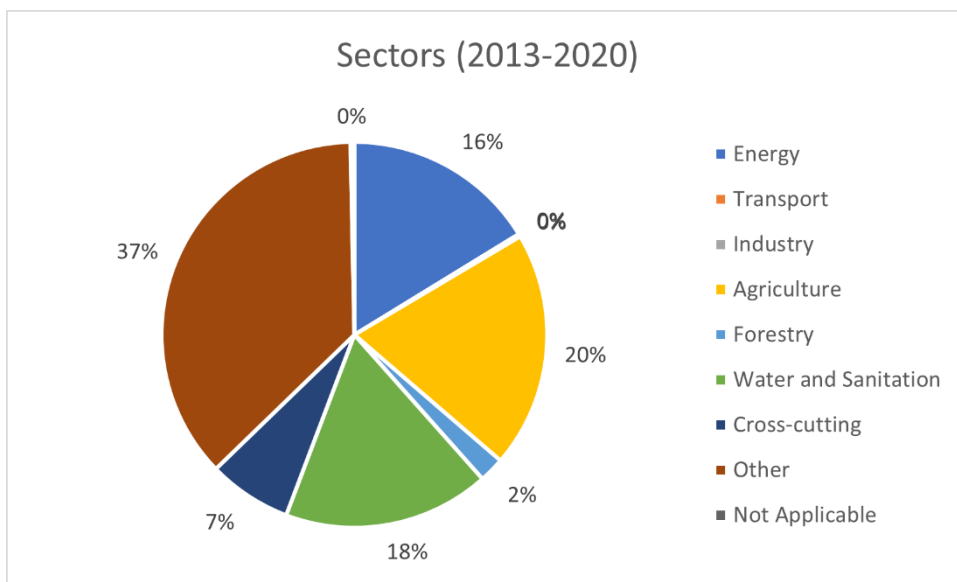


Figure 5: Climate-specific bilateral support per sector

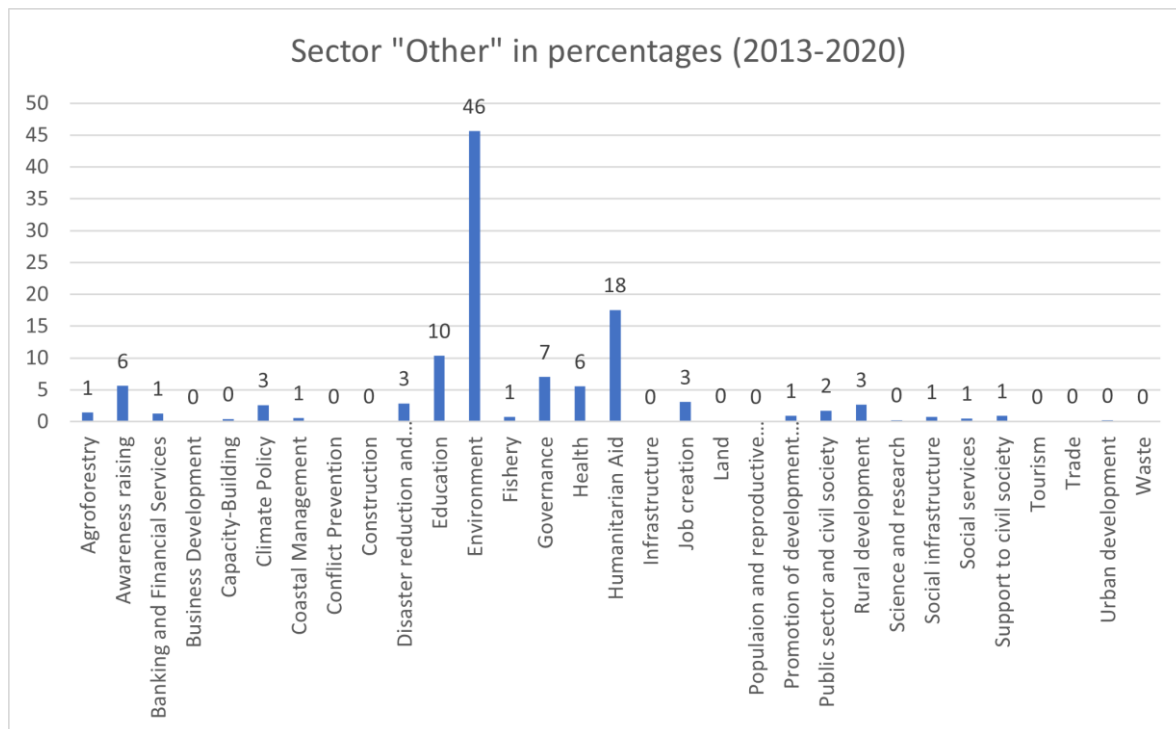


Figure 6: Climate-specific bilateral support in sector "Other". % within the sector identified as "Other"

This analysis is based on the Belgian reports on financial and technology support provided to developing countries, in accordance with EU Monitoring Mechanism and Regulation – Article 16 (2013-2019) and in accordance with the EU Implementing Regulation – Article 6 (2020), which are publicly available. The graphics only envisage the visualization of trends of support provided in the years 2013-2020.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Different approaches are used for multilateral and bilateral channels.

Detail: There is a multitude of organisations, institutions and funds that support climate change mitigation and adaptation initiatives.

A financing strategy on international climate finance includes a selection on the basis of several criteria and encompasses a portfolio approach. This selection and/or approach is likely to evolve in the future.

The Federal Government, through the special evaluator of the ministry of Foreign Affairs, Foreign trade and Development Cooperation, has conducted a qualitative evaluation of

federal climate finance during 2013-2020. This has led to a set of recommendations that will inform future decisions about the federal contribution.

The following criteria were retained by the Government of Wallonia for support through multilateral channels:

- the performance and reputation of the funds as well as the institutions that govern / support them;
- the financing needs of the funds as well as the rhythm of refinancing of funds;
- the beneficiary countries: with a particular focus towards the most vulnerable communities and countries;
- the type of activities funded: hands-on projects with actions in the field versus capacity building, etc.

Support through bilateral channels allows for more specific criteria and objectives to evaluate project proposals thanks to the more direct involvement compared to multilateral support. AWAC (Agency for Air and Climate of Wallonia) of the Government of Wallonia set the following specific objectives regarding sectors:

- the adaptation of family farming to environmental constraints, accentuated by climate change (including livestock issues, combating soil erosion and desertification, and agricultural water management),
- the fight against deforestation, the management of forestry areas (including mangroves and curbing deforestation through the optimization or the reduction of the use of fuel wood for heating),
- the optimal management of the water resources, which includes harvesting water, sanitation (potable water treatment, sewage or waste water treatment by systems), water supply, etc.

The Government of Flanders – Department Environment and Spatial Development (2021) set full climate-specificity and involvement of at least one Flemish enterprise in the preparation, execution and/or evaluation of the project as selection criteria under the G-STIC Climate Action Programme, while feasibility criteria (such as a clear project strategy, incl. milestones and indicators; the identification and capacities of project partners; realistic risk assessment and detailed budget plan) are also important in the selection process. Project proposals that fulfilled one or more of the following elements received more credit:

- Focus on partner countries, least developed countries or small island developing states;
- Focus on women, youth or local communities;

Projects clearly in line with the climate strategies or plans of the developing country.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: Belgium would describe its financial support as new and additional, since it comprises:

- Provisions in line with Article 4, paragraph 3, of the Convention
- Contributions which would not have existed without the financial commitments, stemming from the Copenhagen Accord;
- Budget lines on top of the annual budget for bilateral development cooperation;
- Only the climate-specific or climate-relevant part of projects and programmes;
- Only climate-related projects in developing countries additional to the previous reporting period;
- Contributions from the revenues obtained from auctioning greenhouse gas emission allowances.

Detail: Belgium would describe its financial support, since these new developments, as new and additional, since it comprises:

- Provisions in line with Article 4, paragraph 3, of the Convention
- Contributions which would not have existed without the financial commitments, stemming from the Copenhagen Accord;
- Budget lines on top of the annual budget for bilateral development cooperation;
- Only the climate-specific or climate-relevant part of projects and programmes;
- Only climate-related projects in developing countries additional to the previous reporting period;
- Contributions from the revenues obtained from auctioning greenhouse gas emission allowances.

Climate and development assistance are strongly interdependent, as climate should be mainstreamed in development finance as an overriding priority. From this perspective, Belgium is not convinced of the added value of a clear separation of climate finance from development finance. Any climate-related support that meets agreed ODA definition is reported as such in a transparent way.

Belgium provides annual contributions to the Global Environment Facility. The GEF, as operating entity of the UNFCCC Financial Mechanism, provides resources for drafting biennial update reports and national communications, and has established the Capacity Building Initiative on Transparency (CBIT). Belgium's contribution to the GEF is therefore in accordance with its commitment to provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention. These are the new and

additional financial resources that Belgium provide pursuant to Article 4, paragraph 3, of the Convention.

Both the financial architecture as well the commitments by Parties have changed significantly since the Convention, especially with milestones such as the Copenhagen Accord, the Cancun Agreements and the Paris Agreement. While developed country Parties are required to continue the provision of financial resources to assist developing country Parties with respect to both mitigation and adaptation in line with the existing obligations under the Convention, these Parties are also requested, as part of a global effort, to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties (Article 9, paragraphs 1 and 3, of the Paris Agreement).

As such, financial support to climate action in developing countries does not only flow through the operating entities of the Financial Mechanism. Over the years, there have also been significant changes regarding the involvement of Belgium in international climate finance. While the federal government, through its Directorate for Development Cooperation, remains the main donor, the Regional governments now also play an active role, especially since the Copenhagen Accord (2009). There are also more ministries, departments or entities involved, besides Development Cooperation. This development of greater involvement within Belgium, as well as the complexity of the climate finance architecture, makes it difficult to give a clear-cut description of “new and additional” financial resources as there is such a wide variety of sources. For these reasons, Belgium puts strong emphasis on transparency regarding its use of reporting methodologies.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Belgium is a federal state, and as a result of this institutional context, several federal and regional level government departments are involved in developing and implementing climate change policies. The political entities of Belgium use both annual budget cycles as well as multiannual agreements to provide financial resources to assist developing country Parties with respect to both mitigation and adaptation. For the coming years 2021-2030, Belgium will agree on an internal burden sharing on its contribution to international climate finance.

Detail: Belgium is a federal state, and as a result of this institutional context, several federal and regional level government departments are involved in developing and implementing climate change policies. As mentioned in section 2, an internal burden sharing has been agreed on Belgium’s contribution to international climate finance in 2016-2020. Each entity has its own right and responsibility to honor this commitment as

it sees best fit, which results in a wide variety of sources and initiatives, mainly from development cooperation and environment perspectives.

As mentioned in section 1, the political entities of Belgium use both annual budget cycles as well as multiannual agreements to provide financial resources to assist developing country Parties with respect to both mitigation and adaptation. Due to the nature of public budget cycles, it is not possible to give exact mid- or long-term predictions of overall public climate finance. State budgets do not provide for longer timeframes. Even multiannual agreements or commitments are still subject to annual parliamentary approval.

For the coming years 2021-2030, Belgium will agree on an internal burden sharing on its contribution to international climate finance between the different political entities. At the moment, these are upcoming and the exact outcome of these discussions cannot be predicted or prejudged. In the meantime, the commitments made for the period 2016-2020 (EUR 50 million/year) are continued by each entity until a new burden sharing agreement is reached.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: The indicative quantitative information only reflects shares or data already committed, and therefore a strong level of certainty that these funds will be disbursed.

Under the term '*commitment*', we understand the following, as defined by the OECD DAC: "*A firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organisation.*"

Detail: The indicative quantitative information only reflects shares or data already committed, and therefore a strong level of certainty that these funds will be disbursed.

Under the term '*commitment*', we understand the following, as defined by the OECD DAC: "*A firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organisation.*"

Belgium considers this the best approach to ensure predictable ex-ante information, but is mindful that this information is incomplete and does not reflect the full amount that will be disbursed in any specific year.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: Even if we understand a firm obligation under a commitment (see section 8), there is a risk that a contribution is delayed, reduced or cancelled. The reasons why may vary greatly and be caused by both positive and negative developments.

Detail: Even if we understand a firm obligation under a commitment (see section 8), there is a risk that a contribution is delayed, reduced or cancelled. The reasons why may vary greatly and be caused by both positive and negative developments, such as cost reductions, unforeseen circumstances, exchange ratios, budgetary constraints, change in political priorities in own or recipient country, failure to comply with the project agreement to receive the next tranche of the contribution, etc.

The impact of COVID-19 is an example on how support can be delayed or not implemented due to *force majeure*.

These challenges differ from one country/project to another and cannot always be overcome. The key to success seems to enclose many different aspects, including local involvement, appropriation of projects, timely evaluation of progress (and – if needed – redirection), and good governance.

The matter of good governance remains primordial. Through our action and working methods, we aim at reinforcing the capacity of local administration and public services.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: Belgium strongly supports a balance between adaptation and mitigation in the provision of financial support at the international level, and has a specific focus on the importance to allocate sufficient funding to the needs of the poorest and most vulnerable countries. Belgium's contribution to international climate finance has a strong geographic focus on Africa and Least Developed Countries. This approach results in mainly demand-driven support for adaptation actions and activities.

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

Belgium's contribution to international climate finance has a strong geographic focus on Africa and Least Developed Countries. Its multilateral support flows through funds such



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as the Adaptation Fund and the Least Developed Countries Fund. Belgium also ensures climate action mainstreaming into development and cooperation programmes with developing countries.

This approach results in a large share of demand-driven support for adaptation actions and activities. Belgium strives to support this 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.

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.

We aim at establishing a stable environment through a trustworthy relationship with local authorities that allows our operators to be active in full confidence. We offer an added-value as an institutional backup that can benefit to our project leaders and through them to local population.

Belgium’s total contribution to international climate finance over the years 2013-2020 is mainly grant-based (90%) while adaptation receives the most funding (46%), closely followed by cross-cutting activities (43%).

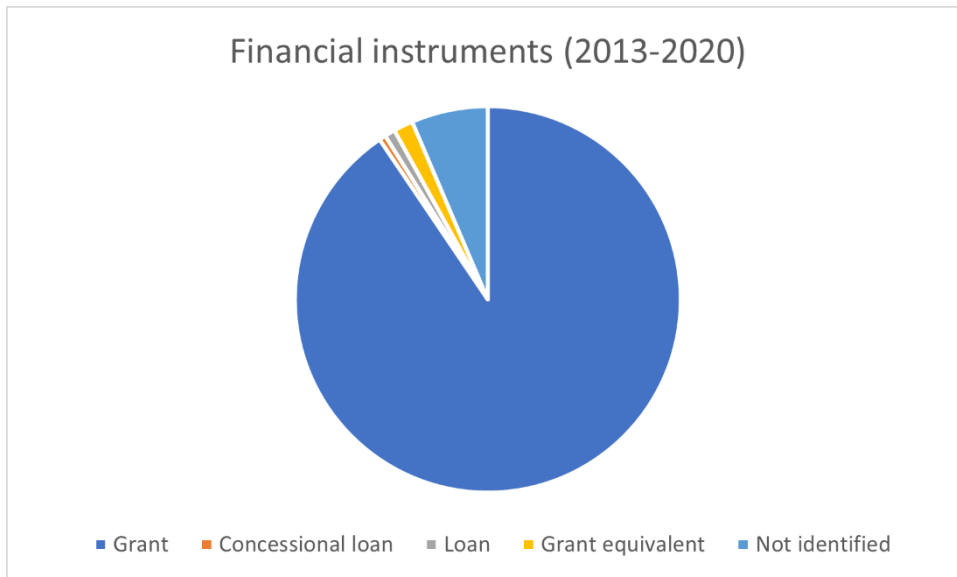


Figure 7: Climate-specific support per financial instrument

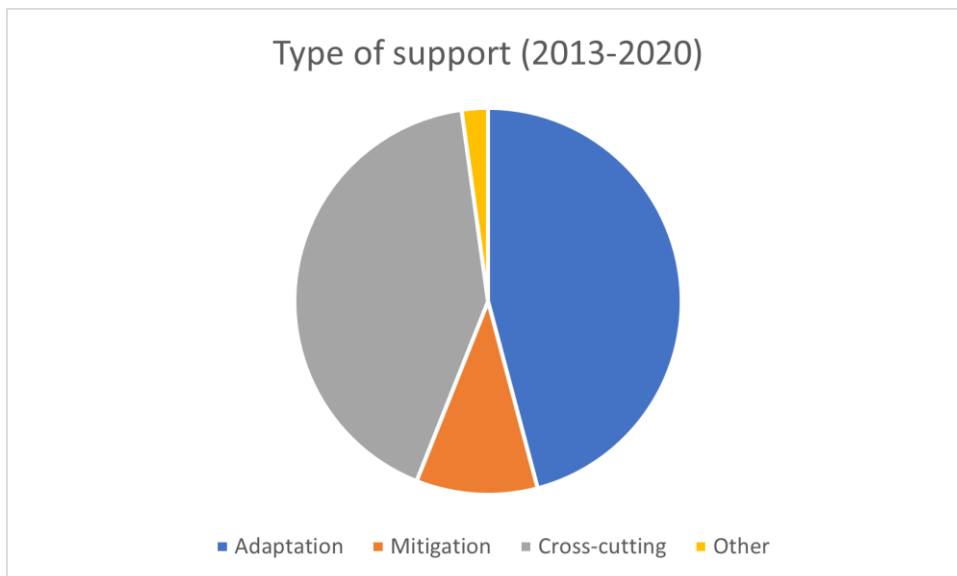


Figure 8: Climate-specific support per type of support

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Belgium recognizes the important role of public climate finance in providing support to developing countries. Belgium is already implementing important initiatives

aimed at mobilizing private finance in and/or for developing countries and is committed to take actions to mobilize additional climate finance.

Detail: While public climate finance will continue to play an important role in providing support to developing countries, especially grant-based adaptation support, the private sector is also a key source of climate finance, to reach the levels of finance required to support developing countries in the transition towards low-emission and climate resilient communities. There is a need to target public finance to leverage more effectively and efficiently private sector funding to finance mitigation and adaptation action.

Belgium is committed to take actions to mobilize additional climate finance and proactively contributes to the work in relevant fora, such as OECD and UNFCCC.

Belgium is already implementing important initiatives aimed at mobilizing private finance in and/or for developing countries. Belgium 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

Private climate finance will be further mobilized by using a two-fold approach:

1. Providing support that directly mobilizes private climate finance for mitigation and adaptation measures;
2. Supporting 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. This will result in indirectly mobilizing additional private investments in developing countries.

BIO, the Belgian Investment Company for Developing Countries received additional funds (25 million EUR in 2019 and 2020) to invest in the private sector in developing countries with a view to stimulating the development of renewable energy and energy efficiency. BIO will continue to expand its climate portfolio. BIO has announced in 2021 that it plans to invest a minimum of EUR 150 million in fifteen renewable energy projects by 2023 in developing partner countries.

In line with the coalition agreement of the Government of Flanders (2019-2024), private partners are encouraged to participate in international climate finance projects. The set-up of NDC Support Centers is a project carried out by the Flemish Institute for Technological Development (VITO), in partnership with an enterprise based in Flanders for the identification of potential demo-sites for renewable energy and CO₂ reduction. The African Energy Commission (AFREC) is the third partner to ensure the long-term viability

of the planned activities in the selected African countries (Malawi, Morocco, Uganda). The involvement of independent, public and private actors ensures the best use of know-how and networking and result in better win-win experiences.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: Belgium aims at effectively addressing the needs and priorities of developing country Parties and relating its support to the country-driven strategies, taking into account the different approaches within the wide landscape of climate finance.

Detail: Belgium aims at effectively addressing the needs and priorities of developing country Parties and relating its support to the country-driven strategies.

Different approaches are being used in line with the great diverse landscape of climate finance. Bilateral projects, for instance, mainly reflect the dialogue between Belgium and the recipient. Another example is the partnership with the NDC Partnership: their country strategy requires that recipient countries formulate their own technical and financial requests according to their needs and context. It's through this lens that the federal government provides bilateral support to Niger, Burkina Faso and Rwanda by financing an in-country facilitator, who coordinates the implementation of NDC Action Plans.

In this regard, it is important that the recipient entity ensures the link between its project and the national plans and strategies. In the G-STIC Climate Action Programme 2022, funded by the Government of Flanders, requests a description about how the project proposals are aligned with the climate policy of the (local) government in the country where the project is being implemented (climate plans, instruments or strategies).

While working with local partners helps addressing the needs and priorities within the countries, for support provided through multilateral channels, much of the responsibility lies with the resp. multilateral organization or institution. Belgium's support via the Green Climate Fund envisages through the GCF efforts to be guided by the principle of country ownership, investments that support developing countries' own aspirations for low-emission, climate-resilient development, in order to help attain their NDC objectives.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Belgium delivers its share in the joint commitment goal of developed country Parties (USD 100 billion per year by 2025) and will also deliver its share in the new quantified goal to be set prior to 2025. Delivering this support to developing countries aims at assisting them in meeting the long-term goals of the Paris Agreement.

Detail: If we are to ensure the goals of the Paris Agreement and stay well below 2°C above pre-industrial levels, we have to implement policies and programmes to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, in accordance with Article 2.1(c). Possibilities to strengthen our efforts in this field will be further explored.

Helping developing countries to meet the long-term goals is best done by supporting these efforts, in accordance with the financial goals agreed in the Cancun Agreements (1/CP.16) and 1/CP.21, the accompanying decision of the Paris Agreement.

In this context, Belgium provides its share towards the goal of developed country Parties of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries, in the context of meaningful mitigation actions and transparency on implementation.

Belgium is also committed to continue its support up to 2025 and to deliver its share in the new collective quantified goal, which will be set by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, prior to 2025.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: Belgium strives to further strengthening the mainstreaming of climate mitigation and adaptation issues within all programs and activities of the Belgian development cooperation.

Detail: As mentioned in section 3, Belgium strives to further strengthening the mainstreaming of climate mitigation and adaptation issues within all programs and activities of the Belgian development cooperation.

The Belgian development cooperation has built up experience, especially in least developed countries, and has contributed to the development of the adaptation capacity of partners in such various domains as efficient water management, sustainable agriculture (climate smart agriculture), comprehensive management of ecosystem services, construction of adapted infrastructure, urban planning, land management, ecological building, waste management and recycling, reforestation and the protection of forests, energy efficiency and renewable energy. In the ongoing preparation of new multi-year portfolio's in several of our partner countries it is a priority to address climate and environment risks and opportunities, in accordance with the needs and priorities.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Belgium supports the structured cooperation with other countries. It integrates capacity-building in its support to ensure the participation of the recipient (countries,

communities, etc.) and the full implementation of the projects, while also supports partnerships and projects that target specifically capacity-building.

Detail: Belgium values the structured cooperation with other countries. The enhancement of capacities in the recipient countries are often integrated in the projects as a crucial prerequisite to ensure the full implementation of projects. There are also projects envisaged which specifically target capacity-building.

In the context of the additional annual EUR 12 million provided by the federal ministers of Climate and of Development Cooperation for the period of 2021-2024, three of the six receiving organizations focus on the enhancement of capacities in the recipient countries:

- NDC Partnership: In addition to supporting in-country facilitators for the implementation of the NDC Partnership Plan (in Rwanda, Burkina Faso and Niger), the Partnership Action Fund, which aims to support NDC enhancement and implementation by pooling funds and making them readily available, receives EUR 2 million annually.
- UNDP: The Climate Promise initiative receives EUR 1.25 million annually, mainly for the development of national MRV systems in accordance with the Enhanced Transparency Framework.
- Partnership for Transparency in the Paris Agreement: in order to support the francophone and lusophone clusters in organizing capacity-building on transparency in the language of practitioners on the ground, PATPA receives EUR 754.500 annually.

Examples of on-going capacity-building projects managed by AWAC (Government of Wallonia) include the methodological internships for people working in development cooperation for the design of sustainable projects in the context of climate change.

p. Possible additional information

Summary: Belgium strives to make its finance flows more consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Detail: Belgium has taken action to make its finance flows more consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. The Federal Holding and Participation Company (SFPI-FPIM) has been tasked with developing a sustainable and ambitious investment strategy with the objective of gradually reducing investments in fossil energy and fuels.

Belgium is a signatory party of the COP26 Statement on International Public Support for the Clean Energy Transition. As a result, withdrawal of international public support for the international unabated fossil fuel energy sector is required by the end of 2022, except in limited and clearly defined circumstances that are consistent with a 1.5° warming and the

goals of the Paris Agreement.

3. Croatia

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: One of the priorities of the foreign policy of the Republic of Croatia is the provision of development and humanitarian aid abroad, in accordance with the national Law on development, cooperation and humanitarian aid, National development cooperation strategies of the Republic of Croatia for the period from 2017 to 2021 and Strategic Plan of the Ministry of Foreign and European Affairs of the Republic of Croatia for the period from 2020 to 2022. Through development and humanitarian projects, Croatia, bilaterally and multilaterally, i.e. together with the member states of the European Union (EU) and through the agencies of the United Nations (UN), works to remediate threats and alleviate difficult living conditions.

Republic of Croatia, within its voluntary contribution (in context of PA) in financing climate change mitigation program in 3rd countries, is drafting a Programme of assistance to third countries.

Detail: Croatia is not one of the Parties listed in Annex II to the Climate Convention; consequently, Croatia is not obliged to fulfil the commitments under Articles 4.3, 4.4 and 4.5 of the Convention. Thus, it continues its contribution voluntarily.

National Law on development, cooperation and humanitarian aid, National development cooperation strategies of the Republic of Croatia for the period from 2017 to 2021 and Strategic Plan of the Ministry of Foreign and European Affairs of the Republic of Croatia for the period from 2020 to 2022. defined the direction Croatia is going. It is pursuing its contribution to finance climate change mitigation program in third countries. In particular, the existing national legislation, the 2019 Law on Climate Change and the Protection of the Ozone Layer, expressly stipulates that auctioning revenues are to be used, inter alia, for financing adaptation and mitigation measures in third countries. Usage of these revenues for this particular purpose has been further elaborated in the Government Decision on the Adoption of the Plan on the use of auctioning revenues in Croatia for the period from 2021 until 2025, by way of financing G2G projects and other appropriate bilateral programs.

The detailed Program of assistance to third countries is currently being drafted.

The Republic of Croatia occupies a specific place in the global donor community due to the still fresh experiences and knowledge gained in the war and post-war democratic transition, as well as in the process of Euro-Atlantic integration. The sharing of these experiences is of great importance to the countries of the neighborhood that are on the European path. Croatia promises the importance of the European perspective for



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ensuring security, development and economic progress among candidate and potential candidates for EU membership.

The national humanitarian aid policy of the Republic of Croatia is implemented in accordance with the international principles of humanitarian action. Activities in this area are aimed at mitigating the consequences of natural disasters and at reconstruction programs in post-conflict environments. Protection of the most vulnerable groups, especially women and children, and promotion of the humanitarian principles are center of the humanitarian goals of the Republic of Croatia.

With the Law on Development Cooperation and Humanitarian Aid Abroad from 2008, the Republic of Croatia determines the geographical and sectoral priorities of development cooperation and humanitarian aid, where the Croatian neighborhood, the eastern and southern neighborhood of the EU and the least developed countries are identified as the centers of cooperation, sectors of education, health, economic development and civil society development. By joining the EU, the Republic of Croatia actively participates in the creation and implementation of development and humanitarian policy at the level of the Union.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: In 2021, the Republic of Croatia funded humanitarian projects abroad worth HRK 94.26 million. With approximate amount of 2,9 million EUR until 2025, HR plans to support climate change mitigation and adaptation activities in neighboring countries.

Detail: In 2021, a total of 20 departmental bodies implemented development and humanitarian projects from their own jurisdiction. The largest single provider of **Official development assistance (ODA)** is the Ministry of Finance with regard to jurisdiction in paying the annual contribution of the Republic of Croatia to the European General Budget of the Union. Then Ministry of Health, the Ministry of Foreign and European Affairs and the Central state office for Croats outside the Republic of Croatia.

Multilateral development assistance includes development programmes and development projects, financed by Croatia, performed by an international organization, whereas the contributions are paid by Croatia to international organizations to finance their development activities. Croatian multilateral development aid is provided to the EU (EC and European Development Fund), the United Nations system (particularly FAO and WHO), the World Bank Group (particularly IDA), OSCE (Organization for Security and Co-operation in Europe), and other international organizations. Also, Croatia contributes to the European Development Fund, intended to help the poorest countries of the world by investing in multi-year capital projects.

Some of the Projects:

- The reconstruction project of the nine-year-old school "Iliria" in the Municipality of Krujë

in Albania (after the earthquake),

- Marine and coastal pollution management project with the aim of increasing safety at sea and in ports...

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: *Program of assistance to third countries is currently being drafted.* One of the priorities of the foreign policy of the Republic of Croatia is the provision of development and humanitarian aid abroad, in accordance with the national Law on development, cooperation and humanitarian aid abroad, National development cooperation strategies of the Republic of Croatia for the period from 2017 to 2021 and Strategic Plan of the Ministry of Foreign and European Affairs of the Republic of Croatia for the period from 2020 to 2022.

Detail: *Program of assistance to third countries is currently being drafted.* Main priorities/measures of G2G projects are strategic documents and climate legislation, a system for inventorying and monitoring greenhouse gases, measures to reduce emissions in energy sectors, measures to reduce emissions and increase the outflow of greenhouse gases in non-energy sectors, cross-sectoral measures to reduce greenhouse gas emissions and adaptation to climate change. Main priorities of the foreign policy of the Republic of Croatia is the provision of development and humanitarian aid abroad, in accordance with the national Law on development, cooperation and humanitarian aid abroad, National development cooperation strategies of the Republic of Croatia for the period from 2017 to 2021 and Strategic Plan of the Ministry of Foreign and European Affairs of the Republic of Croatia for the period from 2020 to 2022.

Geographical priorities include foreign policy, security, development and economy dimension and direct their activities to the area of Southeast Europe, along with Bosnia and Herzegovina as a program country. The second geographical priority directs the ODA towards the European Eastern and Southern neighborhood.

Recipient countries will be third countries. The target groups, more precisely the recipients of aid, will be the ministries that have climate change under their authority, but also all sectors that affect climate change or are vulnerable to climate change (e.g. energy, transport, agriculture, forestry, hydrology, fisheries, biodiversity, health, tourism...). In addition to the aforementioned ministries, recipients of aid may also be other ministries and state institutions in third countries, which participate in the implementation of policies and measures in the field of climate change, such as agencies and funds for environmental protection and/or energy efficiency. The provision of assistance to these institutions will be previously approved by the competent authority of the third country.

Croatia aligns its development assistance with the principles of counteracting climate change and of creating equal opportunities for men and women (climate action and



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gender equality as cross-cutting priorities).

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: In contest of assisting developing country Parties it is envisaged to give support in capacity building for mitigation and adaptation.

Detail: Currently there are some projects abroad, financed by Croatia that horizontally contribute mentioned goals such as Provision of development assistance to third countries in the field of agriculture in cooperation with the Agency for International Development Cooperation of the State of Israel and The reconstruction project of the nine-year-old school "Iliria" in the Municipality of Krujë in Albania that is being implemented in cooperation with the United Nations Development Program (UNDP) in response to the catastrophic consequences of the earthquake in 2019. This project was fully financed by the Government of the Republic of Croatia. We are aware of the importance of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building goals, and we need to invest additional efforts and ensure additional capacities to make bigger contribution. Therefore in Program being prepared, special attention will be focused on the preparation of strategic documents and climate legislation, a system for inventorying and monitoring greenhouse gases, measures to reduce emissions and increase the sink of greenhouse gases, and measures to reduce risks and adapt to climate change.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Detail: Since the Program is in the draft mode, HR is still not able to give this information.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: Republic of Croatia is not one of the Annex II Parties of the Climate Convention and therefore not obliged to fulfil the commitments under Articles 4.3, 4.4 and 4.5 of the Convention. Nevertheless, we will contribute with climate financing to support the third countries.

Detail: Republic of Croatia is not one of the Annex II Parties of the Climate Convention and therefore not obliged to fulfil the commitments under Articles 4.3, 4.4 and 4.5 of the Convention. Nevertheless, will contribute with climate financing to support the third countries true the Program of assistance to third countries.

We are aware of need for sufficient financing to reach climate policy objectives. Both public and private funding should support investments into programs and policies aimed at reducing emissions and increasing resilience to climate change.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Approximate amount of 2,9 million EUR for support to third countries is planned to be spent until 2025.

Detail: The European Union, together with its member states, has committed to achieving the collective goal of allocations for ODA in the amount of 0.7% of the gross national income (hereinafter: GNI) by 2030. Member States that joined the European Union after 2004, including the Republic of Croatia, have committed to raising the allocation for ODA in the given period by 0.33% of GNI.

Approximate amount of 2,9 million EUR for support to third countries is planned to be spent until 2025 BY Croatia. Human capacities remain the main relevant limitation.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Detail: The Committee for International Development Cooperation of the OECD is the main international organization for methodology and statistics of international development cooperation. Donor countries submit annual reports on the volume, geographical and sectoral areas of development cooperation, implementation channels and other key data, for the purpose of unification, statistical processing and creation annual reviews of international development cooperation at the global level. Republic of Croatia, as a member state of the European Union cooperates with the OECD, and submits annual reports on national implementation elements of official development assistance to OECD.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: Regarding the challenges, main challenge in Croatia is lack of administrative capacities on operational level at this very moment.

Detail: The Republic of Croatia fulfils obligations to reduce emissions as part of its contribution to the fulfillment of EU goals, reducing CO₂ emissions by 55% till 2030. Mitigation efforts are a big challenge from the financial aspect, as well as from the aspect of human resources. Aware of the needs in third countries, we strive to contribute to the fulfillment of goals through voluntary assistance to third countries.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have



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significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: N/A Financial resources will be provided for mitigation and adaptation to climate change depending on the expressed interest and needs of the receiving country.

Detail: N/A Financial resources will be provided for mitigation and adaptation to climate change depending on the expressed interest and needs of the receiving country. Special attention will be focused on the preparation of strategic documents and climate legislation, a system for inventorying and monitoring greenhouse gases, measures to reduce emissions and increase the sink of greenhouse gases, and measures to reduce risks and adapt to climate change.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Adoption of the Plan on the use of auctioning revenues in Croatia for the period from 2021 until 2025, by way of financing G2G projects and other appropriate bilateral programs. The detailed Program of assistance to third countries is currently being drafted

Detail: In a series of defined sectoral measures in Program of assistance to third countries, it is planned to encourage activities related to the provision of bilateral assistance to third countries in the area of climate change, in the amount of up to 2.5%, that is, around 20,625,000 HRK until 2020.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: Croatia is developing interventions while respecting relevant policy documents in beneficiary countries reflecting their needs.

Detail: Croatia is developing interventions while respecting relevant policy documents in beneficiary countries reflecting their needs.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Mainstreaming climate action into development aid.



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Detail: Republic of Croatia as an EU member and also as a party to the United Nations Framework Convention on Climate Change (hereinafter: the Convention), the Kyoto Protocol and the Paris Agreement is obliged to provide financial resources for climate change mitigation and adaptation programs in developing countries. As a country that already has significant experience in the implementation of climate policies and thus in reducing CO₂ emissions, it will transfer its experiences to third countries. By directing financial resources for the implementation of climate goals, it will contribute to the achievement of climate goals in third countries.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Detail: In the program of assistance to third countries that is currently being drafted the goals of Agenda 2030. Sustainable management of natural resources and the fight against climate change will be incorporated.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Capacity building true implementation of projects

Detail: Croatian support to developing countries in aspect of enhances their capacities will be provided by implementation of projects for providing of assistance in the development of low-carbon policy/regulation, strengthening capacity for modeling greenhouse gas emissions, strengthening the capacity for the inventory of greenhouse gases, strengthening capacity for implementation of mitigation and adaptation measures.

p. Possible additional information

4. Czech Republic

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: The budget of Czech development cooperation, including financial resources dedicated to climate change in developing countries, is approved by the Government of the Czech Republic around June of the preceding year with an indicative outlook for two following years. At present, this amounts to approximately CZK 1 billion per year.

Detail: The Czech Republic is aware of the urgency and seriousness of climate change as well as the necessity to keep the global average temperature to well below 2°C above preindustrial levels and shifting towards low greenhouse gas emissions development pathway while fostering climate resilience. In this context, the Czech Republic supports the implementation of climate change mitigation and adaptation measures through its

official development assistance (ODA) and remains committed to the goal of the developed countries to jointly mobilize USD 100 billion a year by 2020 and through to 2025.

The budget of Czech bilateral development cooperation, including financial resources dedicated to climate change in developing countries, is approved by the Government of the Czech Republic around June of the preceding year with an indicative outlook for two following years. Specifically, the Czech development cooperation budget for 2023 was approved by the government on 8 June 2022 in the total amount of CZK 960 million, with roughly equal allocations envisaged for 2024 and 2025. This allocation of public financial resources includes bilateral development cooperation with our six priority countries, additional instruments for partnering with the private sector, humanitarian aid (including activities supporting climate resilience measures in the areas such as drought and disaster risk reduction), scholarships for developing-country citizens to study at Czech public universities, etc.

Within multilateral development cooperation, the Czech Republic has contributed to the Global Environment Fund and considers contributing to the Green Climate Fund. However, the potential contribution is subjected to governmental approval (at Cabinet of Ministers level).

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments are not available.

Detail: (see above)

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Based on our 2018-2030 Development Cooperation Strategy, the Czech Republic focuses its bilateral development assistance on six priority countries (three of which are LDCs). Climate change and environmental protection, together with gender equality and several other issues, are mainstreamed across all projects as cross-cutting principles. Emphasis is also placed on programmes to mobilize private sector involvement and finance. In addition, in Czech humanitarian assistance as well as development (nexus approach), we put systematic emphasis on disaster risk reduction and climate resilience.

Detail: The key instrument of the Czech foreign policy is the Development Cooperation Strategy of the Czech Republic 2018-2030. The strategic framework in the field of climate protection up to 2030 that includes a plan contributing towards gradual transition to low emission economy until 2050 is set in the Climate Protection Policy of the Czech Republic. Based on our **2018-2030 Development Cooperation Strategy**, the Czech Republic focuses its bilateral development assistance on six priority countries: Bosnia and



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Herzegovina, Moldova, Georgia, Cambodia, Ethiopia and Zambia. With each priority country, we have agreed on a framework document, the cooperation programme for the 2018-2023 period. The sectoral focus was designed in consultation with each priority country in the respective programme document (usually 1-3 sectors, e.g. agriculture, water and sanitation, etc.). On top of the sectoral priorities, climate change and environmental protection, together with gender equality and good governance, are recognized in our Development Cooperation Strategy as cross-cutting principles. This means i.e. that the Czech Republic implements all development activities with regards to the sustainable use of natural resources and an emphasis on environmental and biodiversity protection.

Examples of such other instruments are programmes for **partnerships with the private sector**, including the mobilization of additional private resources for sustainable development, namely the so-called B2B programme of the Czech Development Agency, the SDG partnership programme with UNDP, and the Financial Instruments programme (previously “Development Guarantee”) of the National Development Bank of the Czech Republic (previously “Czech-Moravian Guarantee and Development Bank”).

The Czech Republic has also been active in **humanitarian aid**, although its budget allocation has seen a slight decrease in 2022 and 2023 (165 mil. CZK approved for 2023). In our humanitarian aid, we put systematic emphasis, among other objectives, on disaster risk reduction and climate resilience, including a focus on the humanitarian-development-peace nexus.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Adaptation-related support has in general prevailed over mitigation-related and cross-cutting support in Czech Development Cooperation.

Detail: Given the environmental and climate protection are cross-cutting priorities of the Czech Development cooperation strategy, relevant climate projects are diverse and not always targeted to a specific area. However, it is evident from the regular reporting on financial and technology support provided to developing countries that adaptation-related support has long prevailed over mitigation-related and cross-cutting support. Regarding the technology transfer and capacity building projects, the Czech Republic has implemented several bilateral projects within its Official Development Assistance (ODA) that contributed to the technology transfer to developing countries and capacity building in these countries.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Czech actors responsible for evaluation of the proposals assess, in particular, coherence with thematic priorities of Czech development cooperation, feasibility,

sustainability and effectiveness.

Detail: Czech actors responsible for evaluation of the proposals follow thematic priorities in the cooperation programmes and methodology of the Czech development cooperation. They evaluate feasibility, sustainability and effectiveness of the projects and also evaluate the proposal in a broader context of the proposals such as assumptions and risks, coherence with other activities of own and other donors and possible project continuity.

In projects related to DRR and climate resilience, governance structures and sustainable work with data (early warning etc) are also evaluated.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: In Czech ODA, being always identified ex-post, no definition of the 'new and additional' resources is applicable.

Detail: (see above)

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: The provision of the ex-ante information on climate financing is limited by annual budget approval processes and by the ex-post identification of ODA.

Detail: (see above)

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: Given the cross-cutting nature of climate change issues in the objectives and priorities of the Czech Development Cooperation Strategy, there are no relevant methodologies and assumptions used to project levels of climate finance.

Detail: (see above)

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: /

Detail: /

a. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly



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vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: The Czech Republic channels support for both adaptation and mitigation. However, it does not have a specific policy that would aim to ensure them in a balanced manner. Three out of six priority countries of Czech development cooperation are LDCs (of which two in Africa), namely Ethiopia, Zambia and Cambodia.

Detail: (see above)

j. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Several specialized programmes of Czech Development Cooperation are designed to mobilize private finance, some via simple co-financing, others via guarantees or loans.

Detail: The Czech Republic takes into account the importance of international climate funds in supporting the climate action in developing countries and with regards to its capabilities and budgetary constraints, will endeavour to scale-up its climate funding. In terms of public interventions to partner with the private sector, Czech Development Agency B2B programme and Czech-UNDP partnership programme mobilize private finance via simple co-financing. The Financial Instruments programme of the National Development Bank leverages the entire investment (or its vast majority) from private capital (via a guarantee, soft loan or a similar mechanism).

k. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: Czech Development Cooperation is based on a principle of ownership and partnership. This means that the vast majority of projects are demand-driven and reflects the needs of recipient countries, which are set in the above-mentioned cooperation programmes, based on the consultation with each priority country in the respective programme document.

Detail: (see above)

l. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows

consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: /

Detail: The projects of the Czech Development Agency are concentrated in several sectors in the priority countries, which are both in accordance with the requirements of the respective countries and in the sectors in which the Czech Republic offers expert experience and personnel capacities. These are mainly the following developing countries and sectors focused on climate change issues:

- Sustainable management of natural resources with an emphasis on energy that is primarily obtained from renewable sources: Bosnia and Herzegovina, Ethiopia, Moldova, Cambodia
- Agriculture and Rural Development with an emphasis on climate change mitigation: Bosnia and Herzegovina, Ethiopia, Moldova, Georgia, Zambia

m. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: As mentioned in response to Question 3, Czech humanitarian and development assistance puts systematic emphasis on disaster risk reduction and climate resilience, including a focus on the humanitarian-development-peace nexus.

Also, a number of Czech development cooperation projects include a climate resilience component. Examples can be found in Cambodia, Ethiopia, Zambia, Georgia etc.

Detail: /

n. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: /

Detail: /

o. Possible additional information

Summary: /

Detail: /

5. Denmark

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: The Danish government aims to scale up grant-based climate finance to at least 25 % of development assistance to developing countries from 2023 (expected to

correspond to more than 4 billion DKK annually). Including mobilized climate finance, Denmark will contribute at least 1 % of the collective 100 billion USD goal.

Detail: Denmark has made a considerable effort to increase the clarity on the projected levels of public financial resources to be provided to developing countries.

The Danish finance bill is approved by parliament on an annual basis. Thus, it is not possible to provide data on approved public climate finance beyond planned commitments for the following year. The Danish government is instead providing clarity on the projected levels of public finance by politically committing to a series of budget targets. The targets announced by the government before COP26 are:

- from 2023 onwards grant-based climate finance will constitute at least 25 % of our direct assistance to developing countries (expected to constitute around DKK 4 billion annually),
- at least 60 % of this climate finance will be earmarked for adaptation,
- that the total Danish contribution – including mobilized climate finance – will surpass 1 % of the collective USD 100 billion target that was agreed at COP15 in Copenhagen in 2009.

Denmark reports its climate finance to UNFCCC in the context of the Biennial Reports and National Communications on both a disbursement and commitment basis. The disbursement reporting provides the financial support disbursed in a given year while the commitment reporting show the confirmed agreements to provide support entered in a given year. Thus, the commitment data provides an overview of the approved levels of public financial support to be disbursed over the coming years.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Denmark provides and mobilizes climate finance through a broad range of channels and instruments, including direct bilateral collaboration, civil society organizations, the national development financing institution (IFU), global and regional climate specific funds (such as GCF) and a range of multilateral organizations and financing institutions.

Detail: The most important channel of grant-based Danish climate finance is through direct bilateral cooperation. Danish bilateral cooperation is focused on a limited number of so-called expanded partnerships with mainly LDCs in Africa. Currently Denmark has expanded partnerships with the following countries: Burkina Faso, Niger, Mali, Kenya, Uganda, Somalia., Ethiopia, Bangladesh Palestine and Afghanistan. Large-scale grant based climate support has a particular focus on these countries. There are specific country cooperation framework documents for each of these expanded

partnership countries that detail the overall collaboration, including on climate, in a multi-annual perspective (normally 5 years).

In addition, Denmark has established targeted partnerships with broader range countries that includes both LDCs and middle-income countries. These countries include Egypt, Ghana, South Africa, Rwanda, Zambia, Algeria, Mozambique, Philippines, China, Pakistan, Sri Lanka, Cambodia, Malaysia, Ukraine, Turkey, Albania, Kosovo, Georgia, Brazil, Columbia, Mexico, Argentina and Bolivia. Collaboration with these countries are more focused on strategic sector collaboration (authority to authority), capacity building, and mobilization of public and private climate finance for green transition.

There may be bilateral support to countries outside these groups of partner countries, fx multi-country support to SIDS.

The specific projects and activities of all bilateral climate collaboration are determined through direct consultations between Denmark and the partner country. Most support is multiannual with 3-5 year timeframe, but large-scale infrastructure may have much longer timeframes, up to 20 years.

In additional to the bilateral public, grant-based finance, Denmark provides climate specific finance through the Green Climate Fund, the Least Developed Countries Fund, UNDCF LoCAL, GGGI, UNEP and a number of other global climate programmes. Denmark gives priority to funds that target LDCs, SIDS and other vulnerable countries. Climate finance channeled through these funds and organizations is expected increase significantly over the coming years as part of the general scale up of Danish climate finance.

In addition to public finance, Denmark is actively engaged in mobilising 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 DKK 0.5–1 billion have been mobilized annually since 2015. With IFU's new climate policy, this level is expected to be at least maintained in the coming years.

Finally, Denmark continues its strong engagements with the multilateral development banks (MDBs) and other international 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. The level of climate finance mobilized through the MDBs that can be attributed to Denmark has been estimated to be around DKK 3 billion annually. Denmark aims to increase this level in the coming years.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: The new Danish strategy for development cooperation “The World We Share” focuses on support to adaptation and resilience building in poor and vulnerable countries, in combination with broader support to green/energy sector transformation in support of the Paris Agreement.

Detail: Denmark’s new strategy for development cooperation “The World We Share” has the fight to stop climate change and restore balance to the planet as one of two pillars. Climate and will be incorporated as a central priority in all country strategies, relevant organisation strategies and as a crosscutting consideration in Danish development cooperation activities. Specifically the strategy aim to:

1. Strengthen action to support climate change adaption, nature, the environment, and resilience in the poorest and most vulnerable countries.
2. Assume international leadership within reductions, green transition, and access to clean energy.
3. Increase mobilisation of finance and promote green Danish solutions within climate, nature and the environment.
4. Create hope and prospects for the future through green and socially just economic recovery and poverty-oriented development.

The Danish policies and priorities appreciate the diversity of the support needs of different groups of developing countries. Public grant based financing in particular targets poor and vulnerable countries and regions with a particular focus on LDCs and Africa. The Danish policies and priorities recognizes that poor and vulnerable countries are particularly challenged by the impacts of climate change and need support to build resilience and integrate adaptation to climate change in all aspects the development planning process. Support to mitigation has a particular emphasis on energy transformation and targets all developing countries including transition and growth economies. Danish support will make use of a number of new and innovative instruments aimed at encouraging private sector lead green growth and mobilizing private investments. Further, there is a special emphasis on technical level cooperation and partnership between Danish authorities and developing country authorities in relation to climate change and green transformation.

In addition, Denmark works bilaterally with a range developing countries to support energy system transformation in line with the Paris Agreement. These partnerships are built on a unique government-to-government approach and focuses on building capacity and enhancing national framework conditions for renewable energy development.

Democratic values and human rights are the foundation for our development climate cooperation. All climate related cooperation should embed fundamental values such as

freedom, equality, participation in decision-making, local democracy, strong communities, gender equality, respect for human rights, transparency and low corruption. All activities should contribute to the fight for equality, girls' and women's rights, because equality and women's economic and political empowerment contribute to more equal, democratic and sustainable societies.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: The government's target is that at least 60 % of public, grant-based climate finance to developing countries targets adaptation with a particular focus on poor and vulnerable countries.

Detail: The "World We share" aims to strengthen action to support climate change adaptation, nature, the environment and resilience building in the poorest and most vulnerable countries. This include support to:

- Adaptation to build resilience locally before disaster strikes,
- Strengthen biodiversity and nature-based solutions,
- Climate-smart agriculture and sustainable food systems,
- Climate smart infrastructure with a particular focus on water and sanitation.
- Locally lead climate change adaptation
- Prevention of climate conflicts,
- Preventing and reducing the risk of loss and damage due to the impacts of climate change and recovery

It also emphasizes support to emission reductions, green transition and access to clean energy, including through:

- Improve access to clean energy in Africa to facilitate economic development, jobs, improved health and gender equality,
- Energy sector cooperation in green transition and promotion of renewable energy and energy efficiency
- Promotion of ambitious national climate action plans
- Seek synergies between adaptation and mitigation, when possible,
- Promote reduction of greenhouse gas emission through preserving and restoring biodiversity, forest and nature

Capacity building and technology transfer are integrated elements of most climate projects and programmes, including through technical assistance and twinning arrangements with Danish institutions.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Danish climate finance is provided mainly as bilateral support determined in dialogue with recipient countries and partners or through multilateral channels.

Detail: Most of the Danish climate finance is provided as bilateral support determined in direct dialogue with recipient countries and partners or through multilateral channels. Only a very limited amount is channeled through call for proposals that are evaluated according to pre-defined criteria and eligibility factors. These calls are mainly targeting NGOs and civil society organizations. Evaluation criteria are in most cases specific to the relevant countries. For support channeled through multilateral channels the evaluation criteria for proposals follow the criteria and principles established by the relevant multilateral organizations. As a board member in multilateral organizations, for example the Green Climate Fund, Denmark helps build policies and procedures that aim to improve the efficiency in project approval and implementation. This includes a results management framework that enables project owners to appropriately indicate the estimated mitigation and/or adaptation impact in order for the fund to better evaluate proposals.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: Denmark is firmly committed to contribute to the joint goal of developed countries to mobilise 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.

At the same time Denmark's remains committed to the UN goal of providing 0,7 % of GNI as ODA and has fulfilled this goals for more than 40 years.

Detail: 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. Increasing climate finance from private sector sources will be key to increasing the overall volume of finance available to meet the climate change challenge.

For the purpose of reporting to UNFCCC, Denmark considers newly committed (for reporting on commitments) or disbursed (for reporting of disbursements) finance for climate change adaptation or mitigation activities within the reporting period and finance that was not previously reported to UNFCCC as new and additional finance. This definition allows a transparent, comprehensive and comparable reporting of climate finance provided to developing countries.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Since the finance Act is approved annually by the Danish parliament, there is no legal basis for providing ex-ante information on future public climate finance to developing countries beyond the approved annual finance Act. The government has, however, established national targets signaling a strong political commitment to increase climate finance to a minimum level of 25 % of development assistance to developing countries from 2023.

Detail: The finance Act is approved annually by the Danish parliament the year before it enters into force. As a result, all commitments, pledges or projected levels of public climate finance to developing countries beyond the financial year approved, are indicative estimates subject to approval by parliament in the following year(s). The government has, however, established national targets that signals a strong political commitment to increase climate finance to developing countries over the coming years and contribute significantly to the 100 billion USD goal. These targets announced by the government are:

- from 2023 onwards grant-based climate finance will constitute at least 25 % of our direct assistance to developing countries (expected to constitute around DKK 4 billion annually),
- at least 60 % of this climate finance will be earmarked for adaptation,
- that the total Danish contribution – including mobilized climate finance – will surpass 1 % of the collective USD 100 billion target that was agreed at COP15 in Copenhagen in 2009.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: Future public climate finance projections are based on the governments stated political commitments and priorities.

Detail: Future public climate finance projections are based on the governments stated political commitments and priorities. A more detailed projection is made for the year x-1 in the context of the Finance Bill. During the Finance Bill process the expected levels of climate finance to be provided under different budget lines and country frames are estimated. The ex-ante estimation build on the OECD DAC Rio-marker system that is also used as the basis for Denmark's ex-post reporting of climate finance to UNFCCC.

For mobilized climate finance it is assumed that future levels will be at least the same as today's level and at the same time Denmark is actively promoting climate finance policies and target setting in the relevant financing institutions that supports this assumption.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;



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Summary: Important challenges and barriers are on the ‘demand side’ of the climate finance delivery chain, in particular in relation to the mobilization of private finance. These challenges are to be met by more well-functioning and targeted supply and demand mechanisms.

Detail: The ‘supply side’ in climate finance– development banks, funds, UN system actors and others, including the private sector – have put in place significant resources to help developing countries scale-up climate investment. However, developing countries governments and private sector – the ‘demand side’ – often struggle to navigate these options and access support. There are many similar ‘supply side’ initiatives addressing a particular issue, creating clutter and fragmentation. Each has their own criteria, requirements and process. The result is an inefficient, and often ineffective, climate finance ecosystem. Denmark has taken various initiatives to address this problem, such as the Climate Investment Platform (CIP). CIP is framed around four tracks, with each track bringing together a coalition of key partner institutions and initiatives. Each track acts as a building block, addressing a key step in the climate investment value-chain, and together the four tracks propose a comprehensive framework to deliver system-wide transformation across major economic sectors, including energy, infrastructure, and cities, among others. CIP is supported by the Green Climate Fund (GCF), UNDP, IRENA and Sustainable Energy for All (SEforALL) in partnership.

Another “demand side” bottleneck is the lack of good, well-prepared and bankable climate relevant projects. This is particularly the case with regard to adaptation projects in the poorest and most fragile countries, for example in Africa, where the risks-return balance is also challenging for private investors. Denmark has put in place a number of pilot initiatives to overcome these barriers, including project preparation and facilitation mechanisms as well as mechanisms with concessional blended finance or guarantees to address perceived risk-return balance problems. Through Board membership in the GCF, Denmark works to improve direct fund access for national and sub-national organisations and to strengthen the GCF’s readiness and project preparation facility, which countries can access to develop more suited enabling environments for climate investments.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: The government’s target is that at least 60 % of public, grant-based climate finance to developing countries targets adaptation with a particular focus on poor and

vulnerable countries.

Detail: Danish bilateral grant-based development and climate support is mainly targeting a range of priority countries in Africa. Most of these countries are Least Developed Countries (LDCs) and among the most fragile and vulnerable to the impacts of climate change together with the Small Island Developing States (SIDS). Denmark seeks to strengthen knowledge sharing with LDCs and SIDS to explore how climate finance can best support their specific needs and concerns. Danish support channeled through multilateral organizations is also emphasizing instruments, programmes and windows that specifically target the poorest and most vulnerable countries, including through the Least Developed Countries Fund and the Green Climate Fund.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Aligning all investments – public, private and IFI and MDBs– with the Paris Agreement and the SDGs is imperative to strengthen sustainable carbon neutral development and climate resilience.

Detail: In addition to providing public finance, Denmark is actively engaged in a number of activities to mobilise finance from private and alternative sources, and considers private climate finance to be crucial to address the climate challenge and achieve the goals of the Paris Agreement.

The Danish development financing institution – IFU – plays 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. Through innovative funds, such as the Danish Climate Investment Fund and the SDG Fund, IFU has mobilized billions of USD from private investors, including pension funds, for climate relevant investments in developing countries. This effort will be continued and supplemented with new initiatives such as the recent High Risk High Impact Investment in Africa that provide blended concessional financing aiming at mobilizing private finance for green investments in countries with a challenging risk-return balance. The Danish government has recently approved a new

The MDBs play a key role in preparing the ground for and mobilization of climate finance from public and private sources. Therefore. Denmark is engaged with the MDBs to ensure full alignment of MDB investments and policy support with the Paris Agreement and the SDGs, and increasing their share of investments in renewable energy and to stop new investments in fossil fuel-based systems.



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l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: The Danish approach to providing climate and development support is mutually binding partnerships with partner countries and with their authorities and organizations.

Detail: Bilateral support is provided in a manner that reflects the needs and priorities of developing countries supported. The Danish support to adaptation and mitigation in developing countries is determined through consultations and dialogue with the partner countries and the relevant stakeholders in those countries on the country needs building on any national strategies or plans in those areas, including national and sub-national development plans and strategies, NDCs, National Adaptation planning processes, national climate change strategies or green growth strategies and plans etc. Support channeled through NGOs and civil society organizations also follows this partnership approach that takes the needs and priorities of the partners organizations as the starting point for the support.

In addition, Denmark provides support to adaptation and mitigation activities through various multilateral instruments and programmes, such as the Multilateral Development Banks, UN organisations and programmes as well as climate specific funds and facilities such as GCF and GEF. These multilateral organisations have agreed processes and procedures to ensure that the resources effectively address the needs of developing countries with regards to climate adaptation and mitigation. For example, through the GCF, Denmark pursues a country-driven approach to project initiation and implementation with engagement of relevant national stakeholders.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Denmark supports developing country efforts to establish and implement ambitious national policies and strategies for low greenhouse gas emissions and climate resilient development through both bilateral and multilateral programmes.

Detail: Bilaterally, more than 10 authority to authority collaboration programmes with energy and climate authorities supports countries long term energy sector modelling and planning for transformation, strengthening of enabling environments and sector regulation for investments in renewable energy, capacity building and transfer of knowledge and technology supporting the implementation of increasingly ambitious NDCs and other climate change relevant policies.



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Further, Denmark has allocated funding to a number of global programmes and facilities that support developing countries in establishing enabling conditions and frameworks for mobilization of finance for scaled up investments in mitigation and adaptation. Programmes supported that provides such technical assistance include the multilateral development banks and a range of international expert organizations and partnerships such as the NDC Partnership, the Energy Sector Management Programme of the World Bank (ESMAP), the UNEP-DTU Collaborating Centre, the Global Green Growth Institute, SE4All, OECD, IEA and IRENA, the Adaptation Commission, and many other.

Lastly, Denmark is engaged in a range of initiatives aimed at accelerating private investments in clean energy globally. At the UNSGs Climate Action Summit in September 2019, the Climate Investment Platform (CIP) was announced. It will soon become active as an inclusive partnership and a global public good that will provide integrated and streamlined support to developing countries and the private sector to accelerate climate investments, with the ultimate goal to contribute to the realization of ambitious NDCs. At the same Summit, the Danish Government and a series of private pension funds launched the Climate Investment Coalition with an initial pledge of USD 50 billion for climate investments globally.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: Danish development assistance aims at supporting the common global vision and ambition expressed through the SDGs and the goals of the Paris Agreement.

Detail: The importance of climate change mitigation and adaptation as a key cross-cutting priority areas for Danish development cooperation is growing. It is expected that the share of the overall development assistance and humanitarian action portfolio that supports programmes with climate co-benefits will grow with a particular focus on providing clean access to modern energy and access to clean water in Africa. Further, efforts will be strengthened to ensure that the entire development cooperation portfolio supports development pathways that are consistent with the goals of the Paris Agreement, and that a “do-no-harm” principle in relation to climate and environmental global goals is applied.

As Danish development assistance has a particular focus on supporting poor and fragile countries and populations that are the most vulnerable to the impacts of climate change, there will be an increased emphasis on support aiming at building resilience and reducing vulnerability in these contexts.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Capacity development and institutional strengthening is an integral part of most Danish support.

Detail: The approach to capacity building that goes through all the programmes and projects is that capacity development is a process through which individuals, organizations and broader societies obtain, strengthen and maintain the capabilities to plan and implement projects and programmes in accordance with their own priorities and objectives. The process may include training, but as an integral part of a comprehensive programme addressing overall capacity issues related to the achievement of the programme objectives and designed to increase overall organizational performance and efficiency and ability to fulfill its mandates.

Most projects and programmes have technical assistance through either twinning arrangements with Danish institutions or provisions of long- and short-term technical advisors. The role of these is to provide coaching and on-the-job training as an integral part planning and implementing programme activities and aiming at exchange and transfer of knowledge and expertise in view of moving towards independency of external expertise in the long-run in the partner organisation. The capacity building process address the level of the involved individuals, organisation and the broader societal system in which the organization works to achieve specific climate change relevant objectives. At the individual level it is about skills, experience and knowledge that allows key staff to perform. At the organizational level, it is about structures, policies and procedures that ensures that the organization performs effectively in accordance with its mandates. The Danish Energy Partnership Programme works as government-to-government partnerships, where technical advisors help shape procedures and framework conditions in developing countries to enable strategic energy sector cooperation.

p. Possible additional information

Summary: /

Detail: /

6. Estonia

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Estonia recognizes that there is a need for sufficient financing to reach climate policy objectives, therefore Estonia contributes for international cooperation for climate policy 1,5 million EUR annually for the period 2021-2025.

Detail: 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 to climate finance voluntarily.

Estonia recognizes that there is a need for sufficient financing to reach climate policy objectives. Both public and private funding should support investments into programmes and policies aimed at reducing emissions and increasing resilience to climate change.

Concerning the predictability of funding the 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. For international cooperation for climate policy, which mainly includes aid for developing countries, through contributing to bilateral projects and multilateral organisations and regional funds is foreseen 1,5 million EUR annually for the period 2021-2025. The process for developing the State Budget Strategy for years 2023-2026 is currently ongoing.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Through the annual round of project calls Estonia aims to support different mitigation and adaptation oriented projects and take into account the needs of the destination country. The source is the revenues of the auctioning of EU ETS (Emissions Trading System) allowances.

Detail: During the period 2021–2025, Estonia has decided to contribute EUR 1,5 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 source is the revenues of the auctioning of EU ETS (Emissions Trading System) allowances to international climate cooperation.

From 2018 June, Estonia opened its first call for proposals to support climate cooperation projects in developing countries. Up to now four calls have been carried out and all together 23 projects have been financed. 5 projects have ended and others currently ongoing. Through these projects we aim to support different mitigation and adaptation oriented projects and take into account the needs of the destination country.

In the following years, we plan to continue with similar calls for proposals.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: 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. In the following years, we plan to continue with the same policy.

Detail: Estonia aims to support both, adaptation and mitigation actions in developing countries, has not made any preferences in this regard and wishes to continue this approach.

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. In the following years, we plan to continue with the same policy.

Estonia has decided to proceed from the needs of developing countries and wants to continue with this principle in the future as well. For that the aid system of open call for proposals has developed. The aim of the aid is to give advice, transfer Estonian know-how and technology for adaptation and mitigation measures in developing countries. The support has been given for example to Kenya, Costa Rica, Georgia, Burkina Faso, Bangladesh and Azerbaijan.

Estonia considers the gender equality as an important aspect while giving the aid, therefore there is a requirement for projects that no project should undermine gender equality.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Estonia aims to support all actions related to climate change mitigation and adaptation actions in developing countries.

Detail: Estonia aims to support all actions related to climate change mitigation and adaptation actions in developing countries, for example by supporting the development of renewable energy sources, energy/resource efficiency projects in transport sector and industry, as well as by strengthening administrative capacity regarding climate action or supporting solutions of adapting to climate change.

Estonian Ministry of the Environment has adopted 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 open calls for projects, bi- and multilateral cooperation. We have not made any preferences between adaptation and mitigation projects. We aim to take into account the needs of the destination country.

In the following years, we plan to continue with open project calls.

e. Information on the factors that providers of climate finance look for in evaluating

proposals, in order to help to inform developing countries;

Summary: The suitability of the project in the country of destination and compliance with the needs in the country of destination are assessed.

Detail: The objective of the support is to contribute to climate change mitigation and adaptation in developing countries. The grant shall be based on the needs of the target countries and international climate agreements, other relevant international climate strategic documents and climate studies. A total of 23 projects have been financed in the total amount of 3,7 million euros.

The evaluation of applications verifies that the proposed activities are based on the needs of the country of destination and comply with the principles of sustainable development. The objective of the project must be clearly justified. It is also checked whether there is a confirmation letter or a cooperation agreement signed by the applicant and the partner of the destination country on the implementation of the project and ensuring sustainability, in which the distribution of activities and costs between the project parties is presented.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

For international cooperation of climate policy, which mainly includes aid for developing countries through contributing to bilateral projects and multilateral organizations and regional funds is foreseen 1,5 million EUR annually for the period 2021-2025. The process for developing the State Budget Strategy for years 2023-2026 is currently ongoing.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Estonia will continue medium-term planning of public sector financing through our four-year State Budget Strategy that includes planning climate financing.

Detail: The 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. 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.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

The applicants of the open call for proposals has to determine whether the project would be mitigation, adaptation or both according to the Rio Markers.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;



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In the past, Estonia has distributed development aid support in a fragmented way, but at the moment a process is more coordinated across the country, through which it is possible to use existing resources more efficiently. In this way, we hope to achieve better results in developing countries as well.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: Estonia aims to support both, adaptation and mitigation actions in developing countries.

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.

Detail: 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 has adopted a regulation aiming to support developing country cooperation and stipulating specific rules for international climate cooperation. We have not made any preferences between adaptation and mitigation projects. Our aim is to take into account the needs of the destination country.

During project evaluation, the description of the situation in the country of destination is reviewed, the suitability of the project in the country of destination and compliance with the needs in the country of destination are assessed.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Through the open calls for proposals we aim to support different mitigation and adaptation oriented projects. 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 and plans to do so in the future.



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Detail: 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 2003 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.

During the period of 2021–2025, Estonia has decided to channel 7,5 million euros from the revenues of the auctioning of EU ETS allowances to international climate change cooperation.

Through the open calls for proposals we aim to support different projects. 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 and plans to do so in the future.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

During project evaluation, the description of the situation in the country of destination is reviewed, the suitability of the project in the country of destination and compliance with the needs in the country of destination are assessed.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

The Government of Estonia is committed to fighting against global climate change therefore the fulfillment of the Paris Agreement is for us an important goal to follow. Assisting developing countries to meet their long-term goals with providing specific technology and/or know-how in the field of lowering greenhouse gas emissions and climate-resilient development forms a part of our climate policy. For the stable support Estonia has planned budgetary resources up to year 2025.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

In Estonia, the development aid system is currently being enhanced in co-operation with various ministries, and in the course of this we will review and specify the selection of target countries and the use of different sources in a coordinated manner. In this way, we hope to achieve better results in developing countries as well.

o. Information on how support to be provided to developing country Parties enhances their capacities.

It is challenging to estimate, how support for developing countries enhances their capacities in a practical manner. However most of the projects of the open call include the capacity building component therefore it is expected that the knowledge on the project topic will be elaborated.

p. Possible additional information

7. Finland

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Finland uses annual budget cycles, but tries to use multiannual agreements when possible. Finland published a Plan for the Implementation of Finland's Public International Climate Finance in March 2022 extending up to 2026.

Detail: Finland continues to stay committed to what has been agreed under the UNFCCC as well as under the Paris Agreement. The **Government Programme (2019)** states that: *"Finland will scale up climate finance as a part of its development finance, taking due account of its contribution based on the Paris Agreement. The aim is to direct half the climate finance to climate change adaptation, for example through international funds and civil society organisations. Investment-based and loan-based finance will be continued, especially for the purpose of boosting 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. The Parliament approves the annual budgets every year in December. The ability to commit for longer term i.e. to make multiannual commitments is used, for instance, at the level of multilateral institutions, like the GEF and the GCF, and for individual projects. However, in practice even these longer-term commitments are still subject to the annual parliamentary approval.

As an example of recent multiannual commitments relevant for the UNFCCC, Finland has pledged for the GEF-8 about 48 million euros and to the Nordic Development Fund (NDF) about 58 million euros for the period on 2021-31. The actual disbursements are reflected in various reports, as appropriate, including the coming fifth Biennial Report to the convention.

Finland published a Plan for the Implementation of Finland's Public International Climate Finance²¹ in March 2022 extending up to 2026. This kind of plan was published for the first time. According to the plan, if there are no major changes and Parliament approves

²¹ In Finnish <http://urn.fi/URN:ISBN:978-952-281-361-9>

the budgets as currently planned Finland's international climate finance should increase nearly twofold during this government term compared to the previous term. According to the Plan funding should be annually around or above 200 million euros. The funding consists of grant-based, investment-based and loan-based assistance. It is estimated that from 2022 onwards grant-based climate finance flows will be equally split between adaptation and mitigation. In addition to the level and distribution of the funding, the plan presents the objectives, impact, allocation, monitoring, reporting and communication of climate finance. The plan also explains how a growing amount of private funding can be used alongside public funding.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Finland continues to use all channels under the development cooperation including CSO support and investment funding for channeling finance for climate action.

Detail: Finland takes a long-term perspective on development cooperation. **The Government Report on Development Policy across Parliamentary Terms**, approved by the Parliament in 2022, confirms Finland's commitment to long-term development policy. The report confirms Finland's aim to provide long-term support for climate change mitigation and adaptation, development that is low in emissions and climate resilient, as well as biodiversity protection.

The overall aim of Finland's development policy is reducing poverty and inequality in the context of sustainable development. With its development policy, Finland supports the realisation of human rights, the rules-based multilateral system, and the Sustainable Development Goals (SDGs) adopted in the UN. Finland's international cooperation and actions are grounded in the Paris Agreement on Climate Change and the goals of the 2030 Agenda for Sustainable Development.

Finland's development cooperation focuses on a limited number of priorities building on its values and strength. "Climate change, biodiversity and sustainable management and use of natural resources" is one of them, with an emphasis on strengthening adaptation alongside mitigation of climate change, food security, water and energy, meteorology and disaster risk prevention, forests and safeguarding biodiversity.

Finland pursues the Human Rights-Based Approach in its development policy. The cross-cutting objectives that Finland promotes through its development policy include gender equality, non-discrimination, climate resilient and low-emission development as well as protection of the environment, with an emphasis on safeguarding biodiversity. Integration of climate change has been one of the cross-cutting objectives of Finland's development policy and development cooperation since 2012. Overall, Finland's development cooperation aims to strengthen developing countries' own capacities and

resilience.

Therefore, besides providing funds to the operating entities of the financial mechanism of the UNFCCC and the funds under the Kyoto Protocol, Finland provides support through bilateral, regional and other multilateral channels. Furthermore, lately the support channeled through Finnish CSOs has had rising trend on climate relevant projects. Finally, the investment funding budget line also has climate change as one of its key objectives.

While Finland uses all channels, the operating entities of the Financial Mechanism remain important. As pointed out earlier, Finland has pledged for the GEF-8 about 48 million euros and for the GCF-1 100 million euros (planned to be disbursed during 2020-24). Negotiations on GCF-2 are ongoing.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Finland focuses its support to LDCs and fragile states, however, most of Finland's climate finance is channeled through multilateral organizations and funds that operate globally. 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.

Detail: As per the Government Report on Development Policy across Parliamentary Terms, the *priority areas* of Finland's development policy are: 1) rights of women and girls; 2) education, 3) sustainable economies and decent work; 4) peaceful, democratic societies; and 5) climate change, biodiversity and sustainable management and use of natural resources. *The cross-cutting objectives* of Finnish development policy are: 1) gender equality, 2) non-discrimination, with the focus on disability inclusion, 3) climate resilience, 4) low emission development and 5) protection of the environment with emphasis on safeguarding biodiversity. Furthermore, human rights-based approach is applied in all Finnish development policy and cooperation.

Finland seeks to focus its activities in each partner country on a few thematic areas in which it has specific expertise. The areas of cooperation are agreed in collaboration with the partner country and, as far as possible, the activities are coordinated to avoid overlap with the activities of other donors.

What comes to geography the focus in our bilateral cooperation is on the least developed countries and fragile states. In Africa, Finland's main bilateral partner countries are Ethiopia, Kenya, Mozambique, Somalia and Tanzania. Zambia's economy has grown to the extent that the bilateral partnership between Finland and Zambia can soon end, and the countries can focus on other forms of collaboration. Finland continues its support to the Middle East and North Africa. In Asia, Finland channels its support to Nepal and with some limitations to Myanmar and Afghanistan. With Vietnam Finland has



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gradually shifted from development cooperation to other forms of cooperation in such areas as trade, research and education. Finland also supports Kyrgyzstan, Tajikistan and Uzbekistan in Central Asia. In addition, Finland supports Ukraine.

The Ministry for Foreign Affairs has prepared a Country Programme for each of its long-term partner countries. Country Programmes identify the areas of cooperation, forms of support, objectives and indicators. Country Programmes build on the partner countries' own development plans, and their guidelines are discussed with the authorities of the partner countries and with other cooperation partners operating in them, including civil society organisations (CSOs). The current Country Programmes cover the period 2021-2024.

The Finnish Government considers important that 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.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Finland aims to balance support between adaptation and mitigation. Many projects / support given through multilateral channels support both objectives. Capacity building is often integral part of the projects. Some projects have specific focus to technology transfer. This broad picture is not expected to change in the future.

Detail: As stated above Finland aims to balance support between adaptation and mitigation in grant funding. While mitigation support continues to be higher, during last ten years often the ratio between adaptation and mitigation has been quite near to 50:50 balance. Both bilateral and multilateral support oftentimes support both objectives. Similarly, what comes to capacity building, most of the Finnish bilateral climate relevant projects include a capacity-building component and many multilateral organisations that we support provide capacity building (e.g. GEF). Finally, Finland has some specific programmes and financial arrangements for transferring environmentally sound technology to developing countries. These activities comprise the transfer of both 'soft' technology, such as capacity building, creating information networks and enhancing training and research, and 'hard' technology, that is, technology to control greenhouse gas emissions and for adaptation measures. This broad picture is not expected to change in the future. Please also see Section 15.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Besides multilateral support, most of the projects supported are stemming from bilateral consultations, i.e. they are outcomes from coordinated view between policy priorities by the donor and the recipient(s). In addition, there are some funding

instruments based on calls for proposals, targeted to Finnish CSOs, private companies and higher education institutes in collaboration with their partners in developing countries.

Detail: Besides multilateral support, which has criteria depending from organization to organization, most of the projects supported are stemming from bilateral consultations, i.e. they are outcomes from coordination between policy priorities by the donor and the partner. Besides the usual quality criteria (impact, relevance, effectiveness, sustainability etc.), the human rights-based approach and cross-cutting objectives (please see Points 2 and 3 for details)

Outside the normal bilateral consultations, the key factors include from Finnish point of view whether the country in question is our partner country and whether the project focuses on sectors Finland can give value added (see point 3 and 9).

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: Finland continues to channel climate finance as part of its ODA budget. Finland is committed to both increase its ODA budget and the share given to climate action. As reported in NCs and BRs, we use 2009 as a baseline year to define new and additional.

Detail: Finland continues to channel climate finance as part of its ODA budget. Finland is committed to both increase its ODA budget and the share given to climate action. In line with its commitment to the UN, Finland aims to direct 0.7 per cent of GNI to development cooperation and 0.2 per cent of GNI to the least developed countries.

After the Copenhagen fast-start finance pledge, Finland decided to use the year 2009 as a baseline for defining new and additional funding. The Finnish fast-start finance commitment of EUR 110 million was implemented through a net increase of Finnish funding directly allocated to developing countries' climate activities in 2010–2012 compared to the year 2009. The baseline figure for overall Finnish climate funding (grant) in 2009 was approximately EUR 26.8 million. While the fast-start finance period is now over, the international public climate finance that Finland has provided has continued to be higher than in the base year used for fast-start finance.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Finland uses annual budget cycles, but tries to use multiannual agreements when possible.

Detail: Finland's public climate finance is included in the annual public budget cycles and the rolling 3-year financial frames of the Government. The Parliament approves the annual budgets every year in December. There is some limited ability to commit for longer term, however, in practice even these longer-term commitments are still subject to the

annual parliamentary approval. See more in section 1.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: Both annual budgeting and backward looking reporting on disbursements base the data on Rio markers and co-efficients.

Detail: Both annual budgeting and backward looking reporting on disbursements base the data on Rio markers and co-efficients. Currently the budget for 2023 is under preparation, next phase will be consultations between MoFA and MoF, and thereafter the proposals go to the Parliament for approval by the end of year 2022.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: The planning cycles of donor countries and partner countries might not coincide. Partner countries prioritize cooperation in other sectors.

Detail: The planning cycles of donor countries and partner countries might not coincide. Finland's development policy is based on the prevailing government programme and therefore usually updated every four years. Likewise, the country programming is carried out every four years. This might not coincide with the planning carried out in the host countries. For example, when Finland was finalizing its country programming for the period 2021-2024 our partner countries had not yet submitted their updated NDCs, making it therefore impossible to consider them in the country programmes.

Partner countries prioritize cooperation in other sectors. Finland has a strong reputation in the field of education, especially in basic education. Therefore, partner countries prefer cooperation in this field with Finland.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: The division between mitigation and adaptation support varies according to the year, but it is on average close to 50-50 especially when focusing to grant support. The investment funding naturally leans towards mitigation. The focus in our bilateral cooperation is on the least developed countries and fragile states.



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Detail: 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 up during reporting, the division between mitigation and adaptation support varies, but it is usually close to 50-50. However, during some years there might be/have been big single disbursement(s) that can change the ratio to less balanced. This was the case for instance in 2017 when Finland-IFC Blended Finance for Climate Fund²² was established. However, as stated above, in the Implementation Plan it is estimated that from 2022 onwards grant-based climate finance flows will be equally split between adaptation and mitigation. See also points 1. and 4.

According to the Government Report on Development Policy, the focus in our bilateral cooperation is on the least developed countries and fragile states. You can read more about our partner countries in point 3. On multilateral side, e.g. in the 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. As another example, the Nordic Development Fund (NDF) promotes climate change mitigation and adaptation to climate change especially in the least developed countries and countries in fragile situations. NDF is the joint Nordic international finance institution (IFI) established by an intergovernmental treaty between Denmark, Finland, Iceland, Norway and Sweden in 1988. In 2021–2025, the Fund will allocate at least 60 per cent of its financing to Sub-Saharan Africa. At least half of the funding in 2021–2025 will be targeted at projects promoting adaptation to climate change.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Finland continues to give high priority to private sector cooperation and mobilization of private finance, and therefore continues to provide investment funding for developing countries, a substantial part of which contributes to climate finance during 2020-23.

Detail: 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

²² <https://www.ifc.org/wps/wcm/connect/80096bd4-2418-4f4f-aaf7-2f356ed11164/20180103-Finland-IFC-Blended-Finance-for-Climate.pdf?MOD=AJPERES&CVID=msup5jG>



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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.

Finnfund plays a key role in financing private sector climate mitigation and adaptation projects in all developing countries and especially in least developed and lower middle-income countries. Finnfund makes new investments worth of approximately 200-250 million euro per year with the target to allocate at least 50 % of its new investments to climate projects annually. Finnfund has adopted a new statement on climate and energy according to which it will make EUR 1 billion worth of new investments in climate finance by 2030²³.

In addition, individual projects such the Energy and Environment Partnership (EEP) Programme are important tools to leverage additional finance. Finland is using the so called investment funding budget line on top of the grant based ODA funding. During 2020-23 about 500 million euros will be invested out of which at least 75 per cent will be channeled into climate change related investments.

I. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: Finland follows the principles of the Paris Declaration on Aid Effectiveness signed by donor and partner developing countries, which stresses the ownership and alignment of the partner country in development cooperation. The country strategies in the bilateral side are combination of priorities by both partner countries.

Detail: Finland follows the principles of the **Paris Declaration on Aid Effectiveness** signed by donor and partner developing countries, which stresses the ownership and alignment of the partner country in development cooperation. When giving bilateral support, Finland takes into account our Development Policy and its priorities. Detailed project planning is carried out only after consulting with the partner countries. These country consultations are the tool used to engage partners in preparation of the cooperation plans (so-called country programmes) based on the needs and priorities of the partner country and they take place every four years. According to the **'Guideline for the Cross-Cutting Objectives in the Finnish Development Policy and Cooperation'**, as updated in 2020, *the partner countries' priorities and needs should always be the starting point, including their nationally determined contributions (NDC), long-term low greenhouse gas emission development strategies (LTS), national adaptation plans (NAP), disaster risk reduction plans as well as other relevant plans* (please also see Section 9).

²³ <https://www.finnfund.fi/en/news/new-statement-on-climate-and-energy-will-guide-finnfunds-climate-actions/>



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In multilateral institutions, developing countries participate in the board-level decision-making process, including priority setting. For example, at the GEF the country focal point reviews the project concepts and assesses if they are national priorities for GEF assistance. These practices ensure that the resources provided by Finland address the needs of non-Annex I Parties.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Finland has integrated the goals and objectives of the Paris Agreement into its development policy. The Coalition of Finance Ministers is a special initiative co-chaired by Finland and Indonesia.

Detail: Finland has integrated the goals and objectives of the Paris Agreement into its development policy. Finland tries to help developing countries to plan and implement the goals of the Paris Agreement. Special initiative focusing more to article 2.1.c. by Finland has been the Coalition of Finance Ministers. The Coalition of Finance Ministers for Climate Action, co-chaired by Finland and Indonesia, was launched at the World Bank Group-IMF Spring Meetings on 13 April 2019 to drive stronger collective action to tackle climate change and its impacts. The Coalition will help countries to design and implement climate policies at national level, and consider coordinated actions at regional and global level. The key objective of the Coalition is to bring climate considerations into the mainstream of economic policy. The objectives of the Coalition are set out in "Helsinki Principles" which reflect engagement of Finance Ministers to act on climate change by sharing best practices and experiences, and initiating analytical work to support policy action to reach evidence based cost-efficient solutions. In particular, the focus is on carbon pricing, macroeconomic and fiscal policies, public financial management as well as climate finance to achieve low-carbon and climate-resilient growth. During World Bank and IMF Spring Meetings in April the Coalition launched a new working line on adaptation finance. First results of this work are expected during autumn 2022.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: Finland has integrated the goals and objectives of the Paris Agreement into its development policy.

Detail: Finland has integrated the goals and objectives of the Paris Agreement into its development policy. In line with the Paris Agreement, climate resilience and low emission development are cross-cutting objectives of Finnish development policy. See e.g. section 3 for more information.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Most of the Finnish bilateral programmes and projects with a climate-related objective also include a capacity building component.

Detail: 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. Furthermore, Finland has development cooperation instruments specifically focused on capacity building, such as the inter-institutional cooperation instrument (ICI) and the higher education institutes instrument (HEI-ICI). For instance, most of the cooperation related to meteorology and early warning systems happen through ICI.

p. Possible additional information

Summary: Finland is promoting carbon pricing and fossil fuel subsidy reforms as well as circular economy solutions.

Detail: Finland is (and has been) working to reform harmful fossil fuel subsidies for both climate and wider environmental, social and economic reasons. Finland is a member of the Friends of Fossil Fuel Subsidy Reform (FFFSR), 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, Switzerland and Uruguay. Finland is promoting carbon pricing/taxation policies and practices e.g. by participating in the EU ETS system and applying environmental taxes. 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. Finland also joined the Carbon Pricing Leadership Coalition (CPLC) in April 2016. Furthermore, the Helsinki Principles (The Coalition of Finance Ministers for Climate Action) include the objective for successful carbon pricing and fossil fuel subsidies reform. Fossil fuel subsidy reform and carbon pricing provide the appropriate enabling environment for climate finance and set the framework for a low-carbon development path. Finland has also contributed 5 million euros to the World Bank managed Partnership for Market Implementation (PMI) which supports readiness and implementation of carbon pricing in developing countries. PMI is operational during 2020-2030.

Finland is working on circular economy (CE) solutions in order to achieve carbon-neutrality by 2035. We aim at advancing the discussion and transition towards CE based economies also multilaterally (including organizations such as WTO, UN, UNEP, OECD) and in bilateral negotiations.

8. France

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: France remains committed to contribute to the annual mobilisation of the USD 100 billion from 2020 through 2025. It has committed to provide € 6 billion of climate finance every year between 2021 and 2025, an increase from its previous commitment to contribute €5bn in 2020.

Detail: In 2020, France provided € 5.08 billion of public climate finance to developing countries, through bilateral and multilateral sources, including € 1.8 for adaptation. France has therefore reached its objective announced at the UN General Assembly in September 2015 to mobilize € 5 billion of international climate finance by 2020 including € 1.5 billion for adaptation.

France has committed to a clear and increased contribution for the 2021-2025 period: France will provide every year €6bn of public climate finance, through bilateral and multilateral channels. A third of these resources will be contributed to adaptation action. Among other contributions, France has committed to provide significant contributions to several multilateral climate funds in the years to come. France announced a doubling of its contribution to the Green Climate Fund (GCF) to € 1.548 billion (in euros) for the first replenishment period 2020-2023. It will also contribute €300 million to the Global Environment Fund (GEF) for the period 2022-2026. Regarding the bilateral channel, AFD has taken strong commitments in its 2017-2022 climate strategy, such as ensuring that 50 % of annual financing in foreign countries have a direct and beneficial impact on climate and aligning all of its operations with the objectives of the Paris Agreement. Through the Climate Export Plan (2020), France has also committed to enhance the share of climate projects supported through its export finance instrument.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: 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 (French: CICID) and the 2017-2022 AFD Climate and Development strategy.

Detail: The French contribution to climate finance is mainly implemented through the French development agency AFD (Agence française de développement). AFD, and its private sector subsidiary Proparco, has financed 236 projects with climate co-benefits in 2020, for a total commitment of approximately € 5 billion (the scope of this total is broader than public climate finance as reported to the UNFCCC, as it may include Annex I countries and delegated funds). Other bilateral instruments dedicated, in part, to the climate issues in developing countries, are the French Facility for Global Environment (French: FFEM),



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The Fund for Private Sector Studies and Aid (French: FASEP) and export credit (subsidised and unsubsidised Treasury loans). France also provides financial support through multilateral finance, including the multilateral development banks in which it is a shareholder such as the International Development Association (IDA), the soft lending window of the World Bank, the African Development Fund (ADF), the soft lending window of the African Development Bank and the International Fund for Agricultural Development (IFAD), and climate funds such as the Green Climate Fund (GCF) and the Global Environment Fund (GEF) – see projected levels in box 1.

This section counts France's contributions to dedicated climate funds (GCF, GEF) and concessional funds and excludes France's share in multilateral banks.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: The French policies, programmes and priorities are notably defined through the Government's action plan on climate, present in the 4th August 2021 Solidarity and Development law and the Interministerial Committee for International Cooperation and Development (French: CICID, and the 2017-2022 AFD Climate and Development strategy.

Detail: The Solidarity and Development law (Framework law on ODA) designates Climate as a priority (along with biodiversity, education, gender equality). To meet these priorities, the bill provides for an upward trajectory of credits allocated to official development assistance (ODA), in accordance with the commitment of the President of the Republic to bring France's ODA to 0.55% of gross national income (GNI) in 2022. It sets targets for concentrating ODA to the most vulnerable countries and in priority sectors (environment and climate, equality between women and men, dealing with crises and fragility, access to human rights, health, education, food security, water management).

The conclusions of the Interministerial Committee for International Cooperation and Development (CICID) reaffirm that climate co-benefits will continue to represent at least 50 % of the AFD's financial commitments and will be extended to the whole AFD Group including the DFI subsidiary Proparco.

In terms of finance for adaptation finance, the CICID conclusions set the objective of € 1.5 billion by 2020, with priority given to Africa, the Least Developed Countries and those who are most vulnerable to climate change, especially in the agricultural sector. This target has been subsequently increased to a third of the €6 bn climate finance that France will provide every year between 2021 and 2025. Priorities can be also reflected through France's contributions to multilateral public finance. For instance, the Green Climate Fund aims for a 50:50 balance between mitigation and adaptation investments throughout its portfolio in grant-equivalent terms, and for a floor of 50 percent of the adaptation allocation for particularly vulnerable countries, including Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States. During the initial resource mobilisation period of the GCF, the share of GCF adaptation funding dedicated



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to LDCs, SIDS and African States has reached 69 %, sending a clear signal that the adaptation funding provided by the GCF aims to be directed at those who are most vulnerable to the effects of climate change.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Support provided by France to developing countries targets all mentioned activities: mitigation, adaptation, technology transfer and capacity-building activities.

Detail: Most recent information reflects the activities of AFD in 2020. AFD's mitigation commitments amounted to more than 2,5bn€ in 2020, its adaptation commitment amounted to 2,1bn€ and global and sectoral budget support related to climate for foreign governments amounted to 553M€ – see quantitative information in b.

As an illustration, one of the flagship adaptation projects of 2020 is risk reduction flood in Lebanon. This is an emergency project implemented by a consortium of Lebanese, French and international NGOs, funded through the Minka fund set up by AFD, for a grant amount of €13.8 million- [see AFD 2021 activity report](#).

In order to support some thirty of the most emissive or most vulnerable developing countries in their transition to a low-carbon and resilient development model, AFD has created a dedicated grant tool: the 2050 Facility. Created in 2018 as part of the French commitments made during the One Planet Summit in Paris, it is endowed with 30M€ in the form of grants and finance studies and capacity building programs.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Information is provided by AFD in order to help developing countries in elaborating proposals.

Detail: AFD Group's climate strategy has become a strong marker of AFD's identity through three pillars: (i) the systematic measuring of the carbon footprint of funded operations and the assessment of their potential benefits in terms of adaptation to the effects of climate change; (ii) the objective that 50 % of financing be committed for projects with climate co-benefits in foreign countries; and (iii) the selectivity of projects according to their impact on climate, taking into account the level of development of the countries concerned (for example, leading to the non-financing of highly emissive projects in emerging countries). This strategy has profoundly transformed AFD's portfolio as well as its methods far beyond the purely operational sphere, and has also shaped its partnership strategy.

Our 85 offices worldwide, including in the French Overseas Communities, have a role to play to present/explain AFD climate strategy and climate requirements to the national and local counterparts/partners. AFD also developed and offered some training sessions on

climate finance (overall landscape tracking methodologies etc.) to specific partners in several countries (ministries, banks etc). AFD is currently building a new strategy for climate and nature for the next 4 years.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: /

Detail: In France, the national government budget is approved annually by the Parliament by late December. It is therefore challenging to provide ex ante information on longer term planning for the provision of means of implementation to developing countries. However, France remains committed to contribute to the annual mobilisation of the USD 100 billion from 2020 through 2025, and has pledged significant amounts to several climate funds beyond 2020. In the absence of a universally accepted definition of “new and additional financial resources” in article 4, paragraph 3 of the Convention, France defines new and additional climate finance as newly committed or disbursed climate finance during each year. In its climate finance reporting France provides information only on those newly committed or disbursed resources. In this understanding all climate finance reported by France is new and additional.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: In France, the national government budget is approved annually by the Parliament by late December. It is therefore challenging to provide ex ante information on longer term planning for the provision of means of implementation to developing countries.

Detail: In France, the national government budget is approved annually by the Parliament by late December.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: France uses state-of-the-art methodologies to report project-level data on its bilateral climate finance to the best of its ability, and identifies climate-specific shares of multilateral contribution.

Detail: For bilateral reporting, France reports to the finest detail level possible considering the information available and the specific processes of each institution. This level of detail includes a project by project assessment for bilateral sources (AFD, PROPARCO, French Fund for the Global Environment (FFEM), FASEP and Treasury loans, other sources from government budget). For multilateral contributions, France reports at an aggregate level. While AFD and PROPARCO provide climate-specific data for each project, we use OECD-

DAC methodology to account for export finance (FASEP and treasury loans contributions). France reports on multilateral climate-specific contributions, taking into account the contributions to multilateral climate funds or environment funds with dedicated climate activity.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: France is involved in various initiatives in order to enhance national planning and the access to financing in developing countries. Initiatives and policies aiming at shifting finance flows towards low-emission and climate-resilient activities at the domestic level in France also serve the enhancement of the climate finance environment in developing countries.

Detail: France believes that a favourable environment is instrumental to make finance flow towards developing countries. This relies on the capacity of recipients to embed climate action in their policy planning (at national and local level) and to make their needs well channelled to development partners.

AFD has launched the 2050 Facility in order to help developing countries in the design and implementation of long-term low-emission and climate-resilient development strategies, and related public policies and governance (see more details in box 13). AFD has also launched the Adapt'action facility, which supports various vulnerable countries in implementing their adaptation strategies, through a technical assistance et capacity development activities. It contributes to reinforce the climate governance, to better integrate adaptation into policies and to identify high-impact adaptation projects. Phase 1 (2027-22) took place in 15 countries.

In the energy

In the energy sector, France and India have co-launched the International Solar Alliance, whose agreement has been signed and ratified by 87 countries, including many EU Member States. This alliance works as a platform dedicated to scaling-up the development of solar energy resources and reducing the cost of financing in developing countries. Among other initiatives, a Solar Risk Mitigation Initiative (SRMI) is being developed by the World Bank and the AFD in the framework of the ISA, with the aim of de-risking solar projects and mitigating pooled risks of eligible portfolios of solar assets.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: /

Detail: **Public climate finance provided by France is led by a new pledge for the post 2020 period. France will provide €6bn annually between 2021 and 2025**, with one third (2bn€) of our climate finance to be dedicated to adaptation, with a priority given to African, the Least Developed Countries and those who are most vulnerable to climate change, especially in the agricultural sector. This objective has been already achieved, as AFD adaptation commitment amounted to 2,1bn€ in 2020, our latest data available. France also contributes to several climate funds providing climate finance with a balance between mitigation and adaptation, such as the Green Climate Fund, or that are targeted on providing finance for adaptation, including for those that are particularly vulnerable to the adverse effects of climate change, such as the Adaptation Fund and the Least Developed Countries Fund.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: France seeks to mobilise private finance and innovative finance mainly through the AFD's private-sector subsidiary, PROPARCO, but also at the AFD group level and of course through export finance instruments.

Detail: AFD Group involvement to enable the mobilization of private finance can translate to the targeting of specific sectors. For example, €213 million was allocated to the social and solidarity economy sector, benefiting more than 50 million people.

Regarding Proparco's activities, 32 % of its activities show a climate co-benefit. 94 % of this financing with climate co-benefits relates to projects contributing to the mitigation of climate change, mainly in the sector renewable energies and energy efficiency programs.

In the last few years, AFD Group has also worked in the development of innovative financial products. In terms of guarantees, AFD is a founding member of a regional green electricity trading platform which aims to reduce risks for investors. In the event of default by the national electricity companies, the payment capacity is guaranteed by the funds provided by its investors and, as a last resort, by the financial guarantee of AFD. In addition, AFD and the World Bank have formalised the launch of the Solar Risk Mitigation Initiative (SRMI) in order to facilitate the implementation of private solar energy projects in emerging and developing countries, and to mobilise up to \$ 500M from public financial institutions and private actors.

Finally, AFD Group has implemented a "Financial Systems" strategy for 2018-2022 with a

view to contributing to building inclusive, sustainable and responsible, supporting the development of sustainable finance. The Group has set three objectives to support financial systems (i) promoting access for as many people as possible to appropriate financial services the needs of populations and businesses (ii) supporting the emergence of a new finance model sustainability, through the 2018 strategy- 2022 (iii) consolidating the systems funds to ensure stability. Activity in favor of financial systems has grown strongly in recent years, to reach €1.8 billion in commitments in 2020, which made it possible to finance more than 150 institutions operating in more than 60 countries of intervention. The activity benefits significantly to African countries (48 % of commitments in 2020) and more specifically to countries in sub-Saharan Africa (30 % of commitments). Are coming then the regions of the East and Latin America sustainability, placing economic transitions at the heart of its concerns, social and environmental.

The AFD Group organized in November 2020 in Paris the first Summit world of public development banks (BPD) and participated with the Italian CDP in the organization of the 2nd Summit in 2021 in Roma. These events bring together the coalition of public development banks (more than 500 identified to date) and the players in their ecosystem determined to create a system more coherent and coordinated financial system and whose diversity, which now constitutes the base of the global coalition "Finance in Common", is essential for the implementation of the 2030 Agenda of the SDGs and the Paris Agreement. The International Development Finance Club (IDFC) is an essential network to align all financial flows with the objectives of the Paris Agreement.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary:

Detail: AFD has regular bilateral interactions with recipient country partners to define priorities and areas of intervention at the national level which materialize in funding requests from the countries.

All AFD climate projects are also development projects. Through its 85 local offices worldwide, AFD Group identifies projects on the ground with the public and private national partners (Ministries, local authorities, banks, civil society etc.). In each country, the AFD local office elaborates a strategy which is presented to the national partners and shared with the Ministry of Finance in the country to ensure its consistency with the needs and priorities of the country.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-

resilient development;

Summary: /

Detail: The AFD 2050 Facility (€ 30 million grant) supports the implementation of the Paris Agreement by accompanying around thirty developing countries in the design and implementation of long-term low-emission and climate-resilient development strategies, and related public policies and governance. Through technical cooperation and capacity-building actions, the 2050 Facility must help identify priorities for public and private investments needed to implement the structural transformations of economies in relation to long-term decarbonisation and resilience. The activities include the: development and implementation of climate modelling tools such as socio-economic impacts of climate change and Deep Decarbonisation Pathways; analysis of transition risks to evaluate potential development lock-in; mainstreaming of climate change objectives into national development strategies to ensure coherence among planning guidelines, as well as with sectoral policies (e.g., energy efficiency, sustainable transport...). More information online: <https://www.afd.fr/fr/facilite-2050>

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: France has committed to ensure that the Sustainable Development Goals and the Paris Agreement are key drivers of its public development strategy.

Detail: This involves progressing from an approach based mainly on an assessment of the benefits of projects with direct climate co-benefits and on a selectivity policy for highly emissive projects, towards an approach that includes seeking and characterising the consistency of all interventions with low-emission and climate-resilient development pathways.

In terms of the selectivity of operations and related diligence processes, it entails the systematic analysis of interventions according to the afore-mentioned dimension via a specific analysis matrix incorporated into the sustainable development analysis framework currently in use at AFD.

In terms of the volume of climate finance, the objective that 50 % of commitments relate to projects with climate co-benefits is being extended to the entire AFD Group and will lead to an absolute increase in the volume of such commitments, with a special funding effort for adaptation and the African continent.

The AFD Group will continue to report on its portfolio of projects with climate co-benefits and on their impacts, and will extend this accountability, with increasing precision, to the objective of ensuring the coherence of all its interventions with low-emission and climate-resilient development pathways.

As a financial institution, the AFD is also implemented the Task Force on Climate Related Financial Disclosure guidelines and published its first TCFD report in 2021. The Group

gives a central place to climate-related opportunities and risks in its governance, in its dialogue with clients and partners, in the choice of operations financed, and in the various indicators used to monitor the Group's activities. This report establishes and documents this, in order to allow regular exchanges on these subjects with all counterparties. The publication of the TCFD report contributes to the Group's transparency and accountability efforts on climate issues. [TCFD \(Task-Force on Climate Related Financial Disclosure\) Report | AFD - Agence Française de Développement](#)

France is actively supporting climate mainstreaming across all development finance institutions through its stance as a shareholder of major Multilateral Development Banks and as an important contributor to development funds such as IDA, in order to ensure that all development finance flows are consistent with the objectives of the Paris Agreement. This ambition is also conveyed through the International Development Finance Club, to which AFD is presiding.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Capacity building is fundamental to enable the full, effective and sustained implementation of the Convention, the Protocol and the Paris Agreement.

Detail: In order to support some thirty of the most emissive or most vulnerable developing countries in their transition to a low-carbon and resilient development model, AFD has created a dedicated grant tool: the 2050 Facility. Created in 2018 as part of the French commitments made during the One Planet Summit in Paris, it is endowed with 30M€ in the form of grants and finance studies and capacity building programs.

France also values multi-stakeholders initiatives, gathering non-State Actors (local governments, NGOs, private sector...) and countries. These initiatives have a key role to play to bridge the ambition and implementation gaps and to speed-up collective efforts. This constitutes a valuable source of concrete solutions and technological, political and financial innovations.

AFD has a specialized unit exclusively dedicated to organizational development, change management, and capacity building for project leaders and their stakeholders. The unit has a cross-cutting role of support, guidance, experimenting, and capitalization. Several teams are active in more than 4,000 projects in the field – in overseas France, in some 115 countries and in crisis areas, working to promote the “common goods” that are climate, biodiversity, peace, gender equality, education and health

p. Possible additional information

Summary: France has taken action internationally to promote shifting finance flows towards a low-emission and climate-resilient development pathway. It takes part to

various initiatives supporting the implementation of policies effectively incentivising the shift of public and private investments towards low-emission and climate-resilient solutions.

Detail: France has taken action internationally to promote shifting finance flows towards a low-emission and climate-resilient development pathway. The One Planet Summit, convened in Paris on 12 December 2017 by President Emmanuel 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 mobilisation of climate finance, both public and private. These initiatives include 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 (NGFS) by central banks and supervisors; the Climate Action 100+ coalition, bringing together more than 340 institutional investors with about USD 34 trillion of assets under management to scale up engagement with systemically important corporate greenhouse gas emitters.

Besides, France takes part to various initiatives supporting the implementation of policies effectively incentivising the shift of public and private investments towards low-emission and climate-resilient solutions, such as the Paris Collaborative for Green Budgeting, the Carbon Pricing Leadership Coalition, the International Platform for Sustainable Finance and the Coalition of Finance Ministers for Climate Action (which gathers more than 50 developed and developing countries for sharing best practices).

9. Germany

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Germany achieved the goal to double the German contribution to international climate finance from budgetary sources (including grant equivalents from KfW development loans) from EUR 2 billion (2014) to EUR 4 billion in 2020, already one year early in 2019 (EUR 4.34 billion, 2020 EUR 5.09 billion Euro). In 2021 former Chancellor Angela Merkel announced an increase of German climate finance from budgetary sources (including grant equivalents in KfW development loans) to EUR 6 billion by 2025. Chancellor Scholz reaffirmed this commitment at the G7 Summit in 2022.

Due to budgetary and parliamentary requirements (for further information see question g), statements on the future level of public financial resources are only possible to a limited extent.

- As stated in the 2021 Coalition Agreement, Germany acknowledges its responsibility for international climate action as well as development



cooperation in particular with a view to providing Official Development Assistance (ODA).

- Germany's financial support for climate issues has grown steadily in recent years. The support from budgetary sources has increased from EUR 471 million (in 2005) to EUR 5.09 billion (in 2020). In 2021, Germany provided a total amount of EUR 8.1 billion for international climate finance:
 - Germany's provided international climate finance from budgetary sources (including grant equivalents in KfW development loans) amounted to EUR 5.34 billion.
 - In addition, Germany mobilised public finance through the KfW Development Bank and the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) to the tune of EUR 2.59 billion and private finance to the tune of EUR 170 million.
- Germany is particularly committed to increase its focus on adaptation activities to contribute its share to the collective goal of doubling adaptation finance by 2025 from 2019 levels, while advocating a balance between mitigation and adaptation in the provision of scaled-up financial resources.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

So far, the German Federal Ministry for Economic Cooperation and Development (BMZ) (approx. 82 % - 88 %) and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and Consumer Protection (BMUV) (around 10 % - 16 %) have been the major providers of German climate finance from budgetary sources²⁴. Both ministries have been supporting international climate activities through bilateral and multilateral programmes and funds.

Due to the new distribution of responsibilities in the Federal Government, the BMZ continues to be the largest provider of climate finance, followed by the Federal Ministry for Economic Affairs and Climate Protection (BMWK). BMWK implements funds of the Internationale Climate Initiative (IKI) in close cooperation with BMUV and the Federal Foreign Office (AA).

Germany distinguishes between three categories of climate finance: public financing from budgetary sources (including grant equivalents in KfW development loans), mobilised public finance and mobilised private finance. Since budgetary resources are limited, it is of particular importance to the German government that private resources in climate finance are mobilised.

²⁴ Percentages apply to the years 2017 to 2021. Other ministries only contributed small amounts in these years.

Based on past spending, the majority of climate finance from budgetary sources is provided in the form of grants. Regarding multilateral cooperation on climate issues, Germany contributes to a variety of multilateral instruments with budgetary sources such as the Green Climate Fund, the Global Environment Facility, the Adaptation Fund and (thematic) funds that exist independently of the Framework Convention on Climate Change e. g. in the area of renewable energy or forest conservation, such as the Climate Investment Funds (CIFs), ProGreen or other climate-relevant funds of multilateral development banks (MBDs).

Climate-related mobilised public finance takes the form of loan financing provided by the KfW Development Bank and DEG. More than 80 % of mobilised public finance is made available in the form of concessional loans. The third category is private climate finance mobilised through public resources. Blended finance vehicles, such as syndicated loans, direct investments, revolving credit lines to local (development) banks and investments in structured funds as well as public private partnerships, are used to mobilise private investments for climate action.

Below, Germany presents indicative quantitative and qualitative information on programmes supported by the various ministries:

Climate finance is one key instrument for achieving sustainable development and will therefore continue to constitute a significant share of Germany's overall long-term development cooperation. In 2022, the BMZ projects bilateral climate finance amounting to at least EUR 1.66 billion channelled through financial cooperation and technical assistance. Other sources include, i. a., funding for non-state actors or special initiatives. The BMZ will also continue to actively engage in key multilateral funds and important multilateral and regional initiatives such as:

- The Green Climate Fund (second replenishment phase 2023–2026 aiming for ambitious German contribution subject to outcome of negotiation)
- The Global Environment Facility (8th Replenishment 2022–2026: EUR 700 million) as well as the Least Developed Countries Fund (LDCF) commitment of EUR 100 million and the Adaptation Fund commitment of EUR 50 million (funded by BMUV) in 2021
- The Climate Investment Funds (commitment of EUR 260 million in 2021)
- The InsuResilience Global Partnership (IGP) aims at financially protecting 500 million poor and vulnerable people in developing countries against climate and disaster shocks by 2025 (150 million people covered in 2021). Of the 500 million, 150 million will be covered by microinsurance solutions (60 million covered by microinsurance in 2021). (2021-2022: BMZ pledged about EUR 300 million for activities under the IGP).



- The Global Shield against Climate Risks, Germany's new G7 proposal, will build upon existing activities of the IGP and further pledges in the double-digit million range will be announced at the UNFCCC COP27 in November 2022.
- Global forest conservation initiatives such as ProGreen, the Central African Forest Initiative (CAFI) (EUR 125 million in 2021) and support for social inclusion in Emission Reduction Programs with focus on Indigenous Peoples and Local Communities (EnAble).
- The Green Baseload Facility of the African Development Bank aiming at accelerating the transition towards more sustainable baseload power generation options (EUR 100 million commitment in 2021)

The International Climate Initiative (Internationale Klimaschutzinitiative, IKI) – launched in 2008 – has served as the main source of climate funding of the BMUV – now moved to BMWK. Following the new distribution of responsibilities in the German government, however, the IKI will be collectively managed by BMWK, BMUV and AA from now on. Hence, all three ministries will play a role in the provision of climate finance in the coming years.

The IKI funds activities in the following funding areas and will continue to support these in the coming years:

- [Mitigating greenhouse gas emissions](#)
- [Adapting to the impacts of climate change](#)
- [Conserving natural carbon sinks with a focus on reducing emissions from deforestation and forest degradation \(REDD+\)](#)
- [Conserving biological diversity](#)

In 2021, the IKI had the capacity to program nearly EUR 596 million and will program EUR 678 million in 2022. Upcoming programming, subject to ongoing budgetary negotiations and approval, an estimated funding of EUR 685 million will be available in 2023. Funding from the IKI has been pooled in two channels so far, thematic calls for proposals (e. g. about EUR 260 million/2022) and country-specific selection procedures with up to EUR 30 million per country. Within the ongoing strategy process of the IKI, the budgets might be reprogrammed in close cooperation between BMWK, BMUV and the AA. To strengthen smaller stakeholders' capacities in developing and emerging countries and to encourage the effective involvement of all social groups, the IKI offers the IKI Small and Medium Grants programmes aimed at small-scale projects²⁵.

²⁵ For further information, please refer to: www.international-climate-initiative.com/en/.

Two important examples of Germany's support for international climate activities, in particular the support for the implementation of Nationally Determined Contributions (NDCs) and enhancement, are

- the NDC Partnership, which will continue to play a significant role. In order to achieve net-zero targets by 2050, the Partnership will further support stronger alignment of NDCs with long-term strategies (LTS).
- the Just Energy Transition Partnerships (JETPs), which provide a platform by which partner countries can work with coherent climate finance donor support, private sector investors, multilateral development banks (MDBs) and relevant actors to achieve an ambitious and just energy transition and achieve more ambitious NDCs. A fundamental principle of JETPs is that they are owned by the host country, with the investment plan and key targets tailored specifically to the needs of their local economy and society, and endorsed by donor countries.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Germany remains committed to mainstreaming climate change in its policies for development finance. Alignment of new projects/programmes with partner countries' NDCs, national adaptation plans (NAPs) and other national adaptation planning documents is a cross-cutting priority. In general, contribution to the Sustainable Development Goals (SDG), the objectives of the Paris Agreement and the Sendai Framework are central guiding principles, which also apply regarding the ongoing recovery from the COVID-19 pandemic. Germany is committed to ensure a green and sustainable recovery.

With the feminist development and foreign policy, grounded in the 2021 Coalition Agreement, Germany has placed gender equality at the centre of political action. Hereby, the planned revision of the gender action plan will lay the groundwork for Germany's mission to strengthen rights, resources, and representation of women in all their diversity and LGBTIQ+ throughout its foreign policy and development cooperation. A cornerstone of the renewed commitment will be a significant increase in the gender-responsive development portfolio, extending the gender-responsive design of climate policy and decisions and the implementation of gender-responsive adaptation and mitigation strategies is a priority.

To answer to the call on developing countries to collectively at least double total adaptation funding for developing countries by 2025 compared to 2019 levels, Germany is committed to increase its adaptation finance. Therefore, Germany is taking on an active role within the Champions Group on Adaptation Finance, an informal group consisting of developed countries that – in close collaboration with least developed countries (LDCs)

and small island development states (SIDS) – aim at increasing the share of adaptation finance.

Germany will continue to provide targeted support to the most vulnerable countries in the group of LDCs and SIDS (primarily via regional and global climate programmes and funds), strengthening their adaptive capacities (e.g. via support of adaptation planning processes and early warning systems) and increasing the resilience e.g. of their agricultural production and water infrastructure. To provide clarity towards recipient countries, Germany publishes its lists of partner countries on a regular basis.

Geographically, Africa will continue to be Germany's regional priority for development cooperation, among other reasons due to the increasing vulnerability to climate impacts. Within Africa the Sahel region will be a specific focus, especially with regard to adaptation and resilience.

The BMZ, as the major provider of German climate finance, has formulated a number of priority areas for its climate finance engagement for the coming years. Together with partner countries and other multilateral and regional partners, the BMZ developed its strategy "[Responsibility for Our Planet – Climate, Energy, Just Transition](#)" and aims to advance action in three areas of intervention: (1) Climate Change Mitigation and Adaptation, (2) Renewable Energy and Energy Efficiency and (3) Sustainable Urban Development including Mobility and Circular Economy.

In doing so, BMZ supports partners with respect to NDC implementation capacity building (i. a. through the NDC Partnership), climate resilience and adaptation (e. g. the Global Shield against Climate Risks building on the IGP), climate-resilient food systems and agriculture, the global energy transition (e. g. the German-led multi-donor partnership Energising Development (EnDev), the European multi-donor platform Global Energy Transition Programme (GET.pro) as well as the G7's Just Energy Transition Partnerships (JETP) initiative), and sustainable forest management (e. g. through continuous support for REDD+).

For a sustainable and socially just global approach to urbanization, initiatives such as (Cities Climate Finance Gap Fund, C40 Cities Finance Facility (CFF), PREVENT Waste Alliance and the Transformative Urban Mobility Initiative (TUMI) are central.

In the following, three initiatives that will shape the German climate cooperation in the coming years are presented in more detail:

- Under the German Presidency, the G7 have decided to work together on further developing existing approaches to climate risk finance to create a Global Shield against Climate Risks. The aim is to gather existing activities under one roof, making them easier to access, to support better coordination and the mobilisation of additional funding, with a view to reaching more poor and vulnerable people and countries. financial protection against climate risks is to become more systematic, coherent

and sustained than the instruments currently available. The Global Shield enables affected countries to better understand the climate risks they are facing and to identify the needs in terms of how to deal with these risks as part of a comprehensive climate risk management. Based on these needs, the Global Shield will then develop, finance and implement solutions, in alignment with the country. The intention is to begin the dialogue processes in selected partner countries during the course of 2022.

- Another central initiative fostered under the German G7-Presidency are the Just Energy Transition Partnerships (JETP). Several German Ministries are actively engaging in the set-up of several plurilateral JETPs to support partner countries wanting to accelerate their just energy transition and comprehensive phase out of fossil energies. The South African JETP was already announced at COP26 with a multi-donor financing of USD 8.5 billion, of which USD 700 million are German funds. Building on this experience, at the G7 Leaders' Summit 2022 G7 members affirmed their intent to move forward in negotiations with Indonesia, India, Senegal and Viet Nam to set up and support additional JETPs, which are tailored to the respective countries' needs and priorities. Leaders agreed to review progress on these potential new JETPs by COP27.
- As part of Germany's foreign climate policy, Germany further supports particularly important and ambitious partner countries in terms of climate policy in implementing their national climate mitigation and adaptation goals. In doing so, these climate and development partnerships (P+) link climate protection with social justice and development issues as set out in the Agenda 2030. Under the leadership of the BMZ, Germany has already established bilateral partnerships with Rwanda, Serbia, and Pakistan, as well as a bilateral partnership with India together with the BMUV. Further partnerships are under development.

The IKI applies a competitive selection process and selects new projects on the basis of annual competitions with certain thematic or geographical foci in each funding scheme. The frequent calls for proposals enable the IKI to react quickly to global developments, new needs, and thematic partner priorities. In general, partner countries must be ODA-eligible. Due to the restructuring of the government, the thematic funding priorities for the IKI in 2022 are still in preparation. For 2022 three calls are estimated: IKI Thematic Call, IKI Medium Grants and IKI Small Grants. Funding priorities are developed in accordance with BMWK, BMUV and AA according to the responsibilities for the respective topics of each ministry within the four funding areas. The thematic selection procedures are open to a broad range of participants such as non-governmental organisations (NGOs), universities, research institutes, and international and multinational organizations and institutions. Including civil society and academia are a special focus of the IKI. In country-



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specific selection procedures, IKI develops topics for bilateral IKI projects together with the partner country. The project selection takes place in close cooperation with the partner country government. Country-specific selection procedures are in place or being developed for, inter alia, Vietnam, Thailand, South Africa, Indonesia, India, Argentina, Costa Rica, Ukraine, Mexico, Colombia, Philippines and Peru.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

German international climate finance continues to address climate change mitigation, including the reduction of emissions from deforestation and forest degradation (REDD+), biodiversity conservation, and adaptation through comprehensive approaches to risk management that include, i. a., finance for risk assessment, risk-informed planning, social protection, ecosystem-based adaptation, early warning, emergency preparedness and response, and resilient reconstruction.

Germany strives for a balanced allocation of its budgetary resources to both climate change mitigation and adaptation (for further information see question j).

Enhancing partners' capabilities, e. g. through technology transfer or in particular capacity building, is a key component of virtually all German bilateral cooperation (for further information on how the support provided by Germany enhances the capacities of developing countries, see question o).

With regard to climate technology, the following areas are of particular relevance to German development cooperation: low-emission energy services, climate-smart cities and resilient rural development.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Germany has identified a variety of factors in order to improve the evaluation of proposals. The identification of the factors is based on a continuous process and will be continued in the future. In this context, the most important factors are:

- First of all, German technical and financial development cooperation intends to ensure that projects align with partner country priorities, NDCs, NAPs, LTS and other development strategies. Programmes should complement other development cooperation programmes and national initiatives, too.
- Germany aims at maximizing efficiency and effectiveness in the implementation of all its bilateral and multilateral aid. Therefore, all project proposals have to be based on needs assessments and on a robust risk analysis, including climate risks, and a theory of change.
- Suggested programmes and activities undergo thorough scrutiny with regard to social and environmental safeguards/risks, compliance with fiduciary

standards, their contribution towards gender equality and a comprehensive monitoring and evaluation framework.

- Project proposals should provide a concise and comprehensive impact framework clearly indicating which climate (co-)benefits will be created through the planned interventions and how this is measured on an indicator basis.
- The IKI selection process includes a number of requirements for a proposal, such as a transformative nature, innovative and ambition raising approaches, the use of synergies, an amount of minimum 50 % local content, close monitoring, risk assessment, transparency, the necessity to apply as a consortium for funding and gender mainstreaming. For further information, please refer to: <https://www.international-climate-initiative.com/en/project-funding>

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

New and additional resources are determined in annual budgetary processes by the parliament (see question g). The amount of climate finance accounted consists exclusively of new commitments and resources disbursed in the reporting year. New and additional climate finance means that all funds are newly pledged or disbursed in the reporting year and have not been reported in previous years as climate finance.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

In Germany, a new budget law is adopted every year. The government's administration prepares the draft of the budget law. Before the budget legislation can enter into force, it must pass through the lower house of the German legislation, the Bundestag, and the upper house, the Bundesrat (where the German states, or Länder, are represented). Since, according to the German constitution, the Bundestag has the right to adopt the budget and scrutinise its implementation, the bill can only become law if it gains a majority in parliament. As budget availability for each Federal Ministry is subject to annual budget discussions and parliamentary approval, there are limitations to providing granular quantitative information on the availability of planned support. The existing financial planning instruments are subject to regular change. It is therefore important to stress that specific ex-ante information can only be provided once the budget is legally binding. Hence, the biennial cycle of ex-ante information constitutes a challenge.

Furthermore, Germany follows a demand-driven approach in the allocation of bilateral climate finance to best serve the needs and priorities of partner countries, e. g. as laid out in their national strategies. Allocation of resources for bilateral cooperation is usually negotiated with partner countries on regular basis.

Despite striving for balanced support of adaptation and mitigation action through public budgetary resources including grant equivalents in KfW development loans, such a demand-driven approach poses challenges for projecting certain categories of climate finance.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

With a view to contributing its fair share to the USD 100 billion goal, the German government has doubled its climate finance from budgetary sources to EUR 4 billion by 2020 and announced a further increase to EUR 6 billion by 2025. So far, delivery has largely been done via the budgets of BMZ and BMUV, however, in the future (beginning in 2022) AA and BMWK will also play a larger role in the provision of climate finance. In order to meet the 2025 target, annual growth scenarios for various climate-relevant budgetary programmes have been conceptualized for the coming years. It is important to note that even though ex-ante information will contribute to transparency and predictability, only ex-post reporting provides a clear picture of the overall volume of climate finance on a disaggregated level.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

With a view to supporting developing countries in accordance with their needs and priorities, the fact that these priorities may be dynamic and, hence, changeable can pose a challenge for providing suitable support at all times. As NDCs are the central documents for aligning external resources with countries' national strategies, it is of importance that NDCs are updated, elaborated in detail to best serve developing countries' needs and, ideally, connected to investment plans.

It is of utmost importance to ensure that the projects reported as climate finance are actually making a relevant contribution to climate mitigation and adaptation. The BMZ applies the OECD DAC Rio Marker guidelines in order to ensure that comprehensive climate mainstreaming takes place across the spectrum of development cooperation and is clearly anchored within project proposals. The guidelines provide a clear indication and guidance on how climate aspects – both with regard to mitigation and adaptation – can be introduced and mainstreamed in project proposals based on a robust indicator framework.

The IKI adapted its funding spectrum to include, i. a. climate related biodiversity issues in 2015 and incorporates results of the annual Conferences of the Parties (COP). With the increased orientation of large-volume funding, the IKI has constantly improved its risk assessment and ethics to prevent harm from unintended negative environmental and



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social impacts of IKI projects as well as the misuse of budgetary finance. In order to build and strengthen local capacities of its partner countries, IKI implemented the local content concept that requires implementing organisations to include at least 50 % capacity from the country of project implementation. Responding to possible growing risks of a rising number of large volume projects, IKI is currently installing a new Safeguards Policy and corresponding Exclusion Criteria as well as an Independent Complaints Mechanism²⁶.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Germany strives for a balanced allocation of budgetary resources for climate finance to both climate change mitigation and adaptation. The German government has kept its climate finance from budgetary sources (including grant equivalents in KfW development loans) close to parity throughout the past years and will continue to do its best in order to maintain this balance. Germany strives to increase its adaptation finance, e. g. through engaging in the Champions Group on Adaptation Finance, to contribute to the collective doubling of adaption finance by 2025 compared to 2019 levels.

Germany provides targeted support to the most vulnerable countries in the group of LDCs and SIDS, strengthening their adaptive capacities and resilience and reducing their vulnerability to climate change. An example of such targeted support for LDCs and SIDS is the German contribution to the LDCF (amounting to EUR 415 million), the NDC Partnership (with Germany's contribution amounting to over EUR 500 million in total since 2016) and the InsuResilience Global Partnership (see question b), focusing on providing risk finance and insurance solutions for the poorest and most vulnerable. Such engagement will continue to be of high priority to the German government in the future. To meet the needs of LDCs and SIDS, the vast majority of climate finance for these recipients has been provided in the form of grants in the past. Germany aims to continue supporting LDCs and SIDS through grants in the future.

In addition, Germany takes an active role in two initiatives that seek to increase the exchange with LDCs and SIDS on climate finance issues. On one hand, Germany has been actively involved in the Champions Group on Adaptation Finance. On the other hand, Germany is playing an active role in the Task Force on Access to Finance, a UK-Fiji led initiative aiming to reduce barriers and impediments for LDCs and SIDS to access climate finance and to promote a more coherent and effective approach among climate finance

²⁶ For further information please refer to: www.international-climate-initiative.com/en/about-iki/values-responsibility.

providers. Within the latter, Germany, together with Sweden, takes on the role of anchor country for Rwanda, where new methods for a programmatic approach to climate finance will be tested at the national and sub-national levels.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

In order to deploy the limited public resources as efficiently and effectively as possible, Germany aims to increasingly mobilise (non-budgetary) public and private climate finance. Taking into account the findings of the latest OECD report on the progress towards the collective USD 100 billion goal, Germany acknowledges the need to increase efforts to address barriers to mobilising private investments for climate action. Funds are primarily mobilised by providing concessional loans and by refinancing local banks in developing countries with a view to climate-relevant financing products, developing structured funds, climate risk finance and insurance schemes, other de-risking instruments (in accordance with established budgetary procedures and national regulations), as well as equity participation. Germany remains committed to supporting its partners in their effort to direct finance beyond climate finance – to sustainable pathways in line with Article 2.1c of the Paris Agreement.

Approaches to Mobilising Private Climate Finance in Bilateral and Multilateral Initiatives:

Private climate finance will continue to be mobilised using a twofold approach: Firstly, by directly mobilising private climate finance for mitigation and adaptation measures, for example through public co-financing or guarantees (in accordance with established budgetary procedures and national regulations). Secondly, by supporting 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 mobilises additional private investments in developing countries. However, these indirect mobilisation effects are often difficult to measure and consequently not considered in the German climate finance reporting (approaches to track such mobilisation effects are currently piloted by the OECD).

BMZ supported the set-up of several structured funds, such as the eco.business Fund and the Climate Resilience and Adaptation Finance & Technology Facility (CRAFT by Lightsmith), which are expected to attract additional private investors over the coming years.

Similarly, via the IKI, Germany is accelerating the deployment of private climate finance in emerging markets through de-risking instruments in the form of structured funds and blended finance vehicles such as the Climate Finance Partnership with Blackrock, the



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Emerging Market Climate Action Fund (EMCAF) with Allianz GI, the Global Climate Protection Fund (GCPF) or currency-de-risking instrument such as 'The Currency Exchange Fund' (TCX) - (in accordance with established budgetary procedures and national regulations). With this allocation of funds into inter alia large-scale infrastructure finance, Germany seeks to support partner countries in implementing its NDC and to raise NDC ambition. Complementing this support of direct mobilisation are projects such as the Green Fiscal Policy Fund, targeting the Latin American and Caribbean region, which are aimed at developing the regulatory environment of financial markets to create enabling conditions for cross-border investments in climate mitigation and adaptation measures.

1. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

In order to address the needs and priorities of developing countries, the German government follows a partner country demand-driven approach in the allocation of bilateral climate finance. In each partner country, cooperation areas are defined in a dialogue on equal terms with the responsible national institutions.

Within the context of regular intergovernmental consultations, priority sectors for German development cooperation are discussed and agreed with individual partner countries. Thus, these priority sectors constitute the pillars of joint medium-term cooperation strategies. In each partner country, this dialogue on equal terms is coordinated by and channelled through the responsible national institution for the coordination of development cooperation.

In a similar vein, with its country-specific selection procedure in the context of IKI, Germany underlines the importance of its bilateral cooperation with partner countries with bilateral country calls and close cooperation with 14 priority countries, 12 of them profiting from an IKI Interface Project Office that supports the government on climate and biodiversity policy issues and networking with all IKI projects in the country and other donors in order to use synergies and raise ambition of NDCs over all activities. Prior to launching country calls, discussions are held with government representatives to identify the aspects of climate action and biodiversity protection and necessary frameworks most relevant to each country. IKI Small Grants and IKI Medium Grants are aimed at non-governmental and non-profit organisations in developing and emerging countries. The IKI Medium Grants contain a south-north-exchange mechanism by dividing the grants between a German organisation and its local partners.

Germany is also a founding member and major donor of the NDC Partnership (see question j). A country-driven approach is at the core of the NDC Partnership's work. Climate-relevant cooperation is guided by the needs and priorities of partner countries. The Partnership promotes financial and technical capacities and increasingly adopts targeted matchmaking processes between donor countries and ambitious developing countries for effective implementation and enhancement of NDCs. The country



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engagement process often results in partnership plans that serve as NDC implementation plans in many countries. They improve donor coordination, create transparency on existing support and facilitate stronger cross-sectoral NDC alignment and mainstreaming. One example is the IKI project “Greening the Financial System” that answers to NDCP’s request to donor countries for financial and or technical assistance for the greening of central banks.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

German development cooperation supports partner countries’ NDCs based on the communicated needs, thereby aiming at contributing to implementing the goals laid out in the Paris Agreement. It also aims to complement the efforts of other donors in line with the idea of alignment and harmonization.

Regarding the financial sector and enabling environments for climate-conducive spending and investment, Germany is actively engaged in several multilateral fora such as the IMF, G20, G7, the Network for Greening the Financial System (NGFS) with Deutsche Bundesbank and the German Federal Financial Supervisory Authority (BaFin) as founding members and the Coalition of Finance Ministers for Climate Action (CFMCA) with the German MoF as a founding member. However, Germany does not only support a diversity of initiatives at the multilateral level that stipulate making finance flows consistent with the goals of the Paris Agreement, but also at the national level, policies and strategies contributing to the implementation of Article 2.1c are put in place. The German Federal Government committed in its Sustainable Finance Strategy (adopted in 2021) to promote sustainable finance in Europe and in Germany while at the same time supporting implementation in partner countries e.g., through its development cooperation.

In order to shift financial flows in a systemic and permanent way towards activities in line with low greenhouse gas emissions and climate-resilient development, the public sector has to set adequate regulatory framework conditions and implement climate-sensitive fiscal policies. In this regard, Germany provides support for the development of sustainable finance strategies and roadmaps, for instance through the Sustainable Finance Policy Navigator, developed by GIZ and the Frankfurt School of Finance & Management. This diagnostic tool helps public actors to conduct comprehensive country assessments of financial policies and regulations and provides a menu of actions as a basis for developing a national sustainable finance strategy, action plan, or roadmap. Via the IKI, Germany supports similar tools for investors or banks to enable climate-related investment strategies in emerging and developing markets. The Paris Agreement Capital Transition Assessment, for instance, is an open – source methodology to analyse whether

financial assets, such as bonds, loans, or listed equity portfolios align with climate scenarios and a sustainable recovery from the Covid-19 pandemic.

In addition, Germany deems the issue of subsidies, carbon pricing and taxation as crucial since they make carbon-intense activities more expensive or climate-friendly activities more profitable. The Global Carbon Market project, supported through the German government advises finance ministries on reforms of climate and environmentally harmful subsidies and the introduction of CO₂ pricing instruments such as CO₂ taxes, emissions trading schemes and levies.

As the financial sector plays a key role as financier and hence enabler for the shift towards climate-friendly investments, Germany is a strong advocate of aligning public finance institutions with the goals of the Paris Agreement. The German government supports civil society participation and research to provide science-based input for MDB's work to connect LTS with Paris Alignment work. BMZ also provides technical assistance for greening the financial sector in developing countries (e.g. Emerging Markets Sustainability Dialogue). In general, German Financial Cooperation is assisting climate-friendly financial sector development through green lending to partner institutions, capacity building and the promotion of green bonds, for example in Latin America. Furthermore, Germany asks MDBs to set ambitious climate finance targets and to align their portfolios, including support for financial intermediaries, with the goals of the Paris Agreement. This position is represented through the German voting behavior on projects and strategies as well as through political dialogue with MDBs and like-minded countries to increase support for long-term goals.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Each project proposal is screened with respect to climate mainstreaming in order to ensure an appropriate selection of climate change markers and adequate climate-sensitive project design from an early stage. Mainstreaming guidelines include, i.a., requirements for comprehensive climate risk analysis (for projects with adaptation as the principal objective) and impact indicators for climate-related achievements in all project proposals. Furthermore, every climate-relevant initiative and project should refer to the partner country's NDC, which usually also includes an adaptation component or, where available to the partner country's NAP or other national adaptation planning documents

Germany supports the 2021 "OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change". The German government is fully committed to its implementation and will actively engage in the actions envisaged for a systematic integration of climate change and environmental dimensions into strategies, policies, programming and delivery. As highlighted throughout this submission, Germany in particular supports the net-zero transitions in developing countries, e.g. through the JETPs (see question c).



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German development cooperation funding supports both academic research and think tank work, which inform its programmes and policies. For example, on behalf of the BMZ, the Potsdam Institute for Climate Impact Research (PIK) has been conducting compact climate risk profiles in 15 sub-Saharan African countries. The results are being used to inform and be integrated in long-term national climate strategies and development planning (NDC, NAP processes). Another example is the IKI project “Enhancing Climate Services for Infrastructure Investments (CSI)” by GIZ working together with several climate and weather agencies, such as the Climate Risk Institute (CRI) - Canada. The project advises government agencies and decision-makers in partner countries on the integration of climate services (targeted climate information, risk assessments and evaluation of digital applications) into investment planning at national level.

Furthermore, Germany works together with several institutions and organisations to support civil society dialogues and action in climate and development partner countries (P+ and JETP) towards a socially just transition, strengthening a whole-of-society approach in climate policies.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Capacity building is an integral part of virtually all of the German government’s development cooperation projects.

The German government is involved in capacity building through bilateral and multilateral cooperation as well as various partnerships with the private sector, academia and civil society. In order to support partner countries in the effective implementation of the UNFCCC and the Paris Agreement, Germany provides comprehensive capacity-building measures in the areas of GHG reductions towards carbon neutrality, adaptation, technology development and transfer, and access to climate finance and global carbon market (Art. 6), as well as in other specific sectors and cross-cutting aspects such as reporting. The support measures for capacity building are designed to be country-driven, context-specific, results-based and consistent with national priorities. In this work, Germany uses its range of international cooperation instruments and institutions to build capacities at individual, institutional and systemic level in the area of climate and development.

p. Possible additional information

10. Greece

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;



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Summary: While Greece's development assistance budget is confirmed on an annual basis, the Government enters into a range of long-term commitments for funding multilateral organizations. Funding to multilateral partners is based on multi-year funding commitments, which increase predictability, as well as on core funding support. A Four-Year Strategy of Greece's Development Cooperation Strategy for the period 2022-2025 is going to be adopted and Environment is a priority thematic area.

Detail: As the economy recovers it is expected that the Greece's ODA and subsequently the climate finance provided to developing countries will resume a positive trajectory. The climate finance provided by Greece was approx. USD 9.8 million in 2021.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Overall responsibility for international development cooperation lies with the Ministry of Foreign Affairs, where the General Directorate for International Development Cooperation (Hellenic Aid) has systems in place to track, measure and record climate change related assistance provided to developing countries. Hellenic Aid has a new Law 4781/2021 (Official Gazette 31 A' /28.02.2021) regarding development cooperation policy and organizational structure, replacing Law 2731/1999. At present, a new Presidential Decree on the organization, staffing and operation of international development cooperation to replace the Presidential Decree No. 224/2000 and a new manual on implementing development cooperation programs by social partners are under preparation.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Since the main financial contribution is provided through multilateral channels, a lot of policies, priorities, regions, sectors, and beneficiaries are related to it.

Moreover, Greece participates in various regional initiatives/partnerships. In this regard, the Mediterranean region is an area of great interest for Greece.

Detail: As a result of the economic crisis during the period 2011-2017 and the cuts in the national budget, Greece has gradually adopted a more pragmatic strategic approach as regards its development aid program, which now focuses primarily on multilateral contributions. These contributions are expected to have a positive development impact as regards the achievement of one or more of the Sustainable Development Goals (SDGs). Therefore, it was a strategic choice to concentrate on multilateral assistance, in the context of Greece's strategic priorities. Greece is committed to multilateralism and supports multilateral approaches to global problems. Development cooperation priorities are consistent with Greece's overall foreign policy objectives and help partner countries address their economic, social and environmental problems. Greece has entered into partnerships with international organizations that operate in line with national priorities.

Greece's major policy objectives concerning international environmental co-operation include:

- contribution to the international efforts for promoting the implementation of the 2030 Agenda and the Sustainable Development Goals (SDGs), the Paris Agreement, as well as other international agreements and frameworks related to sustainable development, such as the Addis Ababa Action Agenda;
- contribution – at the policy level - to sound environment management and sustainable development in the EU and beyond as an active Member State of the European Union and as a shareholder in the European Investment Bank;
- building strong “beyond borders” partnerships with partner countries that face similar challenges and share common goals, through bilateral and trilateral technical cooperation schemes, especially in its geographic neighbourhood, i.e. South-East Mediterranean and South-East Europe;
- enhance the country's engagement in multilateral and regional environmental bodies, e.g. UN Environment Programme (UNEP), International Maritime Organisation (IMO);
- securing a just transition towards low-carbon resilient development through the participation in the Coalition of Finance Ministers for Climate Action;
- contributing to adequate financing of green investments in regions other than Europe, e.g. through the participation in the Asian Infrastructure Investment Bank;

In particular, Greece seeks to resolve challenges facing the Mediterranean, Southeastern Europe and the Middle East, and advocates for a safe marine environment in the Eastern Mediterranean.

Two trilateral cooperation schemes, one with Cyprus and Egypt and another one with Cyprus and Israel are in progress which give an emphasis to climate change adaptation, among others objectives.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Greece's financial contributions in form of grants through multilateral channels are allocated to cross-cutting activities, with an SDG orientation.

Detail: Through its multilateral and bilateral development cooperation, Greece provides financial resources to support national development initiatives and to address global developmental issues in the fields of sustainable development, health, environment, etc. A part of Greece's ODA is channeled directly to institutions and/or policies aiming to address environmental issues at the global or regional level, while environmental sustainability is a cross-cutting objective of the programmes, projects and policies financed.



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In particular, Greece seeks to resolve challenges facing the Mediterranean, Southeastern Europe and the Middle East, and advocates for a safe marine environment in the Eastern Mediterranean. Among various trilateral cooperation schemes, the ones with i) Cyprus and Egypt and ii) Cyprus and Israel give particular emphasis to climate change adaptation, among other objectives.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: One of the main criteria in evaluating proposals should be the consistency of a proposed project with an adopted national strategy/action plan in order to improve the efficiency and effectiveness of the financial assistance. The proposed project should also be in line with country's NDC.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: The financial support is determined as "new and additional" if they are new sources or amounts since the last reporting period.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: The country is trying to overcome a multiannual economic recession and the current geopolitical conditions. In addition, the future commitments are subject to the annual parliamentary approval.

Detail: Greece has experienced two severe crises, an economic recession resulting in significant cuts to the national budget, including official development assistance (ODA); and an ongoing refugee and migration crisis with serious social and economic consequences.

While the international crisis was raging, Greece continued in 2017 and up to the summer of 2018 to have its economy supported by a mechanism backed by the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF), in order to combat the fundamental causes of its fiscal imbalances and structural weaknesses and ensure viability of public finances and improvement of its international competitiveness.

Nevertheless, Greece maintained its commitment to development co-operation during the economic and migration crises. It met its commitments to European Union institutions and other multilateral organisations. However, the crises have significantly impacted Greece's ODA.

h. Information on relevant methodologies and assumptions used project levels of climate finance;



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Summary: In general, the methodologies and the assumptions are based on the directives and the technical guidance of the OECD.

Detail: In order to project the level of the climate finance, one of the main assumptions is the future economic growth. Another important parameter is the share of the imputed multilateral contributions weighted average of the past years provided by the OECD.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: The main challenge is to ensure the efficiency and the effectiveness of the financial contribution. The misuse or mismanagement of grants should be prevented.

Detail: In the past, Greece has reviewed instances of misuse and mismanagement of grants, notably by NGOs and regional or international organizations.

In 2017, the Ministry of Foreign Affairs evaluated the outcomes of projects and programmes funded by Greece. Relevant data and documentation had been collected, including status of implementation reports, annual reports and audit reports provided by the recipient countries and international organizations, with a view to tracking delivery of the projects' outcomes.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: Greece is in favor of a good balance between adaptation and mitigation finance according to developing countries' priorities. Greece's financial contribution is considered as a grant and for the time being is mainly provided through multilateral channels.

Detail: Greece will continue to engage and cooperate with multilateral organizations and financial institutions, e.g., European Investment Bank, International Fund for Agricultural Development, International Bank for Reconstruction and Development as well as the Multilateral Fund for the Implementation of the Montreal Protocol and support their activities in developing countries for the implementation of mitigation or adaptation measures.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Acknowledging the importance to mobilize additional public and private finance (especially from the banking sector), Greece is exploring ways to mainstream climate change mitigation and adaptation in its ODA and develop synergies for the achievement of the SDGs.

Detail: 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, it has been legislated by National Climate Law 4936/2022 (article 23) that part of the funds from auctions of undistributed emission allowances from the EU ETS may be allocated to assistance for developing countries to reduce their GHG emissions and to adapt to climate change. Moreover, the Natural Environment & Climate Change Agency may provide financial support in the context of international cooperation according to Paris Agreement (Law 4964/2022).

1. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: Greece's financial contribution is in a form of grants through multilateral channels. In general, there is an evaluation process for mitigation or adaptation projects in developing countries that are going to be funded by these multilateral channels such as the European Development Fund (EDF) and other Multilateral Organizations or Multilateral Development Banks. These projects are approved if they are in line with a national strategy or an action plan.

Detail: The common practice for ensuring that the selection of topics for the provision of capacity-building support is addressing existing and emerging needs identified by non-Annex I Parties is either achieved through the assessments provided by an existing network (such as the Med EUWI activities) or through the direct communication with the countries in question. Especially for the Trilateral Cooperation between Greece-Cyprus-Israel in question, as described in p. 190 of BR4, the thematic areas identified are issues of common concern; the same is the case for the Trilateral Cooperation between Greece-Cyprus-Egypt. The issues selected respond to the existing and emerging needs identified by the competent authorities of the two non-Annex I countries i.e Egypt and Israel.

For example, during the most recent Trilateral Summit in Israel (December 2021), the three countries (Greece-Cyprus-Israel) have agreed at the highest level to work closely to reinforce their cooperation in meeting the challenge of climate change, through common projects, in the fields of innovative technology solutions, R&D and renewable energy, to promote energy and electricity connectivity through the Euro-Asia interconnector project including transmission of energy, produced by renewables, in line with the outcomes of the UNFCCC COP26 Summit in Glasgow and in preparation of the COP27 to be held in Egypt. They reaffirmed their commitment to further strengthen cooperation on common



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environmental challenges, with emphasis on water and wastewater management and protection of the marine and coastal environment. In view of the impacts of climate change on the Eastern Mediterranean and the wider Middle East, the three countries expressed willingness to cooperate in the framework of relevant regional initiatives, including through the Cyprus initiative for Coordinating Climate Change Action in the Eastern Mediterranean and the Middle East, and to strengthen cooperation in the field of preparedness and response for emergency situations.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Greece's financial contribution is in a form of grants through multilateral channels. In general, there is an evaluation process for mitigation or adaptation projects in developing countries that are going to be funded by these multilateral channels such as the European Development Fund (EDF) and other Multilateral Organizations or Multilateral Development Banks. These projects are approved if they are in line with a national strategy or an action plan and especially the implementation of Nationally Determined Contributions.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: Greece has followed closely and participated very actively in the international processes that led to the adoption of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) by UNGA70 on 25.9.2015, the Addis Ababa Action Agenda (AAAA) of the Third International Conference on Financing for Development (Addis Ababa, 13-16.7.2015) adopted by UNGA69 on 27.7.2015 and the Paris Agreement on Climate Change. In particular, Greece has tried to reshape its International development cooperation policy, taking into account also its commitment to pursuing the SDGs in coordination with partner countries and other donors.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Greece supports the deployment and enhancement of the endogenous capacities and technologies of non-Annex I Parties.

In addition, Greece is always available to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in developing countries.

Detail: The basis of the technology transfer and capacity building activities, to which Greece participates, is the close cooperation with governments in developing countries to

reinforce administrative capacities and support the development of legal and regulatory frameworks which are conducive to mitigating and adapting to climate change.

Greece's major policy objectives concerning international environmental co-operation include:

- contribution to the international efforts for promoting the implementation of the 2030 Agenda and the Sustainable Development Goals (SDGs), the Paris Agreement, as well as other international agreements and frameworks related to sustainable development, such as the Addis Ababa Action Agenda;
- contribution to sound environment management and sustainable development in Europe as an active Member State of the European Union;
- building strong “beyond borders” partnerships with partner countries that face similar challenges and share common goals, through bilateral and trilateral technical cooperation schemes, especially in its geographic neighbourhood, i.e., South-East Mediterranean and South-East Europe;
- enhance the country's engagement in multilateral and regional environmental bodies, e.g. UN Environment Programme (UNEP), International Maritime Organisation (IMO).

At the regional South East European (SEE) level, a workshop is planned to take place in 2023 on “Sharing experience on climate change adaptation programmes and policies in South East Europe” to support partner countries in the SEE region in the development and implementation of national climate change adaptation policies. In particular, the planned workshop will share experience on national climate change adaptation programmes policies and strengthen transnational synergies and cooperation in South East Europe. It will therefore:

- Share good practices on a) developing effective institutional and legislative frameworks for adaptation, b) mainstreaming adaptation across sectoral policies, c) increasing information and knowledge on climate change impacts, d) monitoring and evaluation of adaptation policies and e) education and awareness raising of adaptation.
- Discuss areas and means of cooperation on climate change adaptation among the countries of South East Europe.

Another example is the regional cooperation on environmental protection implemented under the Black Sea Economic Cooperation Organization. Within this framework, member States cooperate to develop their national green economy pathways and low-carbon policies, focusing on development and improvement of energy infrastructure in the Black Sea region. In this context, the Black Sea Economic Cooperation Organization Green Energy Network serves as a knowledge and green investment hub through which institutions from Greece promote RES and energy efficiency measures in the Black Sea region. Through its activities, the Network aims to involve market stakeholders in green

projects and programmes, with funding from the regional and national financial institutions.

Greece is subject to a broad range of natural and climate-related disasters, such as fires, earthquakes, and floods. Greece is part of the European Civil Protection Mechanism, which aims at providing governmental assistance when a disaster strikes in Europe and worldwide. In this framework, Greece, through the competent authority (Ministry for Climate Crisis and Civil Protection) has provided assistance to a number of disaster-hit countries, sending Search & Rescue, Firefighting or other types of teams, in-kind assistance, or experts.

p. Possible additional information

11. Hungary

Hungary intends to continue providing climate finance to developing country Parties through multilateral and bilateral channels in the coming years. In order to enhance and institutionalize its climate finance activities, the Hungarian Ministry of Technology and Industry (hereinafter: MTI) maintains its 2019-established, dedicated climate finance and development agency, the Western Balkans Green Center in the next biennium. Generally focusing on adaptation actions both in international and domestic climate finance activities, Hungary will continue striving for a balance between climate change mitigation, adaptation, and climate governance activities in the future.

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Hungary reports annually on 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.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

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c. Information on policies and priorities, including regions and geography, recipient

countries, beneficiaries, targeted groups, sectors and gender responsiveness;

The government decision of 2018 on Hungary's participation in international climate finance outlines the scope, channels, and major partner institutions for the country's international climate finance activities. The decision also opts for providing financial means for the years 2019-2023: HUF 3.6 billion (~USD 12 million) for climate finance projects via the Western Balkans Green Center.

Hungary has built and maintains a strategic partnership with the *Global Green Growth Institute (GGGI)* as well. Through the GGGI, Hungary funded and implements international projects, including the Western Balkans Green Fund Project, aiming at establishing a regional climate finance tool to support the implementation of the Nationally Determined Contributions (hereinafter: NDCs) of the Western Balkan countries (ongoing).

The Western Balkans Green Center (hereinafter: WBGC) was established in 2019 with the purpose of coordinating and mobilizing funds for a targeted region of developing country Parties in the Western Balkans (namely *Albania, Bosnia-Herzegovina, Kosovo, Montenegro, North-Macedonia and Serbia*) Its primary objective is to support the implementation of their NDCs through project preparation activities and technical assistance. Between 2020 and 2021, the WBGC mobilized EUR 25million (USD ~16.8million) indirect capital for climate action projects in the Western Balkans. The grant program continues in the years of 2022-2023 with unchanged conditions.

Hungary made significant progress in preparing and implementing policies to support the transition to a green economy. The experience gained during this process helps partner countries speed up their EU accession progress. Therefore, the Center of Excellence in Green Transition for the Western Balkans (CEGT) in cooperation with the Western Balkans Green Center and the Vienna-based Energy Community was established last year. CEGT as a new initiative with a two-year rolling working plan is mandated to help develop climate policies and clean energy transition in the Western Balkans region. The activities of the CEGT, in a broader sense, helps the preparation of investments by creating the enabling business environment. In this way, Hungary can also contribute to the promotion of a liveable environment, reduced emissions and green economic transition in the Western Balkans:

- Clean Air Regions Initiative (CARI) program, covering the impact of coal-fired power plants on air quality, their role in society and possible best practices of a just transition;
- Webinar-series on the concept of green bonds in collaboration with the National Bank of Hungary.

Hungary's bilateral cooperation with developing countries is continuously becoming more diverse – both in terms of geographical and thematic/sectoral balance. The examples of the currently ongoing Western Balkans' s projects are implementing climate action in the areas of mitigation, adaptation and better climate governance:

- Adaptation of an innovative circular economy solution for municipal waste management in *Serbia*,
- Comparison of energy policy identification of existing synergies and inconsistencies and risks, formulation of proposals for cooperation in *Serbia, Bosnia and Hercegovina* and *North-Macedonia*,
- Flexible Grid and District Heating Efficiency in Vojvodina, *Serbia*
- Reducing the effects of climate change, increasing efficiency of water supply and energy use by building a new IoT system in designated areas of Podgorica, *Montenegro*,
- Assessment of renewable energy potential of *Montenegro*
- Deposit-Refund System (DRS) - strategy document of the possibilities of maximal collection of single use beverage containers in *North Macedonia*,
- Research for climate change and water industry investments in Tuzla Canton, *Bosnia and Herzegovina*
- GeoWasteHeat – Mapping the possibilities of geothermal waste heat utilization and preparing project feasibility studies in Vojvodina, *Serbia*
- Climate risk assessment of municipalities at combined and cumulative risk of flash flooding and forest fire to identify the climate adaptation tasks and investments in *Montenegro*
- Capacity building cooperation to improve the technical conditions and efficiency of wastewater treatment technologies in Montenegro



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- d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;**
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- e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;**
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- f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;**
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- g. Information on national circumstances and limitations relevant to the provision of ex ante information;**
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- h. Information on relevant methodologies and assumptions used project levels of climate finance;**
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- i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;**
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- j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;**

As adaptation to the adverse effects of climate change is a priority for Hungary, the National Adaptation Centre has been established. Although Hungary has a wide knowledge in adaptation mechanisms, the intention is to achieve and maintain a balance in future financing between climate change mitigation, adaptation and climate governance activities, based on available capacities and the needs of developing country partners. During the planning of possible bi- and multilateral climate change projects, the MTI takes into account the geographical and political priority areas and sectors of partner countries.

- k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;**



The EU Emission Trading Scheme Directive specifies 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 a low carbon and climate resilient development. The auction revenues under the current legislation are estimated EUR 150 million for the year 2023, EUR 174 million for the year 2024 and are projected to increase in the coming years, also increasing our overall budget for national and international climate finance. The government uses these funds to mitigate greenhouse gas emissions through research and innovation, including by financing programs such as the Green Bus Programme, replacing 50 % of conventional buses in Hungary’s largest cities by low carbon emission ones within the next ten years, e-mobility, solar PV instalments and energy efficiency in buildings.

Hungary has successfully issued green bonds in *euro* (in the amount of EUR 1 billion) and in *Japanese yen* (*samurai* bonds, JPY 20 billion) as one of the 8 specific measures of the Climate and Nature Protection Action Plan in 2020. As an acknowledgement of the euro green bond issuance, Hungary has received the Sovereign Green Market Pioneer Award from the Climate Bond Initiative in the spring 2021. Furthermore, we are the first foreign sovereign actor on the Chinese bond market by issuing so-called *Green Panda* green bonds in December 2021 in the amount of 1 billion Yuan. In 2022 February, we have issued new green bonds on the Japanese market (JPY 75.3 billion). The Hungarian Debt Management Agency Ltd. also issued a Hungarian forint nominated new green bond in the amount of 30 billion HUF on Earth Day, 22nd April 2021. Since then Hungary continued to issue Hungarian forint nominated green bonds, altogether nearly 115 billion HUF green bonds has been issued so far.

Hungary intends to continue issuing green bonds both on domestic and international markets in the future. The revenue from the green bond issuance supports climate action and it is exclusively used for debt management in the field of renewable energies, energy efficiency, land use and living natural resources, waste and water management, clean transportation and adaptation.

We are committed to provide investors with regular and transparent information on the use of Hungary’s Green Bonds proceeds. As a first step, the inaugural Allocation Report was published in March 2021. Furthermore, the Green Bond Impact Report that provides additional and relevant information regarding the environmental impact and outcomes of the green budget expenditures was published in November 2021. 87.6 % of eligible green expenditures were distributed to the Clean Transportation category.

I. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

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m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

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n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

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o. Information on how support to be provided to developing country Parties enhances their capacities.

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p. Possible additional information

12. Ireland

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Ireland's *International Climate Finance Roadmap* sets out the strategy for achieving Ireland's international climate finance targets and helps to ensure that Climate Action is strengthened and supported as a policy priority across all budgets.

Detail: At COP26 in Glasgow Ireland pledged to more than double its funding for developing countries to tackle climate change by 2025, increasing the Ireland's annual commitment to climate finance to €255 million over the next four years. In July 2022, Ireland published its *International Climate Finance Roadmap* which illustrates Ireland's plans for scaling up its international climate financing to meet this target through public sources of finance. While climate finance (and ODA) allocations are agreed through the annual budgetary cycle, Ireland has steadily increased its climate finance spend since 2016. It has also increased the number of multi-annual financial commitments that have been made, including €16 million to GCF-1 and €10m to GEF-8. In addition, Ireland continues to improve the detail and analysis of international climate finance annual reports.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Ireland's climate finance is channeled through a range of instruments. This includes bilateral programmes, contributions to multilateral agencies and climate-specific instruments, and funding to civil society and research partners.

Detail: Ireland currently provides international climate finance through several channels



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of funding: bilateral funding through Ireland's overseas Missions, civil society organisations, multilateral development banks, specialized agencies and organisations across the UN system, multilateral climate and environment funds and the European Union. The channels of support offer opportunities to scale up climate financing, to create new programming and to mainstream climate action into ongoing programming. Ireland will harness these opportunities for scaling up funding in line with our principles and priorities.

Ireland prioritises its support towards grant-based climate finance particularly for Least Developed Countries (LDCs), Small Island Developing States (SIDS) and fragile states. Ireland will continue to engage with multilateral partners to pool Irish funds and resources where appropriate to achieve greater impact. Opportunities to engage the private sector in climate action will be explored. Efforts are also underway to climate proof Ireland's ODA.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Ireland maintains its focus on supporting adaptation and resilience to climate change in some of the most climate vulnerable countries across the world with an emphasis on LDCs, SIDs and fragile states. Ireland will continue to engage in gender sensitive climate action.

Detail: Ireland's provision of international climate finance is guided by its International Development Policy, *A Better World*, which enshrines the principle of 'leaving no one behind and contributing to sustainable development for the most climate vulnerable people, communities and countries.' Ireland maintains its focus on supporting adaptation and resilience to climate change in some of the most climate vulnerable countries across the world with an emphasis on LDCs, SIDs and fragile states. The vast majority of bilateral climate finance goes to Sub Saharan Africa.

Ireland continues to engage in gender sensitive climate action recognising the need for the specific circumstances of men and women to be considered in planning and implementing adaptation and mitigation initiatives. Recognising that women are disproportionately affected by climate change, our climate finance is channeled into sectors and interventions which are of greatest relevant to women.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Ireland's approach is geared to support adaptation and capacity building, with a strong focus on the climate needs of LCDs and SIDS.

Detail: Ireland applies the OECD Rio policy markers in the calculations of the climate finance it provides through bilateral channels. Ireland also applies the imputed shares

agreed and updated by the OECD DAC for funding to multilateral organisations and institutions.

In 2020, approximately 75% of Ireland's bilateral climate finance went towards supporting adaptation activities, 22% supported cross-cutting activities and the remaining 3% funded mitigation activities. In 2019 approximately 52.73% of bilateral climate finance supported cross-cutting activities, 47.2% supported adaptation and just 0.07% supported mitigation activities.

Ireland has also worked to improve its categorization of unearmarked multilateral funding as cross-cutting, adaptation or mitigation particularly under the reporting guidelines of the EU Governance Regulation. In 2020, approximately 90% of Ireland's climate finance provided through multilateral channels was categorized as cross-cutting, 8% went towards mitigation activities and the remaining 2% funded adaptation activities. In 2019, 61% of multilateral climate finance provided by Ireland supported cross-cutting activities while the remaining 39% supported adaptation activities.

Capacity building remains a major feature of all Irish supported activities and Ireland has supported several programmes that provided technology support to developing country partners in 2019 and 2020.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Ireland assesses funding proposals and partnerships based on the policy priorities and strategic objectives of *A Better World* and more recently on its *International Climate Finance Roadmap*.

Detail: Criteria that guide assessments and evaluations for Ireland's climate finance include the target beneficiaries (people and communities in LDCs, SIDS and fragile states), target sectors and addressing thematic priorities such as governance, gender equality and reducing humanitarian need.

Ireland also follows international standards and guidelines on aid effectiveness in its provision of international support. This includes multiannual funding to CSOs and multilateral funds and institutions, supporting complementarity across the various channels of support.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: At COP26 Ireland committed to more than double its climate finance commitments to support developing countries to €225 million by 2025. With the exception of a few heavily-caveated multiannual funding arrangements, all public climate finance provided by Ireland annually is considered new and additional.

Detail: A definition of 'new and additional' in relation to financial resources provided can be considered in the context of Ireland's national budgeting system. Ireland's approach to budgeting for public funding carries no assumption that funding made available in any given year will again be available in a subsequent year. Consequently, with the exception of a few heavily-caveated multiannual funding arrangements, such as GEF and GCF, all public climate finance provided by Ireland annually is considered new and additional. Even with regard to multiannual funding arrangements, support is conditional on the availability of funding in subsequent years through annual national budgeting process.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Ireland's policies and associated priorities are framed on a medium to long-term basis, however are climate finance disbursements are still subject to an annual budgetary approval process.

Detail: Ireland's policies and associated priorities are framed on a medium to long-term basis and are developed in line with international agreements and objectives such as the Paris Agreement and Agenda 2030. This allows for establishing multiannual pledges of support to multilateral funds replenishment cycles or for funding and partners managed by Embassies at country level, and multiannual MOUs signed with partners that pledge indicative amounts of support over three-year timeframes.

Nonetheless, disbursements against multiannual agreements are still subject to an annual budgetary approval process.

The fragility of the Irish GNI to external factors means that Ireland is reluctant to legislate for allocations of international finance, but rather takes decision on an annual basis as to allocations.

In addition, on-going efforts are being made to ensure that funding allocations are matched by sufficient capacity and skills to monitor, track and report activities and outcomes of support.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: Ireland has set a target of €225m by 2025 for its international climate finance. Ireland's *International Climate Finance Roadmap* specifies that the target will be met by public sources of finance, namely ODA budgets and ODA eligible funding.

Detail: Various calculations and scenarios have been developed to help indicate a steady and appropriate approach to achieving the climate finance target between 2022 and 2025. Sources and assumptions: Ireland's economic forecasts and outlooks, and associated assumptions on ODA allocations and potential projected levels of ODA and international



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programming that will be allocated for climate action.

Annual climate finance reports (2016-2020) provide a resource for the trends in Ireland's international climate finance, including growth in climate activities across civil society organisations, specialised UN agencies and multilateral institutions.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: It is difficult to increase the predictability of planned and future climate finance due to the annual budget cycle. Ireland continues to build capacity and skills across country partners. Ireland is active in supporting LDCs to overcome challenges related to enabling environments when developing their NAPs.

Detail: Climate finance (and ODA) allocations are agreed annually by Government. Due to the annual budget cycle, there are limitations to how much we can increase the predictability of planned and future climate finance.

Lessons learned: It is important to continue to build and maintain capacity, skills and institutional knowledge of programme managers and partners to assess and support projects that address climate change.

Enabling environments in developing countries: Ireland has been very active in supporting developing countries, in particular LDCs, to develop National Adaptation Plans (NAPs). Engagement through partners such as the NAP Global Network, the LDCF and the LDC Expert Group has illustrated the various steps and challenges faced by LDCs in the process to develop NAPs, including enabling environments to ensure that adaptation is central to national policies and decision-making.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: Ireland's international climate finance is largely drawn from public sources of funding, primarily Official Development Assistance (ODA). Our bilateral and regional funding largely focuses on adaptation and the integration of climate action in development programming, while multilateral funding focuses on cross-cutting finance supporting both mitigation and adaptation.



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Detail: Ireland's bilateral and regional funding is focused on adaptation in an effort toward re-balancing an overall global emphasis on mitigation finance. In 2019 and 2020, 52.73% and 22% of bilateral and regional funding respectively also supported cross-cutting activities covering both mitigation and adaptation.

Ireland's multilateral funding is primarily grant-based. In 2020, approximately 90% of Ireland's climate finance provided through multilateral channels was categorized as cross-cutting demonstrating an overall balance between mitigation and adaptation financing. This represents an increase from 61% in 2019.

The level of support specifically targeting mitigation is relatively low – approximately 3% of funding (2020). Prioritization is given to supporting LDCs and SIDS, including through specified regional and thematic agencies and all our bilateral funding instruments have capacity development and country ownership at its heart.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: As part of Ireland's *International Climate Finance Roadmap*, we have committed to undertake preparatory and scoping exercises to identify the most appropriate options for private sector engagement for climate action post-2025.

Detail: While Ireland does not currently count private finance flows in its reported international climate finance, we have committed to identify the most appropriate options for private sector engagement for climate action post-2025. Some initiatives have been established in Ireland's international development programming, to engage private sector actors. Most notably, the Africa Agri-Food Development Programme (AADP) matches grant funding to Irish agri-businesses of all sizes to develop innovative partnerships with companies in sub-Saharan African countries. It has supported climate-resilient agriculture projects at a small-scale level. Where climate support has been identified, the public, grant-based equivalent of relevant projects has been counted as part of Ireland's climate finance.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: A key feature of Ireland's international climate partnerships is the objective to address the needs of developing countries and LDCs and SIDS in particular.

Detail: At a bilateral level, Ireland funds sub-national agencies and organisations, NGOs and international institutions that implement climate activities across various sectors such as agriculture, livelihoods and social protection. Ireland is a funder and member of the Least Developed Countries Expert Group (LEG), which provides targeted support to LDCs



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in the formulation and implementation of their National Adaptation Plans (NAPs). Complementary to that, Ireland supports the NAP Global Network, which builds the institutional capacity of developing countries in their NAP development and serves as a network for countries on adaptation planning and action.

Funding is also channeled at a regional level, including to organisations working in the Pacific and Caribbean regions, targeting issues such as climate risk and early warning systems.

Ireland has been funding the Least Developed Countries Initiative for Effective Adaptation & Resilience (LIFE-AR) which aims to channel finance through national systems for whole-of-government climate action, in line with national plans and institutions. Ireland is particularly interested in the ambitions of LIFE-AR to channel support to locally driven actions.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Ireland advocates to move towards Paris-alignment of all financial flows, for example in the investments and operations of Multilateral Development Banks. We also seek to ensure that our ODA does no significant harm to climate and the environment.

Detail: In addition to Ireland's intentions to scale up its international climate financing up to 2025 and beyond, Ireland is undertaking to 'climate proof' its ODA. This effort aims to enhance the broader resilience of our international development programming, therefore building in climate resilience across the countries where we work most actively.

Bilateral support to initiatives such as the NDC Partnership, the NAP Global Network and the Global Resilience Partnership facilitates broader support for developing countries in meeting the long-term goals of the Paris Agreement.

Our multilateral funding to the GCF, the Adaptation Fund, the LDCF and to UN agencies aims to support developing countries' policies for climate action, particularly NDCs, NAPs and Adaptation Communications.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: Ireland identifies climate action as one of four policy priorities in *A Better World*.

Detail: In line with our effort to increase our climate finance and 'climate proof' our ODA, Ireland will continue its work in building the skills, knowledge and capacity of development practitioners and partners in identifying and integrating climate action into their work as part of a broader effort to strengthen our response to climate change impacts in countries where

we work.

We will continue to seek and follow international guidance, such as the OECD Rio Markers, on tracking and reporting climate finance, including in our development programming.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Ireland provides institutional support and technical assistance to our partners through a number of pathways. Ireland anticipates greater funding for technology transfer and capacity building efforts in the future.

Detail: Ireland's support for capacity-building includes institutional support and technical assistance via partners such as the Least Developed Countries Expert Group, the International Institute for Environment and Development (IIED) and the Global Resilience Partnership (GRP).

Ireland anticipates more funding for technology transfer and harnessing local knowledge through multilateral funds such as the LDCF, whilst support to the NAP Global Network targets support specifically for sharing experiences and capabilities as part of a collective response to climate change.

p. Possible additional information

13. Italy

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Italy is making efforts in increasing clarity of its information on the projected levels of public financial resources to be provided to developing countries, on the progress against its contribution to the goal of mobilizing 100bn USD per year to address needs and priorities of developing countries, and on the composition of its climate finance.

Italy announced at COP21 its aim of reaching 4bn USD between 2015 and 2020 as international climate finance, to be considered as the Italian contribution to the goal of providing and mobilizing 100bn USD. In 2020, **Italy reached 3.18bn USD**. The effort towards reaching our goal encourages all the Italian climate finance actors to do more, and more quickly, to contribute to the achievement of the goals of the Paris Agreement by developing countries. The following provisional information on future climate finance demonstrates this continuous effort, with **significant quantitative increases in international climate finance from 2021 to 2025**.

The collection of provisional financial information is challenging (see action 7), still the following reflects the most up-to-date information at the level of central administrations. This does not constitute a complete picture, but represents the best

effort made by the Ministry of Ecological Transition and other central administrations to gather quantitative information on projected level of public climate finance.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Italy contributes to climate action and to the implementation of developing countries' NDCs through a variety of channels and programs (bilateral, multilateral and dedicated funds and MDBs). The following information constitutes a synthesis of available information, and it is not an exhaustive list of resources which will be available in the future (subject to budgetary cycle). The following figures constitutes the minimum amounts estimated to be provided as international public climate finance and are likely to be higher in the ex-post reporting. With respect to last year's projected public climate finance contributions, in the period **from 2021 to 2025**:

- from the **Italian Ministry of Economy and Finance**, the expected contribution increased from € 662mn to **€ 902mn**. The Italian MEF provides international climate finance through multilateral channels. For the year 2021, the indicative aggregate amount above includes:
 - The Italian **contribution to the Climate Investment Fund (€ 150mn)** to finance the “Nature, People and Climate Investment Program” with objectives reflecting the priority of the Italian G20 Presidency. . Italy is the major contributor to the NPC Program. Additional contributions could be considered in the future;
 - The Italian contribution to the **Global Environment Facility (€ 114 mn)**;
 - The Italian contribution to **MDBs (€ 637 mn)**, constituting around 33% of the total contribution. The contribution is channeled through the World Bank Group (€ 429.3mn), the African Development Bank Group (€ 156.3mn) and other Multilateral Development Banks and Funds (€ 52.4mn);
- From the **Italian Ministry of Foreign Affairs and International Cooperation**, as well as from the **Italian Agency for Development Cooperation**:
 - the estimates for **multilateral** channels have been slightly **revised upward** from € 75mn to **around € 78mn**.
 - Regarding **bilateral** channels, the two public entities estimate to provide **€ 656 mn**, expecting an **increasing trend** over the years (from € 116 mn in 2021 to € 150 mn in 2025).
 - These amounts include only public own resources from the two aforementioned entities dedicated to climate action and excludes all the amounts provided by the range of actors contributing to the development cooperation aiming at, or including, climate related activities.
- The **Italian Ministry of Ecological Transition** will contribute to:
 - the **Green Climate Fund** with an aggregate amount of **€ 230mn**, with the

- following distribution: € 33 mn for the years 2021 to 2023, and € 66 mn for the years 2024 and 2025;
- the Multilateral Fund for the implementation of the **Montreal Protocol** with a yearly contribution of € 7,75 mn from 2021 to 2023;
 - provision of support to developing countries through bilateral and multilateral channels with a minimum amount of € 21 mn for the triennium 2022-2024. The allocation of additional funds is subject to the annual budgetary cycle.
- The Italian budgetary law 2022 established the **Italian Climate Fund**, under the responsibility of the Ministry of Ecological Transition, **endowed with € 840mn a year between 2022 and 2026, as well as with € 40 mn from 2027**. The Fund, currently in the setting up phase, will be managed by The Italian National Development Bank Cassa Depositi e Prestiti (CDP). The Fund is open to further contributions from public and private, national and international entities. Those resources are new and additional, and do not divert any other public funds already allocated through the public budgets for climate finance. The Italian Climate Fund estimates, according to a preliminary assessment, to allocate:
 - around 38% of its resources through multilateral channels (i.e. **€970 mn between 2022 and 2025**, indicatively € 70 mn in 2022 and € 300 mn every year from 2023 to 2025);
 - the remaining share through bilateral channels (i.e. **€ 1.63bn between 2022 and 2025**, indicatively € 130 mn in 2022 and € 500 mn every year from 2023 to 2025)

With respect to expected instruments through which international climate finance is expected to be extended, it is challenging to provide detailed information. However, it is likely that the public share of climate finance will follow the past allocation in terms of instruments. In the six years between 2015 and 2020, the average use of **grants** as financial instrument has been **84.6%** (87.5% in 2015-16, 80% in 2017-18 and 86.3% in 2019-20). The exception will be the Italian Climate Fund, which will allow for a wider range of financial instruments (e.g. equity investments, loans and guarantees), though it can also extend resources in grants.

Italy is aware of the importance of grants to support developing countries in achieving their NDCs and the objectives of the Paris Agreement. However, the choice of financial instruments should be tailored to the activity-level needs, and depends on a range of factors, such as the climate objective (mitigation and adaptation projects present different needs of grant resources), the level of income of the recipient country, the vulnerability of the beneficiary, the main purpose of the project (mainstreaming climate action in development projects vs climate-specific funding), the robustness of the enabling environment, the level of development of financial markets and ease of access to debt resources.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Geographically, the Italian Cooperation gives priority to 20 countries - 11 in Africa, 1 in Balkan Europe, 4 in the Middle East, 2 in Asia, 2 in Latin America - with which Italy has built close relationships over time on a political, economic cultural and development cooperation side, with which it intends to ensure continuity and stability of action. In such countries, Italy will concentrate development cooperation activities, without, however, excluding the possibility of intervention in other areas. The following are considered priority countries for the Italian Development Cooperation:

- Africa: Egypt, Tunisia, Ethiopia, Kenya, Somalia, Sudan, Burkina Faso, Mali, Niger, Senegal, Mozambique
- Middle East: Jordan, Iraq, Lebanon, Palestina
- Europe (Balkans): Albania
- Asia: Afghanistan, Myanmar
- LAC: Cuba, El Salvador

The political-economic-environmental circumstances, institutional fragility, conflicts, humanitarian crises, climate change, health, economic and social impact of the Covid-19 pandemic, have increased the importance of certain macro-areas, within which priority and non-priority countries will be looked at synergistically with a regional approach.

By 2023, Strategic Guidelines on agriculture and food security, health, integration of environment and climate change issues in development cooperation will be developed.

One of the priority sectors of the Italian Development Cooperation is **agriculture**. Activities in this sector will focus on promoting diversified and ecologically sustainable food production - promoting the link between nutrition and health, with particular attention to crops with higher nutritional value and/or greater resilience to climate change - to ensure the continuity of food supply and distribution chains and to ensure the livelihoods of small farmers, breeders and fishermen. Targeted actions will be promoted to combat the discrimination suffered by women food producers in areas such as access to land, information, credit and technology.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

The action of the Italian Cooperation will first of all be aimed at supporting the Partner Countries, in particular those most in need, in the formulation and implementation of **National Determined Contributions and National Adaptation Plans**, in order to reduce the vulnerability of local human or natural systems to the impacts of climate



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change, by increasing the capacity to adapt to or absorb climate stresses, shocks and climate variability, or decreasing exposure to them and to the risk of natural disasters. Concerning mitigation, interventions will aim to promote efforts to limit or reduce climate emissions of GHGs especially in the energy sector or strengthening the capacity to capture and sequestration of these emissions. Italian Development Cooperation will continue to support interventions aimed at **reducing and effectively managing the risks resulting from natural disasters and extreme climatic events**, in particular through support to capacity building and the creation or strengthening of national or local structures, as well as to risk assessment, prevention and preparedness activities.

Italy envisages to continue reporting a significant part of its international climate finance as **cross cutting**, as Italy considers key to address **climate action in synergy with other objectives**. This is maximizing impact on the ground, especially when it comes to adaptation actions, which necessarily should (and increasingly) be embedded into infrastructure, agriculture and other activities on the ground.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

The leading factors that make the relationship between Italy as a donor and the recipient countries, certainly include:

- Clear and ambitious national strategies, such as NDCs, NAPs, sustainable development strategies, and the presence of sectoral policy strategies in relevant sectors;
- Implementing agencies which know the recipients' national circumstances and needs, and are able to report every stage of the implementation of the project;
- the prioritization of climate action in the dialogue between providers and recipients when it comes to development finance and the implementation of the 2030 Agenda.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Provided that there is no common definition or understanding on what is to be considered "**new and additional**" resources to be provided, Italy generally considers new and additional all resources that are newly committed and/or disbursed through the different channels and from the different sources that constitutes the diverse landscape of climate finance on an annual basis.

In particular, it is to be reminded that environmental challenges are closely interlinked, and the threat of climate change if affected, and directly and indirectly affects, all dimensions of our environment, as well as human and ecosystem health. Italy is well aware of this pivotal feature of climate change, and in the provision and mobilization of its resources Italy reflects this reality of mutually supportive and synergistic objectives in the environmental realm.

Italy thus actively pursues **mainstreaming and integration** into the broader support



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to developing countries for the 2030 Agenda of the objectives of mitigating and adapting to climate change, as well as reducing and managing risks related to climate change and actions to avert, minimize and address loss and damage from the impacts of climate change.

Also **taking into account the priorities and needs** expressed by developing countries in the dialogue with Italian providers, Italy **considers highly detrimental as well as meaningless for the effective implementation of the goals of the Paris Agreement any attempt to discern development and climate finance**, especially in the provision and mobilization of support implying the realization of projects on the ground and **in particular when it comes to adaptation actions**. Italy is aware that what counts is the impact of the actions on the ground, rather than reporting and accounting modalities of climate finance; and impacts can be maximized if resources are pursuing more than one goal, as the 2030 Agenda taught us from 2015 onwards. Italy is undertaking effort to increase levels of development finance, together with improving mainstreaming and integration of climate action in development finance. Considering the above, this ensures **no displacement in the provision of climate and development finance**, just mutual reinforcements. This vision is **what we consider in line with the spirit of the UNFCCC and the Paris Agreement**, which also asks all Parties to pursue the consistency of all finance flows with mitigation and adaptation objectives.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Italy relies on an annual budgetary cycle, approved every year by the Parliament. However, every year a three-years provisional budget is also reported to the General State Accountancy and approved by law by the Parliament – even though allocations are binding only for the first year thereafter.

Resources for MDBs' Capital Increases and Funds' Replenishments are ordinarily allocated on a multi-year basis. Soft loans are managed thorough an off-budget, self-financing, Revolving Fund. With regards to limitations relevant to the provision of ex ante information, we flag the important share of climate finance provided through the European Commission, reporting is provided by Brussels ex post and therefore should be considered as an exogenous variable.

Development cooperation and climate action in developing countries is funded by a variety of entities, the main being the Ministry of Foreign Affairs and International Cooperation (IMFAIC), the Ministry of Ecological Transition (IMET) and the Ministry of the Economy and Finance (MEF). While activities are to be implemented in coherence with the National Three-Year Development Cooperation Strategy, every administration manages their own funding independently, including the monitoring and evaluation phase.

h. Information on relevant methodologies and assumptions used project levels of



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climate finance;

Amounts related to projected levels of climate finance are estimated on the basis of the provisional budgets of the Ministries, reported every year to the General State Accountancy for the following triennium and approved by law by the Parliament. More detailed information is retrieved from technical documents on projected allocations at Directorate level within the Ministry of Ecological Transition (IMET). More descriptive information, on ongoing projects, are taken from development cooperation reports published on the website of the IMET. Policy priorities and programmes are described in the policy guidelines on Italian development cooperation for the years 2021-2023.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

National circumstances in recipient countries are key in enabling projects and programmes to be agreed and developed. For instance, social instabilities, health crises, government turmoil have prevented activities to being actually implemented or concluded. The **Covid-19** pandemic impacted significantly the timeline of the implementation of projects on the ground at all levels. Moreover, **the mismatch of planning cycles** between donor and recipients is also a component that delayed in the past the implementation of projects.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Italy aims to strike a fair balance in allocating support to mitigation and adaptation actions. **Between 2015 and 2020, Italy allocated 52.5% of the resources provided and mobilized to adaptation actions in developing countries**, reaching the 50/50 allocation advocated by several developing countries, and with a peak in favor of adaptation of 56% in 2020.

In the future, Italy will strive to maintain this balanced allocation, even though Italy values country ownership in the allocation of funds to better respond to the needs and priorities of developing countries. **Setting a fixed percentage to either mitigation or adaptation action overall, may undermine the necessary consideration of needs and priorities of developing countries.** Thus, Italy considers to be a fair balance of funds between mitigation and adaptation the allocation which best respond to the needs and priorities of developing countries.

Italy agreed on the call addressed to developed country Parties of the Glasgow Climate Pact to at least double their collective provision of climate finance for adaptation to



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developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources. As long as Italy is committed to scale up its international climate finance resources, both provided and mobilized, efforts will be taken towards doubling the amount of adaptation finance. However, **the priority for Italy remains to avoid increasing adaptation finance at the expenses of mitigation finance**, especially in this critical decade in which mitigation should still remain high on the collective global agenda.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Cassa Depositi e Prestiti S.p.A. (CDP), as a National Financial Institution for International Development Cooperation, can play a role as a private investor, potentially catalyzing capital from public and private donor entities. At the moment, it is challenging to provide estimates on potential leverage and private finance mobilized through the Italian Climate Fund, as private finance involvement is foreseen at project level, which will be approved by the ad-hoc committees. Resources from the Italian Climate Fund will be allocated through a variety of instruments to projects and activities mobilizing additional private finance, according to the internal regulations which are being put in place.

Italy is committed to more effectively track and monitor private climate finance mobilized through public interventions, especially through the OECD CRS tracking system. Still, the institutional arrangements and the capacity building needed to effectively and regularly collect those data are not yet fully operational. Italy expects to increase its ability to monitor private finance mobilized in the next future.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

The Ministry of Ecological Transition (IMET) bilateral cooperation is based on a peer exchange with partner countries and it is managed through Joint Committees, in which donors, recipients and main actors participate. The cooperation activities led by the IMET and IMFAIC adheres and are inspired to the principles of the Busan Partnership for an effective development cooperation: ownership, focus on results, partnerships, transparency and shared responsibility. The IMFAIC takes care of project impact evaluation through Independent consultants. So far no special methodology has been devised for climate related programs.

As for the IMET, the first step in establishing the donor-recipient agreement is the signature of a Memorandum of Understanding or a technical agreement, a high level



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and usually broad agreement between the two countries (usually Ministries) or entities (environmental agencies, research institutes, public banks...). To implement the provisions of the MoU, it establishes the Joint Committee, guiding and supervising the activities and taking all relevant decisions, which:

- Adopts a monitoring system for ex-ante, in progress and ex-post evaluation of the project;
- Discusses and approves the Workplan;
- Discusses and approves the Roadmap, as applicable;
- Discusses and approves projects financed with the amounts available under the MoU, and defines implementing agencies and private actors involved;
- Agrees on field visits and missions needed to evaluate or implement the project itself.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Climate finance and support by Italy aims to address priorities as included in recipients' national strategies and policy priorities, such as NDCs, NAPs, Sustainable Development strategies, NBSAPs, LDN targets. Italy considers the alignment of all finance flows, domestic and international, with a pathway to a low GHG emissions and climate resilient development (Art.2.1c) as a key factor leading to the achievement of mitigation and adaptation goals.

Italy believes that making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development is key to the implementation of the Paris Agreement as a whole. Meeting the climate mitigation and adaptation goals requires bringing about a fundamental transformation of all economies and a major shift in the structure of the global economy, financial markets and investments. First and foremost, this means an in-depth transformation of capital markets (capital expenditure, re-orienting business models, new firms) towards a low greenhouse gas emission and climate resilient economy. In this context, the private sector has a pivotal role to play, with the public sector needed to provide appropriate financial and policy incentives and enabling conditions. Article 2.1(c) is a global goal and will require a global effort. Achieving 2.1(c) will help countries to achieve their nationally determined contributions and other sustainable development goals. The developed country Parties' climate finance responsibilities under the Paris Agreement are one important component of this transformation. Therefore, Article 9 and Article 2.1(c) of the Paris Agreement are neither interchangeable nor mutually exclusive, but article 9 reinforces article 2.1(c) in achieving mitigation and adaptation goals.



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Italy is domestically implementing a range of policies and measures to progress towards the objective embedded in art. 2.1c, among others: fiscal policies and interventions in public expenditures and budget (targeted tax deductions or surcharges, mainstreaming of climate considerations into the National Recovery and Resilience Plan, green budgeting practices); taxonomies and information instruments; measures taken by regulatory actors and central banks.

Italy is supporting the alignment of financial and policy support to developing countries with the objectives of the Paris Agreement in different fora, from MDBs to investment funds and the relevant OECD working groups for methodological and policy advancements. We are working with MDBs on a Paris Alignment Framework and to harmonize methodologies to account for/monitor private finance mobilized, so to have comparable and consistent data on climate finance. Italy is a Member Country of the Coalition of Finance Ministers for Climate Action, which is working in that direction. Italy looks forward to the contribution that the UNFCCC process can offer to increase understanding and favor implementation of art. 2.1c.

Italy aims to increase its support to developing countries towards the implementation of art. 2.1c, through increased cooperation in the field of financial sector, greening the budgets of partner countries, as well as supporting further mainstreaming of climate considerations in cross-sectoral interventions.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

The Italian Development Cooperation pursues the well-being of the planet by ensuring that no initiative leads to the degradation of the ecosystem ("compliance") and **ensuring that an increasing number of initiatives include objectives of environmental protection, fight against climate change, biodiversity conservation, combating desertification and disaster risk reduction** ('integration' and 'mainstreaming').

o. Information on how support to be provided to developing country Parties enhances their capacities.

Capacity building is a horizontal component of most of climate related support from Italy, and it is an inextricable component of almost all the bilateral on the ground projects.

Italy significantly contributes, with financial and in-kind resources, to increasing capacities in developing countries related to all technology development and transfer activities, as well as to increase reporting capacity through ICAT initiative. Several bilateral projects are focused on capacity building, and most bilateral cooperation

projects include a capacity building component.

p. Possible additional information

14. Lithuania

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Since 2011, Lithuania provides financial support to developing countries in the area of the climate change mitigation and adaptation to climate change from the funds of the **Climate Change Program administered by the Ministry of Environment** <https://www.apva.lt/en/national-investments/development-cooperation>, also via developmental cooperation projects administered by the Ministry of Foreign Affairs and via contributions from the Ministry of Finance.

Lithuania will continue to provide financial support for the assisting non-Annex I Parties to mitigate GHG emissions and to adapt to the negative climate impacts.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Climate finance and support to developing countries are given through bilateral and multilateral channels. In this regard, the Ministry of Environment of Lithuania provides climate finance through its administered the Climate Change Programme. From the establishment of the Programme in 2009, support to developing countries was started to provide in 2011 through multilateral channels. Since 2014 the priority is given for the support of bilateral climate related projects by public finance mobilizing private sector investments. Starting from 2018 Lithuania has voluntarily doubled its climate finance to developing countries and has intentions to mobilize at least 1 million EUR for climate financing from public and private sources annually. In 2011–2019 period 5,5 mill Eur were provided to climate mitigation projects in developing countries. In 2020 – 1,32 mill, 2021- 1,94 mill Eur. For the implementation of development cooperation projects in 2022-2025, Ministry of Environment from Climate Change Programme will allocate 8 mill euros (2 million euros annually).

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Lithuania's priorities in general regarding Official Development Assistance is Eastern Partnership Countries. Also developing countries that are regarded as low or low-middle income countries according to World Bank's classification. Since 2014, bilaterally Lithuania has given support to these countries: Georgia, Armenia, Nigeria, Moldova, Malaysia, Mali. Targeted groups and beneficiaries are non-private sector, primarily, schools, kindergartens, hospitals, municipalities, refugee camps. The goal is with the given support



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to stimulate local climate related initiatives and enable environments.

Majority of Lithuania's climate related projects are implemented in Renewable energy sector, including solar power plants.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

The priority is given for the bilateral cooperation projects in developing countries support climate mitigation activities. The multilateral contributions included cross-cutting activities.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

During the evaluation of the project proposals, we look for the quantitative potential GHG emissions reduction. Also, the proposal must be in-line with EU and national strategies and policies on climate mitigation and adaptation.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Annually increasing public climate finance is new and additional and it is aimed to mobilize additional private investments through technology transfer to the developing countries.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

There are no approved national methodologies to project levels of climate finance. The amount of public finance for 2022-2025 is planned in the Programme of Government of the Republic of Lithuania.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

There are no approved national methodologies and assumptions used for the to project levels of climate finance. The amount of public finance for 2022-2025 is planned the Program of Government of the Republic of Lithuania.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

State budgetary constrains because of geopolitical situation, economy recession due to increased electricity and energy prices as well as difficulties with the private sector investments. One of the bottlenecks was the Covid 19 pandemic, where it was difficult for project promoters to travel to developing countries to transport equipment.

j. Information on how Parties are aiming to ensure a balance between adaptation



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and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Lithuania's financial support to developing countries is rather small, also local enterprises are specializing in innovative RES technologies (solar energy), therefore, the bigger part of support goes to mitigation activities. However, Lithuania is trying to ensure more support to adaptation through multilateral channels and funds.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Project implementers must contribute at least 30 % to project implementation. Lithuania also aims to attract private sector investment through development cooperation projects and allocate at least EUR 1 million annually.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Lithuania during bilateral projects selection procedures evaluates developing's countries national strategies and needs in the field of climate change. It is always evaluated if suggested measures are in line with country's strategies and situation.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Lithuania contributes to bilateral projects and multilateral development assistance according to their needs expressed in recipient countries policies and reports, as well as EU and national strategies for climate change.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Lithuanian Law on Development Cooperation and Humanitarian Aid was adopted on the 16th of May 2013. This law determined the goals of the Lithuanian development cooperation policy, formation, implementation, coordination and financing of the Lithuanian development cooperation, and ways of providing humanitarian aid.

In September 2016, Lithuanian Government approved National Interinstitutional

Development Cooperation Action Plan for the period 2017–2021. This Plan lays down development cooperation policy guidelines and sets out concrete measures in order to contribute to the achievement of the sustainable development and climate goals set by the UN 2030 Agenda and Paris Agreement within the aid recipient countries. The Plan is based on the Lithuanian Law on Development Cooperation and Humanitarian Aid, Lithuania's foreign policy priorities, considering relevant strategic documents of the UN and EU, and international commitments. The Plan will help to ensure continuous and efficient implementation and coordination of the development cooperation activities, including climate related activities.

On 13 July 2022, the Development Cooperation and Humanitarian Aid Fund in Lithuania started its activities, the main objective of which is to help implement a flexible, responsive, sustainable development cooperation policy focused on continuous results and to enable Lithuanian public and private sector institutions to implement large-scale, significant value-added projects in partner countries.

Lithuania also seeks membership of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD).

o. Information on how support to be provided to developing country Parties enhances their capacities.

Usually with bilateral projects support – as additional measures during project capacities building activities are conducted through common seminars, workshops, and best-practice activities.

p. Possible additional information

Possible additional information is available:

The National Strategy for Climate Change Management Policy: <https://am.lrv.lt/lt/veiklos-sritys-1/klimato-kaita/nacionaline-klimato-kaitos-valdymo-politikos-strategija>.

Climate Change Program administered by the Ministry of Environment: <https://www.apva.lt/en/national-investments/development-cooperation/>.

In 2019–2020 renewable energy (solar) projects implemented in Mali (EUR 400,000) and Nigeria (EUR 200,000). In 2021, project implemented in Nigeria (EUR 100,000).

In 2021, renewable energy (solar) projects implemented in Armenia, Georgia and Moldova for total amount of EUR 800,000).

15. Luxembourg

Please note that the answers are limited to ICF funding and do not take into account ODA-climate related funding, unless specified otherwise.



a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Luxembourg upholds the principle of “additionality” between ODA and international climate finance (ICF). Indeed, the poverty eradication challenge is made more complex due to climate change impacts, especially in developing countries, and therefore calls for additional financial means on top of existing ODA commitments. Luxembourg is committed to delivering 1% of its GNI as ODA.

Consequently, “new and additional” means that the resources that Luxembourg commits to deliver are not taken over from earlier commitments and are thus “new”. “Additional” means that they come “on top of” Luxembourg’s ODA commitments and thus are not “double counted” or draining on other resources dedicated to poverty eradication; as stated in the 2018-2023 Governmental Programme: “Luxembourg will continue to apply the “additionality” of funds mobilized for international climate financing (...)” [Government of the Grand Duchy of Luxembourg (2018), p.224].

In the run-up to COP21, Luxembourg made the commitment to provide a total amount of 120 million euros for ICF from 2014 to 2020. The disbursements of the funds were in accordance with Luxembourg’s strategy for the allocation of Luxembourg’s ICF pledge. The strategy called “*Attribution des fonds pour le financement international de la lutte contre le changement climatique*” was finalized and published in the first half of 2017 [Ministry of Sustainable Development and Infrastructure, Department of the Environment (2017)].

Luxembourg adopted a revised International Climate Finance Strategy in 2021, with which a budget of 200 million euros was made available for the years 2021 to 2025. An additional 20 million euros was pledged at UNGA in New York in 2021, meaning that Luxembourg’s total projected level of international climate finance is elevated to 220 million euros for 2021 to 2025. For 2021, ICF contributions amounted to a total of 24 million euros.

In the absence of a generally accepted definition of ICF, the Luxembourg ICF programme uses both the joint approach to monitoring climate financing of multilateral development banks (MDBs) and the OECD Development Assistance Committee (DAC) Rio markers for climate (MC).

Since 2016, the Ministry of Finance (MFIN) started to engage in climate action projects, mainly public-private partnerships, by using an annually defined “sustainable finance budget”. In the context of this report, the sustainable finance budget of the MFIN that is used for climate adaptation and/or mitigation action in developing countries, is considered as Luxembourg’s ICF. For 2020-2021, climate-related contributions from the MFIN amounted to a total of approx. 12.5 MEUR²⁷. Contributions to the GEF amounted to

²⁷ 2020: 6.3 MEUR

2.4 MEUR (2020-2021). Additionally, ODA commitments for environment and climate amount to approx. 33.6 MEUR for 2021. All these figures are in addition to the ICF contributions of the Ministry of Environment, Climate, and Sustainable Development.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

The revised ICF strategy remains deeply rooted in the objectives defined by the United Nations Climate Change Conference (UNFCCC) and the Paris Agreement, and it also seeks to address the goals of climate action, environmental and social protection, as expressed in the UN Sustainable Development Goals (SDGs), the Aichi Biodiversity targets, and the Sendai Framework for Disaster Risk Reduction.

The 2021-2025 revision responds to recent regulatory developments, notably the adoption of key elements of the Paris Rulebook, and is meant to reflect both Luxembourg's own climate finance experience as well as good international practice.

During the funding period 2014-2020, the majority of funding has been provided through grants. Grants have partially been placed into intermediaries or financial vehicles, which have used this capital to provide equity, guarantees or loans, generating reflows to these intermediaries (e.g., Green Climate Fund contribution). Luxembourg also provided, in several cases directly and in-directly first loss and junior equity investments into themed impact funds (e.g., Forestry and Climate Change Fund, EIB-Climate Finance Platform, which, among others, provides funding for the Land Degradation Neutrality Fund).

During 2021-2025, the Luxembourg ICF intends to further broaden its use of different instruments. The types of instrument to be used under the ICF window will depend on the type of activities financed, the type of applicant as well as the financial needs of the project and decided on case-by-case basis. While a large part of adaptation projects, capacity development, institutional strengthening projects and early project preparation activities, call for plain grants, other projects or climate investments, especially those involving the private sector, are best served by concessional loans, first loss equity and guarantees as well as outcome-based payments. It is noted that the engagement with the private sector will be accelerated in order to mobilize more private sector climate finance. Blended finance structures will absorb most of the non-grant funding provided under Luxembourg's ICF Strategy, targeting activities that can become investable and bankable.

Financing axes include NGOs, bilateral activities (agencies, institutions, consultants, project developers) and multilateral activities (by multilateral institutions).

Luxembourg's ICF pledge includes a 40 million € contribution to the GCF (GCF-1, 2020-2023).

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

The specific support Luxembourg provides will be directed at interventions across the spectrum of mitigation and adaptation measures in developing countries with a number of key priorities.

The priorities have been selected for: their potential to achieve significant mitigation and adaptation

impacts; their synergetic value of integrating wider benefits in the context of achieving the Sustainable Development Goals (SDGs); and their ability to leverage additional climate finance from the private sector. The selected thematic focal areas also take into account the principle of integrated climate action and pollution reduction, as embodied in Luxembourg's Climate Law and National Energy and Climate Plan (NECP), and highlight those sectors for which Luxembourg has strategic comparative advantages due to its role as a leading sustainable finance center and a hub for pioneering technologies and climate solutions for a zero-carbon economy.

Activities not falling within the scope of the key priorities may still be supported, provided they feature very high mitigation and/or adaptation impacts values, SDG co-benefits, transformative change and offer exceptional opportunities for private sector co-financing.

The defined funding themes are:

- Natural capital, biodiversity, forestry & land-use
- Clean air and water resources
- Resource efficiency and waste management
- Support for transparency requirements of the Paris Agreement
- Leveraging and mainstreaming climate and sustainable finance
- Climate change induced migration

A special focus is put on the gender component during not only for the project evaluation, but also in terms of the applicant organization.

Any support from Luxembourg's ICF envelope is subject to a number of conditions and requirements, including:

- Clear and direct climate change focus
- Additionality of support
- Alignment with host country climate strategies and NDCs
- Safeguards and gender

Activities in the eligible areas for the Luxembourg ICF are described in detail in the revised strategy document. An exclusion list summarizes projects that cannot benefit from Luxembourg's ICF funding.

While there is no general restriction in country eligibility, about half of Luxembourg's bilateral support window (excluding funding provided to international or multilateral funds or organizations), the ICF strategy grants enhanced consideration for climate finance support to LDGs and SIDS as well as low-income communities or regions highly exposed to climate risks in other developing countries, and countries with which Luxembourg has entered a climate action dialogue ("Climate Dialogue Partners").²⁸

As previously, assistance for mitigation and land-use (including REDD+) focused interventions in transition countries and emerging economies, on the other hand, will be conditional on exceptional mitigation benefits, the transformational nature of the underlying climate finance concept and high levels of private (co-) funding that will be mobilized through the measures.

Generally, Luxembourg puts a strong emphasis on activities that are promising for mobilizing financing from the private sector. It is assumed, but certainly not required, that such activities will predominantly be located in more advanced developing countries equipped with an appropriate enabling environment, policies and a strong recognition of the rule of law that will attract private sector investments. For measures meant to enhance sustainable finance flows (Art. 2.1 (c) Paris Agreement), there is no geographic or income-dependent country scope per se; however, such measures need to target regions or countries with a clear strategic vision and aptitude for transformational change in this regard and which demonstrate a strong willingness to introduce relevant reforms for green finance.

The small funding window on climate migration is focusing on areas where climate change and environmental degradation create unacceptable levels of human insecurity and lead to movements of people. Priority countries will include activities in or in relation with countries in North Africa's Sahel region, sub-Saharan Africa and East Africa, where high levels of migration are predicted as a response to climate change.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Luxembourg's ICF Strategy no longer applies strict and siloed quotas for mitigation, adaptation and REDD+ support. Instead, the update of the international climate finance

²⁸ This currently includes Burkina Faso, Cabo Verde, El Salvador, Laos, Mali, Niger, Senegal, Vietnam, Rwanda (list subject to changes).



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strategy includes a rebalancing towards the intrinsic relationship between three pillars: mitigation, adaptation and REDD+. Rather than perceiving the three pillars in isolation, Luxembourg's new strategy recognizes and takes into account their numerous inter-relations. It focuses on and prioritizes activities that are complementary in how they address mitigation and adaptation. This does not mean that each activity has to have a dual, "cross-cutting" purpose per se, but that for each proposed measure, the relevance in terms of mitigation, adaptation, and resilience should be highlighted. This will ensure that Luxembourg's international climate finance achieves an overall balanced impact in terms of mitigation, adaptation, and REDD+. Adaptation elements shall be included in a majority of supported activities. Nature-based solutions should become an integral part of this balanced approach, rather than a separate category.

Funding themes are described under 3. A number of activities contribute to both adaptation and mitigation.

Over the past few years, a great number of activities were launched in the field of "sustainable finance" in order to leverage private sector funding in the areas of adaptation and mitigation (*e.g. Luxembourg-EIB Climate Finance Platform, a de-risking mechanism for private investments; the Forestry and Climate Change Fund, a pioneering impact fund aiming at sustainable forestry within secondary and degraded tropical forests; the International Climate Finance Accelerator, a public-private partnership set up to support climate finance fund managers in Luxembourg, etc.*)

Support for capacity building is an integral part of numerous activities supported, especially in bilateral agreements. Activities to promote the thematic of human rights and gender in the context of climate change have and will continue to be considered in the future. Therefore, Luxembourg added a budget line in its ICF funding dedicated specifically to those topics.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

ICF gives priority to funding activities for which the climate objective is the main element of the activity and which would not have been achieved without this climate objective (Rio Marker Climate 2, MC2). In exceptional cases, climate funds may be used to fund measures with an OECD Rio Marker Climate 1 (significant climate element) and/or to also fund those elements in a measure that go beyond having a direct climate benefit (as long as it is an integral part of the program). However, this will require that the measure in question yields significant benefits in terms of climate and sustainable development, has a transformative effect for the combat against climate change, and would stand little chance of being developed without funding from Luxembourg. The Ministry for the Environment, Climate and Sustainable Development (**MECSD**) carries out the analysis of OECD/DAC RIO climate markers for all proposed ICF activities, analysing all elements of

the proposed activities. At the same time, MECSD checks the compatibility of the activities with the joint MDB approach.

It should be noted, however, that the delineation of independent and complementary roles between the ICF and ODA cannot be based on a strict categorization between CM1 and CM2, although such a categorization can be used as a general orientation while continuing a close exchange to guide oneself according to the principle of complementarity.

Moreover, the ICF program uses six main selection criteria to allocate ICF:

- Strong Climate Impacts,
- Sustainable Development Benefits,
- Mobilization of Private Sector funding,
- Transformation, Innovation, Lasting Outcomes,
- Efficiency
- Gender Equality Contribution.

These criteria and their evaluation indicators are described in more detail in Luxembourg's revised ICF Strategy. These criteria are interconnected. The potential for transformation, the creation of an enabling environment as well as the need of beneficiaries, the political will and priority of the country reinforce the climate impact and the benefits to sustainable development.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

The additionality of funding sources

Under the Paris Agreement, governments agreed that ICF must be new and additional: *"This mobilization of financing for climate action should represent an improvement over previous efforts"*, (Art. 9.3).

To ensure that the ICF is new and additional, Luxembourg has mobilised a budget of €220 million for the period 2021 to 2025 (on top of Luxembourg's ODA). At the same time, Luxembourg maintained its ODA at 1% of GNI. Luxembourg's ODA already finances climate elements through its activities. These climatic elements are mainly elements for which the climatic objectives are significant (RIO climate marker MC1), but not main.

Although ICF - based on the objectives of the UNFCCC and the Paris Agreement - and ODA have independent roles to play, it is recognized that ICF for adaptation and mitigation and development financing are linked. To reap the synergies between ODA and climate finance and advance the transformation towards a low-emission, climate-resilient world, it is essential that these roles are complementary and coordinated. MECSD fulfils its role through a close exchange of information with the Directorate of Development



Cooperation and Humanitarian Action of the Ministry of Foreign and European Affairs (MFEA).

Cf. above for the methodology used.

Additionality of ICF in terms of investments, projects and programs

For all interventions, but specifically for commercial business and private sector investments, projects and programs, an additionality analysis is required at the investment level to assess what form of support is needed and appropriate. This analysis is done to ensure that the support meets the test of additionality – the measure in question would not be implemented to the proposed extent without the support – and does not crowd out other private or public investments.

To ensure additionality and to be eligible for ICF funding, applicants must demonstrate (a) that the commercial projects/programs in question are economically and financially sound, and at the same time, that (b) the need for concessional support exists (see description of barriers in the strategy).

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

The ICF budget has been made available through Luxembourg’s “Climate and Energy Fund” over the years. The funding provided as ICF will continue to be administered by the Climate and Energy Fund, presided over by the Ministry of Environment, Climate and Sustainable Development, during the period 2021-2025. With the adoption of the new Luxembourg Climate Law (December 2020), the Climate and Energy Fund underwent several changes to better support national and international climate activities. The MECSD will sign off on all approved ICF after consultations with a special advisory board composed of representatives from various ministries. The budget is approved for a multi-year period, e.g. the commitment of €220 mio. FCI for the period 2021-2025 is approved as follows²⁹:

2021	2022	2023	2024	2025
24 000 000	45 500 000	52 000 000	52 500 000	56 000 000

h. Information on relevant methodologies and assumptions used project levels of climate finance;

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i. Information on challenges and barriers encountered in the past, lessons learned

²⁹ €10 mio, corresponding to delayed payments from 2020 due to Covid-19 related slower project execution, are added to the € 220 mio.



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and measures taken to overcome them;

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- j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;***

Luxembourg's ICF Strategy no longer applies strict and siloed quotas for mitigation, adaptation and REDD+ support. Instead, the update of the international climate finance strategy includes a rebalancing towards the intrinsic relationship between three pillars: mitigation, adaptation and REDD+. Rather than perceiving the three pillars in isolation, Luxembourg's new strategy recognizes and takes into account their numerous inter-relationships. It focuses on and prioritizes activities that are complementary in how they address mitigation and adaptation. This does not mean that each activity has to have a dual, "cross-cutting" purpose per se, but that for each proposed measure, the relevance in terms of mitigation, adaptation, and resilience should be highlighted. This will ensure that Luxembourg's international climate finance achieves an overall balanced impact in terms of mitigation, adaptation, and REDD+. Adaptation elements shall be included in a majority of supported activities. Nature-based solutions should become an integral part of this balanced approach, rather than a separate category.

- k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;***

Luxembourg's financial center is developing fast into an internationally recognized, leading hub for sustainable finance. With its green finance commitment to convert 20% of the country's finance flows into green flows by 2025, Luxembourg sets clear milestones for achieving the goal of making finance flows consistent with pathways towards low greenhouse gas emission and climate-resilient development (Art. 2.1 (c) Paris Agreement). While preparing the road at home to transform its financial sector, Luxembourg seeks to offer its expertise and capacity building to help the willing, developing countries set similarly ambitious objectives.

The Luxembourg Sustainable Finance Roadmap developed in 2018 in close collaboration between the Ministry of Finance and the Ministry of Sustainable Development and Infrastructure (now MECSD), which specifies actions to foster a sustainable finance ecosystem in Luxembourg, offers a key reference point for engagement. In 2021, Luxembourg also adopted its Sustainable Finance Strategy and the Luxembourg



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Sustainable Finance Initiative (“LSFI”), its implementing organization for the Luxembourg financial center, was launched.

With that perspective, Luxembourg’s ICF strategy is oriented towards existing and new financial instruments that strengthen the focus on climate interventions in developing countries and leverage new and funding, including from private sources. Special focus is put on collective investment vehicles and financial risk mitigation structures for low carbon and resilient infrastructure for sustainable cities, clean energy production and efficient use, as well as wider measures aimed at realizing NDC commitments. Under the revised strategy, the Mobilisation of Private Sector funding is indeed a selection criterion in the allocation of ICF.

The selection of instruments can have a determining effect on the amount of private sector finance leveraged, depending on the projects’ local and sectoral context and needs in different stages of the investment cycle. In order to mobilize private investment at scale, it is important to identify the unique investment criteria and barriers faced by different private sector segments in order to offer the appropriate de-risking support or risk/return enhancement for private sector investments. Blended finance structures will absorb most of the non-grant funding provided under Luxembourg’s ICF Strategy, targeting activities that can become investable and bankable.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

As already stated under above, one of the six main selection criteria of the ICF programme is “transformation, innovation, and lasting outcomes”, which includes the analysis of national priority, political will, and the needs of the beneficiaries.

Political will and coherence of activities with national climate change measures, regulations and planning are of great importance. It is proposed to assess all ICF activities according to the criteria of national priority, political will/host country ownership, funding need, vulnerability of beneficiaries.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

In accordance with the objectives of Article 2 of the Paris Agreement, Luxembourg’s ICF aims at strengthening the global response to the threat of climate change, in the context of sustainable development, by assisting developing countries with measures directed at:

- Holding the increase in global average temperatures to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C



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above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;

- Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and
- Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

In 2009, the Directorate for Development Cooperation and Humanitarian Affairs of the MFEA elaborated a policy paper on environment and climate change and in 2014, it developed a strategy for environment and climate change action. The new General Strategy [Ministry of Foreign and European Affairs, Directorate for Development Cooperation and Humanitarian Affairs (2018) has replaced both. Additionally, in 2021, the Directorate adopted an “Environment and Climate Change Strategy”.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Capacity-building is integrated in most of our ICF and ODA-climate projects (especially in bilateral projects).

p. Possible additional information

16. Malta

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Malta intends to continue providing climate finance to developing country Parties through multilateral channels in the coming years. Malta has established a long-standing relationship with the Green Climate Fund (GCF) and has been annually providing a contribution to the GCF, recently doubling its annual commitment.

Malta reports annually on financial and technological support provided to developing countries under the Governance Regulation ³⁰ (Article 19(3)) 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 Article 19(3) reporting requirements are updated on a continuous basis, reflecting the changes of the common tabular format, agreed at the UNFCCC negotiations. Malta also compiles Biennial

³⁰ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action



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Reporting³¹ and National Communications³², containing information on international climate finance activities.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Malta provides funds mainly to the GCF without specific conditionalities. This allows the GCF Board to make these funds available to any project approved by the same. This means that methodologies, eligibility levels and assumptions related to the use of provided finance are in line with the agreed parameters of the GCF Board. In 2022 Malta provided the GCF with €200,000.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Malta provides funds to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Malta provides funds to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Malta provides funds to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

In line with the EU's climate finance conclusions and the Paris Agreement, Malta is committed and seeks to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Notwithstanding, an indication of new and additional resources cannot be provided at this stage.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Whilst remaining committed to the Paris Agreement, the commitment towards provision of finance is subject to annual approval through the established national budgetary process on an annual basis.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

³¹ <https://unfccc.int/documents/230596>

³² <https://unfccc.int/documents/64745>



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No specific methodology is currently in use to project Climate finance to be provided to developing countries.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Malta being a rather small provider of finance, would face exaggerated costs in terms of overheads if it had to set up its own bilateral funding specific to climate change due to the need to assess monitor and verify the elected projects. To ease such administrative cost of management, Malta opts to fund multilaterally where it can monitor the activities of the entities it funds, where they are managed centrally within a bigger fund. This also overcomes the common issue of smaller parties which would face excessive costs to manage the funds directly. In this way Malta also strives for a balance between climate change mitigation, adaptation, and climate governance activities.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Malta provides funds to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

The EU Emission Trading Scheme Directive specifies that EU Member States should spend at least 50 % of the auction revenues on measures addressed to tackle climate change. Malta uses these resources both for national and international purposes. Albeit without specific earmarking, climate finance provided exceeds significantly the 50 % benchmark. Indications relative to auctioning revenues show that it is likely that such revenues shall increase in the coming years, subsequently increasing the expected expenditure in climate action for both national and international climate finance.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Malta provides funds to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris



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Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Malta provides funds to the GCF to be disbursed in line with the policies of the fund and decisions of the Fund's Board.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Malta provides funds to the GCF to be disbursed in line with the policies of the fund and decisions of the Fund's Board.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Malta provides funds to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board.

p. Possible additional information

17. Netherlands

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: The Netherlands has in its new Foreign Trade and Development Cooperation Policy "Doing What the Netherlands is Good At" committed to a significant increase in climate finance (private and public) from EUR 1.25 billion in 2021 to EUR 1.80 billion in 2025. The public climate finance is almost completely in the form of grants and more than half of it will be spent on climate change adaptation with a focus on the poorest and most vulnerable countries in the world.

Detail: The Netherlands support for climate action in developing countries is an integral part of its international cooperation. The government's new policy "[Doing What the Netherlands is Good At](#)" (Dutch Ministry of Foreign Affairs, 2022) sets out the development and trade agenda, which overall aim is to contribute to the achievement of the SDGs, as well as to achieve the objectives of the Paris Agreement.

The Minister for Foreign Trade and Development Cooperation is responsible for the programming and planning of climate finance. The Netherlands is committed to contribute in the international effort to support mitigation and adaptation activities in developing countries, now and in the future. Since 2010, the Netherlands realized a year-on-year increase in its climate finance, including both public and mobilized private climate finance. This has been achieved by an allocation of additional resources for climate-related action regarding inter alia agriculture, water, forests, SDG7, resilience & adaptation and multilateral climate funds (in 2023 EUR 160 million; in 2024 EUR 219

million; in 2025 EUR 368 million (mostly with a principal marker), a better integration of climate objectives in development co-operation and a more effective mobilization of private finance for climate action (including by the establishment of a new fund as a successor of the Dutch Fund on Climate and Development that became operational in 2019). The Covid-19 and Ukraine crises have not altered our commitment to contribute a significant share to the international efforts for climate action, but it may lead to some challenges in the short-term, related to the mobilization of private finance due the difficulties that the private sector experiences in its operations.

In its policy note “Doing What The Netherlands Is Good At”, the Netherlands committed to a significant increase in climate finance (private and public) from EUR 1.25 billion in 2021 to EUR 1.80 billion in 2025. The public climate finance is almost completely in the form of grants and more than half of it will be spent on climate change adaptation with a focus on the poorest and most vulnerable countries in the world.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Important commitments have been made by the Netherlands to multilateral climate funds and sectoral programming in water, food and sustainable energy, as well as to strengthening of civil society.

Detail: The Netherlands believes that the climate challenge can only be resolved through an effective collaboration between all relevant social actors, each of which has a unique role to play. In our climate interventions, we work through alliances with the private sector, civil society, knowledge institutes/networks, NGOs and multilateral organizations.

The multilateral cooperation is key in achieving a sustainable and effective mix of climate finance delivery instruments. The Netherlands has traditionally been an active supporter and funder of the multilateral institutions, which play an increasingly key role in global climate action. The Netherlands also contributes to climate change-specific multilateral funds.

The climate action, knowledge and financial resources of the private sector and knowledge institutes are also necessary to achieve the transformative change that is required for low-emission, climate-resilient development. The Netherlands has thus set up a number of collaborations with the private sector focusing on climate smart infrastructure, water, food systems and energy. Increasingly, we also approach such challenges in an integrated manner, for instance in the Dutch Fund on Climate and Development.

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.

Some examples of substantial financial commitments made by the Netherlands to climate action:

EUR 160 million to the Dutch Fund for Climate and Development (DFCD), for the period 2019-2038.

EUR 120 million to the Green Climate Fund (GCF), for the period 2019-2023 (first GCF replenishment).

EUR 124 million to the Global Environment Facility (GEF), for the period 2022-2026 (8th GEF replenishment).

USD 100 million to Climate Investment Funds (CIF), for period 2021-2026.

EUR 60 million to Global Water Security & Sanitation Partnership (GWSP), for the period 2022-2028.

USD 44 million to the World Bank's Regional Off-grid Electrification Project in the Sahel for the period 2019-2026.

EUR 25 million to the Least Developed Countries Fund (LDCF), for 2022.

EUR 24 million to Blue Deal, for the period 2022-2030.

EUR 18 million to ADB Water & Climate, for the period 2023-2027.

EUR 19 million to Climate Energy Response Facility (CERF), for the period 2022-2025.

USD 20 million to NDC Partnership, including its Partnership Action Fund, for the period 2021-2025.

EUR 29 million to the Initiative for Sustainable Landscapes of the Sustainable Trade Initiative (IDH) for the period 2021-2025

EUR 15 million to Development Knowledge Network (CDKN), for the period 2022-2026.

EUR 15 million to the Amazon Bioeconomy and Forest Management Multi-Donor Trust Fund of the Inter-American Development Bank (IDB) for the period 2022-2026.

EUR 14 million to Central African Forest Initiative (CAFI), for the period 2022-2024.

EUR 35,6 million for the AGRI-3 Fund for the period 2020-2039.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: In line with the new policy “Doing What The Netherlands is Good At”, we will channel our bilateral support to poverty reduction and increased resilience in 22 countries in West-Africa/Sahel, Northern-Africa, Middle East and the Horn of Africa. Focus sectors are renewable energy, forestry, agriculture, water management and WASH. Given the global challenge that climate change presents, we also support multilateral climate funds and there is flexibility to provide support to programmes and initiatives that target climate change at a global level beyond the regions listed.

Detail: In line with the new policy “Doing What The Netherlands is Good At”, the Netherlands focuses its bilateral aid relationships in 22 countries in West-Africa/Sahel, Northern-Africa, Middle East and the Horn of Africa. However, given the global challenge that climate change presents, there is flexibility to provide support to programmes and initiatives that target climate change at a global level beyond the regions listed. Furthermore, the Netherlands aims to leverage development aid and trade instruments in 14 “combination countries” amongst others in Asia, Latin America and Africa. In these countries we focus on sustainability and digitalization transitions. Furthermore, supporting the multilateral system and multilateral climate funds is a priority.

As Dutch support for climate action is part of development cooperation, we have a strong focus on poverty. Poorer people and communities are typically affected the most by climate change, not only because they are often the most exposed but also because they have the least resources to cope and adapt. To support mitigation, we focus on providing access to renewable energy and on halting deforestation; to support adaptation, we focus on climate-smart agriculture, integrated water resource management and the provision of climate-resilient water, sanitation and hygiene services (WASH).

Resilience and adaptability of communities and the role and voice of civil society in climate action is among others enhanced by strategic partnerships such as Amplifying Voices for Just Climate Action (VCA), Global Alliance for Green and Gender Action (GAGGA), African Activists for Climate Justice (AACJ) and the Green Livelihoods Alliance. Gender is an important crosscutting issue, as climate action is most effective when it builds on the capacities and addresses the needs as well as the vulnerabilities of both genders.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: The Netherlands aims to provide more than half of its public climate finance to adaptation. Support for technology transfer and for capacity building are an integral part of numerous activities that we support. Our capacity building support is focused on individuals, institutions as well as at the systemic level.

Detail: The Netherlands aims to provide more than half of its public climate finance to adaptation. To support mitigation, we mainly focus on providing access to renewable energy and on halting deforestation. To support adaptation, we mainly focus on climate-smart agriculture, climate-resilient infrastructure, integrated water resource management, the provision of climate-resilient water, sanitation and hygiene services (WASH). A number of activities contributes to both adaptation and mitigation, as there is a growing awareness that many challenges are interlinked and are best addressed in an integrated manner (e.g. climate smart agriculture, forestry, access to energy).

We realize that at the global level most private finance mobilised is in support of mitigation. Therefore, the Netherlands has decided to focus explicitly on mobilising the private sector for adaptation in programmes such as the Dutch Fund on Climate and Development (DFCD) and Mobilising More for Climate. An important element of the DFCD is the origination facility in which we support the creation of viable new projects to help address the climate adaptation needs. If successful, these can be financed by the DFCD Land Use Facility and the DFCD Water Facility ("Climate Investor II"). Climate Investor II attracted in 2021 EUR 675 million private finance on a fund-level to be used in projects the coming years.

Support for technology transfer and for capacity building are an integral part of numerous activities that we support. Our capacity building support is focused on individuals, institutions as well as at the systemic level. At the systemic level, we support the NDC-Partnership which has a key role to play in building the capacity of governments to formulate and implement enhanced Nationally Determined Contributions. As co-chair in 2019 and 2020, we have focused on the further strengthening of the NDCP through political and financial support.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: This is tender specific.

Detail: While this is tender specific and there is, therefore, no general answer to this question, the way and extent to which climate change, climate action, gender responsiveness are integrated in the analysis, intervention pathways and Monitoring,

Evaluation and Learning (MEL) are increasingly receiving attention while evaluating proposals.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: The Netherlands is committed to a significant increase in climate finance from EUR 1.25 billion in 2021 to EUR 1.80 billion in 2025. As our budget is approved by Parliament annually, providing new and additional resources to the budgets approved in previous years, all the financial support to developing countries for climate action provided from this budget in a given year is considered new and additional.

Detail: As indicated earlier, the new cabinet commits to a significant increase in climate finance from EUR 1.25 billion in 2021 to EUR 1.80 billion in 2025.

The Netherlands delivered on its Fast-Start Finance commitment in the 2010–2012 period. Since then, following the growing understanding that development and climate action are best pursued in an integrated manner, we have chosen a more integrated approach in line with our pledge to contribute to the needed financing of climate action in developing countries. Over the years, we have also actively engaged with the private sector to raise additional funding for climate action, as presented in the next section.

In our Biennial Reports and National Communications the Netherlands reports on the public financial resources we have disbursed. This support/these disbursements for climate action in developing countries is/are financed from the budget for foreign trade and development cooperation. This budget is approved by Parliament annually, providing new and additional resources to the budgets approved in previous years, whereby formally the financial support to developing countries for climate action provided from this budget in a given year (as reported in the Biennial Reports and National Communications) is considered new and additional.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Given the annual budget cycle, and the always ongoing approval of new programmes and activities, the Netherlands can in principle only provide an estimate of its climate finance for one year ahead. As indicate before, the new cabinet is however aiming for a further significant increase in climate finance over the course of its mandate with a specific target for 2025.

Detail: Overall policies, such as the policy “Doing What the Netherlands Is Good At” adopted just recently in 2022 by the new cabinet, are determined when a new Government takes office and approved by Parliament. They clarify thematic priorities,

focus countries or regions, cross-cutting issues, channels, key initiatives and the general budgetary framework. Consequently, they are translated in more detailed policies, in multi-annual strategic plans and theories of changes. In this case for example including an International Climate Strategy (to be published in autumn 2022).

Budgets in the Netherlands are subject to annual budget cycles. In fall of each year the Government proposes a new budget for the following year, which is then approved by Parliament before the end of the year. The climate finance that the Netherlands provides is mainly from the budget for foreign trade and development cooperation. Only the Netherlands' contributions to IDA, IBRD, IFC and the AIIB, which are partially used to support climate action in developing countries, are from the budget of the Ministry of Finance.

The climate-relevant programmes and activities that the Netherlands will support are dependent on the prevailing policies and approved annual budgets. Given the annual budget cycle, and the always ongoing approval of new programmes and activities, the Netherlands can in principle only provide an estimate of its climate finance for one year ahead. As indicated before, the new cabinet is however aiming for a further significant increase in climate finance over the course of its mandate towards EUR 1,8 billion in 2025.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: To determine the amount of public and mobilized private finance, The Netherlands uses the OECD-DAC Rio Markers methodology for bilateral programs, the OECD-DAC Imputed Climate Percentages for core funding to multilateral institutions or the OECD-DAC methods for calculating mobilized private finance.

Detail: To determine the amount of public climate finance, we use the OECD-DAC's Rio Markers methodology. This means that for most activities (projects, programmes) the OECD-DAC's climate change adaptation and mitigation policy markers are applied to provide an approximation of public climate finance:

- If an activity has climate change adaptation and/or mitigation as its principal objective, 100 % of the support for that activity is considered and reported as climate finance towards that objective.
- If an activity has climate change adaptation and/or mitigation as a significant secondary objective, 40 % of the support for that activity is considered and reported as climate finance towards that objective.
- For very sizeable and broad programmes, the climate markers can also be applied to the different components of the programme to

then calculate a climate-specific share for the total programme.

In line with the OECD-DAC methodology, we do not apply the climate change adaptation and mitigation markers to our core contributions to multilateral organisations. Instead, we apply the OECD-DAC's imputed climate-related shares. For a few multilateral organisations carrying out climate-relevant work, the OECD – DAC has not yet determined imputed climate-related shares. For these organisations, we have ourselves determined climate-related shares in consultation with the organisations concerned and applied them to our core contributions.

To measure the volume of private finance mobilised by the Netherlands directly, we follow the OECD-DAC methods. For the private finance mobilised by the Netherlands through its share in MDBs, we calculate a best possible estimate based on the data available, including the MDB joint report on climate finance.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: In order to learn lessons and improve on its processes and programs, the Netherlands is in the process of carrying out an elaborate evaluation of climate finance, climate adaptation, climate mitigation and climate diplomacy. Major challenges include setting up and monitoring result frameworks and reporting, in particular at outcome and impact levels.

Detail: In the Netherlands, learning is a constant process fed by project, programme and thematic evaluations. It is not possible to summarize lessons learned from the evaluations of individual projects or programmes.

Currently, the Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs is carrying out an [evaluation of the \(implementation of the\) Netherlands Climate Policy in the period 2020-2022](#). Key question of the evaluation, which will cover the areas climate finance, climate diplomacy, climate adaptation and climate mitigation is: How relevant and appropriate is the Dutch (development cooperation) commitment to climate for the policy goals? How coherent is climate policy in the framework of development cooperation?

Of the planned studies, [the study on climate finance](#) has in the meantime been published, presenting lessons on questions such as: Did Dutch aid reach the intended countries? Which sectors and target groups benefitted? What was the additionality of mobilized private climate funds? And what should future climate finance look like?

Major challenges include setting up and monitoring result frameworks and reporting, in

particular at outcome and impact levels.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: The Netherlands takes an active role in raising ambition for adaptation finance and spends more than half of its public climate finance on adaptation to increase resilience in the poorest and most vulnerable countries and communities.

Detail: The Netherlands takes an active role in raising ambition for adaptation finance and spends more than half of its public climate finance on adaptation to increase resilience in the poorest and most vulnerable countries and communities. For more details, we refer to the answer to question 4.

The Netherlands' international cooperation of which our support for climate action in developing countries is an integral part, focuses increasingly on West-Africa/Sahel, Northern-Africa, Middle East and the Horn of Africa. However, given the global challenge that climate change presents, there is flexibility to provide support to programmes and initiatives that target climate change at a global level beyond the regions listed.

As co-organisers of the Champions Group on Adaptation Finance, the Netherlands advocates for better quality, quantity, and accessibility of finance for adaptation. To achieve this, the group works to increase political ambition and action to meet the agreement of a collective doubling of adaptation finance as set out in the Glasgow Climate Pact. The group established a work plan that was discussed with representatives from LDCs and SIDS, as well as multilateral development banks, at the Lahti ministerial in April. The commitments to increasing finance for adaptation were reaffirmed during Stockholm +50 when the group expanded its membership.

With regards to country-driven strategies and the needs and priorities of developing countries, the Netherlands also responds to the demand for accelerated support for locally-led adaptation by strengthening the capacity of climate knowledge brokers in the global South, especially in Africa. It does so by:

- supporting the integration of gender and social inclusion in policies and practices to achieve climate resilient development;
- strengthening the implementation of ecosystem-based adaptation

- to build the resilience of climate-affected communities;
- advancing access to appropriate and equitable finance that enables locally-led solutions.

The delivery vehicle to achieve this is the Climate and Development Knowledge Network (CDKN), a fully southern-led network focused on producing and sharing actionable climate knowledge, advancing Southern leadership, fostering collaboration, mobilizing capacity and facilitating learning.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: The Netherlands focuses on the mobilization of blended and/or innovative finance through its private sector development portfolio, its cooperation with MDB's and FMO and through the development of specific funds tailored to public-private cooperation.

All information on the Netherlands mobilization efforts is published in a yearly report that is available to the public ([‘Mobilised private climate & biodiversity finance: 2021’](#)), for 2021 the report calculated that the NL mobilized EUR 619 million private climate finance.

Detail: The Netherlands focuses on the mobilization of blended and/or innovative finance through its private sector development portfolio, its cooperation with MDB's and FMO and through the development of specific funds tailored to public-private cooperation.

All information on the Netherlands mobilization efforts is published in a yearly report that is available to the public ([‘Mobilised private climate & biodiversity finance: 2021’](#)). In the new foreign trade and development cooperation strategy for the coming years, the NL strives to further increase the mobilized private finance for climate.

For example, Dutch activities such as Climate Investor One, the Dutch Fund for Climate and Development, Climate Investor Two and the AGRI-3 Fund are designed to mobilise and attract private investors, as well as FMO delegated statefunds like MASSIF, Access to Energy Fund and Building Prospects.

In addition, we support working on the lower end of the mobilisation scale, like Mobilising More for Climate programme which is combining local efforts to protect vulnerable ecosystems with the development of fundable business propositions to support livelihoods of local stakeholders.

We are aware that at the global level most private finance mobilised is in support of mitigation. Therefore, the Netherlands has decided to focus explicitly on mobilising the

private sector for adaptation.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: Dutch public climate finance is first and foremost intended to assist poor communities and countries. The Netherlands actively partners with and supports the NDC partnership, knowledge brokers such as the Climate & Development Knowledge Network (CDKN) and with civil society partnerships such as Voices for Just Climate Action (VCA), African Activist for Climate Justice (ACJ) and Flobal Alliance for Green and Gender Action (GAGGA) to, among others, demonstrate and promote locally-led climate action and, through training, lobby and advocacy, improve access to finance.

Detail: Dutch public climate finance is first and foremost intended to assist poor communities and countries. To address their needs, we work with a multitude of actors, including national, regional and local authorities, multilateral organisations, non-governmental organisations, private-sector organisations, farmers' organisations, water boards, and so on. These organisations all have their own processes to ensure that their activities meet the needs of their target populations. The Netherlands only approves finance for activities if it is clear from the policy and context analyses, the theory of change and the monitoring evaluation and learning (MEL) how and to what extent they will meet the needs of target populations.

Although the Netherlands has itself developed climate change profiles for the countries and regions on which the Netherlands focuses its development cooperation, due reference is also made to information provided in the relevant IPCC reports, in country profiles developed by other organizations (e.g., USAID, GIZ, UNDP, AfDB etc.) and most importantly countries own NDCs, National Adaptation Plans and the like.

As further elaborated in other sections, the Netherlands actively partners with and supports the NDC partnership, knowledge brokers such as CDKN and with civil society partnerships such as VCA, AACJ and GAGGA to, among others, demonstrate and promote locally-led climate action and, through training, lobby and advocacy, improve access to finance.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: The Netherlands is committed to 'green' the instruments for foreign trade and development cooperation in support of the goals of Paris Agreement and the SDG

agenda. We see and advocate for a leading role for multilateral financial institutions in financing the transition towards low-emission climate-resilient development pathways.

Detail: The Netherlands' ambition is to 'green' the instruments for foreign trade and development cooperation in line with the goals of Paris Agreement and the SDG agenda. This ambition is a core theme of the policy of the Minister for Foreign Trade and Development Cooperation as laid out in her policy note to the House of Representatives in June 2022.

The Netherlands has undersigned the joint OECD statement to align development co-operation with the goals of the Paris Agreement and the CoP26 Statement to align our international public support towards the clean energy transition and out of unabated fossil fuels, and it currently elaborating the policies to deliver on these commitments. This includes the development of a whole-of-government International Climate Strategy.

Next to greening the bilateral instruments to support foreign aid, trade and investment, the Netherlands sees a leading role for multilateral financial institutions, in particular the multilateral development banks, to support developing countries in financing the transition towards low-emission climate-resilient development pathways. To this end, it advocates that these institutions set the most ambitious objectives for climate finance possible, scale up adaptation finance and phase out financing for fossil fuel projects.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: The Netherlands has integrated climate change objectives in key development policies, multi-annual strategic plans, policies for thematic priorities such as Food and Nutrition Security and WASH as well as policies regarding private sector instruments.

Detail: The Netherlands has integrated climate change objectives in key development policies including in its overall development and trade agenda, policies for thematic priorities such as Food and Nutrition Security and WASH as well as policies regarding private sector instruments.

Furthermore, it encourages the integration of climate change considerations in Multi-annual Strategic Plans and in the projects and programmes that it supports. For this purpose, it has designed a number of tools, including guidelines and climate change profiles (for further information see the answer to section I). Awareness and knowledge is enhanced through ad hoc training sessions, workshops, personal communications and an online training course.

o. Information on how support to be provided to developing country Parties enhances

their capacities.

Summary: See response to question 4

p. Possible additional information

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18. Poland

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

The information on the projected levels of public financial resources to be provided to developing countries for 2022 and 2023 is not available.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Poland is contributing to climate-related assistance, under Article 9 of the Paris Agreement, on a voluntary basis. The support is granted both multilaterally and bilaterally. The climate-related assistance granted by Poland in 2020-2021 amounted to around EUR 26,73 million (including multilaterally – EUR 12,33 million, bilaterally – EUR 14,4 million). All amounts are expressed in “grant equivalent value”.

Detail: Poland remains a Party not included in Annex II to the Convention, as confirmed by the Declaration by the Republic of Poland made upon signature and confirmed upon ratification of the Paris Agreement. Thus, it continues its obligations under Article 9 of the Paris Agreement strictly on a voluntary basis.

Multilateral assistance, including climate-related aid, is granted mainly through contributions to the assistance budget of the European Union and in this regard is reported by the EU. In addition to it, United Nations Funds and Programmes and the World Bank Group are important intermediaries in the transfer of Poland’s multilateral assistance. Poland also provides financial support to organizations taking action to protect the climate, such as the UNFCCC, UNEP, UNECE-LRTAP, IUCN, UNCCD, IAEA-TCF, EPPO, WMO, World Bank, and AIIB. In 2020-2021, these payments amounted to EUR 12,33 million. Data for 2021 is still preliminary.

The climate-related bilateral assistance is granted primarily to the Eastern Partnership and African countries. The main beneficiaries of this assistance in 2020 and 2021 included Albania, Ukraine, Kenya, Lebanon, Tanzania, and the Republic of Moldova. The climate-related bilateral assistance granted by Poland in 2020-2021 amounted to EUR 14,4 million. Data for 2021 is still preliminary.

Regarding specific aid channels, the main instruments at our disposal are so-called “calls for proposals” (open to non-governmental organizations, local government units, public

higher education institutions, research institutes, the Polish Academy of Sciences and its scientific and organizational units) or financial contributions to international organisations earmarked for specific (climate-related) purposes. Other instruments of assistance include projects of government administration bodies, loans, projects implemented through Polish missions abroad and scholarships.

It is also worth emphasising that Poland has already undertaken the organization of COP three times, most recently in 2018 in Katowice. These activities are related to a significant financial effort undertaken by Poland in recognition of the importance of the UNFCCC process.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Poland's climate-related financial aid priorities are environmental protection, adaptation to climate change, increasing energy efficiency, and improving access to energy services based on renewable sources. The climate-related bilateral assistance is granted primarily to the Eastern Partnership and African countries. The main beneficiaries of this assistance in 2020 and 2021 included Albania, Ukraine, Kenya, Lebanon, Tanzania, and the Republic of Moldova.

Detail: One of the objectives of Poland's development assistance is environmental protection, including the mitigation and adaptation to climate change. Poland's action is focused on ensuring support for public administration at all levels in effective environmental management and adaptation activities. That includes strengthening adaptation capacities, resilience to climate risks and natural disasters, improving water and sanitation infrastructure, supporting measures to conserve biodiversity, increasing energy efficiency, and improving access to energy services based on renewable sources. Poland aligns its development assistance with the principles of counteracting climate change and of creating equal opportunities for men and women (climate action and equal opportunities for men and women as *cross-cutting priorities*).

The climate-related bilateral assistance is granted primarily to the Eastern Partnership and African countries. The main beneficiaries of this assistance in 2020 and 2021 included Albania, Ukraine, Kenya, Lebanon, Tanzania, and the Republic of Moldova.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: The projects related to various categories (mitigation, adaptation, capacity-building, technology transfer, equal opportunities for men and women), and most of them had a cross-sectional character. The capacity-building and climate adaptation projects were centered predominantly on disaster prevention, including fire and rescue services.

Mitigation projects were implemented mostly in the sectors of renewable energy, as well as waste management and disposal.

Detail: In 2020-2021 most of the projects included cross-cutting activities. Nevertheless, we maintained the fair balance between projects' mitigation and adaptation components. The capacity-building and climate adaptation projects were centered predominantly on fire and rescue services and disaster prevention.

Mitigation projects were implemented mostly in the sectors of renewable energy, as well as waste management and disposal.

The technology transfer support was focused mainly on the areas of energy and water supply, and sanitation.

Women and youth empowerment-related projects focused mostly on support for the most vulnerable and development of professional activities.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

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f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

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g. Information on national circumstances and limitations relevant to the provision of ex ante information;

/

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Where it is possible to use in UNFCCC forms - we apply the OECD DAC methodology (Rio markers, grant equivalent).

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

During the COVID-19 pandemic the implementation of projects was dented.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: No policy regarding mitigation/adaptation balance. The Multiannual Development Cooperation Program 2021–2030 'Solidarity for Development' prioritizes



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granting climate-related bilateral assistance primarily to the Eastern Partnership and African countries.

Detail: /

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: The Polish Challenge Fund promotes private sector engagement in development cooperation, including climate-related projects and initiatives.

Detail: The **Polish Challenge Fund**, launched in 2019 in partnership with the Istanbul Regional Hub of the UN Development Programme, promotes private sector engagement in development cooperation (<https://polishchallengefund.org/>). One of the recently rewarded initiatives consists of transferring bio-industrial water treatment patented know-how to the local partner in Moldova (<https://polishchallengefund.org/prote/>).

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

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m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Mainstreaming climate action into development aid.

Detail: Having in mind the cross-cutting nature of climate protection, Poland promotes taking climate change-related issues in all *Polish aid* actions. According to the 'Solidarity for Development' Programme Poland supports partner countries in their activities aimed at limiting the negative impacts of climate change and building their ability to adapt to these events (including climate risk reduction and reduction in vulnerability to threats).

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

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o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: /



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Detail: Thanks to the support delivered over the years (2016–2019) by the Marshal Office of the Podkarpackie Province, Poland contributed to the opening of the first high-altitude mountain rescue station in Ukraine (Pop Ivan peak in the Eastern Carpathians). As a result, a local unit of the Mountain Rescue and Search Service was established in the framework of the State Emergency Service, branch in Ivano-Frankivsk. The project was aimed at improving the competence and operational capacity of emergency response services in flood prevention and recovery and mountain rescue. As part of the project, in addition to training emergency services and administrative representatives in flood protection, mountain rescue training was organized and emergency services in the Ivano-Frankivsk region received the necessary equipment for operations.

Through the Polish Centre for International Aid (PCPM) and in partnership with the Chief Fire Officers Association of Kenya Poland has been implementing a firefighting training and hardware support program in Kenya that has transformed the fire brigade system in that country. Since 2015 the number of firefighters and fire brigades has increased threefold and the effectiveness of rescue and firefighting operations has improved significantly. Based on Polish experience, the first ever core curriculum for vocational training of firefighters was certified by the Kenyan Technical And Vocational Education and Training Authority (operating under the Ministry of Education), with students who completed the training being awarded a vocational course diploma.

p. Possible additional information

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19. Portugal

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Portugal (PT) is in the final steps of the approval process for the adoption of a new National Strategy for Development Cooperation, that intends to be fully aligned with the Agenda 2030 for Sustainable Development and Paris Agreement and in which climate change issues have more prominence. The new Strategy will have innovative aspects that are considered positive and aligned with the international and European context in which we operate.

The budget planning in PT is an annual exercise that depends not only of the budget of the National Cooperation for Development Agency, but includes a wide range of institutions where the Ministry of Environment and Climate Action, in particular, plays an important role.



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The Environmental Fund (FA)³³ is a National Fund that aims to support environmental policies for the pursuit of the Sustainable Development Goals of the United Nations Agenda 2030, contributing to the achievement of national and international objectives and commitments, in particular those related to climate change, water resources, waste and nature conservation and biodiversity.

Every year, a ministerial order establishes the funds to be granted by the FA that same year. These ministerial orders set out the financial contribution of the Environmental Fund to development cooperation projects dedicated to climate change in Portuguese-speaking countries and other countries, through the signature of bilateral Protocols with recipient countries, in compliance with international obligations under the Paris Agreement and are published in Series II of the Official Journal (*Diário da República*).

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

In Glasgow, Portugal pledged to double climate finance, allocating a total of 35 million euros by 2030 to finance climate actions in recipient countries, in particular Portuguese Speaking African Countries.

In the period of 2017 to 2021, the Portuguese Cooperation allocated about 11.2 million € (12.9 million USD) to climate change cooperation projects with Angola, Argentina, Cape Verde, Cuba, Guinea-Bissau, El Salvador, Mozambique, Nicaragua, São Tomé and Príncipe, Senegal, Timor-Leste and Tunisia. From this amount about 70 % comes from the Environmental Fund.

In 2022, the Ministry of Environment and Climate Action foresees an investment of approximately 2,5 million euros in cooperation projects with Cape Verde, Mozambique, São Tomé and Príncipe, and Colombia.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

The current cooperation for development priorities are still defined by the Portuguese Strategic Concept for Development Co-operation (2014-2020). According to this strategic document, geographical priorities are mainly focused on the Portuguese Speaking African Countries and East Timor. Despite not being among the top main sectoral priorities, climate change is a priority within the global strategy. A new development cooperation strategy for the next eight years (2030) is currently in the final steps of the approval

³³ created through Decree-Law No. 42-A / 2016, of 12nd August

process (public consultation phase) and in this regard it is proposed for Climate Change to assume a higher level of priority.

Portugal has a decentralized model of co-operation, which means a permanent intergovernmental and institutional collaboration, between Camões – Institute for Cooperation and Language, I.P. (in the Ministry of Foreign Affairs) in the capacity of coordinator entity for development cooperation and the Ministry of Environment and Climate Action, responsible for the thematic area. Seeking to ensure policy coherence and alignment with both dimensions, domestic and external, development cooperation is a main pillar in sectoral specific domestic strategies, such as the National Climate Change Adaptation Strategy.

The Portuguese long term low-emissions development strategy, submitted to the UNFCCC in accordance with the Paris Agreement, on the 20th September 2019 underlines the need to continue to support the mobilization of efforts to increase global ambition and climate action, strengthening international cooperation on climate action, in particular with the Portuguese-speaking countries; continuing to defend Europe's leading position in combating climate change; and continuing to participate in initiatives aimed at promoting and disseminating good climate action practices.

Following transparency good practices and principles, detailed information about Portuguese co-operation for development, including climate change statistics, can be found at Camões – Institute for Cooperation and Language, I.P website. It is an online database that provides information on Official Development Assistance (ODA) both in aggregate terms (Global Data) and by project. The data is available both in Portuguese and in English, in Euros and US dollars, at the following link: <https://www.instituto-camoes.pt/en/activity-camoes/what-we-do/co-operation/activity/reporting/official-development-assistance-oda-data>

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Portugal seeks to balance the support provided between mitigation and adaptation. However, given that support provided is strongly focused on the needs and priorities of the partner countries, particular attention has been paid to adaptation in the past years.

It should be stressed that, at institutional level, in addition to the Strategic Cooperation Programs, PT establishes sectoral specific Memoranda of Understanding (MoU) discussed and agreed with partner countries and that it is the partner country that identifies the programs, projects or actions (PPA), and presents it to the Portuguese Cooperation for financing.



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The classification of the type of support (mitigation, adaptation or cross-cutting) is made using the OECD/DAC Rio Markers system for appraising the projects contributing to climate change.

Portugal pays special attention to capacity building in the bilateral context as well as within the Community of Portuguese Speaking Countries (CPLP) both regarding programs, projects or actions (PPA) exclusively dedicated to capacity building or when capacity building is a component included in the programs, projects or actions. The PPA supported by Portuguese Cooperation usually have a strong technical assistance component with a particular focus on the development of national capacities.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

The main factors include the country's needs and priorities, the alignment of the proposal with the country's main strategic documents regarding climate change, the relevance of the proposal and its positive impacts, and alignment of the proposal with the priorities of the Strategic Cooperation Program (PEC) in force, signed by Portugal and the recipient country. In any case, it is always the recipient country who is responsible for the proposals.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

The Portuguese Environmental Fund has a dedicated window to support the funding of ODA projects. Given the non-conventional nature of this source of ODA flows, Portugal considers this financial mechanism as a new and additional source of funding.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

The budgetary planning is made on a yearly basis, both for the development cooperation funds and the Environmental Fund, which are the main national sources of funding for development cooperation projects addressing climate change.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Not available.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

One of the operational requirements of the Environment Fund is that the projects must be annual. This makes the technical and financial execution of the project very demanding time wise but also allows more efficiency in terms of concrete results. This requirement



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sometimes conflicts with institutional, bureaucratic and human resources capacity limitations in the partner countries. Even so, results are visible for our partner countries and projects are being successfully executed and reaching their goals.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

/

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

/

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

As mentioned above, Portugal establishes Memoranda of Understanding (MoU) discussed and agreed with recipient countries. It is the recipient country that puts forward its own proposals for programs, projects or actions, on the basis of their needs and presents it to the Portuguese Cooperation or the Environmental Fund for financing. Programs, projects or actions are developed in close cooperation with national institutions and local communities in the recipient countries. DAC's most recent peer review for Portugal recommends to enhance its contribution to environmental and climate objectives, by agreeing a set of cross-government co-operation priorities for environment and climate action based on its domestic expertise.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

The recipient country is responsible for putting forward the proposals of programs, projects or actions and has to demonstrate how they meet their needs and priorities as well as how they are relevant or even crucial for the achievement of the partner country commitments regarding the Paris Agreement.

n. Information on efforts to integrate climate change considerations, including

resilience, into their development support;

The current cooperation for development priorities are still defined by the Portuguese Strategic Concept for Development Co-operation (2014-2020). Despite not being among the top main sectoral priorities, climate change is a priority within the global strategy. As mentioned above a new co-operation strategy for the next eight years (2030) is currently in the final phase of the approval process.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Portugal pays special attention to capacity building in the bilateral context as well as within the Community of Portuguese Speaking Countries (CPLP) both regarding programs, projects or actions (PPA) exclusively dedicated to capacity building or when capacity building is a component included in the programs, projects or actions. The PPA supported by Portuguese Cooperation usually have a strong technical assistance component with a particular focus on the development of national capacities.

p. Possible additional information

20. Romania

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Despite of global and regional context in 2022, Romania remains committed to pursue its pledge, as an EU member state and donor of official development assistance, to protect its ODA budget and by 2030 allocate ODA representing 0.33% of the national GNI.

Detail: In line with the legal framework on development cooperation (Law no 213/2016), the budgetary planning of the ODA in Romania includes an Annual Plan on development cooperation and humanitarian assistance at the level of the Ministry of Foreign Affairs, as the coordinator of the national policy. Romania's national ODA also includes a wide range of public institutions involved in supporting developing countries through their own budget, reported annually to the OECD.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Climate change and environmental protection represent themes of interest in the Romanian policy of development cooperation and humanitarian aid, financed through both bilateral and multilateral assistance.

Detail: The multiannual strategic program on the international development cooperation and humanitarian assistance for the period 2020 – 2023 integrates the thematic and geographical priorities of Romania in this policy. This document includes sustainable



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economic development as a key priority theme of interest for the development cooperation projects and programs implemented by Romania. In this regard, special attention is drawn to climate change and environmental protection, representing also a cross cutting theme, as climate change has also been associated with the increase of the frequency of natural disasters in the past years.

In terms of financing, Romania has provided support both through bilateral and multilateral channels. The Ministry of Environment, Waters and Forests represents the most active public institution in supporting international environmental organizations and since its operationalization in 2018, the Romanian Agency for International Development Cooperation (RoAid) has been mostly involved in bilateral implementation of projects and programs in this area. These projects focus on promoting sustainable energy and development, environmental protection through mitigation and adaptation, all these by organizing exchanges of expertise or offering donations.

In 2020 Romania, through its public institutions, financed ODA programs and projects as aid to environment summing up to 1.2 mil EURO, most of which had represented the contributions to international organizations of the Ministry of Environment. There were also other programs and projects implemented by RoAid in collaboration with regional organizations and UN agencies in support of environmental protection.

Note: the ODA data for 2021 is yet to be validated by the OECD and 2022 data has not been processed yet.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: The geographic and thematic priorities of Romania are defined in the Multiannual strategic program on the international development cooperation and humanitarian assistance for the period 2020 – 2023.

Detail: According to the Multiannual strategic program, geographical areas of interest in the field of development cooperation and humanitarian aid are: the extended Black Sea Region, the Western Balkans, North Africa and Middle East, Sub-Saharan Africa, Central and South-East Asia, the Caribbean, as well as Pacific Small Island Developing States.

Climate change and environmental protection are integrated within one of the five main thematic priorities, sustainable economic development. Besides this, other themes of interest are governance and inclusive societies, consolidation of rule of law and fight against corruption, peace and security and education and youth promotion.

Within the sustainable economic development thematic priority, a central role is played by the transfer of expertise and concrete support in areas such as environmental protection including the research and development dimension, fight against the effects of climate change, renewable energy and water sanitation.

In implementing development cooperation projects and programs Romania promotes an active partnership with the private and the non-governmental sector as well as the civil



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society and other national experts in order to increase the efficiency of the activities, taking into consideration the possibility of sharing expertise from national experience. The international organizations also represent an important partner and actor in implementing ODA activities considering both their wide geographical coverage and the numerous and well-prepared experts.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Detail: Romania aims to support both mitigation and adaptation actions in development cooperation projects implemented, especially in support of sustainable development of partner countries. Capacity – building activities are integrated in the technical assistance and exchanges of expertise organized by the Romanian public institutions.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Detail: Proposals of development cooperation and humanitarian aid projects or programs to be included in the Annual Plan implemented by RoAid are being evaluated taking into consideration the beneficiaries needs and existing capacities or policies. The overall framework of analysis is presented in the Multiannual strategic program. With the support of the diplomatic missions and consulates, an assessment is made regarding the situation and requirements of the targeted state or region and how the proposal of a certain project would contribute to responding to these issues.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Detail: Romania is not a Party included in Annex II to the United Nations Framework Convention on Climate Change and therefore is not mandatory to adopt measures and fulfil the obligation defined in Article 4 paragraph 3 of the Convention, regarding the provision of new and additional financial resources.

Nevertheless, Romania remains committed to protect its ODA budget and increase its funds to reach the 0.33% of GNI by 2030. In this sense, the national volume of ODA has continuously and steadily raised in last couple of years, our country also supports the collaboration with new partners of development cooperation and humanitarian assistance including the private sector, NGOs, civil society, academia and other national and international experts who can provide good practices examples.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Detail: As stated above, the national commitment to reach the level of 0.33% of the GNI as ODA by 2030 is integrated in the Romanian Multiannual strategic program on the international development cooperation and humanitarian assistance for the period 2020 – 2023. The state budget representing the funding source for ODA programs and projects



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implemented by different public institutions including climate finance assistance is approved on a yearly/ annual basis, therefore financial predictions for next years are limited.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Detail: There isn't a specific methodology used for climate finance programs or projects in development cooperation, but the OECD/DAC reporting directives, the technical guidance of OECD experts and further information on Rio markers are being used in order to efficiently implement and report these types of activities.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Detail: Considering the recent operationalization of the Romanian Agency for International Development Cooperation and in order to establish clear provisions regarding the implementation of ODA programs and projects and the role of the Ministry of Foreign Affairs, a series of internal procedures were approved in the field of development cooperation for both structures. There are constant efforts and progress made in order to strengthen the national policy and implementation of ODA activities by public institutions.

A recent collaboration Roadmap was established by the MFA, the Agency and the OECD regarding development cooperation and humanitarian assistance as another step taken towards enhancing our policy, implementation and evaluation of programs and projects.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: There is no specific policy regarding a balance between mitigation and adaptation in development cooperation projects. The North Africa, Sub-Saharan Africa, LDCs and SIDS of the Caribbean and South Pacific are specifically mentioned as some of the key regional priorities of the Romanian development cooperation policy.

Detail: Romania, through the collaboration with international organizations and by implementing bilateral projects, supports both mitigation and adaptation.

One of Romania's main objective in development cooperation that is also mentioned in the Multiannual strategic program is to support development strategies of the partner countries in relation to resilience, climate change and environment protection, while being sensitive to each country's specific context. The geographic prioritization of ODA



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programs and projects within the Multiannual strategic program on international development cooperation and humanitarian assistance for the period 2020 – 2023, mentions the Sub-Saharan Africa and LDCs, the Middle East and North Africa and the SIDS of the Caribbean and South Pacific as key regions of interest for Romania. The main areas of action in these regions include sustainable economic development, fighting climate change effects, soil erosion and in the SIDS disaster risk reduction and reconstruction programs after natural disasters.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Detailed: Romania contributes to multilateral assistance by contributing to European and international conventions such as the UNFCCC, the Convention on Long-Range Transboundary Air Pollution (UNECE) and the Environmental Fund for the implementation of the Protocol on Substances that Deplete the Ozone Layer. Besides these, through the Annual Plan for Development Cooperation and Humanitarian Assistance of the MFA, the Agency has allocated voluntary contributions to UN agencies such as UNDP and UNHCR, active in environmental protection and climate change, but also to organizations such as Green Climate Fund. Furthermore, the Agency with the support of the private sector and other actors has implemented bilateral projects in developing countries in the concerned areas.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Detail: As previously mentioned, Romania's objective in implementing ODA programs and projects is to respect and support the partner's national strategies and its needs. In this context, when analyzing proposals of projects within the Annual Plan on development cooperation and humanitarian assistance of the MFA, there are taken into consideration the beneficiaries needs and existing capacities or policies.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Detail: Multilaterally, Romania provides assistance by contributing to European and international conventions such as the Convention on Long-Range Transboundary Air Pollution (UNECE), the Environmental Fund for the implementation of the Protocol on Substances that Deplete the Ozone Layer – UNEP and the Green Climate Fund in support of reducing the greenhouse gases emission.

Through bilateral projects, Romania has promoted the sustainable development of partner



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countries and use of renewable and green energy and resources.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Detail: As previously mentioned, the climate change is introduced as a thematic priority in development cooperation programs and projects implemented by Romanian public institutions, both with the support of multilateral organizations or through bilateral activities in partner countries.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Detail: As mentioned before, within our ODA thematic priority *sustainable economic development*, a central role is played by the transfer of expertise and concrete support in areas such as environmental protection, including the research and development dimension, the fight against the effects of climate change, renewable energy and water and sanitation. Capacity – building activities are integrated in the technical assistance and exchanges of expertise organized by the Romanian public institutions.

At the same time, one of Romania's main objective in development cooperation that is also mentioned in the Multiannual strategic program is to support development strategies of the partner countries in relation to resilience, climate change and environment protection, while being sensitive to each country's specific context.

p. Possible additional information

21. Slovakia

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Having committed itself to the fulfilment of the Millennium Development Goals, Slovakia shares the responsibility for global development and poverty reduction endeavours in developing countries, aiming to promote their sustainable development. Environment and climate change are recognised as cross-cutting priority and in this respect Slovakia as Party of the Paris Agreement remains committed to mobilize jointly by developed countries 100 billion US dollars a year by 2020 (2025) to address the needs of developing countries.

There is an interest to influence increasingly ODA programming by addressing climate change.

Detail: The Medium-Term Strategy for Development Cooperation of the Slovak Republic for 2019–2023 (hereinafter called only SK ODA Strategy) contains the non-binding plan to increase ODA in the Slovak Republic with the assumption of reaching the level of 0.33 %



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of the share of ODA in GNI by 2030. These figures are based on the projected average GNI growth of 3.5 % per year and a gradual increase in the share of bilateral ODA to 35 % in 2030.

The financial expenses of ODA in 2021 were 30,85 mln EUR for bilateral ODA and 98,96 mln EUR for multilateral ODA. For 2022-2023 the SK ODA financial expenses in SK ODA Strategy are planned as follows (in mln EUR):

year	bilateral ODA	multilateral ODA	ODA total
2020	33,28	101,62	134,9
2021	30,85	98,96	129,81
2022	NA	NA	NA
2023	NA	NA	NA

COVID-19 will likely negatively affect projected trends. In the short-term, beneficiary governments will probably concentrate on mitigating the pandemic's impacts on public health and the economy and not all of them will link their economic relief packages to their climate agendas. Furthermore, before the war in Ukraine there have been launched a cooperation on the preparation of the "Proposal for the further development of relations and cooperation between the Slovak Republic and Ukraine", which resulted from the official visit of the Prime Minister of the Slovak Republic in Ukraine. In pursuance of the round table on the possible involvement of Slovakia in the Recovery Plan meeting in Ukraine, Slovakia declared the willingness and readiness of the Ministries and its organizations, and as well the Ministry of Environment to cooperate with Ukraine in the areas of climate change, nature protection and biodiversity according to the partner's current needs and priorities.

The Slovak Republic's contribution to the GCF for the four-year period 2020-2023 is 2 million EUR and should be paid in three tranches - 0.5 mil. EUR in 2021 (already paid), 1.0 mil. EUR in 2022 (already paid?) and 0.5 million EUR in 2023.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Slovakia is engaged in bilateral development assistance programmes and projects carried out in the developing countries and in addition provides multilateral assistance and humanitarian aid. Bilateral cooperation also includes transactions of national and international NGOs active in development and other internal development-related transactions, such as, interest subsidies, funds for promotion of development awareness, debt reorganization, and administrative costs. Simultaneously Slovakia is engaged in the funding of development activities carried out by the EC.

Detail: The mechanism of providing development assistance is based on the institutional, legal, and strategic framework for the Slovak development programming. The key

national institutions involved in the bilateral ODA are: the Ministry of Foreign and European Affairs of the Slovak Republic (MFEA) and the Slovak Agency for International Development Cooperation (SAIDC) - responsible for contracting and administering bilateral programmes and development projects in the recipient countries. Apart from the MFEA system, the bilateral aid is provided by some other ministries. The implementation of bilateral ODA is carried out by national bodies, such as, governmental and academic institutions, non-governmental organizations, and business entities.

Multilateral development assistance includes development programmes and development projects, financed by Slovakia, performed by an international organization, whereas the contributions are paid by Slovakia to international organizations to finance their development activities. Slovak multilateral development aid is provided to the EU (EC and European Development Fund), the United Nations system (particularly FAO and WHO), the World Bank Group (particularly IDA), OSCE (Organization for Security and Co-operation in Europe), and other international organizations.

The Export – Import Bank of the Slovak Republic (EXIMBANKA SR) is a specialized financial institution combining banking, guarantees and insurance activities with the aim of supporting export. EXIMBANKA SR offers i.a. concessional loans to foreign buyer or insurance of the concessional loan provided by the commercial bank. This type of loan gives the Slovak exporter opportunity to offer concessional financing to his foreign public buyer (e.g. Ministries, towns, cities etc.) in selected developing countries.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: The SK ODA Strategy reflects the requirements for the Slovak development cooperation system which result from the 2030 Agenda's principles. It defines the vision, goals and principles of SK ODA, basic programmes and instruments used within these programmes. The document defines as well the territorial and sectoral priorities of SK ODA and the management mechanism.

Detail: Territorial priorities of the SK ODA:

In order to increase the addressability of development cooperation, the number of partner countries will be reduced from 24 to 14 and the number of sectoral priorities in individual calls will be reduced.

Programme countries: Kenya, Moldova and Georgia

Partner regions and countries: Western Balkans (Albania, Bosnia and Herzegovina, Montenegro, Kosovo*, North Macedonia and Serbia), Eastern Partnership (Belarus and Ukraine), The Middle East (Lebanon and Syria).

Goals of the SK ODA:

Slovak official development assistance goals are defined by the respective law and UN Sustainable Development Goals.

Slovakia offers development cooperation to partner countries with the aim of contributing to sustainable development, mainly via reducing poverty, strengthening democracy and good governance, human development of partner countries, primarily by supporting education and employment; support of democracy and good governance including dialogue between civil society and state institutions.

As sectoral priorities are recognised: quality education, good health, good governance and building civil society, food safety and agriculture, infrastructure and sustainable use of natural resources, supporting creation of market conditions.

Addressing environment and climate change is seen as cross-cutting priority, the other cross-cutting priority is the theme of equal opportunities.

Concerning EXIMBANKA SR concessional loans, these allow the exporter to engage in projects, which contribute to the development of the economy and society in given country. The list of countries eligible for concessional loans is in line with the OECD rules, the medium-term development cooperation strategy of the Slovak Republic and the current exposure of EXIMBANKA SR. This form of state support for exports is subject to the internationally applicable rules of OECD Arrangement, Chapter III and concessional loans criteria, which are based on the OECD Sustainable lending principles for low-income countries.

Sectoral priorities of the EXIMBANKA SR development cooperation are food security and agriculture, water and waste management, infrastructure, education and healthcare, governance and civil society building, energy security and the use of alternative energy sources.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Because of cross-cutting character of environment and climate change themes within SK ODA programming and implementation, it is difficult to see climate change component in SK ODA separately. However the methodology for integrating aspects of the environment and climate change to the development interventions is under elaboration and it should reflect also UNDP experiences. Slovak Government regularly assesses implementation of SK ODA Strategy where detailed information about SK ODA programmes and projects, including their costs, is presented.



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In 2020 draft assessment the amount of bilateral development assistance focused on the total climate –general and specific finance was **2 557 433 EUR**. (for climate change mitigation 975 281 EUR, for adaptation to climate change 890 191 EUR). In 2020 the Slovak Republic financially supported 10 capacity building and technology transferred projects, with total financial contribution of 891 827 euros.

Detail: Key SK ODA interventions and support programmes and tools:

Development Interventions Programme is a key programme of Slovak bilateral cooperation with territorial focus: Afghanistan, Kenya, Moldova and South Sudan based on a development cooperation strategy, so called CSP for each of these countries. CSP specifies the goals, priorities and modalities of bilateral development cooperation. Climate change component could appear mainly in sectors of agriculture (development of agricultural projects and farms, implementation of new techniques and methods, agricultural products processing focused on their marketing and sales, food security) and water and sanitation.

Transformation Experience Sharing Programme is mainly implemented in the form of technical assistance with territorial focus: countries of the Western Balkans and the Eastern Partnership, primarily the project countries of Slovak ODA – Albania, Belarus, Bosnia and Herzegovina, Georgia, Kosovo and Ukraine.

In addition technical assistance is realized by Ministry of Finance of Slovakia as well within two programmes: The “Public Finance for Development” Programme for strengthening of capacities in the area of public finance in countries of the Western Balkans and the Commonwealth of Independent States, and Technical Cooperation Fund between the Slovak Republic and the European Bank for Reconstruction and Development (EBRD).

Business Partnership Programme where a key factor in development is the promotion of sustainable economic growth, job creation, as well as the promotion of the mobilization of domestic resources and entrepreneurship. The interest is in seeking synergies between the development goals of SK ODA and the business goals of Slovak companies, especially small and medium-sized enterprises, in developing countries. The basic sectoral priorities for the development activities of Slovak business entities include energy (production and distribution of energy, support of sustainable energy sources, energy efficiency of buildings); infrastructure (building transport, logistics and communication infrastructure); environment (supply, treatment and distribution of drinking water, waste management, ecological technologies, protection against natural disasters); hydrogeology and drinking water supply, agriculture (forestry, management of agricultural production, increasing the profitability of agricultural production, building irrigation systems, food security); social infrastructure (activities in the field of education and supply of medical facilities).



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Sharing Slovak Expertise (SSE) is a tool of official development cooperation to offer and transfer expertise, experience and recommendations from successful governance reforms in various areas where the Slovakia has comparative advantages. In terms of territorial focus, the SSE focuses on the ODA program countries, in particular Moldova and Georgia, and the partner regions and countries – the Western Balkans (Albania, Bosnia and Herzegovina, Montenegro, Kosovo*, Macedonia, Serbia) and the Eastern Partnership (Belarus, Georgia, Moldova, Ukraine). In justified cases, the tool can also be used in other developing countries from the DAC/OECD list, in which the Slovak Republic has an Embassy. This tool could be used for environment and climate change as cross-cutting theme.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: The Slovak Agency for International Development Cooperation (SAIDC) provides all activities related to project management and administration cycle within the SK ODA Strategy and related to the focus of bilateral development cooperation for the relevant year. It is mainly a matter of preparing and announcing calls for applications for the provision of subsidies, evaluation of submitted applications, preparation of meetings of Evaluation Commission of the MFEA, concluding contracts with project implementers, financial management and control of projects, and their monitoring.

Detail: In 2019 the PKF Littlejohn LLP realized the EU Pillar Assessment related to the SAIDC. The result is the fact that SAIDC can ensure the protection of the EU's financial interests when drawing on EU resources. Positive evaluation was obtained for all four assessed areas, resp. pillars: grants, internal control system, accounting system and independent external audit. The SAIDC increases the quality of its activities also through the introduction of a quality management system according to STN EN ISO 9001.

The goal of Slovakia is to gradually build the capacity of development specialists at individual central state administration bodies in order to ensure the implementation of all measures for streamlining the system of development cooperation of Slovakia. The MFEA plans to achieve this situation by creating a stable system of rotation of diplomats and development specialists between the MFEA, the SAIDC and embassies of Slovakia in partner countries, or permanent missions to international organizations.

Development diplomats are primarily involved in activities related to the project cycle (selection and specification of Slovak development priorities in the partner country, project selection, monitoring and evaluation), ensuring contacts with government institutions, local governments with local partner organizations, as well as donor coordination. The development diplomat also participates in the preparation and implementation of microgrants, activities of the tool for sharing the expertise of Slovakia and the involvement of the private sector in the development cooperation of Slovakia. At

the same time, the MFEA uses the network of economic diplomats more effectively to increase the synergy of economic diplomacy and development cooperation activities.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: Although the concept of „the new and additional resources – as stated in Art 4.3 of UNFCCC – has been discussed within Slovak administration, in the meantime there are no rules for attributing this concept to the existing or planned respective climate finance sources.

Detail: /

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: As stated above the SK ODA Strategy contains the non-binding plan to increase ODA in the Slovak Republic with the assumption of reaching the level of 0.33 % of the share of ODA in GNI by 2030. These figures are based on the projected average GNI growth of 3.5 % per year and a gradual increase in the share of bilateral ODA to 35 % in 2030. The state budget as key source of public funding through SK ODA is approved yearly in autumn for the next year. Because of mainly economic uncertainty caused by COVID-19 and other factors (among them also some hardly predictable), these figures are roughly indicative.

Detail: /

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: Although there are not in the meantime relevant methodologies used to project level of climate finance, the SK ODA strategy envisage new approaches such as the so-called results-based approach and gradual introduction of sector programming of SK ODA. Stricter framing of these approaches using the cross-cutting character of environment and climate change themes would aim to more climate positive results.

Detail: There are expected new trends in SK ODA programming and implementation, among them the transition to a results-based system, the so-called results-based approach. The SK ODA system is currently mostly responsive, and thus dependent on projects and topics submitted by grant applicants. It is desirable to move to active setting of goals and results and choose implementation tools based on these indicators. Tools such as procurement and framework agreements will facilitate the management of results through the possibility of supporting longer-term and more effective interventions.



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The other new trend is gradual introduction of sector programming of SK ODA. With the adoption of the 2030 Agenda for Sustainable Development and the definition of 17 sustainable development goals, the international community has focused on achieving sectoral goals universally applicable to sustainable development.

However, sectoral funds planning has so far been absent from the annual ODA plans of Slovakia. Changing this approach requires a clear setting of objectives in individual sectors within geographical planning, as well as a gradual transition to sector planning and sectoral challenges.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: Slovak Government regularly assesses implementation of SK ODA Strategy where detailed information about SK ODA programmes and projects, including their costs, is presented. The respective document is based also on lessons learned and is publicly available.

Detail: Lessons learned rely on what can Slovakia draw from the best results to date which of the donor comparative advantages might be still most appropriate, what can Slovakia do to change the public perception of development cooperation for the better, how can Slovakia improve the SK ODA efficiency and effectiveness, how can SK strengthen its own performance monitoring and evaluation, looking at other experiences as a resource etc. Although there is no one integrated document on lessons learned for outreach and information dissemination, several communication channels are used.

Distributed information promote to raise awareness of the SK ODA, as well as the accompanying activities, results, and needs it addresses. The primary objective is to familiarize relevant stakeholders and deliver more valuable and precise information, which could help to identify more easily crossings between Slovak priorities and the ones of the respective country, and thus find opportunities for joint collaboration.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: The SK ODA Strategy reflects the requirements for the Slovak development cooperation system which result from the 2030 Agenda's principles. It defines the vision, goals and principles of SlovakAid, basic programmes and instruments used within these programmes. The document defines as well the territorial and sectoral priorities of SlovakAid and the management mechanism.

Detail: SK ODA territorial and sectorial priorities are based on the needs of partner countries, the global challenges of the international community, priorities of SK foreign policy as well as on previous Slovak experiences. Taking into account a limited capacity and resources and SK ODA concentrates efforts on a limited number of countries and sectors. There is also the aim to decrease the fragmentation of our development interventions. Respecting these facts Slovakia has limited possibilities to achieve balance between mitigation and adaptation support within development interventions. In the meantime there is no policy or methodology for strictly promoting such balance

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: The Slovak Republic's contribution to the GCF for the four-year period 2020-2023 is 2 million EUR and should be paid in three tranches - 0.5 mil. EUR in 2021 (already paid), 1.0 mil. EUR in 2022 and 0.5 million EUR in 2023.

Detail: /

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: As stated above the SK ODA Strategy reflects the requirements for the Slovak development cooperation system which result from the 2030 Agenda's principles. It defines the vision, goals and principles of SK ODA, basic programmes and instruments used within these programmes and the document defines as well the territorial and sectorial priorities of SK ODA and the management mechanism. Taking into account a limited capacity and resources SK ODA concentrates efforts on a limited number of countries and sectors with the intention to decrease the fragmentation of SK development interventions while respecting relevant policy documents in beneficiary countries reflecting their needs.

Detail: /

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: As stated above the SK ODA Strategy reflects the requirements for the Slovak development cooperation system which result from the 2030 Agenda's principles. Because of cross-cutting character of environment and climate change themes

within SK ODA programming and implementation, it is difficult to see climate change component in SK ODA separately. SK ODA concentrates efforts on a limited number of countries and sectors with the intention to decrease the fragmentation of SK development interventions while respecting relevant policy documents in beneficiary countries reflecting their needs.

Detail: /

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: As stated above the SK ODA Strategy reflects the requirements for the Slovak development cooperation system which result from the 2030 Agenda's principles. Because of cross-cutting character of environment and climate change themes within SK ODA programming and implementation, it is difficult to see climate change component in SK ODA separately. SK ODA concentrates efforts on a limited number of countries and sectors with the intention to decrease the fragmentation of SK development interventions while respecting relevant policy documents in beneficiary countries reflecting their needs.

Detail: /

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: Capacity building component appears in various projects within development interventions of SK ODA. However it is hard to link this directly with environment and climate change because of cross-cutting character of these themes.

Detail: Within Programme for Sending Volunteers and Experts to Developing Countries sending volunteers and experts abroad is one form of SK ODA. The programme has multiple objectives. It creates long-term assistance partnerships in communities and enhances national capacity-building, aims at increasing awareness in civil society on development topics and the importance of development cooperation. The volunteers acquire knowledge about the country, its culture and language, gain new practical skills, and professional and intercultural experience in the development sector that cannot be acquired by working in Slovakia.

p. Possible additional information

22. Slovenia

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: Slovenia has been estimating a gradual growth of its public financial resources



for developing country Parties by providing adequate funds through bilateral and multilateral sources. Slovenia thus remains committed to USD 100 billion per year by 2025 as expressed by the international community.

Detail: Slovenia strives to contribute to the annual mobilisation of the USD 100 billion from 2020 through 2025 by financing bilateral projects, and multilateral initiatives, and by policy-setting those to increase focus on climate-related interventions (e.g., The World Bank, GEF, and the EU). Slovenia will also strive to provide transparency on the provided climate finance support to ensure the maximization of its impact to the extent possible.

Slovenia tracks climate finance to official development assistance (ODA) eligible countries in the framework of ODA reporting. In line with its Resolution on Development Cooperation and Humanitarian Aid, Slovenia will strive to honour the commitment to allocate 0.33 % of GNI for ODA by 2030. Slovenia allocated EUR 97 million or 0.19 % of the GNI for official development aid in 2021, which is 22 % more than the year before. In 2020, Slovenia provided approx. EUR 2.25 million of public climate finance to developing countries.

We expect a gradual growth of ODA figures, incl. for climate-related issues. The Development Cooperation and Humanitarian Aid Strategy of the Republic of Slovenia until 2030, sets a target of 35 % of Country Programmable Aid (CPA) for climate interventions. The Resolution on the Slovenian climate long-term strategy 2050 reiterates its goal of striving to increase the ODA to 0.33 per cent by 2030. Slovenia will thus ensure the meeting of international commitments particularly with the suitable mobilisation of earmarked funds from its national Climate Change Fund. It is estimated that Slovenia's contributions will steadily increase to the amount of EUR 6 million by 2025 (through bilateral and multilateral channels).

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Slovenia's climate public finance is allocated through the ODA framework. Slovenia will continue enhancing its efforts to increase bilateral support, particularly in partner countries with targeted projects, by enhancing cooperation with potential private donors, strengthening voluntary contributions, and offering its resources to selected organisations in line with its national environment, climate, and geographic priorities.

Detail: Climate finance and other environmental assistance to developing countries are in Slovenia channelled within the state's official development assistance (ODA) system. According to the Development Cooperation and Humanitarian Aid Strategy until 2030, Slovenia will continue following the principle of common but differentiated responsibility and respective capabilities to contribute adequate funds for international climate action.

Slovenia will continue allocating its bilateral public climate finances using funds to support climate measures in partner countries, either through projects or bilateral contributions. The Strategy specifies that the share of country programmable aid with an environment perspective (included in the planning, implementation, and monitoring of projects) should reach a level of 60 % by 2030, and 40 % for climate action. It is estimated a steady increase in bilateral support by 2025, with an approx. total amount of EUR 4.9 million.

Slovenia is also committed to enhancing the role of the private sector, setting up strategic partnerships, and establishing a platform for dialogue between development stakeholders. Particular attention will be devoted to the private sector's motives, capabilities, and potential for the benefit of sustainable development in partner countries.

Multilateral development aid, which includes individual voluntary membership fees and payments to various dedicated funds, takes a large share of Slovenia's support. Between 2023 and 2025 the amount of support is estimated to reach EUR 1.1 million to EUR 2.9 million, based on the assessment that the receiver has achieved pre-determined goals, priorities, and other assessment factors.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: Slovenia's interventions in particular contribute to the development of geographic regions of the Western Balkans, the European Neighbourhood, and the sub-Saharan Africa region. Slovenia strives to mainstream environmental protection and gender equality in all its ODA, as both are key cross-cutting issues.

Detail: The Development Cooperation and Humanitarian Aid Strategy until 2030, which guides the flow of public climate finance measures, follows the Sustainable Development Goals (SDGs) specified in Agenda 2030. Environmental protection and gender equality, as one of the two sets of thematic priorities, defined in the Strategy, are essential to attaining SDG no. 5, 12, and 13, therefore Slovenia aims at mainstreaming them throughout all its development assistance.

In its assistance, Slovenia selects regions or partner countries depending on political, economic, and other bilateral relations. Slovenia's geographic priorities include the Western Balkans, the European Neighbourhood, and sub-Saharan Africa, i.e., the least developed countries in the latter region. In all three regions, Slovenia strives to provide support for the transition to a circular economy, efficient management and use of natural resources, and especially effective climate change mitigation and adaptation



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practices. Cooperation is ensured either through providing technical assistance or capacity-building activities provided directly to state authorities or via other implementing partners, building public infrastructure to improve the conditions for sustainable development and promotion of environmental protection, scholarships or tuition fees waivers for youth, and supporting civil society by financing its NGO projects.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Following the horizontal character of the environment and climate-related issues, Slovenia is striving to provide development interventions that integrate all cross-cutting aspects. Particular attention is also given to mitigation and adaptation of climate change, and knowledge-sharing activities.

Detail: As stated in the Development Cooperation and Humanitarian Aid Strategy until 2030, Slovenia's aid is focused on helping partner countries in incorporating climate change adaptation and mitigation measures into national policies, strategies, and plans, in a balanced manner; into prioritising projects which aim to provide comprehensive cross-sectoral solutions to climate-related challenges in energy efficiency, sustainable mobility, sustainable forest management, integrated water resource management and the reduction of food carbon footprint. Since 2018, Slovenia banned coal finance from ODA.

Slovenia is striving to implement a variety of cooperation types in assisting countries. Namely, by sharing technology, innovation and expertise through development projects, providing capacity-building activities, scholarships, or other soft practices to increase awareness raising through youth, and building public infrastructure to improve the conditions for sustainable development and promotion of environmental protection.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Summary: Slovenia has clearly defined conditions for funding or co-funding bilateral development cooperation programmes or projects. Multilateral support is strengthened by softly earmarked contributions to specific countries.

Detail: When drafting project proposals or cooperation programmes Slovenia is encouraging implementing partners to adopt a unified approach, with "clearly defined needs of partner countries, compliance with basic principles of development cooperation and humanitarian aid, addressing the three dimensions of sustainable development and cross-cutting issues, clear links between activities, results, and goals, as well as direct references to sustainable development targets" (Development Cooperation and Humanitarian Aid Strategy of the Republic of Slovenia until 2030).

Furthermore, conditions and criteria, incl. impact on environmental protection, the mitigation of, and adapting to, climate change, for funding or co-funding bilateral development cooperation programmes or projects are defined in article 8 of the [Decree on implementing development cooperation and humanitarian aid of the Republic of Slovenia](#). Additional criteria may also be applied for, for example, climate-related projects. All evaluating conditions and criteria follow the principles of the state`s Development Cooperation and Humanitarian Aid Strategy until 2030 and the Resolution on Development Cooperation and Humanitarian Aid of the Republic of Slovenia.

Regarding multilateral support, Slovenia is to guarantee a more effective allocation and use of funds by international organisations, mainly using softly earmarked contributions to target specific developing countries and/ or issues.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: /

Detail: Slovenia is continuously increasing its efforts trying to mobilize new and additional resources specific for climate change activities through bilateral and multilateral contributions in addition to the existing public climate support. Slovenia is also seeking additional channels to strengthen dialogue with the private sector, especially for bilateral development projects to mobilize additional and new funding capacities.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: /

Detail: Slovenia`s national budgetary procedures limit the calculation of projected levels, thus ex-ante information on climate finance is very restricted. Alterations to the projections due to the latest geopolitical developments in Europe, and its impacts on the socio-economic sectors may not be reflected in the provided figures.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Summary: /

Detail: The methodology and assumptions used to project levels of climate finance are part of the ODA framework for calculating projections. Already implemented projects, dedicated to climate mitigation and adaptation purposes as the primary objective, are accounted for in full value. Future levels of projections are depending on national



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budgetary restrictions, the extend of the Climate Change Fund and multi-annual strategies. Private flows are counted under international development cooperation only if they were incentivized by public flows.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Summary: /

Detail: Slovenia derives its lessons learned from annual evaluations, carried out on adopted principles, criteria and standards based on the OECD Development Assistance Committee. When allocating public climate finance Slovenia strives to guarantee a high level of effectiveness, efficiency and relevance of development assistance. Constant dialogue and exchange of information with receiving partners are needed to appropriately allocate the support. Slovenia also seeks to establish consistent quality standards and determine the competence and responsibility of the provided funding.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

Summary: Slovenia is pursuing to allocate public climate finance between climate change mitigation and adaptation in a balanced way. Due to the cross-sectoral nature of climate and environmental issues, Slovenia strives to direct its interventions in a manner that has multiple impacts, which may go beyond the climate dimension.

Detail: When allocating support, Slovenia pays special attention to both Mitigation and adaptation to climate change. It prioritises projects that simultaneously address both adaptation to and mitigation of climate change, as well as projects providing for synergies in several areas and comprehensive solutions to climate-related challenges in other climate-related aspects, like energy efficiency, sustainable mobility, food management, and sustainable forest management. In 2020 support for adaptation amounted to EUR 0.29 million, while mitigation reached EUR 0.34 million.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Slovenia aims at strengthening cooperation with private and non-

governmental sectors. Mobilisation of private finances is currently implemented through co-financing schemes.

Detail: The Slovene government has been considering modalities to successfully implement the already adopted commitments on climate finance, with a parallel consideration on how to increase them.

Slovenia is encouraging cooperation with private and non-governmental sectors through strengthening dialogue and raising awareness activities. To this end, the Ministry of Foreign Affairs, as the national coordinator for development coordination and humanitarian aid in Slovenia, is aiming to increase cooperation with the Ministry of Economic Development and Technology, the public agency of the Republic of Slovenia for the promotion of entrepreneurship, internationalization, foreign investments and technology, and with Slovenian business associations and corporate social responsibility associations.

Currently, Slovenia directly leverages private finance through NGO projects, with simple co-financing schemes, where NGOs are invited to attract private (commercial) co-financing in the amount of at least 5 % of the public project finance. Slovenia is also considering ways to increase the leverage through more complex financing instruments.

1. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Summary: Selection criteria and conditions for distributing Slovenia`s ODA is based on principles of effectiveness, efficiency, relevance of development assistance, state ownership, inclusive partnership, transparency and accountability.

Detail: To enhance the effectiveness of development cooperation, Slovenia has set principles in the state`s Development Cooperation and Humanitarian Aid Strategy until 2030, which guide the allocation of support to developing countries to maximize its efficiency and address their needs and priorities. Specifically, Slovenia`s goal is to maintain the country`s ownership of its sustainable development. Therefore, when directing financial flows, it intensively cooperates with implementing partner`s stakeholders throughout the project planning process. As well as with their public procurement and public finance management systems. Diversification of financial support is ensured at different policy-making levels through their systems. It supports inclusive partnerships, where constant dialogue with implementing partners is encouraged. More attention is also devoted to the achievement of long-term results and ensuring transparency and accountability of allocated funds, in order to perform inclusive reviews.



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m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: /

Detail: Slovenia`s National Strategy on Development Cooperation and Humanitarian Aid Strategy until 2030, which guides the flow of public climate finance activities was developed taking into account the long-term goals of the Paris Agreement and the commitment to the annual mobilisation of USD 100 billion from 2020 through 2025.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: /

Detail: Slovenia`s development cooperation and humanitarian aid principles follow the goals of Agenda 2030. Sustainable management of natural resources and the fight against climate change are among the main thematic priorities of the National Strategy on Development Cooperation and Humanitarian Aid Strategy until 2030, aiming to address SDGs no. 5, 12, 13 and its targets.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: /

Detail: Slovenia supports the sustainability of provided bilateral financial climate support through capacity-building activities to strengthen the institutional capacity of developing country Parties.

p. Possible additional information

23. Spain

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Summary: An International Climate Finance Strategy is under development with a view to ensure the compliance of Spain with its international climate finance commitments and enhance information on the projected levels of climate finance.

Detail: Spain`s climate change support for developing countries is articulated through

financial contributions and different types of instruments from several departments/entities as well as regional and local administrations. This support refers to Official Development Assistance (ODA), both bilateral and multilateral, and Other Official Flows (OOF), mainly bilateral. There are several actors³⁴ working internally to enhance the alignment of investment and financial flows with the Paris Agreement's objectives. Following the adoption of the Spanish Climate Change and Energy Transition Law, approved in 2021, an International Climate Finance Strategy is under development with a view to ensure the compliance of Spain with its international climate finance. This strategy, currently under discussion, will allow for the scaling up of climate finance, with special attention to adaptation finance, and will be a useful tool to enhance the information on the projected levels of climate public financial resources for developing countries.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Summary: Spain announced in COP26 that it will increase its climate finance by 50 %, reaching 1350 million € per year from 2025 and is working to ensure its achievement through several funds, programmes, instruments and initiatives.

Detail: This work includes continued contributions to most relevant multilateral climate funds and programmes in support of the needs and priorities of developing countries as reflected in their Nationally Determined Contributions to the Paris Agreement (NDCs) and adaptation plans. In addition to that, focus is given to mainstreaming climate change in all international financial instruments. Some examples of recent relevant climate change contributions, as well as specific or innovative instruments and programs supported by Spain, are presented below:

- Continued support to the most relevant multilateral climate change funds: Green Climate Fund (48 million € foreseen for 2022-2023); Global Environmental Facility (30.8 million € foreseen for 2022-2025); and Adaptation Fund (30 million € foreseen for 2022).
- The Development Promotion Fund (FONPRODE): The contribution to climate change foreseen for 2022-2023 is expected to be 482.5 million € (315.5 million € on credits to the private sector and 167 million € on government-to-

³⁴ For ODA, the main actors are the Ministry of Economic Affairs and Digital Transformation, the Ministry for Foreign Affairs, European Union and Cooperation, the Spanish Agency for International Development Cooperation and the Ministry for Ecological Transition and the Demographic Challenge. For OOF, the main actors are the Ministry of Industry, Trade and Tourism, through the Corporate Internationalization Fund (FIEM), the Spanish Development Finance Institution (COFIDES), the State Financial Agency (ICO) and the Spanish Export Credit Agency (CESCE).

government loans).

- The New Ecological Transition Programme (FONTEC), focusing on circular economy and nature-based solutions: 1 million € (2021) and 4 million € (2022) respectively.
- Continued support to regional cooperation in Latin America and the Caribbean through specific climate change programmes:
 - ARAUCLIMA Programme³⁵ to address climate change in the Latin-American and the Caribbean region: 1.5 million € (2022).
 - Support for the activities of the Ibero-American regional networks whose activities are climate related: Ibero-American Network of Climate Change Offices (RIOCC), Conference of Ibero-American Water Directors (CODIA) and the Ibero-American Network of Hydrological and Meteorological Services (CIMHET)³⁶
 - Regional Programme “Managing the Coastal Risks associated to Climate Change in Latin America and the Caribbean Region Project” and its specific application in countries (Uruguay) (500,000 €, 2019-2022).
 - New innovative climate change related projects:
 - Circular Economy Lab: 145,500 € (2022)
 - Good Agriculture Practices and disaster risk reduction and climate change adaptation: 168,838 € (2022)
- Other Instruments addressing relevant sectors related to climate change such as:
 - Water and Sanitation Fund (FCAS)³⁷. Several projects address the impact of climate change on water management and associated risks, such as droughts and floods.
 - Technical and institutional support for several delegated funds from the European Union such as: EUROCLIMA+ Programme³⁸ in Latin America and Covenant of Mayors in Sub-Saharan Africa (COMSSA): 146,429 in 2022 and 260,000 in 2023.
- Continued support to specific technology centres such as ECOWAS

³⁵ <https://www.aecid.es/ES/d%C3%B3nde-cooperamos/alc/programas-horizontales/programa-arauclima>

³⁶ www.lariocc.es; <http://cimhet.org/>; <https://codia.info/>

³⁷ <https://www.aecid.es/ES/la-aecid/fcas>

³⁸ [https://www.aecid.es/Centro-](https://www.aecid.es/Centro-Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20PROGRAMA_CO)

[Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20PROGRAMA_CO](https://www.aecid.es/Centro-Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20PROGRAMA_CO)
[N%20LINKS%20A%20CONVOCATORIAS.pdf](https://www.aecid.es/Centro-Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20PROGRAMA_CO)

Regional Centre for Renewable Energy and Energy Efficiency (ECREEE)³⁹, including gender mainstreaming and clean cooking (487,950 €, 2022-2023)

- Continued support to the Sendai Action Framework through UNDRR (350,000 € in 2022), where climate change is also considered.
- FIEM: A new special export-credit direct-financing scheme was launched in 2019 (ECOFIEM Line⁴⁰) to finance climate change projects within the context of the internationalization of the Spanish companies. In December 2021 this Line was extended by 150 million €.
- COFIDES: The new 2022-2024 Strategic Plan, with an increased focus on climate finance, sets out the objective to allocate 30 % of the total volume of new commitments to climate action and environmental sustainability in the forthcoming three-year strategy period.
- ICO: The new Strategic Plan for 2022-2027, has a greater focus on sustainable finance, sets the goal of allocating 40 % of the total volume of new commitments, including funds allocated to climate and environmental action in the next five-year period.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Summary: The new Spanish Cooperation Act (under parliamentary approval phase) is aligned with the 2030 Agenda and the Paris Agreement. Both ODA and OOF Instruments prioritize climate change projects and sectors and have specific regional priorities.

Detail: The new Spanish Cooperation Act (currently under parliamentary approval phase) is aligned with the 2030 Agenda and the Paris Agreement. This Act demonstrates Spain's commitment to the fight against inequality and poverty and reinforces the principles of just ecological transition and gender equality. This future law would give legal status to Spain's commitment to allocate 0.7% of GNI to ODA by 2030. Furthermore, special attention is given to international climate finance and specifically to the role of the new Sustainable Development Spanish Fund (FEDES) in addressing Spain's climate finance commitments. On the other hand, the main planning documents for guiding the Spanish development actions are the "Spanish Cooperation Master Plans". The last one (V Spanish Cooperation Master Plan 2018-2021)⁴¹) focuses on responding to the international

³⁹ <http://www.ecreee.org/>

⁴⁰ https://comercio.gob.es/Financiacion_para_internacionalizacion/FIEM/Paginas/Linea-ECOFIEM.aspx

⁴¹ <https://www.cooperacionespanola.es/es/v-plan-director-2018-2021>



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commitments which involve cooperation activities in support of partner countries' efforts and priorities. In the case of climate change, the focus is on the implementation of NDCs, including mitigation and adaptation. This Plan also sets up the regional priorities where it foresees cooperation with partner countries and advanced cooperation countries in Latin America, Africa and Asia (including EU neighboring countries). Gender and environmental issues, including climate change, are two mainstreaming priorities for the Spanish Development Cooperation who has developed its own guidelines to operationalise these issues, see section 14.

In the case of bilateral ODA, funds are allocated considering country needs and priorities defined in the so called "Country Partnership Framework" (specific agreement between Spain and the partner country for the bilateral cooperation planning). In the case of multilateral ODA, it's up to each institutions/climate funds to define their own priorities with the governing bodies. In the case of FONPRODE, financial cooperation includes microfinance, cofinancing, impact investment and credits to governments in mitigation and adaptation projects.

Among the sectors targeted in OOF instruments are those that contribute to the fight against climate change, such as renewable energy, water, waste management, sustainable transport, etc. Several institutions, managing these OOF instruments, prioritize climate change in their activities and operations, as mentioned in section 2 (ECOFIEM Line, COFIDES' s and ICO's 2022-2024 New Strategic Plans).

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Summary: Spain's support to climate change in developing countries include mitigation, adaptation and cross-cutting, including through technology development and transfer and capacity-building activities.

Detail: Finance for mitigation has so far played a greater role, especially in renewable energy or urban transport projects, however special attention is given now to scale up finance for adaptation following the new commitment of doubling adaptation finance by 2025 from 2019 levels. On technology development and transfer and capacity-building activities two additional cooperation initiatives should be highlighted: INTERCOONECTA Programme⁴² and COOTEC Programme⁴³. These two programmes respond to partner countries' demands, adaptation actions (fire prevention, climate scenarios, coastal areas, water management, agriculture, etc.) are often prioritised.

⁴² <https://intercoonecta.aecid.es/>

⁴³ <https://www.aecid.es/ES/d%C3%B3nde-cooperamos/alc/programas-horizontales/coo-tec>



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e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

Please refer to the common chapter of the submission where this issue is addressed.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Summary: Spain defines new and additional climate finance as newly committed or disbursed climate finance during each year.

Detail: Spain is working to increase its support for new climate change projects, programmes, funds etc., through bilateral and multilateral contributions, while working at the same time on the continuation of supporting existing activities and funds and on the mainstreaming of climate change in all international cooperation instruments.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Summary: Spain uses annual budget cycles which makes it difficult to provide detailed ex ante information on climate finance. Nevertheless, to the extent possible, efforts are made to use multiannual agreements, when possible. In this context, differences between projections of ex ante provision of support and final figures could arise depending on budgetary developments.

Detail: Regarding the specific policies and instruments it should be mentioned that:

- Within the Spanish Cooperation there are Calls for proposals in some programmes and strategies, which impede prediction on thematic funds allocation.
- Most of OOF instruments are on-demand basis, which makes it difficult to provide ex ante information.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

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i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Please refer to the common chapter of the submission where this issue is addressed.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small

island developing States, considering the need for public and grant-based resources for adaptation;

Summary: Spain is committed to supporting adaptation needs in developing countries and is exploring several options to enhance the balance between adaptation and mitigation. The V Spanish Cooperation Master Plan sets up the regional priorities where it foresees cooperation with Parties that are particularly vulnerable to the adverse effects of climate change in Latin America, Africa and Asia.

Detail: Spain's public support directed to climate change adaptation in developing countries is still lower than the one for mitigation, some of the options considered are making new contributions to the Adaptation Fund (AF): 30 million € foreseen for 2022. Spain is among the top contributors of the AF.

Furthermore, the Spanish Development Cooperation focuses on adaptation challenges by mainstreaming climate change in all interventions, strengthening technical and institutional capacity and prioritizing adaptation needs on sectors such as water, agriculture, infrastructure, energy etc.

Regarding developing countries that are particularly vulnerable to the adverse effects of climate change, the Spanish Development Cooperation continues to focus on the geographic areas where the work clearly shows an added value, while promoting a results-oriented development cooperation. These geographic areas and regions, as described in section 3, include many countries that are particularly vulnerable to climate change and have significant capacity constraints.

Moreover, it is also worth mentioning the relevance of the "Development NGOs instrument", which is aimed at the most vulnerable, reaching isolated or highly vulnerable communities. In other specific cases, grants are being provided through competitive tenders to partnerships between NGOs and other civil society organizations, academia and private sector, in order to bring in innovative projects for sustainable development

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Summary: Through the different actors and instruments already mentioned, Spain works to enhance the mobilization of climate finance and promotion of actions to shifts investments, in line with article 2.1.c of the Paris Agreement, both domestically and in recipient countries. This includes innovative finance, cofinancing schemes, green and social bonds etc., as well as encouraging the private and financial sector to step up their climate finance commitments and mainstream climate change in their portfolios.

Detail: In the case of ODA contributions, many of the programmes and instruments managed at the bilateral level and contributions to multilateral organisations (mainly development banks), promote the mobilisation of other financial flows, including private ones.

Special attention should be given to FONPRODE. This fund has set up several cofinancing framework agreements with International Finance Institutions and it is also strengthening the European Financial Cooperation with several European Development Financial Institution⁴⁴ (EDFI) association, which includes AFD, KfW, ICO, CDP etc., to enhance jointly the impact and the visibility of EU development cooperation. In this sense, FONPRODE supports the Global Green Bond Initiative recently launched by the European Commission.

Other specific actions contribute to the global effort of mobilising additional financial sources. COFIDES:

- Is part of the EDFI association and its financial vehicle: the Interact Climate Change Facility and participates in the EU Blending facility and in the External Investment Plan (EIP). It leads the PIP Renewable Energy Programme for Sub-Saharan Africa under the framework of the EIP.
- Has made significant progress in strengthening its commitments to combat climate change, by adhering to the One Planet Sovereign Wealth Funds⁴⁵ (OPSWF) Initiative which aspires to integrate financial risks and opportunities related to climate change in the management of large, long-term asset pools.
- It will develop the Impact Programme, funded as part of the EU Next Generation initiative, under its new corporate Strategic Plan. This is a new programme to improve the environmental and social performance of the private sector in host countries. This will be achieved by (i) linking sustainability to the price of financial instruments and (ii) providing technical assistance to enhance companies' Environmental, Social and Governance (ESG) risk management.

ICO:

- Is a member of the Water Finance Coalition⁴⁶ (WFC), an initiative created by AFD, CAF, EIB, World Bank and Sanitation and Water for All which seeks to improve the financing of water and sanitation in order to achieve Sustainable Development Goal 6, the Paris Agreement objectives and to enhance biodiversity protection.

⁴⁴ <https://www.edfi.eu/>

⁴⁵ <https://oneplanetswfs.org/>

⁴⁶ <https://www.waterfinancecoalition.org/>

Participates in the “Joint Initiative on Circular Economy⁴⁷”(JICE) together with the EIB and other European counterparts, to accelerate the transition to a sustainable and circular economy.

ICO is also a member of the Clean Oceans Initiative.⁴⁸

- Has played a key role in developing and promoting the Green and Social bond market. Since 2019, it has annually issued green bonds⁴⁹ with the aim of financing projects that contribute to protecting the environment and the fight against climate change
- Promotes the ecological transition and environmental, social and governance (ESG) sustainability in its strategy.

Other relevant actions targeting the private sector include:

- Actions promoted by ICEX Spain Trade and Investment⁵⁰, a public business entity dependent on the Ministry of Industry, Trade and Tourism, whose objective is the internationalisation of the Spanish economy and companies. ICEX has incorporated sustainability issues, including climate change, into a large part of its activities. In this context, ICEX IMPACT+⁵¹ has been set up within the framework of ICEX’s objective to contribute to the sustainable development commitments adopted by Spain, such as those established by the 2030 Agenda.
- The "Spanish Green Growth Group"⁵² is a business initiative that brings together more than fifty Spanish companies involved in the fight against climate change working in the promotion of a roadmap towards a low-emission economy that generates opportunities for several economic sectors, through long-term collaboration between the Government and the business community. This initiative promotes the mobilization of private financial resources, both nationally and internationally.

1. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

Please refer to the common chapter of the submission where this issue is addressed.

Furthermore, as explained in section 3, the Spanish Development Cooperation system is

⁴⁷ https://www.ico.es/ico_newsletter/renovacion-pagina-web-mineco-gob-1

⁴⁸ <https://financeincommon.org/clean-oceans-initiative-afd-eib-kfw-cdp-ico>

⁴⁹ https://www.ico.es/inversores/bonos_verdes__ico

⁵⁰ <https://www.icex.es/icex/es/index.html>

⁵¹ https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/programas-y-servicios-de-apoyo/icex-impact/que-es-impact/index.html;jSESSIONID_ICEX=sADaDLNlrbsDE64jE2yCSs39GnS08DqQl7sYcya4c1eVgUm4h8Wo!1504961120

⁵² <https://grupocrecimientoverde.org/>

based on agreements reached with the partner countries responding to their demands (Country Partnership Framework).

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Summary: Spain supports developing country efforts and priorities on climate change through multilateral and bilateral contributions (as mentioned in section 2) with the aim of supporting the design and implementation of climate neutral and resilient development strategies. Spain is also cooperating and sharing experiences and lessons learnt on national experiences to meet Paris Agreements goals.

Detail: Spain is laying the ground to meet its commitments under the Paris Agreement, including Article 2.1c. These actions include bilateral and multilateral climate finance contributions and also other initiatives such as carbon pricing, incorporation of the climate goals in financial sector's investment decisions (e.g. through adequate risk management, disclosure, mainstreaming of climate in portfolios, taxonomy), promoting green finance products like green bonds, integrating climate considerations into budgeting processes and investment decision-making, and the removal of fossil fuel subsidies, to name a few.

To attract and sustain all investments and finance flows climate compatible (climate neutrality and climate resilient) specific instruments are foreseen. A National Sustainable Finance Action Plan is under development and a programme for the issue of green bonds has been drawn both by the Public Treasury and by ICO.

All these actions and experiences are often shared with interested third parties.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Summary: Spanish development cooperation has developed several tools to enhance the mainstreaming of climate change considerations, including resilience, gender. etc.

Detail: Within the Spanish Cooperation several guidelines have been elaborated for integrate climate changes considerations, especially for the regional and bilateral actions. Some of examples of these guidelines are: Reaching resilience guidelines⁵³;

⁵³ [https://www.aecid.es/Centro-Documentacion/Documentos/Divulgacion/REACHING%20RESILIENCE%20\(ESPAGNOL\)%20LR.pdf](https://www.aecid.es/Centro-Documentacion/Documentos/Divulgacion/REACHING%20RESILIENCE%20(ESPAGNOL)%20LR.pdf)



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Environmental and climate change mainstreaming guidelines⁵⁴; Gender guidelines⁵⁵; and Environmental mainstreaming in Humanitarian and Emergency Aid Action guidelines⁵⁶. In the case of multilateral institutions Spain, through its board representatives, has traditionally supported a high priority for climate change in the strategies of those institutions.

In the case of OOF, and specifically regarding FIEM, different measures to strengthen the financing of sustainable projects are being studied, such as launching a responsible and sustainable financing code, with which companies will have to comply with.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Summary: The Spanish Cooperation, through a wide range of instruments, programmes and institutions, supports capacity building activities in developing countries at individual and institutional level in climate change related sectors.

Detail: As reflected in previous sections, this support needs to be context-specific, results-based and consistent with national priorities. Key specific areas such as scientific and technical knowledge, strategic planning, economic and social cobenefits of climate change policies, or the inclusion of climate change into formal and informal education (Action for Climate Empowerment), are considered key issues to enhanced capacities in all countries.

p. Possible additional information

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24. Sweden

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Sweden is delivering 1 percent of GNI as development cooperation. Swedish aid is channelled mainly through multiannual geographic, thematic or institutional strategies and core support through international organisations such as the UN and the EU. Most strategies would include an expected disbursed amount set within the strategy's normally four-year timeframe. The strategies therefore present what Sweden is prepared to support in response to developing countries' priorities.

⁵⁴ <https://www.aecid.es/Centro-Documentacion/Documentos/Publicaciones%20AECID/151015guiaTMA.pdf>

⁵⁵ <https://www.aecid.es/Centro-Documentacion/Documentos/Publicaciones%20AECID/GU%C3%8DA%20DE%20G%C3%89NERO.pdf>

⁵⁶ <https://www.aecid.es/Centro-Documentacion/Documentos/Acci%C3%B3n%20Humanitaria/Guia%20Medioambiente.pdf>



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b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

The new strategy for Sweden's global development cooperation in the areas of environment, climate and biodiversity for 2022–2026 sets aside 8 billion Swedish kronor for the period. This is an increase compared to the budget for the previous period, 2018–2022, which amounted to 6,5 billion Swedish kronor. In addition, work is currently ongoing to systematically integrate climate change into other thematic, geographic and institutional strategies. Quantitative information will depend to a great degree on the extent to which developing countries make climate action a priority in their dialogue with Swedish development actors.

The majority of Swedish climate finance to low- and middle-income countries is channelled as bilateral ODA through Sida. ODA channelled through Sida is disbursed at national, regional and global levels. Sida applies the OECD-DAC definition of "type of flow" to determine funding source. And other statistics Sida also works with various instruments to mobilise capital, for example guarantees, Public Private Development Partnerships (PPDPs) and challenge funds. Also, a significant amount of climate finance is channelled as core support through multilateral institutions, mainly managed by the Ministry for Foreign Affairs. To determine climate share of core support estimates by OECD DAC is applied.

In addition, there are also contributions from Other Official Flows, such as in-kind capacity building.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

Sida works to create conditions for better living conditions for people living in poverty and oppression. All of Sida's development cooperation is based on a rights perspective and poor people's perspective on development, as well as climate and environment, conflict, and gender equality. As the effects of climate change, loss of biodiversity and environmental degradation become increasingly alarming, inequalities, poverty, conflicts and vulnerability in individuals and societies will increase. Therefore, climate and environmental work is an important prerequisite for reducing poverty and must be conducted in the form of advocacy, targeted initiatives and integration into all of Sida's operational activities.

Sida provides climate change support at several levels, including support to local and national institutions, bilateral support to multilateral organisations and support to other regional and global organisations. The support is provided to partner organisations both with climate change as a main objective and as a secondary objective, i.e. integrated in contributions that have other main objectives. This is done in cooperation with a variety of actors, including government institutions, multilateral organisations, research

institutions, non-governmental organisations, the private sector and Swedish authorities. Sida seeks relationships based on trust with local and international partners, resulting in concrete contributions that add value and benefit poor and vulnerable people.

Priority countries are those developing countries that prioritize climate action. In Sida's bilateral work, the countries' and organisations' own needs, priorities and strategies are weighed into the strategies, and constitute a fundamental entry point for all of Sida's contributions. The partner organisation formulates the goals and objectives of any joint programme as they have the greatest knowledge of existing and emerging needs, thus retaining ownership of the programme.

The new strategy for Sweden's global development cooperation in the areas of environment, climate and biodiversity covers the period 2022–2026. The purpose of Swedish development cooperation within the remit of the strategy is to contribute to normative, global policy and methods development and to strengthen the capacity of organisations, institutions, networks and other relevant actors. The strategy draws on the Sustainable Development Goals (SDGs) of the 2030 Agenda on clean water and sanitation (SDG 6), affordable and clean energy (SDG 7), sustainable cities and communities (SDG 11), responsible consumption and production (SDG 12), climate action (SDG 13), life below water (SDG 14), and life on land (SDG 15), and contribute towards attaining these within the remit of operations.

In 2021, the top five countries receiving Sida climate finance were Mozambique, Kenya, Burkina Faso, Mali and Somalia. Most of the countries are among Sweden's major bilateral development cooperation partners.

In 2021, approximately 81 percent of the Swedish bilateral climate finance was considered gender integrated.

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

Sweden is ready to support developing countries in accordance with their priorities, be it mitigation, adaptation, cross-cutting activities, technology transfer or capacity-building.

Sweden supports both mitigation and adaptation efforts, but many contributions are cross-cutting and address both/have co-benefits for both. The type of support is defined using the OECD-DAC Rio markers for climate change mitigation and climate change adaptation.

Sida's development cooperation includes climate-friendly technology development or technology transfer. Contributions can involve mitigation and adaptation technologies, include a range of actors, contexts and global partnerships and are within a number of different sectors. Transfer of technology is often combined in an integrated way with capacity building to ensure long-term sustainability.



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Capacity building is a fundamental component in all Swedish development cooperation funded by Sida. Capacity building takes place at the organisational level, individual level, level of institutional frameworks, and often a combination of the three. Sweden provides extensive support to climate change capacity building, with different approaches and in cooperation with different types of actors. This diversity is needed to respond to different partner countries' or organisations' specific needs and contexts.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

All Sida's operations must be based on and permeated by a climate change and environment perspective. As a means to achieve this, all Sida-financed projects and programmes must be based on an environmental assessment, which identifies entry points for integration of environment, climate change and biodiversity. The environmental assessment serves as the basis for integrating environmental aspects into planning, implementation and monitoring of contributions to harness opportunities for positive environmental impact, avoid and mitigate negative environmental impact and ensure resilient contributions with sustainable results. The Sida partner is required to conduct an environmental assessment and submit it to Sida as part of a project/programme proposal. The environmental assessment should result in strategic action points for the partner to take within the project/programme and the organisation to ensure that these contribute to environmentally sustainable development within the planetary boundaries. The environmental assessment facilitates the classification of the contribution in relation to the policy and Rio markers used to track environmental integration. Sweden uses the OECD-DAC Rio markers for climate change mitigation and climate change adaptation to track climate finance.

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Sweden has long stated that our climate finance is new and additional, since the finance we provide is additional to the UN 0.7 percent target. The Government expressed in 2021 the ambition to double our climate finance by 2025 compared to 2019 levels.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

The Riksdag (parliament) determines the amount for development cooperation the following year in December each year. In parallel, multi-annual strategies determine amounts for geographies and thematic areas. Our pledges to the climate funds provide further ex ante information, such as 8 billion SEK to GCF-1, 1,14 billion Swedish kronor to AF/LDCF for the period 2019-2022 and a doubling of the Swedish contribution to GEF8 from 2 to 4 billion Swedish kronor. The Nordic countries has also decided to recapitalize the Nordic Development Fund (NDF) with a Swedish contribution of EUR 113 million for

the period 2022-2031. Information on planned provision of bilateral climate finance support (committed support that has not yet been provided) is available in the Creditor Reporting System-report to the OECD-DAC as well as the annual climate finance report to the EU. Other than that, our system does not allow for the provision of ex-ante information on climate finance.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

Methodologies and assumptions used to project levels of climate finance would depend on projected levels of development cooperation as determined by the Riksdag, currently one percent of annual GNI, as well as levels of finance in multi-annual strategies and multi-year core support to organizations with significant climate shares.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

Aid efficiency is a priority. We aim to use developing countries' own systems. Ownership is a key issue for us.

Capacity and institutional development is central for development and represents a fundamental entry point in all of Sida's operations. The majority of the climate finance support that Sweden provides through Sida therefore has capacity building integrated into the core of its operations. Capacity building takes place at the organisational level, individual level, level of institutional frameworks, and often a combination of the three. Examples of capacity building support provided by Sida include strengthening the capacity of national and county institutions in managing food insecurity in arid and semi-arid lands; developing negotiating skills in international fora; and strengthening the ability of CSOs to follow up on national commitments as well as compliance and implementation of the Paris Agreement, including NDCs. Sweden provides extensive support to climate change capacity building, with different approaches and in cooperation with different types of actors. This diversity is needed to respond to different partner countries' or organisations' specific needs and contexts.

j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;



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Sida's work is conducted within the framework of bilateral, regional and global development cooperation strategies decided by the Swedish Government. Sida provides resources that enable development initiatives focusing on the poorest and most vulnerable people. Broad-based local and national ownership is key to sustainable development and sustainable results from climate finance. The countries' and organisations' own needs, priorities and strategies are weighed into the bilateral strategies, and constitute a fundamental entry point in all of Sida's operations. The partner organisation formulates the goals and objectives of any joint programme as they have the greatest knowledge of existing and emerging needs, thus retaining ownership of the programme. Sida has made efforts to focus on supporting countries in climate change adaptation since the Climate Change Initiative of the Swedish Government 2009–2013. Since then, Sida has continued to strengthen the focus on adaptation and increasingly meet the growing demand from country partners and organisations in this field.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

Since 2009, Sweden has an Ordinance for Financing of Development Loans and Guarantees for Development Cooperation. This provides opportunities to expand and leverage available resources for development by linking public measures with market finance. Guarantees stimulate mobilisation of both private and public capital, including partner countries' domestic capital. Sida continuously works to enhance mobilisation of additional climate finance and works with a number of different instruments, such as guarantees, Public Private Development Partnerships (PPDPs) and challenge funds. We are also promoting such an approach in our multilateral development cooperation such as the development banks, including the Swedish development finance institution Swedfund. Furthermore, we are continuously working to enhance linkages with private sector actors and highlight efforts needed in developing countries to facilitate investments for climate action. Further efforts could and should be done globally and nationally by all Parties to ensure thorough application of the Addis Ababa principles on development finance. We believe this approach will help developing countries mobilise resources. Integrating climate action in national budget and planning processes is a key success factor, as well as ensuring regulatory frameworks that facilitate domestic and international investment. The continued and enhanced application of climate-related standards such as TCFD will further mobilise investments.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;



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Our development cooperation takes developing countries priorities as a point of departure. We continue to stand ready to support developing countries who effectively outline their needs and priorities.

Access to climate finance remains to be a challenge for developing countries. Access to finance is complicated by inadequate national financial systems in developing countries seeking climate finance. Sweden addresses these challenges through various channels, including through capacity building of government institutions and national CSOs. Another challenge relates to the rank of government officials involved in climate finance initiatives - at times the officials do not have the necessary mandate to enable efficient implementation of contributions. Thirdly, there is a continuous need to ensure that climate change initiatives do not become projects with short-term out-puts but rather have sustainable results and align with the needs and priorities in developing countries. National ownership is key to securing long-term sustainability of climate change-related initiatives. In Sida's bilateral work, the countries' and organisations' own needs, priorities and strategies are weighed into the development cooperation strategies decided by the Swedish Government, and constitute a fundamental entry point for all of Sida's contributions.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Climate and environment is one of five perspectives in our development cooperation. We support countries in enhancing and implementing their Nationally Determined Contributions (NDC). The urgency of climate action also speaks to the urgency of implementing the 2030 Agenda as a whole.

Sweden continuously underlines the importance of integrating or mainstreaming climate action in national budgets and development processes for climate finance to reach its full potential in developing countries. With climate action fully integrated, this will facilitate developing countries' resource mobilisation (domestic and international) as well as development of regulatory frameworks to attract investment. Ultimately, an integrated approach will accelerate the achievement of the goal in article 2.1.c of the Paris Agreement, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. According to Sida's policy on climate and environment, Sida's activities should contribute to the implementation of Agenda 2030 and global environmental agreements, such as the Paris Agreement. This means that Sida does not support investments in energy system solutions based on fossil fuels. Sweden has signed the Statement on International Public Support for the Clean Energy Transition (<https://ukcop26.org/statement-on-international-public-support-for-the-clean-energy->



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[transition/](#)). In 2020 and 2021, Sida received specific assignments from the Swedish government to enhance the alignment between Sida's operations and the goals of the Paris Agreement. Sida has taken several measures to this effect, such as conducting an internal evaluation on environmental integration for internal learning and simplified internal steering. Sida's definition of development cooperation being in line with the goals of the Paris Agreement is based on the conceptual framework and the four criteria presented in the OECD report "Aligning Development Co-operation and Climate Action: The Only Way Forward". In 2021, Sida focused on the criteria relating to transformation. For example, an internal review was conducted in order to explore how Sida's operations can contribute to the required transformation. Sida has also conducted a mapping for decarbonization of Sida's contributions; provided support to organisations working with circular economy and green transition, such as Sea Circular; provided support to organisations working with digital climate solutions for vulnerable groups, such as Climate Tech; and initiated the process of applying system innovation as an approach for greater transformative effect from developing cooperation, such as through the partnership with Climate-KIC. Sida is currently exploring different options for implementing additional internal system mechanisms for ensuring alignment with the Paris Agreement. Sida also actively participates in ongoing external discussions on how to ensure alignment between development assistance and the Paris Agreement, for example within OECD-DAC networks. In 2021, Sida has strengthened our dialogue with multilateral organisations such as UNDP in order to promote transformative action that contributes to the fulfilment of the goals of the Paris Agreement.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Climate action is a core component of Swedish government policy, including in development cooperation. All Sida's operations must be based on and permeated by a climate change and environment perspective. As the effects of climate change, loss of biodiversity and environmental degradation become increasingly alarming, inequalities, poverty, conflicts and vulnerability in individuals and societies will increase. Therefore, climate and environmental work is an important prerequisite for reducing poverty and must be conducted in the form of advocacy, targeted initiatives and integration into all of Sida's operational activities.

In the area of climate change, Sida provides significant climate change support at several levels. It is provided to partner organisations both with climate change as a main objective ('principal objective' according to OECD-DAC terminology), and as a secondary objective ('significant objective' according to OECD-DAC terminology), i.e. integrated in contributions that have other main objectives. This is done in cooperation with actors in low- and middle-income countries, including government institutions, multilateral organisations, research institutions, non-governmental organisations, the private sector



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and Swedish authorities and municipalities. Sida is currently exploring different options for internal mechanisms for ensuring alignment with the Paris Agreement. Sida also actively participates in ongoing external discussions on how to ensure alignment between development assistance and the Paris Agreement. As mentioned, core support to multilateral organizations with a high climate share according to OECD DAC is also a significant source for climate finance.

o. Information on how support to be provided to developing country Parties enhances their capacities.

Capacity and institutional development is central for development and represents a fundamental entry point in all of Sida's operations. The majority of the climate finance support that Sweden provides through Sida therefore has capacity building integrated into the core of its operations. Capacity building takes place at the organisational level, individual level, level of institutional frameworks, and often a combination of the three. Sweden provides extensive support to climate change capacity building, with different approaches and in cooperation with different types of actors. This diversity is needed to respond to different partner countries' or organisations' specific needs and contexts.

p. Possible additional information

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25. European Commission

a. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;

Detail: The European Union is a global frontrunner in sustainability and climate policies. The EU has shown its commitment to implement the Paris Agreement and the fight against climate change by mainstreaming spending on climate action across all EU programmes, including those implemented in the context of its external action. On average for the 2014-2020 financial period, the EU budget allocated EUR 220.8 billion to the fight against climate change overall, representing 20.59 %⁵⁷ of the total budget, thereby going beyond the 20 % target established for this period.

The integration of climate in all spending areas of the EU budget continues in the ongoing 2021-27 financial period. The overall climate target has been raised to 30 % for the EU budget and Next Generation EU, the main instrument for implementing the recovery package. Reflecting the importance of international cooperation on climate action, an additional EUR 4 billions was pledged by President von der Leyen in 2021. The total EU external action has been allocated with EUR 110 597 million (budget

⁵⁷ [Supporting climate action through the EU budget \(europa.eu\)](https://europa.eu/european-council/story/eu-budget-2021-2027)



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heading 6 'Neighbourhood and the world'), 30 % of which or approximately EUR 33 180 million will be dedicated to climate related activities.

An additional EUR 2 600 million in climate change finance are expected to be mobilised through the Instrument for Pre-Accession Assistance. The instrument for Pre-Accession Assistance (IPA III) is set to contribute to achieving the overall 30 % target, with a specific climate change spending target set to 18 %, growing over time to reach 20 % by 2027.

The European Investment Bank (EIB) finances billions of euros in loans every year using its own resources, but also does a lot of work with mandates and partnerships. This allows the Bank to better serve existing clients, identify new partners, enter new markets and help more people across the world.

The largest source of grant finance for EIB mandates for blending worldwide is the so-called 'EU contribution' contracted with the European Commission (EC). The EC has established a number of regional and, more recently, thematic investment facilities grouped under the [EU Blending Facilities framework](#).

This framework covers the entire geographic range of the EU's external cooperation policy and key policy areas of intervention. As such it contributes to the strategic development goals of the EU and partner countries.

From 2021 onwards, most EIB operations outside the European Union will be backed by the [NDICI – Global Europe](#), the EU's main financing tool to contribute to eradicating poverty and promoting sustainable development, prosperity, peace and stability.

Key EIB investments around the world help create stability, sustainable growth, fight climate change and build resilience. Over the last 10 years (2012-2021), EIB invested more than €70 billion outside the European Union, including over €23 billion in climate action projects. In 2021, EIB own resource climate action financing outside the EU and the European Free Trade Association (EFTA) reached €2.8 billion, accounting for 40 % of our total financing in these regions.

b. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;

Detail: Since 2021, EU external cooperation is implemented through the Neighbourhood, Development and International Cooperation Instrument (NDICI) – "Global Europe"⁵⁸. The NDICI is the EU's main financing tool to contribute to eradicating poverty and promoting sustainable development, prosperity, peace and stability, covering cooperation with all

⁵⁸ https://neighbourhood-enlargement.ec.europa.eu/funding-and-technical-assistance/neighbourhood-development-and-international-cooperation-instrument-global-europe-ndici-global-europe_en, last accessed 30/08/2022

third countries except for the pre-accession beneficiaries and the overseas countries and territories from the geographic programmes. NDICI has a budget of EUR 79 460 million for the period 2021-2027.⁵⁹ It consolidates previous development cooperation funds into one instrument and consists of three pillars:

- The geographical pillar supports dialogue and cooperation with third countries with a budget of EUR 60.38 billion.
- The thematic pillar with a budget of EUR 6.36 billion complements the geographic pillar by funding support to human rights and democracy, civil society, stability and peace as well as global challenges.
- The rapid response pillar with a budget of EUR 3.18 billion is dedicated for interventions targeted at conflict prevention and crisis response.
- An additional EUR 9.53 billion of unallocated funds is available to react to emerging challenges and priorities.

The NDICI Regulation sets the target of 30 % of Global Europe's financial envelope contributing to climate objectives. Reflecting the importance of international cooperation on climate action, an additional EUR 4 billion was pledged by President von der Leyen in 2021 – which would effectively imply a climate change spending target of approximately 35 %. This concretely means committing approximately EUR 27.8 billion in support of climate objectives over 2021-2027 under the NDICI.

At least 93 %⁶⁰ of funding will have to meet the requirements of the OECD Development Assistance Committee and hence count as Official Development Assistance (ODA). Unused commitment and payment appropriations under this instrument will be automatically carried over to the following financial year and decommitted appropriations may be made available again.

Other external instruments include (in “current prices”):

- the Humanitarian Aid Instrument (EUR 11 569 million), delivering EU assistance to save and preserve lives, prevent human suffering, and safeguard populations affected by natural disasters or man-made crises,
- a financial contribution of EUR 2 679 million for the Common Foreign and Security Policy and of EUR 500 million for the Overseas Countries and Territories, including Greenland, and
- the Instrument for Pre-Accession assistance (EUR 14 162 million), supporting beneficiaries on their path to fulfilling the criteria for accessing the EU. Climate change action, including a just energy transition, feature strongly in the EU's partnerships with pre-accession beneficiaries, given their crucial role in reaching the ambition of a climate-neutral and climate-

⁵⁹ [Global Europe: Neighbourhood, Development and International Cooperation Instrument \(europa.eu\); MFF 2021-2027 breakdown current prices v2 \(europa.eu\)](#)

⁶⁰ [Global Europe: Neighbourhood, Development and International Cooperation Instrument \(europa.eu\)](#)



resilient Europe. The IPA III Regulation⁶¹ has a binding target of 18 % for climate change finance, growing to 20 % by 2027.

Set up at the start of 2022, EIB Global focuses on:

- offering innovative development finance solutions to both public and private sector operators
- supporting the European Union's external policies across the globe in Enlargement and Neighboring countries as well as Sub-Saharan Africa, Asia, Latin America as well as the Pacific and the Caribbean regions
- climate action and economic resilience, including innovative investments considered too risky for commercial banks
- promoting European Union goals for peace, security and sustainable living
- supporting women in participating equally in society and business
- creating financial tools and assistance for the communities where life is hardest

Gender: Making sure women are treated equally and given the same economic opportunities in the context of climate action is one of the priorities for the European Investment Bank. In the Climate Bank Roadmap as well in the Climate Adaptation Plan, the EIB set out its ambition to further accelerate climate finance but also that such financing should be gender smart. The EIB's Gender Action Plan 2021-2024 further aims at supporting an integrated, gender-responsive approach to climate vulnerability as well as building resilience in fragile and conflict affected areas. To accelerate financing for women EIB was the first Multilateral Development Bank (MDB) to join the *2X Challenge* calling for DFIs to work in partnership and collectively mobilize billions in support of women. Guided by the *2X Criteria* at the end of 2019 the EIB launched the ShInvest Initiative to boost women's economic empowerment in Africa supported by a EUR 2 Million technical assistance (TA) facility. The EIB has also been co-leading the 2X Collaborative Green Community of Practice and launched the [2X Gender Smart Climate Finance Guide](#) at COP26 in Glasgow in 2021. Developed jointly with European Bank for Reconstruction and Development (EBRD) and British International Investment (BII) on behalf of the 2X Collaborative, the Guide helps investors identify opportunities in gender and climate finance.

c. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;

The EU external funding aims at ensuring proper implementation of the 2030 Agenda for Sustainable Development, the Paris Climate Agreement, the EU Global Strategy, the European Consensus on Development, the European Neighborhood Policy, as well as

⁶¹ https://ec.europa.eu/regional_policy/en/funding/ipa/, last accessed 30/08/2022



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the external dimension of migration, including the Partnership Framework with third countries on migration. It will target a vast number of countries, including the countries in the EU Neighborhood, Sub-Saharan Africa, the Caribbean, Asia and the Pacific. The countries most in need, particularly least developed countries, low-income countries, fragile or crisis struck countries will be given specific attention. In addition, EU candidate countries and potential candidates are supported through the Instrument for Pre-Accession Assistance. The EU external funding will employ different aid modalities, including project-based approach, budget support, blended finance and guarantees.

In 2020 the EU launched the European Green Deal, the roadmap for Europe becoming a climate-neutral and climate-resilient continent by 2050, including an important external dimension to promote a green transition globally. The external dimension for the European Green Deal promotes a set of policy initiatives for the green transition, including just transition, energy efficiency and clean energy supply across the economy; sustainable production and consumption and circular economy; large-scale low-carbon and climate resilient infrastructure; smart and sustainable transport and mobility; food and agriculture, construction, taxation and social benefits. As part of the external dimension of the European Green Deal, the EU supported the development of the Green Agenda for the Western Balkans, adopted by the region's leaders in 2020. An Action Plan for its implementation has been developed, which the EU is supporting through the EU4Green project.

End 2021 The European Commission and the EU High Representative have set out the EU Global Gateway, a new European strategy to boost smart, clean and secure links in digital, energy and transport sectors and to strengthen health, education and research systems across the world. Through the Global Gateway, EU institutions, EU Member States and EU development financial institutions intend to jointly mobilise EUR 300 billion of quality investments by 2027 – with EUR 150 billion in Africa alone – with a focus on digitalisation, climate and energy, transport, health, as well as education and research.

The programming exercise for the period 2021-27 provides a specific, tailor-made framework for cooperation and is mainly built on national or regional development strategies. Nationally Determined Contributions to Paris Agreement represents a key document for integrating climate change objectives into sector interventions. Programming is results-based and takes into account, where appropriate, internationally agreed targets and indicators as well as country-level result frameworks. It sets out the priority areas for EU financing, the specific objectives, the expected results, and clear and specific performance indicators.

In 2013, the EIB pledged to devote at least 25 % of its financing to climate action. This objective was duly fulfilled from 2014 onwards. In September 2015, in the run-up to the



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2015 UN climate conference in Paris (COP 21), the Bank increased its ambition, setting a target of 35 % for its financing in developing countries, by the end of 2020. Accordingly, the EIB was able to step up its climate action financing outside the European Union, exceeding this commitment in 2017, 2019 and 2021. In 2020, climate action lending outside the European Union remained elevated, at €2.8 billion, despite the disruption caused by the pandemic.

The two sectors receiving the most support are renewable energy and low-carbon transport. Lending for renewable energy is well distributed across the regions and is the main focus in Latin America and in sub-Saharan Africa, where expanding access to energy is critical. Low-carbon transport has been the main focus in Asia (mainly India), the Southern Neighbourhood and Turkey. In middle-income countries in these regions, decarbonisation of already large transport sectors through the development of low-carbon urban public transport networks is critical to the success of the climate transition, as well as for tackling the significant issue of congestion in urban areas. Lending for energy efficiency has been targeted mainly at countries in the Eastern Neighbourhood, where retrofitting outdated buildings to reduce energy consumption for heating can significantly contribute to climate change mitigation. Lending to support adaptation has focused on regions particularly exposed to risks from the changing climate, notably in sub-Saharan Africa and developing Asia, together with significant investment in drought resilience in the Southern Neighbourhood.

Examples of regional investment facilities:

- [AIF – Asia Investment Facility](#)
- [IFCA – Investment Facility for Central Asia](#)
- [LAIF – Latin America Investment Facility](#)
- [AIP – Africa Investment Platform](#), previously AfIF – [Africa Investment Facility](#) and [EU-Africa Infrastructure Trust Fund \(ITF\)](#)
- [CIF – Caribbean Investment Facility](#)
- [IFP – Investment Facility for the Pacific](#)
- [NIP – Neighbourhood Investment Platform](#), previously NIF – Neighbourhood Investment Facility

Examples of thematic investment facilities:

- [ElectriFI – Electrification financing initiative](#)
- [AgriFI – Agriculture Financing initiative](#)
- Climate Finance Initiative

d. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building;

The EU external funding will support activities in the areas of mitigation, adaptation,



disaster risk reduction, cross-cutting, technology development and transfer, and capacity building.

The EIB Group has increased ambitions on climate and environment, effectively transforming it from “an EU bank supporting climate” into “the EU climate bank”. It is summarised in three key commitments:

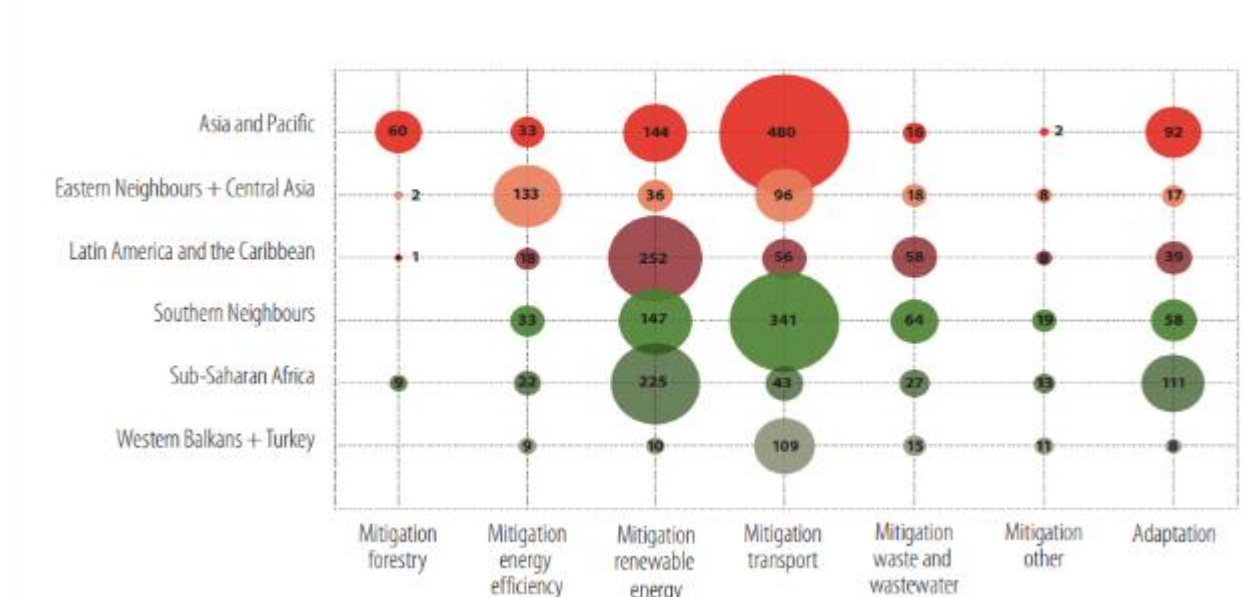
- To support €1 trillion of investment in climate action and environmental sustainability from 2021 to 2030.
- To gradually increase the share of EIB Group annual financing dedicated to climate action and environmental sustainability to exceed 50 % by 2025 and beyond.
- To align all new EIB Group operations with the principles and goals of the Paris Agreement by the start of 2021, thus ensuring that all its activities do no significant harm to the low-carbon and climate-resilient goals of the agreement.

These commitments apply to the Bank’s activities outside the European Union as well as inside it. Specifically, the EIB aims to dedicate 50 % of annual financing to climate action and environmental sustainability outside the European Union as well as within it.

EIB now has an additional target for climate change adaptation, pledging to increase the share of adaptation support to 15 % of the bank’s overall finance for climate action by 2025.

THE EIB’S COMMITMENT TO CLIMATE ACTION OUTSIDE OF THE EU HAS GROWN

EIB SUPPORT FOR CLIMATE CHANGE MITIGATION AND ADAPTATION, BY REGION AND COMPONENT, 2017-2021 (€ MILLION)





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The EIB complements its financing offer with technical assistance and advisory services supporting project promoters and national or local authorities, building their capacity and improving quality, efficiency and sustainability of the Bank's operations through the preparation and implementation project phases. In line with the EIB Climate Bank Roadmap, the Bank is developing its advisory offer supporting climate action and environmental sustainability through a number of TA programmes and projects. In particular, TA can be provided to counterparts who would need support to align to the Paris Agreement, as required under the EIB [PATH](#) framework. This applies *mutatis mutandi* to EIB's operations outside the EU.

e. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries;

The EU external funding will be subject to rules on conditionality, including for respecting the principles of the United Nations Charter and international law. The climate-specific criteria depend on the instruments, programmes and strategies set up under 2021-27 budget including the European Green Deal and the Global Gateway as well as the partner country's development priorities, needs, capacities to generate and access financial resources and on their absorption capacities, commitments and performance. In addition, for the EU's neighbouring countries, approximation/alignment, as relevant, with the EU *acquis* in the climate change and energy sectors in particular constitute a guiding principle in programming, thus promoting the use of EU instruments such as National Climate and Energy Plans to support a just green transition.

The EIB's clients are public and private sector entities. Any project promoted must be in line with the Bank's eligibility criteria, and be financially and economically sound. The EIB lends directly to large individual projects. Promoters must provide a detailed description of their capital investment and prospective financing arrangements.

In terms of tracking climate finance, the EIB has a well-established process based on the Joint MDB climate finance tracking methodologies, and also now integrating EU taxonomy criteria. Details of EIB climate action and environmental sustainability criteria are published on the EIB website.⁶²

f. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional;

Detail: The EU tracks the provision of financial support through a project-based monitoring and reporting system. The system uses OECD Development Assistance

⁶² [European Investment Bank Climate Action – Eligible sectors and eligibility criteria \(eib.org\)](https://www.eib.org/en/press/2022/01/eib-climate-action-eligible-sectors-and-eligibility-criteria)

Committee (DAC) Rio Markers to categorise and track the extent to which a project is deemed to provide support, alongside more than 50 additional project markers that allow for further support tracking, for instance by geographical location, economic sector, financial instrument or funding source. This allows for reporting of detailed information in National Communications and Biennial Reports. In this context, 'new and additional resources' are considered to be resources committed after and not included in the previous National Communications or Biennial Reports. Although the multiannual financial framework sets out the EU's long-term spending priorities and limits, the yearly EU budgets are determined on an annual basis. As such, each annual commitment cycle represents new and additional resources.

g. Information on national circumstances and limitations relevant to the provision of ex ante information;

Under the Neighbourhood, Development and International Cooperation Instrument (NDICI), a set of general program principles apply to all partner countries. Relevant in this context is the principle of geographisation. Geographisation under the NDICI means that the bulk of cooperation will materialize in given countries and regions through geographic programmes which should also reflect thematic priorities. According to the subsidiarity principle, the most appropriate implementation level for EU priorities will be either national, regional / multi-country or multi-regional. Geographic programmes will be the main source of funding for the different areas that may be complemented by a dedicated thematic programme at global level. Building on the analysis conducted during the preparation phase towards the programming, the basis for programming has been selected for each country or multi-country grouping concerned.

Regional and thematic multi-annual indicative programs (MIPs) will have a duration of 7 years, and will be subject to a mid-term review as well as possible ad-hoc reviews.

For the purpose of flexibility and continued political ownership, indicative country allocations are presented in the course or in result of the programming process, while the duration of these periods or the relevant indicative allocation may be reviewed during the implementation of the MIP. Given this flexible approach, which aims to strengthen co-ownership by partner country government and other stakeholders, the overall targets set in the NDICI apply to the whole seven year period, with no planning set per year (for EU external action and implicitly for climate action) and no regulation approving such an yearly planned distribution.

The strategy of the EIB, as a policy-driven public bank with the mission of contributing to the attainment of the EU's policy objectives, is developed and implemented through its Operational Plan, which formulates and quantifies EIB's priorities and goals over a period between one to three years. Since 2018, the Operational Plan has been exceptionally a

one-year plan, with only preliminary indications provided for the following two years.

h. Information on relevant methodologies and assumptions used project levels of climate finance;

The proposed NDICI regulation establishes 3 possible basis for geographic multi-annual indicative programmes (MIPs, see point 7): i) national or regional strategies in the form of a development plan or a similar document accepted by the European Commission as a basis for the corresponding multiannual indicative programme, at the time of adoption of the latter document; ii) framework documents laying down the EU policy towards the concerned partner or partners, including a joint document between the EU and Member States; iii) joint documents between the EU and the concerned partner or partners setting out common priorities.

Programming is also be informed by the pre-programming work done at country, regional and thematic level. Those provide a comprehensive analytical background against which the multiannual indicative programmes will be drafted.

The reported information is based on publicly available information in proposals and official documents on upcoming EU budgets, especially the 2021-27 EU multiannual financial framework, and relevant instrument and programmes. Such information is forward-looking in nature. Therefore, it should not be considered as official financial commitments unless where explicitly stated.

The EIB Group has committed to new targets for climate action and environmental sustainability financing in the critical decade. Assessing and tracking results is an integral part of the Bank's whole project appraisal and follow-up process, through our Additionality and Impact Measurement (AIM) framework. It is a core function that EIB perform as a development finance institution. AIM provides a comprehensive framework for assessing each EIB project in terms of results and additionality, in line with international best practices. It follows an established three-pillar logic that asks why an intervention by the EIB is needed, what will be achieved, and how the EIB will make a difference. These three pillars are conceptually linked to the different elements of the results chain.

The framework forms a key element of ensuring development effectiveness, in terms of managing for results (steering, designing, implementing, reporting and learning). As part of the due diligence process, all three pillars are rated to assess the added value of the operation. These ratings form a key part of the deliberation process and the project results indicators identified during the appraisal form the basis of project monitoring throughout the project cycle. Monitoring results enables lessons to be learnt and fed back into the project's implementation and into future projects and processes.

The AIM framework is aligned with EU policy in the countries and regions where the Bank

operates, and with the SDGs. The framework is flexible so that new indicators can be added when new needs emerge.

During the project implementation phase, any project promoter is obliged to inform the Bank in the event of a significant departure from what was agreed originally. After project completion, and where applicable, an Environmental and Social Completion Sheet (ESCS) will be published in the Public register for each project. The ESCS summarises the Bank's assessment of the environmental and social dimensions of the project at completion stage.

In addition, a project completion report establishes wherever relevant any differences with respect to the original plans or project description.

i. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them;

The information provided in section II.2 of the submission, in regard to challenges and barriers, largely applies likewise to the EU's support and effective climate action.

A key prerequisite for ensuring funding success is country ownership in climate action. Ensuring that proposals are genuinely responding to domestic priorities and development goals, ensuring that the teams are in place in national entities to make them a success, and ensuring that there are options for mobilizing additional domestic support are all vital steps in ensuring climate funding can be accessed and support successful initiatives. Access to finance for climate action is facilitated when climate action is an integral part of regular dialogue with international donors on development policy and finance. Parties may benefit from support to understand how best to match climate finance needs with the appropriate source of finance available.

Alongside appropriate policy frameworks, legislative basis, and institutional arrangements underpinning effective climate action, another important element to enhance access to finance is an appropriate complement of staffing, deployed in the right institutions, and on the right contracts, to be able to champion and manage funding applications effectively.

On its turn, from past experience, EIB Global recognizes the need to develop its product offering and ensure a local presence that is adapted to the investment needs and specific operating environment outside the EU. The creation of regional hubs and enhanced local presence is essential to help with disbursements and hence actual impact on the ground. EIB Global brings the Bank closer to local operators, putting a reinforced focus on project development and preparation, which is often a major constraint in its countries of operation. EIB Global is helping microfinance and finance institutions to develop access to finance for local population. Access to finance is indeed critical for job creation and poverty reduction, especially for women.



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j. Information on how Parties are aiming to ensure a balance between adaptation and mitigation, taking into account the country-driven strategies and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation;

The EU external funding for the period 2014-20 foresaw a 20 % climate-related spending target out of the overall budget. The latest available figures for the period 2014-19 indicate a balance between the amounts allocated to mitigation and adaptation actions, with a slight prevalence of the latter. The EU aims to maintain such an approach during the next programming period 2021-27 as well as its focus on adaptation and disaster risk reduction as far as the cooperation with SIDS and LDCs is concerned.

In line with the EU Adaptation Strategy, the EIB Adaptation Plan⁶³ published in 2021, identifies the need to scale up financing for adaptation, and contribute to smarter, more systemic and faster adaptation, both across Europe and globally. In 2020, the EIB doubled the share of adaptation in its overall climate action financing compared to the average of its previous years. In order to further support this goal, by 2025, the EIB will grow the share of EIB climate action for adaptation to 15 % of EIB's overall climate financing.

This target represents a significant increase in ambition, particularly outside of the EU. Over the 2012-2019 period, the average share of adaptation within overall EIB climate action financing has been 4-5 %.

Going forward, EIB Global will actively seek opportunities to support external partners in SIDS and LDCs to build capacity and increase resilience to the impacts of climate change. EIB Global will extend its financing to up to 100 % of the project investment cost when justified for projects aimed at adapting to climate change and building greater resilience in SIDS and LDCs. This approach is in line with the core principle of "common but differentiated responsibilities and respective capabilities" underpinning the Paris Agreement.

k. Information on action and plans to mobilize additional climate finance as part of the global effort to mobilize climate finance from a wide variety of sources, including on the relationship between the public interventions to be used and the private finance mobilized;

The new Neighbourhood, Development and International Cooperation Instrument

⁶³ https://www.eib.org/attachments/publications/the_eib_climate_adaptation_plan_en.pdf

(NDICI) and the Instrument for Pre-Accession assistance contain an investment framework for external action to raise additional financial resources for sustainable development from the private sector. Such framework consists of the European Fund for Sustainable Development (EFSD+) and the External Action Guarantee, including the Western Balkans Investment Framework and its guarantees, with a capacity of up to €53.4 billion. The EU can also leverage private investments by means of its Interreg, InvestEU and the EU research and innovation programme Horizon Europe.

The EFSD+ will also be the main financial tool for mobilizing investments under Global Gateway, expected to be a major contributor towards climate action. The guarantees will be used for de-risking activities and leveraging of private investment, working together with European and international financial institutions. Where projects have a public added value that is not monetarised and that guarantees cannot address, the EU will use the EFSD+ blending facilities. These facilities make use of grants and loans to support investment projects in EU partner countries while enhancing their sustainability, climate-proofing and development impact.

Together with the private sector and thanks to the leverage effect, this may mobilize more than half a trillion euros in investments for the period 2021-2027. Particular attention will be put on addressing investment needs in the EU Neighborhood, Africa, Western Balkans, countries experiencing fragility or conflict, least developed countries, highly indebted countries, and regions with critical infrastructure and connectivity needs.

The EU is also committed to the promotion of a global Sustainable Finance Agenda with the aim to mobilize private financial resources towards climate objectives alongside public investments. An example in this sense is the International Platform on sustainable Finance (IPSF) that the European Union launched together with some key international jurisdictions. Another example is the recently set up High Level Expert Group on scaling up sustainable finance in low and middle income countries mandated to recommend actions the EU can take to accelerate private finance for the implementation of the external dimension of the Green Deal and a green, just and resilient recovery in partner countries. It will inform the upcoming EU strategy on scaling up sustainable finance in low and middle-income countries.

In 2020, EIB contributed around USD 1.8 bn in direct mobilisation, and USD 13.4 bn in indirect mobilisation, making it one of the largest contributors to co-financing.⁶⁴

At COP26, the EIB launched the Emerging Markets Climate Action Fund (EMCAF) – a dedicated fund for climate investments in Africa, Asia and Latin America.

⁶⁴ <https://www.eib.org/attachments/2020-joint-report-on-multilateral-development-banks-climate-finance.pdf>. NB: the 2021 figures will be included in the jMDB report to be issued in Q3 2022.



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Through its first dedicated Adaptation Plan, the EIB also expanded its capacities to develop bankable projects for adaptation and resilience, through strengthened upstream dialogue with countries, communities and promoters. It will work more closely with the European Commission and external partners to provide more targeted support. This also includes collaboration with the Global Center on Adaptation on adaptation in the most climate vulnerable regions. EIB hopes to contribute to the Africa Adaptation Acceleration Programme, launched by the African Development Bank and the Global Center on Adaptation to mobilize \$25 billion for climate change adaptation on the African continent.

l. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies;

As stated in section 3, the programming exercise 2021-27 provides a specific, tailor-made framework for cooperation and is mainly built on a national or regional strategies, including the Nationally Determined Contributions to the Paris Agreement. It is results-based and takes into account, where appropriate, internationally agreed targets and indicators as well as country-level result frameworks. It sets out the priority areas for EU financing, the specific objectives, the expected results, and clear and specific performance indicators.

For its part, the EIB, in a Joint Statement with other MDBs at COP 26 confirmed that the MDBs are working and collaborating to enhance support to countries for the formulation of robust and ambitious Nationally Determined Contributions (NDCs), Long-term Strategies (LTSs), and National Adaptation Plans (NAPs) in line with the Paris Agreement goals. This includes enhancing synergies between these instruments and ensuring they are mainstreamed into national development plans. MDBs are working together to increase the level of funding and coordination of their support at national, sub-national and sector level to facilitate the development and implementation of LTSs, including by exploring the potential establishment of a joint MDB LTS Facility.

The EIB also became a member of the NDC Partnership. In this context, it has developed a Technical Assistance (TA) Programme aimed at 'Greening Financial Systems', funded by the German International Climate Initiative (IKI). The Programme, implemented in coordination with the NDC Partnership, is designed to promote net zero and climate-resilient financial systems that ultimately will support the private sector in deploying climate-related and environmentally sustainable investments. This is to be done by providing capacity building and support to central banks and supervisors introducing best lending and risk management practices related to green financing.

m. Information on how support provided and mobilized is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris



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Agreement, including by assisting them in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

The EU is in the process of setting up the Global Green Bond Initiative (GGBI) that will support the expansion of the green bond markets in relevant partner countries, thus helping them mobilise capital from institutional investors to finance – through green bonds – their climate and environmental projects. Through technical assistance, the EU supports partner countries to develop credible sustainable finance frameworks and taxonomies and to develop pipelines of green, bankable projects, and fostering linkages between local projects, entrepreneurs and global investors.

The EIB has been leading a consortium of European development finance institutions in their preparation of a proposed investment programme for the Global Green Bond Initiative (which is to benefit from an ESFD+ guarantee). The GGBI will leverage on the Sustainable Finance Advisory Hub to provide a number of green capital market advisory services to (potential) green bond issuers in developing and emerging markets. These services are foreseen to provide advice on the topics of green bond frameworks, green bond project origination and the EU taxonomy, as well as to cover the additional issuance costs of green bonds as compared to vanilla bonds.

In the Neighbourhood East, the EU4Climate action has a specific component to support enhanced mobilization of climate finance, in particular targeting the strengthening of investment pipelines, cooperation with International Financing Institutions, and the promotion of sustainable finance tools.

The EIB Climate Bank Roadmap⁶⁵ set out how the EIB Group intends to ensure Paris alignment of financed projects. In 2021, the Group went a step further by publishing a framework to support the Paris Alignment of counterparties – or PATH framework⁶⁶.

EIB corporate clients need to develop and disclose decarbonisation and resilience plans. In general, EIB will no longer finance standard low-carbon projects of high-emitting corporates if the corporate continues to operate or invest in activities that are not aligned with the goals of the Paris Agreement. Large financial institutions are asked to increase climate-related disclosures. The EIB Group is offering technical support to clients to help them prepare credible and robust climate plans.

n. Information on efforts to integrate climate change considerations, including resilience, into their development support;

Detail: Since 2014, climate change considerations, including resilience, have been integrated into EU development support through a climate mainstreaming target (20 %

⁶⁵ https://www.eib.org/attachments/strategies/eib_group_climate_bank_roadmap_en.pdf

⁶⁶ <https://www.eib.org/en/publications/the-eib-group-path-framework>

for 2014-2020). This target is raised to 30 % for the 2021-27 period. Detailed information on individual programmes, activities and projects can be found in the respective EU's Biennial Reports and National Communications.

In October 2021, the EIB Board approved its first dedicated plan to support adaptation to current and future climate change, as specified in the Climate Bank Roadmap (see also point 10). The timing was designed to respond to the EU Adaptation Strategy, which was duly adopted by the European Commission in February 2021.

The EIB Climate Adaptation Plan builds on the new EU Adaptation Strategy and has three aims: supporting smarter and more systemic adaptation, including establishing a new advisory platform and “one-stop shop” called ADAPT; financing faster adaptation, including the new aim to increase the share of adaptation finance in EIB climate action to 15% by 2025; and accelerating international action on adaptation and resilience, including new partnerships to increase investment in the least developed countries and small island developing states.

The EIB is working hard to implement this plan, notably through upstream engagement, advisory platforms, internal training and tools such as the climate risk assessment system, and business development.

o. Information on how support to be provided to developing country Parties enhances their capacities.

The EU has mainstreamed capacity-building activities into all development assistance, in line with the provisions of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. The EU works closely with governments in developing countries to reinforce administrative capacities and support the development of legal and regulatory frameworks that are conducive to mitigating and adapting to climate change.

Among the platforms and measures the EU employs to build capacity is the Technical Cooperation and Capacity Building facility (TECCBUF) aiming at implementation of the EU's development cooperation within the Pacific ACP region in line with the Pacific Leaders' vision for a region of peace, harmony, security, social inclusion and prosperity.

The exchanges between policymakers in the International Platform on Sustainable Finance (IPSF) are also a way for the EU to share information, best practices and therefore support the development of sustainable finance frameworks and culture in other IPSF jurisdictions.

The capacity of local actors to plan for and implement climate action also features prominently in the EU's cooperation portfolio, including through supporting the Covenant of Mayors for Climate and Energy globally. For instance, through the CLIMA-Med project,



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technical assistance is provided to national and local government in the EU's Southern Neighbourhood on climate change governance, mainstreaming and local planning.

EIB Global is currently exploring how it can build on past experience in terms of provision of technical assistance and advisory services, both inside and outside the EU, to enhance its offering and ensure greater impact of the projects it finances. Helping partner countries build their capacity to develop and implement projects is indeed crucial to ensure that EIB Global fully delivers on its development objectives. This requires financial resources – preferably in the form of grant – as well as human resources, including on the ground, closer to the partners.

For example, EIB Global is rolling out a number of important technical assistance programmes aimed at identifying and preparing investment projects supporting notably digitalization, circular economy or access to finance for women in a number of Sub-Saharan countries. Assisting banks and financial institutions in developing their capacity to identify and assess investment projects is also core to EIB Global's activities, as well as offering training to small entrepreneurs on how to prepare bankable small-scale projects.

Likewise, during Q3 2022, the EIB will be delivering a capacity building exercise on climate finance for senior Egyptian ministerial staff in support of the incoming Egyptian COP27 Presidency. The two training sessions to be provided will focus on global climate finance frameworks and principles, and climate adaptation finance. The sessions are aimed at providing the Egyptian ministerial staff with a solid understanding of climate finance in general, and concepts of topic at COP27 in particular.

p. Possible additional information

Just transition

Just transition is a key pillar in the EIB Group Climate Bank Roadmap. In 2021, a comprehensive proposal in support of the Just Transition was set out by the Group, detailing their approach inside the EU. One of the priorities in 2022 is to enhance the approach for global operations.

The development context outside the EU requires a holistic approach to accelerating the climate action alongside the pursuit of sustainable development goals. When considering the scope of just transition approaches outside EU, the nature of just transition issues in developing countries emerges as different and more complex.

In the context of international climate negotiations, several industrialised countries – including some EU Members States and the European Commission – have launched efforts to establish “Just Energy Transition Partnerships” (JETPs). The aim is to accelerate the decarbonisation efforts in the energy sector in several, relatively high-emitting



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emerging economies (e.g. in South Africa). These Partnerships would clearly involve strong just transition elements to accompany the energy transition.

The EIB already supports JETP initiative in South Africa and stands ready to support similar initiatives in other countries where the acceleration of decarbonisation efforts is of critical importance.

The EIB's Just Transition work outside the EU will build on and complement the Bank's ongoing efforts to increase synergies between its Climate Action and broader social development, with focus on gender equality and women's economic empowerment, conflict and fragility, and migration and forced displacement

EIB Global

In 2022, the EIB established a dedicated branch, EIB Global, bringing under a single "umbrella" all its activities outside the European Union. The objectives of EIB Global are to develop its own strategic orientations, build stronger partnerships, including but not exclusively with development policy makers and with a Team Europe approach, combining resources from the EU, its Member States and financial institutions. EIB Global's priorities are anchored in the global EU policy agenda – the "policy first" principle.