

Submission of Switzerland to communicate indicative quantitative and qualitative information related to Article 9, paragraphs 1 and 3 of the Paris Agreement for 2023 and 2024

In accordance with Article 9 Paragraph 5 of the Paris Agreement, hereby Switzerland submits the available 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.

1. Enhanced information from Switzerland to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available:

In 2020, Switzerland provided 415 Mio. USD of climate specific bilateral and multilateral public finance, approximately 228¹ Mio. USD through bilateral and 187 Mio USD through multilateral channels.

Switzerland will continue to provide public climate finance and has set, under the budget position for international cooperation, the target to provide 400 Mio. CHF (approx. 426 Mio. USD) public finance per year by 2024 through bilateral and multilateral channels for climate action in developing countries. If the replenishment negotiations for GCF-2 and the GCF board discussions on the USP-2 meet our expectations, this will include a Swiss contribution to the Green Climate Fund. The target was set in the context of Switzerland's international cooperation strategy 2021-2024. It is not possible to project the detailed projected annual levels for 2023 and 2024.

In addition to this, Switzerland will continue to make a contribution to the Global Environment Facility, the LDCF, the SCCF and the Montreal Fund and has committed in total 197,75 Mio CHF (approx. 210 Mio. USD) for the four-year period 2023-2026.

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

Switzerland will continue to provide its international public climate finance primarily through grants as well as partially in the form of other instruments, such as public equity and modalities, such as results-based payments and public-private partnerships, to increase the mobilization of private capital.

Switzerland will also continue to provide grant contributions to multilateral institutions and other organisations, which then may use the concessional finance provided by Switzerland for possible blending through other financial instruments, such as concessional loans, equity or guarantees.

Switzerland will continue to provide its public climate finance through bilateral and multilateral channels, including the operating entities of the Financial Mechanism. Switzerland has committed 150 Mio. USD for GCF-1 and 155,4 Mio CHF for GEF-8 (35% increase compared to the Swiss contribution to GEF-7), and overall CHF 39.5 Mio. to the Adaptation Fund until 2024. In line with the call for doubling adaptation finance, Switzerland will double its contribution to the LDCF/SCCF from a total of 13 Mio. CHF for the period of 2019-2022 to a total of 26 Mio. CHF for the period 2023-2026.

3. Swiss information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness

Addressing climate change and its effects and managing natural resources sustainably is one of the four overarching objectives of the Swiss international cooperation strategy 2021-2024 and is expected to continue so in its next strategy, 2025-2028. Thematic priorities for each country are defined in country specific programs, elaborated in a dialogue with the partner country. Climate relevant support

¹ These numbers include the climate specific share of multilateral and bilateral public finance provided by Switzerland for climate action in developing countries. Switzerland's definition for developing countries builds on the OECD DAC list of ODA eligible recipient countries.

is provided to numerous countries through bilateral cooperation. Further details on how this strategic objective will be implemented (incl. policy priorities and sectors) together with Switzerland's partner countries in the various geographic regions are provided in the following document, section 4, including a list of partner countries (page 27): https://www.eda.admin.ch/dam/deza/en/documents/die-deza/strategie/broschuere-IZA-strategie-2021-2024_EN.pdf

The promotion of gender equality is also part of one of the four strategic overarching objectives of the Swiss international cooperation strategy 2021-2024. Gender responsiveness will continue to be mainstreamed into the Swiss climate action support.

Geographic focus, according to the Swiss international cooperation strategy 2021-2024:

The **Swiss Development Cooperation** (SDC) is primarily active in the following countries:

- Afghanistan
- Albania
- Bangladesh
- Benin
- Bolivia
- Bosnia and Herzegovina
- Burkina Faso
- Central African Republic
- Central America (Nicaragua, Honduras)
- Central Asia (Kyrgyzstan, Tajikistan, Uzbekistan)
- Chad
- Colombia
- Cuba
- The Greatest Lakes Region (Rwanda, Burundi, Democratic Republic of the Congo)
- Horn of Africa (Somalia, Ethiopia, Kenya)
- Haiti
- Kosovo
- Mali
- Mekong region (Cambodia and Lao's People's Democratic Republic)
- Middle East (Syria, Lebanon, Jordan, Iraq)
- Moldova
- Mongolia
- Mozambique
- Myanmar
- Nepal
- Niger
- North Africa (Tunisia, Libya, Morocco, Egypt, Algeria)
- North Korea
- North Macedonia
- Occupied Palestinian Territory
- Serbia
- South Caucasus (Georgia, Armenia, Azerbaijan)
- South Sudan
- Southern Africa
- Sudan / Eritrea
- Tanzania
- Ukraine
- Yemen

The **Economic Cooperation and Development of the Swiss State Secretariat for Economic Affairs** focuses its bilateral interventions on the following countries:

- Albania
- Azerbaijan
- Bosnia and Herzegovina
- Colombia
- Egypt
- Ghana
- Indonesia
- Kosovo
- Kyrgyzstan
- North Macedonia
- Peru
- Serbia
- South Africa
- Tajikistan
- Tunisia
- Ukraine
- Uzbekistan
- Vietnam

In addition, **SDC's Thematic Cooperation (Climate, DRR and Environment (CDE))** follows a global and regional approach. It supports innovative climate, environment and disaster risk reduction

activities and engages in global negotiations and norm setting. It collaborates with governments at global level, in selected regions and countries to create enabling policy environments for ambitious climate actions. CDE works with partner countries on topics based on needs, interest and political will and where it can generate an added value and contribute to significant change.

SECO Climate Network (CN) is a center of competence and support to the development cooperation sections of the Swiss State Secretariat for Economic Affairs (SECO) in the field of climate change. It supports the implementation of the Swiss international cooperation strategy 2021-2024. It strengthens expertise and awareness to climate risks and opportunities within SECO operations. It works towards a greater mobilization of private funds for climate. It supports SECO's operations in systematically taking climate risks and mitigation and adaptation measures into account in the design and monitoring of its activities. SECO also works with and through multilateral partners to increase climate finance and climate impact globally and complement bilateral approaches and investments.

4. Swiss information on purposes and types of support: mitigation, adaptation, crosscutting activities, technology transfer and capacity-building

Switzerland will continue to provide support for mitigation, adaptation and cross-cutting activities. In 2019 and in 2020 Switzerland has provided slightly more public climate finance on a grant equivalent basis for bilateral adaptation activities in developing countries than for bilateral mitigation activities. Switzerland will continue to aim for a balance in its support to developing countries for mitigation and adaptation activities on a grant equivalent basis for 2023 and 2024.

Switzerland aims to contribute to the call for doubling adaptation finance to USD 40 billion by 2025 based on its capacity to pay and the polluter-pays principle in comparison to other developed country Parties to the Paris Agreement, including by continuing to provide at least 50% of its public bilateral grant-based public climate finance for adaptation. Switzerland considers all high-income economies except vulnerable SIDS to be developed countries and therefore relevant for this assessment.

Switzerland provides and mobilizes also significant resources to avert, minimize and address climate induced losses and damages. These efforts are only partially captured in Switzerland's climate finance figures. In particular the Swiss efforts in the humanitarian space are by and large not accounted in the figures above.

Switzerland will pursue to provide technology transfer and capacity-building support for climate action to developing countries. Technology transfer and capacity-building will continue to be an integral part of most projects and programs of the Swiss bilateral climate support to developing countries.

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

Switzerland supports innovative climate action and collaborates with governments and other stakeholders in selected regions/countries to create enabling environments for ambitious climate policies, actions and climate resilient development. Switzerland is active in thematic areas and geographic contexts where it can build on Swiss expert's knowledge and experiences such as for example energy efficiency in the building sector or Disaster Risk Reduction in mountainous regions. Projects are selected based on their quality; country priorities and needs (as per their NDCs); political will and enabling environment in the recipient country; as well as sustainability and scalability potential of a project.

Project proposals with a geographic focus on Swiss partner countries (cf. list above) have a higher chance to be taken into account.

In addition, Switzerland supports several multilateral (see above) and global initiatives, which work towards a paradigm shift at global level in one specific thematic field, such as the Climate and Clean Air Coalition (CCAC), the Energy Sector Management Assistance Program (ESMAP), or the Climate Risk and Early Warning Systems Initiative (CREWS).

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

Switzerland notes that the Paris Agreement does explicitly not call for new and additional resources.

Switzerland's development assistance has gradually shifted to place an enhanced focus on climate change, thus pushing the envelope of climate-relevant and climate-proofed programmes and projects in developing countries. These strategic decisions lead to a remarkable progression compared to previous efforts, e.g. from 2013 to 2020 the Swiss international climate finance (inclusive mobilized private finance) increased by 82.5% and has therefore almost doubled in 7 years. Switzerland therefore will continue to consider and determine its provided climate finance as new and additional.

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

The Swiss climate support to developing countries is currently financed primarily through the 4-year framework credits for international cooperation and partially also through its 4-year framework credit for the global environment. Those 4-year framework credits are decisions of the parliament on the maximum available funds during the given period for this specific purpose. The current 4-year framework credits and the accompanying strategy for international cooperation run from 2021-2024. The current 4-year framework credit for the global environment runs from 2023-2026.

In addition to the framework credits, Switzerland has annual budget cycles. During the annual parliamentary debate on the budget the Swiss parliament can adjust the foreseen budget based on the 4-year framework credits, given the fact that the 4-year framework credits are considered as maximum available funds. Therefore, the full realization of the objectives described in the strategies related to the 4-year frameworks might depend, to some extent, to the annual budgetary decisions of the Swiss parliament.

The Swiss support to developing countries for climate action is deployed in a demand driven manner and therefore can only be provided if the Swiss partner countries also prioritize climate actions in our partnership and within their countries (as per their NDC and other relevant national strategies and policies) and demonstrate engagement at national and potentially subnational level accordingly. The demand and absorption capacity of our partner countries is therefore a crucial element for the level and focus of our climate support provided to developing countries.

8. Swiss information on relevant methodologies and assumptions used to project levels of climate finance

The projected levels are based on political targets (e.g. goal of 400 Mio CHF per year by 2024, set by the Federal Council) or actual commitments (e.g. contribution to GCF-1 or GEF-8).

9. Swiss information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them

A mayor independent evaluation on SDC's climate change portfolio issued in 2022 demonstrated that its climate projects generally showed high standards of design and performance (effectiveness, impact and sustainability), with important transformational potential. SDC's strength in delivering high quality projects is mainly due to its effective presence in partner countries, and a long-term programmatic approach allowing for learning and adapting interventions between phases. According to the evaluation,

SDC also builds on many strong and effective partnerships, which operate thematically at the global and regional level, and support project delivery, networking, replication and informed policy development at the national and local level. About half of the SDC projects examined involved empowering communities to manage local resources for their own long-term benefit. Such a nature- and community-based approach is recognized as key to addressing the 'triple challenge' of climate, biodiversity and poverty through sustainable development and humanitarian instruments. SDC is working on addressing weaknesses and challenges identified in the report including in the area of knowledge management as well as under-reporting of co-benefits and isolated cases of weak project design. Also, the evaluators found that SDC could react faster to change and still better leverage opportunities for replication and sustained impact at the regional and global levels. The evaluation findings inform the development of the relevant chapters of the international cooperation strategy 2025-2028.

SECO is currently evaluating its climate portfolio. This work should be finalized by summer 2023. The preliminary results show that the climate intensity of the SECO commitments increased from the 2017-2020 period to the present 2021-2022 in terms of climate weighted-finance. Between the 2017-2020 period and the 2021-2022 period, climate relevant finance increase from 51% to 62 %. Similarly, between the 2017-2020 period and the 2021-2022 period, the volume of weighted climate commitments as a share of total committed volumes increased from 31% to 38%. Beyond SECO's climate finance, further analysis of themes like SECO's Paris alignment, impact funding, mobilization of private funds for climate are underway.

10. Information on how Switzerland is 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

In 2019 and in 2020 Switzerland has provided slightly more public climate finance on a grant equivalent basis for bilateral adaptation activities in developing countries than for bilateral mitigation activities. Switzerland will continue to aim for a balance between its support to developing countries for mitigation and adaptation activities on a grant equivalent basis for 2023 and 2024.

The Swiss support to developing countries for climate action is deployed in a demand driven manner, where the majority of partner countries prioritizes adaptation over mitigation.

Switzerland aims to contribute to the call for doubling adaptation finance to USD 40 billion by 2025 based on its capacity to pay and the polluter-pays principle in comparison to other developed country Parties to the Paris Agreement, including by continuing to provide at least 50% of its public bilateral grant-based public climate finance for adaptation. Switzerland considers all high-income economies except vulnerable SIDS to be developed countries and therefore relevant for this assessment.

Switzerland will continue to provide its climate action support in particular for adaptation actions primarily through grants.

11. Action and plans from Switzerland 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

Switzerland remains committed to increasing its share of mobilised private finance as part of its climate finance spending. It is also keen to advance efforts at the international level to collectively capture and report on private climate finance mobilised through multilateral channels and to fully capture the outflow of public climate finance by multilateral institutions.

Switzerland also supports developing country governments and their financial institutions (e.g. central banks) to better understand, assess, and integrate climate risks and priorities into their activities. It supports the development of framework conditions and financial instruments (e.g. green bonds) that will accelerate public and private investments in climate-related sectors in developing countries.

Switzerland promotes systematic partnerships and increased coordination within the international climate finance architecture, which are crucial to increase efficiency and mobilization from a variety of sources.

In 2020, Switzerland has mobilized approximately 106 Mio. USD private climate finance through its contributions to multilateral organisations and has mobilized 180 Mio USD private climate finance through bilateral co-financing. Switzerland aims to continue to increase its share of mobilized private climate finance in 2023 and 2024.

12. Swiss information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies

Relating to multilateral programming – likewise the bilateral programming – Swiss delegates will continue to advocate for country ownership (implying country need-based, dynamic and multi-stakeholder programming, embracing partnerships with private sector and civil society organizations, including vulnerable groups) and impact oriented programming in the various multilateral funding institutions and governing bodies of multilateral climate finance funding schemes, in which Switzerland will participate as a contributor.

All multilateral activities supported by Switzerland will continue to ensure that their activities are endorsed by the partner countries to ensure the projects fit within their priorities and that the funded interventions are sustainable.

In addition, most multilateral institutions, which are active in the area of climate finance, strive to better integrate and align their portfolio with the communicated nationally determined contributions, adaptation communications, national adaptation plans and long-term low emission development strategies of developing countries. This is for instance an important component of the Paris alignment process of Multilateral Development Banks, which also assist countries in formulating and implementing these strategies. The better crafted, including appropriate detail and precision, these national plans and strategies are, the easier it is for agencies to align their investments and initiatives with the national priorities of developing countries.

13. Information on how support provided and mobilized by Switzerland 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

Switzerland has set climate change as one of the four pillars of its new international cooperation strategy 2021-2024, strengthening its support to mitigation and adaptation projects and programs.

In order to boost the mobilization of the private sector for climate-friendly investments in developing countries, SECO is promoting partnerships, including multilateral partnerships, aimed at mobilizing private resources. In addition to the specific programs on climate change, this topic will be mainstreamed in most development cooperation projects and programs. Further, SECO is also supporting several projects and programs, which support developing countries to align their financial sector with a low-emission and climate resilient development pathway.

SDC is through various initiatives supporting countries in implementing their NDCs, adaptation communications and long-term low-emission development strategies to ensure long-term alignment to the Paris Agreement. Partner countries are invited to demonstrate their commitment to ambitious climate action.

Switzerland also encourages multilateral organizations to align their operations with the Paris agreement goals and invest only in projects that are sustainable from a climate adaptation and mitigation point of view.

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

In accordance with its international cooperation strategy 2021-2024, Switzerland systematically takes climate risks as well as mitigation and adaptation measures into account in the design and monitoring of all its development cooperation activities. A specific tool, the “Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG)” was developed. Specific trainings and workshops are provided to cooperation offices and collaborators, based on demand. Climate mainstreaming guidelines have also been developed in specific sectors (water, sanitation, mobility, urban planning, sustainable finance, private sector support, trade and macro-economic support). Switzerland will continue to strengthen the capacity of national and sub-national governments and local communities to adapt to the impacts of climate change through its projects and programs. It also has and will continue to proactively identify climate change mitigation opportunities in its projects and programs.

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

Capacity building is an integral part of most bilateral projects of the Swiss international cooperation. Interventions usually aim at increasing capacities of government officials at national and subnational level, scientists and community members in order to enhance ownership and long-term impacts of project interventions.

In addition, SECO supports developing countries in developing regulatory frameworks that enhance mitigation opportunities and reduce climate risks in order to foster private investment.

The approach of SDC to capacity development is rooted in principles such as ownership, flexibility, subsidiarity, and inclusion. Operational support is country specific and responds to partner countries' development priorities. As much as possible, it is built upon local expertise.