



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

Budapest, 20/12/2024

Subject: 3rd Biennial Communication by the EU and its Member States in accordance with Article 9, paragraph 5, of the Paris Agreement

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Introduction/background

In Article 9, paragraph 5 of the Paris Agreement, developed country Parties are requested to submit biennial communications of indicative quantitative and qualitative information, as applicable, including, as available, on projected levels of public financial resources to be provided to developing country Parties, starting in 2020. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.

In accordance with Art. 9.5 of the Paris Agreement and subsequent relevant decisions (12/CMA.1, 14/CMA.3, 13/CMA.5), the EU and its Member States hereby present its 3rd biennial communication.

The EU's biennial communication consists of 2 sections:

1. **Section 1** provides a summary of key takeaways on the basis of cross-cutting information on actions undertaken by each of the EU Member States and the European Commission, which are fully reflected in section 2. The main focus of this section is to provide an overview on those areas where Parties were asked to improve its information and reporting, in accordance with relevant CMA decisions (14/CMA.3 and 13/CMA.5). With a view to inform and improve the reporting, this first section also reflects on how the types of indicative quantitative and qualitative information, as applicable, can be updated, based on our experiences and lessons learned.
2. **Section 2** contains the individual chapters of each of **the EU Member States and the European Commission**, containing the information requested in the annex of decision 12/CMA.1.



Section 1. Summary of key takeaways from the EU and its Member States on ex-ante reporting in accordance with Art. 9.5 of the Paris Agreement

1. Improved information in the EU's biennial communication

The EU sees transparency in climate finance as a key element in helping to build mutual trust and confidence between Parties to the UNFCCC, and in promoting the effective implementation of global climate action. As a lead climate finance contributor, the EU and its Member States are prioritizing and continuously improving transparency in tracking and reporting its international climate finance and support, including with a view to further streamline reporting and tracking. **This is well reflected in the individual chapters of the EU Member States and the European Commission (see section 2).**

The domestic reporting systems are broadly aligned with both the OECD and the UNFCCC Enhanced Transparency Framework, which increases the likelihood of having consistent, coherent and comparable data within the international reporting frameworks, and reduces the complexity and the burden on the reporting and tracking. The EU has set in place a legislative framework¹ whereby all EU Member States are bound to report on information on support provided to developing countries, which is much aligned with the enhanced transparency framework. This framework enables the EU to communicate every year its overall international climate finance figures, both climate finance from public sources and mobilisation of private finance through public interventions, to contribute to enhanced transparency and improved trust with our partners. In 2023, the EU and its Member States contributed EUR 28.6 billion from public sources (bilateral and multilateral), and in addition mobilised EUR 7.2 billion of private finance to support developing countries' partners' climate efforts.

On the basis of the experience of the EU and its Member States, all contributors of climate finance are encouraged to report on climate finance provided and mobilised with a view to improve transparency and enable stronger coordination, complementarity and coherence between different providers and actors, as this carries the potential to catalyse more climate finance.

2. Improvements in providing information on the indicative projections of climate finance for developing countries and on specific plans for scaling up the provision and mobilisation of climate finance

The following parameters are identified as paramount by the EU and its Member States to improve information on indicative projections and on specific plans for scaling up climate finance:

- Organising the budgetary planning through multi-annual agreements with partner countries or medium-term expenditure frameworks, including an indicative outlook for coming years and annual budget cycles, as seen by Finland making use of multiannual agreements when possible, such as through the GEF and GCF, even with annual budget cycles;
- Ensuring official approval of the budget on climate finance by the Government, for example Denmark aims to provide clarity by politically committing to a series of budget targets;

¹ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 ('governance regulation') and Article 6 and annexes III-V of Commission implementing regulation 2020/1208

- Putting in place a nation-wide strategy on climate support, notably in the context of the 2030 Agenda for Sustainable Development, such as the Portuguese Development and Cooperation Strategy 2030 which contains a pillar dedicated to Climate Action and the Green Transition;
- Embedding climate finance in different budget lines across different ministries/divisions, which have their own program or cooperation, contributing to climate mainstreaming, as is the case in Latvia where humanitarian aid interventions have integrated mitigation as well as adaptation action;
- Developing official modalities with partner countries that identify main priorities and measures on implementing projects within those countries (e.g. development of action plans for adaptation to climate change). For instance, the support provided by Belgium to partner developing countries partners is demand-driven and based on consultation with them. Similarly, Spain's Development Cooperation system is based on agreements reached with the partner countries responding to their demands.

3. Improvements in providing information on projected levels of climate finance, including on details on themes, various channels and instruments and in enhancing the quality and granularity of information on programmes, including projected levels, channels and instruments, particularly on climate finance for the least developed countries and small island developing States

The EU and its Member States recognise that public climate finance, including international climate finance remains critical to support vulnerable countries and communities, especially those that are disproportionately affected by the impacts of climate change, notably in the Least Developed Countries and Small Island Developing States. Likewise, the provision of information on such finance is a priority for the EU to ensure transparency and predictability. In that respect the EU domestic legislation on reporting international climate finance requires and facilitates the provision of qualitative information, including aspects such as predictability, alignment with the long-term goals of the Paris Agreement, channels and barriers encountered et cetera.

The following measures have been identified by several Member States of the EU as useful to improve information on projected levels, thematic areas, channels and instruments and in enhancing the quality and granularity of information:

- Publicly available databases which include relevant information on on-going projects, as is the case in Belgium where each entity has their own database consisting of information on international climate finance projects and programmes;
- Set climate-spending targets on the provision and/or mobilisation of international climate finance for a certain period, for example France has set a target of EUR 6 billion annually between 2021 and 2025 (which has been met and exceeded in 2021 and 2022 so far);
- Long-term commitments when supporting flows to/through multilateral organisations, such as Greece entering into a range of long-term, multi-year commitments for funding multilateral organizations to increase predictability.
- For its part, the EU has set a climate spending target (30%) under its external budget, and the European Investment Bank will support EUR 1 trillion in climate action and environmental sustainability from 2021 to 2030.

4. Information on EU's efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

The EU and its Member States recognise the importance of scaling up finance for building resilience and enhancing adaptive capacities to climate change. We reaffirm the resolve of the EU and its Member States to respond to the urging of doubling the developed countries' collective provision of climate finance for adaptation to developing countries by 2025, compared with 2019 levels. The EU also stresses the critical role of international concessional finance and domestic public finance in supporting and leveraging adaptation efforts through proper programming, planning, and budgeting, which improves access and is inclusive of private finance.

The following elements have been identified as important in the subsequent chapters of the EU and its Member States:

- The balance in the provision of climate finance for mitigation and adaptation is an international aim and is not to be met at individual contributor's level;
- Noting that both quantitative and qualitative aspects are important to consider when striving for a balance, many Member States focus on continually improving the provision of adaptation support and recognise the importance of the delivery of public, grant-based adaptation finance, see Denmark's target of at least 60% of public, grant-based climate finance targeting adaptation with a particular focus on poor and vulnerable countries;
- Expressed interest of and the identified priorities and needs by the receiving country are key determining factors for increasing support for resilience-building and adaptation. These priorities and needs are identified in dialogue with partner countries. Using this approach, Sweden directed 50% of its climate finance to adaptation, in both 2022 and 2023;
- Many Member States have a specific focus on poor and vulnerable countries both in the provision of bilateral support as well as contributions through multilateral funds and organisations, e.g. through the Least Developed Countries Fund and the Special Climate Change Fund;
- Many Member States aim to support the efforts of Funds and organizations, which are striving to achieve a balance between adaptation and mitigation support, such as the Green Climate Fund. Many Member States also provide support to the Adaptation Fund and are member of the Champions Group on Adaptation Finance (the Netherlands, Germany, Finland, Ireland, Belgium, Italy, Sweden and Denmark);
- Acknowledging the need for a comprehensive approach, some Member States prioritise projects that address both adaptation and mitigation elements to maximise the impact of the interventions made, such as Slovenia prioritising projects that address adaptation and mitigation simultaneously as well as projects that offer synergies across multiple sectors.

5. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them, including information on improving enabling environments to strengthen the absorptive capacity of developing countries and lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

Enabling conditions and investment environments play a key role for enhancing climate action together with domestic financial mobilisation. This requires a whole-of-government approach, by

mainstreaming climate action into macro-economic and fiscal policies, including through carbon pricing, budgeting, public investment, and procurement processes, and by involving economic stakeholders and strengthening their engagement with climate action.

Each country should create and improve enabling conditions and investment environments to mobilise scaled-up finance and to catalyse investments in climate action. The EU and its Member States stand ready to build strong alliances with and support developing countries, including through capacity building efforts thereof.

In this regard, the work of the Coalition of Finance Ministers for Climate Action, to which many EU Member States actively contribute, stands out. Therefore, we welcome the launch by the Coalition, in cooperation with the NDC Partnership, of the Nationally Determined Contribution (NDC) support initiative to strengthen the engagement of Ministers of Finance in developing, financing, and implementing NDCs.

The EU and its Member States emphasise the ongoing challenges faced by many developing countries in accessing climate finance, in particular those that have significant capacity constraints, including fragile states or countries affected by conflict, and recognise the need for further efforts to address such challenges.

The following challenges and barriers were identified by several Member States and the Commission in their chapters:

- Access to climate finance continues to be a challenge for communities, regions and countries that are fragile or affected by conflict;
- Annual budget cycles can make it difficult to predict future climate finance;
- Partner countries might prioritise cooperation in sectors other than climate, or on climate interventions where contributing countries' expertise is more limited;
- The planning cycles of contributor countries and partner countries might not coincide;
- Challenges within contributor countries such as limited awareness within institutions, the lack of effective management of funds, limited financial public resources to increase financial support to developing countries;
- Many 'supply side' initiatives address a particular issue, creating clutter and fragmentation, which can lead to an ineffective climate finance ecosystem;
- Taking preventative measures against misuse or mismanagement of grants;
- Challenges from an investor perspective: debt vulnerabilities, exchange rate fluctuations, high inflation rates, technical capacities among implementing partners and gaps in regulatory frameworks;
- Other: long-distance communication, language barriers, local specificities, development status, lack of enabling environments and stable conditions; overhead costs

The following lessons learned and (potential) measures to overcome the identified challenges and barriers were identified by several Member States and the Commission in their chapters:

- The need to mobilise the private sector at scale through effective and credible policy frameworks, able to tackle market failures and other barriers to unlock increased investments in climate action, for example Germany's International Climate Initiative (IKI) has put in place an incentive by setting a deliberate goal within its IKI Strategy 2030 to mobilise at least EUR 1.5 billion of private capital until 2030;

- Clear ownership of climate finance programs, including formal approval by the Government and include timely evaluations or assessments to make these programs more focused as well as more flexible by taking into account lessons learned from its implementation. The Netherlands undertake a periodic review whereby lessons learned inform future efforts and the range of recommendations to improve the provision and mobilisation of climate finance.
- The importance of partner countries prioritising climate in their own national planning and budget processes, as well as in dialogue with contributors, see Sweden's international development cooperation agency Sida focusing on reform efforts and policy coherence in partner countries to promote a green transition;
- The importance 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 as the more clarity about the needs and priorities and specific actions to meet them exists, the better resources can be planned. In this regard, several Member States are taking action to provide support for building capacity for developing such planning instruments;
- Co-creation of proposals are a way to ensure support is responding to domestic priorities and development goals, and to enable national entities towards successful implementation. Regular dialogue between international donors and partner countries on development policy and finance also helps to understand how to best match climate finance needs with sources of available finance. In this regard, Ireland highlights following the principles for Locally-Led Adaptation to support local action and ensure that local governments and civil society are able to implement effective, climate-sensitive climate projects;
- The launch of pilot projects to identify and address bottlenecks affecting the quality and bankability of climate relevant projects, particularly with regard to adaptation projects in the poorest and most vulnerable countries, as enacted by Denmark to overcome barriers, including by supporting project preparation and facilitations mechanisms;
- The development of a reporting mechanism to gather more qualitative data on mobilised private finance as well as improved data exchange with international finance institutions, as highlighted by Latvia;
- Working closely together with the OECD on reporting frameworks and learn from the experiences of other contributors and partners, an approach applied by Romania and Latvia, as more recent contributors amongst the EU Member States;
- Strengthening the organisational and human resource capacities at ministries and other organisations;
- Undertaken reviews by some Member States in this regard, identified the following recommendations:
 - Strengthening local ownership of and participation in identifying, assessing, designing and evaluating programs;
 - Strengthening context and climate risk and vulnerability analyses to avoid climate-blind programs and strengthen climate-responsiveness; and
 - Better adapt different climate finance (blending) instruments to local needs and conditions and stages of progress/development.

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

Numerous initiatives are undertaken by the EU and its Member States to ensure that financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies. Here below some of the most common initiatives across the EU and its Members States are reflected:

- By implementing the “Busan Partnership for Effective Development Co-operation” agreement through country and regional strategies, jointly developed with partner countries, such as Austria cooperating with partner countries based on the Busan Principles in order to reflect current and emerging interests, needs and priorities of their partner countries;
- By consulting with partner countries and the relevant stakeholders in those countries on the country’s needs which builds on any national strategies or plans in those areas. For example, the Czech Republic puts ownership and partnership at the centre of their cooperation programmes in order to reflect the needs of recipient countries;
- By establishing Memorandums of Understanding (MoU) discussed and agreed with partner countries, for example Portugal establishes MoU’s based on the recipient country putting forward its own proposals based on their expressed needs;
- By engaging with local offices which allows to identify projects on the ground with the public and private national partners, an approach widely employed by France through its Development Agency;
- By having an explicit focus on the countries that are poorest and most vulnerable to climate change. This includes (e.g. Ireland, Germany) supporting initiatives and funds that provide aid specifically targeted at the identified needs and priorities of developing country Parties, such as the Least Developed Countries Fund, the Least Developed Expert Group and the Special Climate Change Fund;
- By using recipient countries’ NDCs, NAPs and other cross-sectoral climate strategies as the starting point for the identification of the countries’ priorities – Sweden and Lithuania being among Member States aiming for such alignment;
- By requesting implementing organizations to carry out context, problem and stakeholder analyses, and in that process also refer to climate profiles such as those published by the IPCC, and not least also to National Determined Communications (NDCs), National Adaptation Plans (NAPs) and other relevant national policies and strategies, as highlighted by the Netherlands;
- By working with established partners and global initiatives within the international climate finance space, such as the GCF, the IFRC’s DREF and the Adaptation Fund, as done by Malta and Germany to ensure that targeted support is part of cohesive systems and is in line with needs and priorities of recipients.

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

Numerous initiatives are undertaken by the EU and its Member States to ensure that support provided to developing country Parties enhances their capacities. Here below some of the most common initiatives across the EU and its Members States are being reflected:

- By including systematic capacity needs assessments in programmes and projects which allows for tailored funding to cater existing and emerging needs and interests expressed by developing countries, as done by Austria;
- By including technical assistance through twinning arrangements with institutions of the contributor country or provisions of long- and short-term technical advisors, as in Denmark where coaching and on-the-job training is prioritised with a view to move towards independency of external expertise;
- By creating a dedicated grant tool to support most emissive or most vulnerable developing countries in their transition to a low-carbon and resilient development model, for example France has created the 2050 Facility to support the elaboration of long-term strategies of partner countries;
- By addressing capacity-building as an integral part in projects including through transfer of knowledge, expertise and/or technology;
- By being context-specific, results-based and consistent with national priorities. Spain highlights the following key issues for enhanced capacities in all countries: scientific and technical knowledge, strategic planning, economic and social co-benefits of climate change policies, and the inclusion of climate change into formal and informal education (Action for Climate Empowerment);
- By funding to several funds that assist countries in capacity building and strengthening the enabling conditions and investment environments of recipient countries;

8. 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; (12/CMA.1, annex, 14/CMA.3)

The private sector will have to undertake the largest share of the required investment in net-zero, resource-efficient and climate-resilient development. In this context, the EU and its Member States stress the importance of private sector involvement, including by large enterprises and the financial sector, in the climate transition and in transitioning environmentally harmful activities towards sustainable ones, using tools such as taxonomies, sustainability reporting standards, and sectoral pathways towards Paris Agreement alignment.

In this regard, the adequate management of transition and physical climate risks is essential and the EU encourages sustainability disclosures worldwide including by private financial actors, noting its multiple benefits such as access to capital, enhanced reputation, and more robust risk management. We also acknowledge the need for proportionate regulatory frameworks that minimise costs of doing business while maintaining rigorous environmental and social standards.

The Multilateral Development Banks and other International Financial Institutions are key to both unlocking investment opportunities and mobilising finance for climate and development, through own lending, catalysing private finance and promoting domestic resource mobilisation and enabling environments for climate finance and investments.

Here below a snapshot of some of the information of the EU and its Member States on actions and plans to mobilise additional climate finance as part of the global effort to mobilise climate finance from a wide variety of sources:

- The role of national development banks and national development financing institutions, which work closely together with private sector entities and play an important role in the effort to increase mobilisation of private climate relevant investments, for example Germany aims to mobilise capital market funds through its national development bank KfW and its subsidiary DEG by using its investment grade rating;
- The potential role of innovative sources of finance, that can generate significant amounts of finance for climate action, including from private investors, including pension funds, for climate relevant investments in developing countries. For example, Portugal is engaged in mobilising climate finance through innovative mechanisms, like the debt for climate swap signed with Cape Verde's and São Tomé's governments;
- The importance of board-level decision making in multilateral institutions to ensure the further mobilisation of climate finance through these institutions;
- The allocation of Special Drawing Rights to the IMF's Resilience and Sustainability Trust, as highlighted by Ireland and Spain;
- The importance of engaging in concrete actions and partnerships on mobilising climate finance and/or promoting private sector engagement in development cooperation. For example, Belgium used a two-fold approach, providing support that directly mobilises private climate finance, and supporting partner countries in creating capacities and enabling institutions that will result in indirectly mobilising additional private investments;
- The importance of engaging with the multilateral development financing institutions as a channel for scaling up climate finance mobilisation both through their own resources and through increased mobilisation of private climate relevant investments, for example the EIB (which is one of the largest contributors to co-financing) has launched the Emerging Markets Climate Action Fund (EMCAF), a dedicated fund for climate investments in Africa, Asia and Latin America;
- The use of various financial instruments to promote private capital mobilisation, including blended financing instruments and debt swaps, with a view to enhance private investments in climate action and in support of sustainable development, see the EU Global Gateway strategy which offers a variety of risk-sharing instruments of up to EUR 40 billion to boost major investments in partner countries;

9. 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 (12/CMA.1, annex; 14/CMA.3)

Here below a brief sum-up of information of the EU and its Member States on how support provided and mobilised is targeted at helping developing countries in their efforts to meet the long-term goals of the Paris Agreement:

- By working towards aligning financial flows domestically and internationally in line with the long-term goal of the Paris Agreement of Article 2.1(c) (see below under 10);
- By implementing strategic sector cooperation partnerships (authority to authority collaboration) with energy and climate authorities that support i.a. countries' long-term energy sector modelling and planning for transformation – Denmark champions this approach with more than 20 strategic cooperation partnerships;

- By developing a facility to support the implementation of the Paris Agreement in developing countries, through technical cooperation and capacity-building actions, as done by France through the AFD 2050 Facility;
- By being actively involved in the Coalition of Finance Ministers for Climate Action (22 EU Member States are currently engaged in the Coalition), which has a shared common objective of mainstreaming climate considerations in the domains of Ministries of Finance;
- By participating in various donor coordination groups that advocate for the alignment of development cooperation and finance with the long-term goals of the Paris Agreement, as highlighted by Finland, in particular in the context of the Like-minded Group on MDB Paris Alignment;
- By ‘greening’ the instruments for foreign trade and development cooperation in support of the goals of the Paris Agreement and the SDG agenda, as the Netherlands does since they see a leading role for multilateral financial institutions in financing the transition towards low-emission climate-resilient development pathways.

10. Information on how support provided and mobilised is assisting developing countries in efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development (12/CMA.1, annex; 14/CMA.3).

In EU’s view, Article 2.1(c) of the Paris Agreement serves as a cornerstone for ambitious action to tackle climate change. It calls for a holistic approach to scale up investment in mitigation and resilience across the economy, while also scaling down funding for carbon intensive activities.

All Parties should accelerate efforts towards making all finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development to allow the mobilisation of all sources of finance, public and private, domestic and international, utilising their complementary strengths to deliver impact.

Over the last years the European Union has made significant commitments to contribute to making all finance flows consistent with the long-term goals of the Paris Agreement. Through various domestic and international initiatives, the EU has aligned economic and financial policies with climate objectives, integrating climate change into the heart of its economic, social and development practices. These actions signal a proactive stance in contributing to the global effort to combat climate change. Here below, some of these activities as identified by the EU and its Member States in the individual chapters:

- The importance of the Coalition of Finance Ministers for Climate Action and the “Helsinki Principles”, which allows members to share best practices and experiences on macro, fiscal, and public financial management policies for low-carbon and climate-resilient growth;
- Denmark has allocated funding to a number of global programmes and facilities that support developing countries in establishing enabling conditions and frameworks to support scaled up investments in mitigation and adaptation. Programmes supported that provide such technical assistance include the multilateral development banks and a range of international expert organisations and partnerships such as the NDC Partnership, the Energy Sector Management Programme of the World Bank (ESMAP), the UNEP

Collaborating Centre, the Global Green Growth Institute, OECD, IEA and IRENA, the Global Centre on Adaptation, and many other;

- Through technical cooperation and capacity-building actions, France's 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;
- Slovenia's National Strategy on Development Cooperation and Humanitarian Aid Strategy, effective until 2030, aligns with the Paris Agreement's long-term objectives and has ceased financing fossil fuel projects;
- Spain focuses on sharing experiences with interested third parties on actions taken 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;
- Sweden more generally works to support developing countries in their efforts to develop local capacity and conditions for financial markets, domestic resource mobilisation and attractive investment climate. One example is the support of Sweden's international development cooperation agency (Sida) to UNDP Bangkok Regional Hub for the implementation of the regional program "Strengthening the Governance of Climate Change Finance to Enhance gender Equality", which included strengthening domestic budget systems to enable delivery of gender-responsive climate change investments;
- The Sustainable Finance Advisory Hub is a Team Europe Initiative under the EU Global Gateway providing a single-entry point for demand-driven and high-quality technical assistance to EU's partner countries to develop sustainable finance ecosystems and promote sustainability-related instruments;

11. EU's views on how the types of indicative quantitative and qualitative information, as applicable, can be updated, based on our experiences and lessons learned.

The EU is of the view that the biennial communication in accordance with Article 9 paragraph 5 of the Paris Agreement is to be conducted in a bottom-up way. The EU is open to discussing and learning from other Parties how the provision of ex-ante information can be improved, mindful of the inherent challenges and limitations imposed by budgetary cycles, alignment of domestic and international policy and budgetary frameworks and priorities, etc. Importantly, the EU domestic legislation framework on reporting on international climate support for developing countries includes an annex that enable the EU Member States to provide qualitative methodological information on the support provided and mobilised, with 26 fields covering a wide range of aspects. Such information provides valuable insights every year through the yearly reporting exercises and ensures a process of mutual learning on a continuous basis, within and across the Member States and the EU more general.

Section 2. Actions taken by the EU Member States and the European Commission

1. Austria

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary: Austria uses annual budget cycles. Regarding international climate finance, this means that for most providers of climate finance in Austria there is a certain 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 as well as with an accompanying budget strategy report explaining the budget priorities of the government. The annual budget bill, which must respect the boundaries of the MTEF, contains the details for each ministry's chapter. The MTEF with its legally binding multi-year approach helps the Federal Ministry of Finance and the line ministries to improve budgetary planning.

Climate Finance as such is not identified in the Austrian budget, it is contained in different line budgets. Overall, in 2022 climate finance from Austrian sources amounted to around 495 mn €. For 2023, this figure increased to around 555 mn €.

Different institutions in Austria have forward-looking commitments related to climate finance.

The Federal Ministry for Climate Action has a dedicated annual budget of 70 mn € for the year 2023 and 90 mn € annually up to 2027 for climate finance. Part of the budget is foreseen for bilateral projects, with calls for project proposals with a frame of 10 mn €. So far one call each was published in 2023 and 2024, respectively. In accordance with the Austrian Government Programme 2020-2024 the contribution to the Green Climate Fund was increased 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 €.

For the next replenishment period of the Green Climate Fund, Austria has already pledged a contribution of 160 mn €. In addition, the Federal Ministry for Climate Action has pledged 25 mn € for the new Fund for Responding to Loss and Damage as well as 5 mn € to the Santiago Network.

For the Austrian Development Cooperation, the Three-Year Programme on Austrian Development Policy 2022-2024 aims at increasing the share of programmable programmes/projects that

contribute to preserving the environment and natural resources, to 60% by 2024 and within this framework to increase funding for climate action.

For the eighth replenishment of the Global Environment Facility (GEF), which runs from July 2022 to June 2026, Austria pledged 58.76 mn €.

According to the current strategy of the Development Bank of Austria (OeEB) for the period 2024–2028 entitled “Financing our shared Future”, OeEB has set an ambitious strategic target of 50% climate finance in the area of climate-creditable investments, but also strives to align all financial flows at project, portfolio and institutional level with the goals of the Paris Agreement (“Paris Alignment”).

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

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

Detail: The 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 some certainty and predictability in these areas.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

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, direct bilateral cooperation and multilateral organizations and financing institutions.

Detail: The Federal 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 Federal Ministry of Finance

supports various programmatic activities with a climate focus, such as the World Bank's Climate Support Facility or EBRD's High-Impact Partnership on Climate Action.

The Federal Ministry for Climate Action provides funding for bilateral projects of around 10 mn € annually. This budget line is foreseen up to 2027. A further 80 mn € annually is dedicated to climate funds and relevant international institutions, like the World Food Programme, UNEP, REEEP.

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 Federal Ministry for European and International Affairs (MFA). In 2022 ADA contributed around 26 mn € in grants to Austrian climate finance. Further through its Environmental, Gender and Social Impact Management System, ADA ensures that climate environment and climate risks are systematically integrated in all programmes and projects, aiming for "Paris Alignment" of all supported activities.

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

11. 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; (12/CMA.1, annex, 14/CMA.3)

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 mobilize private climate finance and to extend tracking to cover mobilized 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: The Federal Ministry for Climate Action is increasingly using public funding to mobilize funding from other public and private sources.

OeEB's 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 that are developing innovative financing solutions.

8. Information on **relevant methodologies and assumptions** used to project levels of climate finance; (12/CMA.1, annex)

Summary: [3 sentences] Given the restrictions of an annual budget cycle and the MTEF, outlined above, there is currently no methodology in place to project overall levels of climate finance.

Detail: [200 words] 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.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Summary: [3 sentences] Austria defines “new and additional” resources as a gradual scaling up of support over the years since the Convention, and the Paris Agreement 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, reaching the highest number of around 555 mn € in 2023. This represents an increase of 1200 % from 2010 to 2022.

In close cooperation with and using funding from the Federal Ministry for Climate Action, OeEB together with a private bank is currently planning to set up a new Climate Fund, which will aim to focus on climate projects, whilst improving the living conditions of people in developing countries and countries with economies in transition.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

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: For ADC, the Three-Year Programme on Austrian Development Policy 2022-2024 aims at increasing the share of programmable programmes/projects that contribute to preserving the environment and natural resources, to 60% by 2024 and within this framework to increase funding for climate action.

To achieve this, ADC uses a mainstreaming approach where climate change is integrated into other sectors and carried through from the national to the 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 climate neutral 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.

The strategy of OeEB refers to the fact that pursuant to Article 2.1(c) of the Paris Agreement, all future national and international financing flows must be consistent with the objective of limiting global warming to a maximum of 1.5°C and thus contribute to a pathway towards climate-neutrality and climate-resilient development. OeEB is committed to this mainstreaming of climate action and 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 attention, especially those related to biodiversity.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary: Austrian climate finance puts a strong emphasis on the most vulnerable groups and countries as well as on gender-responsiveness and equality. Currently, around 57% of bilateral climate finance is gender-relevant.

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

- ensuring consistency with present and future international guidelines, particularly
- with regard to the UN Framework Convention on Climate Change, as well as the Paris Agreement;
- contribution of the projects towards creating climate-resilient economies, with consideration of consistency with long-term Low-Emission Development Strategies and Nationally Determined Contributions (NDCs) as set out in the Paris Agreement;
- 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 Federal Ministry for Foreign Affairs, 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 Burkina Faso, Ethiopia, Uganda and Mozambique, on the Western Balkan and Eastern Partnership regions 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 Balkans strategy).

Austria places a very strong emphasis on gender and “leaving 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 Federal 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.

OeEB provides long-term financing for private sector entities, as well as equity and funding for technical assistance in OECD DAC ODA recipient 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 [EDFI-Exclusion-List -September-2011.pdf \(edfi-website-v1.s3.fr-par.scw.cloud\)](#)

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary: Austria is aiming for a balance between mitigation and adaptation finance. The recent figures (2022) show that 22 % of Austrian bilateral climate finance goes exclusively to adaptation, 31 % to mitigation and 47 % to cross cutting finance, treating adaptation and mitigation in an integrated manner. Capacity building is a component of most bilateral projects.

Detail:

In November 2024, the Council of Ministers adopted Austria's strategy for international climate financing for the years 2024 to 2030 (KFS). KFS highlights the need for a whole of government approach on international climate finance, highlighting both the need for an alignment of all finance flows as well as all budgetary flows (green budgeting) with the goals of the Paris Agreement. Next to the need for doubling the efforts on adaptation finance, the strategy also emphasizes the need for a more ambitious approach in mobilizing private finance.

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 as 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.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary: Austria strives to achieve in the longer term a balance between support for adaptation and mitigation in the bilateral cooperation, while noting that such a balance must be viewed in a comprehensive manner (both quantitatively and qualitatively, and acknowledging that projects often address both adaptation and mitigation elements) and also taking into account other priorities articulated by our partner countries.

Detail: 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, there is a focus on projects that treat mitigation and adaptation in an integrated manner.

OeEB aims to conclude an average of 20 % of new business in least developed countries (LDCs) and 25% in Africa over the five-year period of its current strategy cycle. Technical assistance 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.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

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

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.

ADA, through its local Coordination offices, engages in policy dialogue with partner countries and application of 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 checks of NDCs for each investment inquiry.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

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

Detail: In order to be effective, the programmes and projects 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 tailored funding to cater existing and emerging needs and interests expressed by developing countries. Country ownership and support for capacity building at various levels, including national, regional and local levels, 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 enhancing 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.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Summary: Factors that Austrian climate finance providers look for include consistency 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 related strategy documents of individual providers.

Consistency 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 e.g. on food security and health,
- scalability and replicability,
- reliable governance of the implementing institution,
- monitoring and reporting provisions.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

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 recipient 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, exchange rate fluctuations, high inflation rates, 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.

EDFIs 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.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

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

Detail: The Federal 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 renewable energy access for all.

Sub-section 2.5. [Additional information]

16. 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 climate-neutrality and climate-resilient development.

Detail: In 2022, a new National Emissions Trading Act (NEHG 2022) entered into force, which covers energy-related greenhouse gas emissions from 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 Federal Ministry of Finance is implementing green budgeting instruments in the federal budget, based on a development path that meets the needs of present generations 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.

The Green Finance Agenda is a comprehensive strategy presented by the Federal Ministry for Climate Action and the Federal Ministry of Finance that pursues three key objectives: mobilizing capital to protect the climate and make Austria sustainable, managing climate-relevant risks accordingly as well as promoting transparency, a long-term approach, and effective impact in the capital market. An example of implementation is given for each action area below.

As a roadmap, the Green Finance Agenda sets out how the areas of action are to be implemented, when this is planned and which institutions are responsible for this.

The Green Finance Alliance, launched by the Federal Ministry for Climate Action, supports financial companies on their pathways towards climate neutrality. The goal of the Green Finance Alliance is to enable financial companies to steer their core business activities into a sustainable direction. This includes aligning portfolios with the 1.5 degree target as well as expanding green activities in the core business. 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 Guide on the Management of climate-related risk, published by the Financial Market Authority (FMA), serves the supervised entities in the Austrian financial market in the consideration of sustainability risks within the scope of their business activities. The Guide is currently under revision, taking into account the regulatory and methodological developments in recent years, thereby also considering the dynamic in environment that exists with regard to Sustainable Finance.

The Ministry for Climate Action cooperates closely with the Federal Ministry of Finance in its activities in the area of green financial literacy as part of the national financial literacy strategy. The goal of this strategy is to raise citizens' awareness, improve their financial competences and understanding in the area of financial literacy.

2. Belgium

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

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.

Belgium is attentive of recommendations made on how to improve its biennial communication compared to the previous ones. We welcome the comments made by CARE in its report “Hollow commitments 2023: an analysis of developed countries’ climate finance plans” and attempt to address these in the relevant chapters of this biennial communication:

- More details to highlight the projects, programmes, and recipient countries which will be financed.
- Information to outline how Belgium’s climate finance, past or present, is gender responsive.
- More detail and clarity on the specific recipients, projects, and programmes which will be used to extend the majority of future Belgian support.
- More indicative quantitative information regarding the amounts of private sector finance which will be mobilised by Belgium
- Information on the current imbalance in international climate finance and the need to redress that imbalance, noting its support is mainly demand driven and therefore for adaptation activities.

Our five 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 three reports 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 2011-2020, 2013-2019 and 2020-2022.

The first and second biennial communications, 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 2020-2023.

This third biennial communication contains information, as applicable, including, as available, on projected levels of public financial resources for the year 2024 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): www.fdfa.be/klimaat
- 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>

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:

Belgium is a federal state, and given 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. Following up on the internal burden sharing agreement of 2016-2020, an agreement was reached on the provision of international climate finance by the different governments for the years 2021-2024. For the coming years 2025-2030, Belgium will agree on an internal burden sharing on its contribution to international climate finance.

Detail:

Belgium is a federal state, and given this institutional context, several federal and regional level government departments are involved in developing and implementing climate change policies. Following up on the cooperation agreement on the internal burden sharing for the period 2016-2020, the different governments reached an agreement on the burden sharing with regards to the provision of international climate finance for 2021-2024. It was decided that each government would at least provide the following contributions in the period 2021-2024:

- Government of Flanders: EUR 68M;
- Government of Wallonia: EUR 52M;
- Government of the Brussels Capital Region: EUR 11.5M;
- Federal Government: EUR 400M

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 2025-2030, 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 especially as the Belgian governments are in a phase of government formation at the time of writing this submission.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

Belgium pledged to provide EUR 50 million/year public climate finance for the period 2016-2020 and indicative planned provisions point to EUR 138 million/year from 2024 onwards. Belgium provided on average EUR 175 million/year in the period 2021-2023, reaching EUR 248 million in 2023.

Belgium is a longstanding contributor to multiple multilateral climate funds and already announced a significant upscaling of its contribution to the Green Climate Fund to EUR 37,5 million/year during the second replenishment period (2024-2027). 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. Consequently, an agreement was reached for the period 2021-2024. The following table shows the agreed contributions:

It was decided that each government would at least provide the following contributions in the period 2021-2024:

- Government of Flanders: EUR 68M;
- Government of Wallonia: EUR 52M;
- Government of the Brussels Capital Region: EUR 11.5M; and
- Federal Government: EUR 400M.

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). Assuming that the level of finance agreed upon in the burden-sharing agreement is kept or increased, Belgium's total climate finance contribution from 2024 onwards will comprise at least EUR 138 million. In reality, Belgium provided on average 175 million/year in the period 2021-2023, reaching EUR 248 million in 2023.

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.

After the launch of the **Flemish International Climate Action Programme** (FICAP, previously known as the G-STIC Action Programme) in 2021, the Government of Flanders continues to channel its contribution to international climate finance through consecutive project calls under FICAP. In 2024, EUR 15 million is made available through the Flemish Climate Fund for project proposals.

The purpose of FICAP is to support developing countries in the fight against climate change by strengthening the implementation of climate policies, strategies and action plans in those countries. The financial support that will be provided aims at projects that demonstrate technologies, disseminate knowledge and information, and initiate capacity building, both for adaptation and mitigation purposes. At the time of writing (dd. September 2024), 14 dissemination and capacity building projects were approved for a total of EUR 6,47 million. The remaining EUR 8,53 million will be distributed to selected demonstration projects, which are currently under evaluation. A decision is expected in the fall of 2024.

For 2025 onwards, the expectation is that at least the same amount of contribution in 2024 (EUR 18,5 million) is allocated towards international climate finance, but this is yet to be decided.

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 2023, the **Brussels-Capital Region** has increased its contribution to international climate finance to €3 million, i.e. an increase of 33% compared to the Brussels contribution of the previous legislature, set at €2.25 million per year. In its Air, Climate and Energy Plan (PACE), adopted in April 2023, the Brussels-Capital Region commits to sustain this upward trajectory. The Brussels-Capital Region is engaged since 2022 in a new multi-annual partnership with the Belgian development agency Enabel. This multi-annual partnership runs from 2022 until 2027 and covers a budget of €4,2 million. Three projects were selected by mutual agreement between the Brussels-Capital Region and the development agency, on the basis of a top-up mechanism, and taking into account a priority focus on adaptation to climate change and urban areas as well as the opportunity to extend the actions undertaken in the beneficiary countries of the previous agreement between the Brussels-Capital Region and the beneficiary, i.e. Mozambique, Palestine, Rwanda and Uganda. The projects selected are the following:

- Rwanda - resilient urbanisation: sustainable and resilient urban development using nature-based solutions to increase resilience to the impacts of climate change and improve water resource and flood management in secondary cities;
- Palestine - efficient urbanisation: developing climate-resilient public spaces needed to design sustainable and inclusive cities and improve the living conditions of their residents;
- Mozambique - climate-resilient infrastructure: strengthening the cluster of existing desalination plants.

Besides these bilateral projects, the Brussels-Capital Region also supports climate action through yearly contributions to multilateral funds, with a focus on adaptation. It has namely allocated over EUR 10 million to the Adaptation Fund from 2013 to 2023. The Brussels-Capital Region has three partner countries: Rwanda, Palestine and Mozambique.

The **federal government** has raised its contribution to EUR 100 million/year, this being the minimum baseline from 2021 onwards. 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.

The federal government focuses on 14 partner countries, although it does not limit itself to these countries alone: Benin, Burkina Faso, Burundi, Democratic Republic of Congo, Guinea, Mali, Morocco, Mozambique, Niger, Uganda, Palestinian territories, Rwanda, Senegal and Tanzania.

In the Flemish International Climate Action Programme, all developing countries are eligible to receive support. There are however three combinations of areas and sectors that have an advantage as these are linked with the priorities of the official Foreign Affairs programme:

1. Green economy, recycling and energy in Morocco
2. Sustainable water management in the Mekong River region
3. Climate adaptation in the Southern African region

11. 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; (12/CMA.1, annex, 14/CMA.3)

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, will strengthen its climate engagement and has published a new [Climate Strategy in 2024](#), laying out the following 3 priorities:

- 1) Do no significant harm to long-term climate & ecological sustainability: in line with the objective to align all investments with the long-term goals of the Paris Agreement
- 2) Mainstream climate and ecological sustainability in BIO's investments: in line with a target to include climate adaptation related actions in at least 20% of new commitments
- 3) Increase climate and nature-positive ambition: in line with a target to invest at least EUR 25 million per year in projects qualifying as climate finance

In line with the coalition agreement of the **Government of Flanders (2019-2024)**, private partners are encouraged to participate in international climate finance projects. An example of an ongoing project coordinated by a private company (Kytos) which supports local businesses is the development of resilient and sustainable aquaculture industry around the Mekong Delta in Vietnam, threatened by increased temperatures and unusual rain patterns caused by climate change, which causes more microbial diseases. Advanced technologies will be deployed to assess the microbial health of water in the Mekong Delta and intensive aquaculture systems. Using innovative microbial fingerprinting technology, a new standard is established for assessing the ecological water quality in this vital region. This technology provides cultivators with timely insights into deviations in the microbial quality of the breeding water. This enables them to engage in aquaculture with significantly reduced water exchange, thereby better protecting food security, living conditions, and employment from the negative effects of climate change on the availability of quality water. By wasting less high-quality water, water management can be adjusted to climate-related changes in water parameters, and the microbial quality of effluent water to the Mekong Delta can be improved. The additional web application that will integrate the geographical map of the Mekong Delta with frequent routine measurements of microbial water quality data, will provide aquaculture businesses with valuable information about the microbial water quality in their surroundings, enabling them to adapt their practices to changing environmental and climate conditions.

Belgium's mobilisation of private finance has seen a volatility over the years and reached a record EUR 490M in 2023. While volatility is expected to continue, several structural measures were undertaken which should result in mobilisation of private finance to not fall under a certain

minimum threshold going forward. This includes measures undertaken with regard to BIO and Credendo, as explained in this communication.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

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.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

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:

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, but reported these contributions always as core finance and not climate specific finance. Under the 8th replenishment

Belgium allocated, from additional resources, 12,5 M EUR of its 92,5M EUR contribution specifically to the climate focal area. This amount was therefore included as climate specific finance in our reporting system. The GEF, as operating entity of the UNFCCC Financial Mechanism, provides resources for drafting biennial update reports, biennial transparency 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.

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.

14. Information on efforts to *integrate climate change considerations*, including resilience, into their development support; (12/CMA.1, annex)

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 portfolios 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.

The federal government has worked on a federal climate strategy, of which a pillar is to integrate sustainable development, climate and environment in all its international cooperation interventions.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

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 2013-2023 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 has a project call under the name G-Flemish International Climate Action Programme to support projects in line with the provisions of the Paris Agreement and the Coalition Agreement 2019-2024. International climate finance is furthermore 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 Chancellery & Foreign Affairs and of Environment & Spatial Development.
- The Government of Wallonia will also further develop its sustainable investments for the climate & energy transition and identifies its Kyoto Funds 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. The Government has adopted a methodology to quantify these indirect emissions in 2023 and a first inventory is under development.

On the basis of an on-going evaluation of the Flemish International Climate Action Programme and taking into account global trends regarding climate finance (negotiations), a Flemish international climate finance strategy will be developed and presented to the Government of Flanders. This strategy explores 4 different (complementary) tracks:

- Flemish International Climate Action Programme (FICAP)
- Support to projects and/or programmes of Flemish government entities & agencies and strategic research centres
- Bilateral cooperation with international partners and organisations
- Support to multilateral climate funds, such as the Adaptation Fund

It is up to the new Government of Flanders (2024-2029) to decide upon the final outline and the implementation of the Flemish International Climate Finance Strategy (FICS).

Following the independent qualitative assessment of Belgian federal climate finance in 2021, Belgian federal departments prepared a management response based on the recommendations to improve Belgian international climate action. In 2023, the Directorate-General for Development Cooperation and Humanitarian Aid (DGD) and the Federal Climate Change Service worked on a federal climate strategy for Belgian development cooperation, to establish the following elements: climate priorities, a common vision and strategic climate objectives, based on a) targeted and strengthened climate actions; b) a coherent policy to take greater account of sustainable development, climate and environment in international cooperation; c) and the greening of Belgian diplomacy and cooperation. Strengthening climate mainstreaming in development cooperation, including by increasing the resources available for this purpose, is also an objective of this strategy. Additional planned measures are aimed at expanding climate expertise, knowledge sharing and practical experience. Particular attention will be paid to monitoring and evaluation of cooperation programmes. The process of publishing and validating the strategy is preliminary and scheduled for 2024.

The federal government's development cooperation integrates the gender dimension transversally in all its interventions, which includes its climate finance, and also supports specific interventions. The following approaches are followed when it comes to gender: 1) a rights-based approach, 2) two-track approach on gender, mixing gender mainstreaming and gender-specific actions, and finally 3) contextualization according to national and local priorities.

In the selection process of project proposals received in light of the Flemish International Action Programme, specific attention goes to ensuring that the project proposals clearly indicates how it takes into account the socio-cultural and socio-economic situation of the project area and seeks solutions to take into account these situations and how local communities or target groups, including women, youth and marginalized groups are included in the execution of the project. The level of gender-responsiveness of the project calls is therefore an important indicator in the selection process.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary: [3 sentences]

Detail:

The support provided by Belgium in 2013-2023 gives the following information on purposes and types of support:

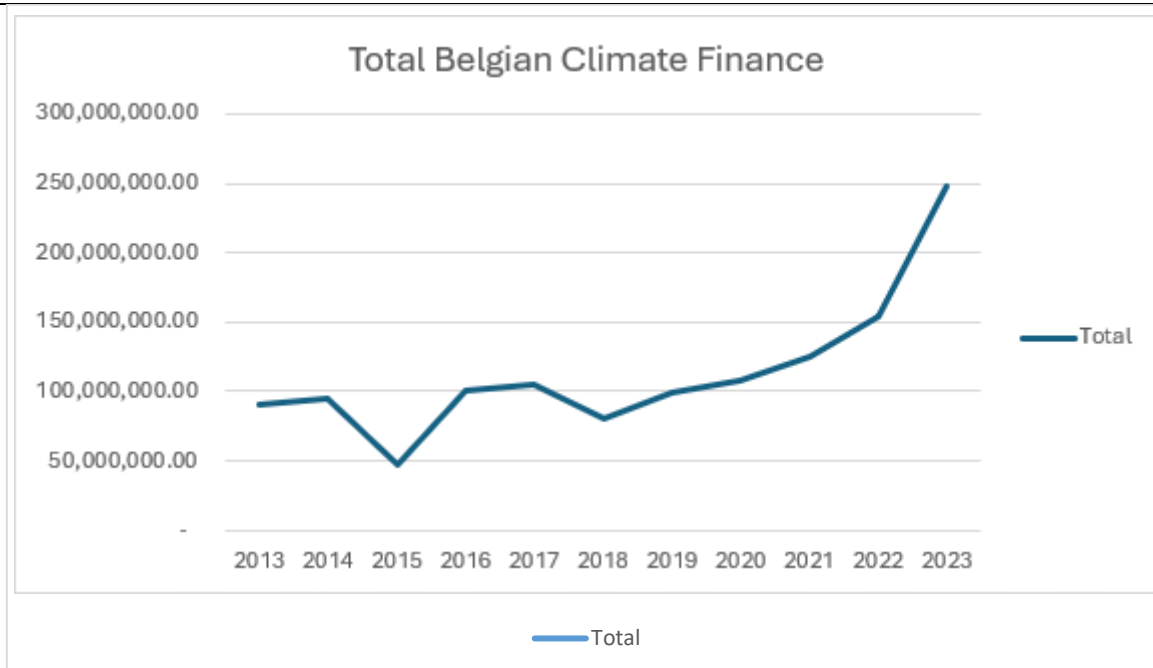


Figure 1: Quantity of Belgian climate finance in 2013-2023

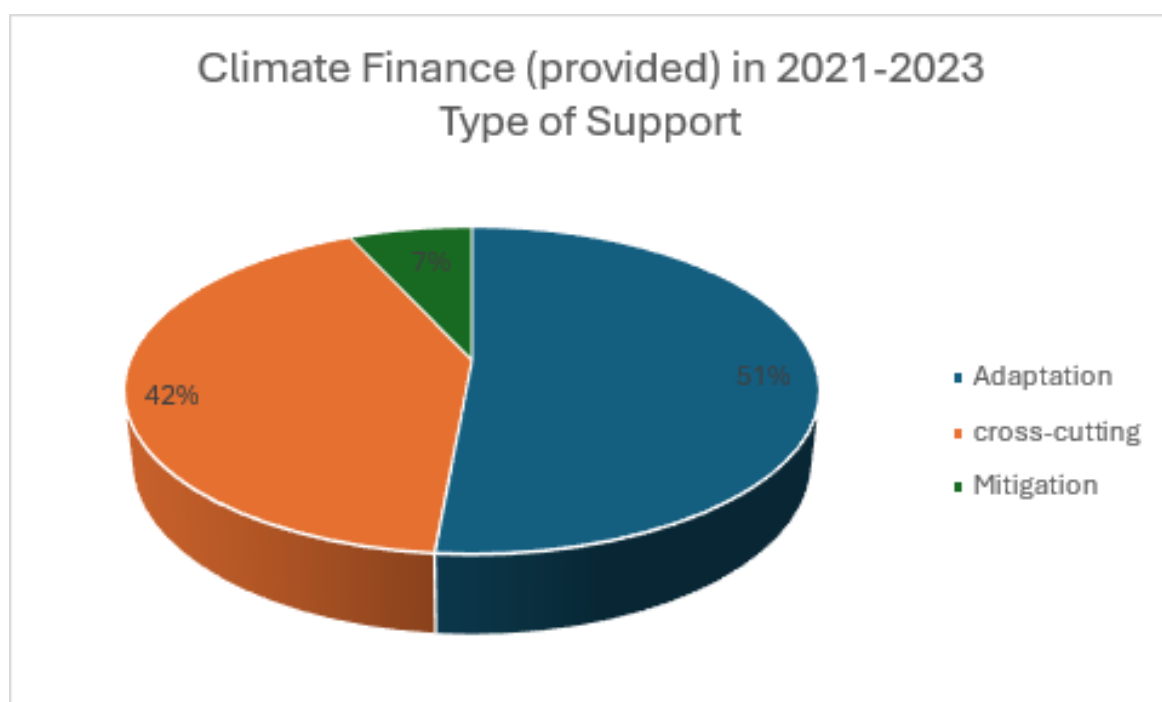


Figure 2: Belgian climate finance: type of support

Belgian Climate Finance per region (2013-2023)

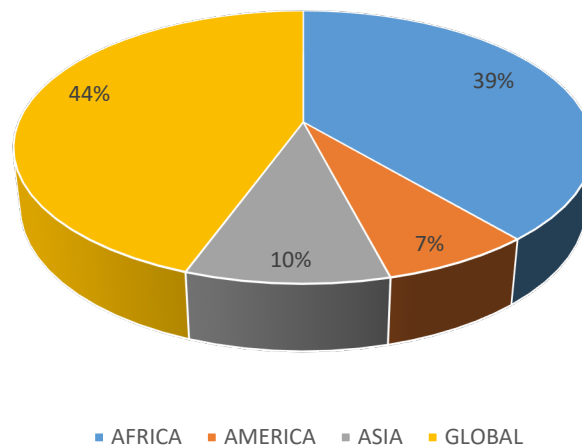


Figure 3: Belgian climate finance: by region

This analysis is based on the Belgian reports on financial and technology support provided to developing countries, in accordance with the EU Implementing Regulation – Article 6, which are publicly available.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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 prioritises demand-driven support which because of the specific focus on the importance of allocating sufficient funding to the needs of the poorest and most vulnerable countries, tends to lead to a focus on adaptation and cross-cutting activities in our climate finance contributions. Belgium strongly supports a balance between adaptation and mitigation in the provision of financial support at the international level, and in this context affirms its resolve to do its share to follow up on the COP26 call in Glasgow to at least double the collective provision of climate finance for adaptation to developing countries. Belgium joined the [Champions Group on Adaptation Finance](#) and advocates for its principles.

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 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 our project leaders and through them local populations.

Belgium’s total contribution to international climate finance over the years 2021-2023 is mainly grant-based (85%) while adaptation receives the most funding (51%), closely followed by cross-cutting activities (42%).

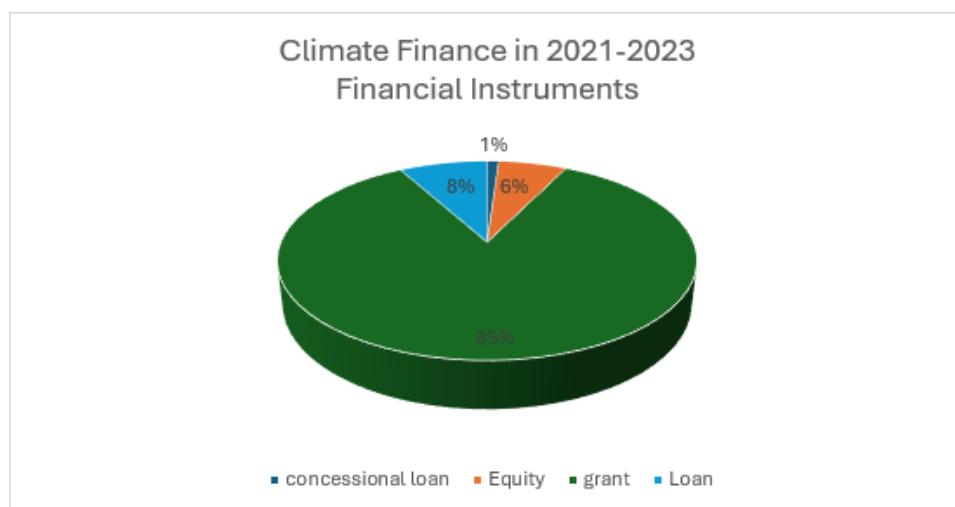


Figure 4: Climate-specific support per financial instrument

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

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. The Flemish International Climate Action Programme, funded by the Government of Flanders, requests a direct link between the project proposal and the climate policies and/or actions of the developing country(ies) where the project is being implemented. This includes a clear references to these documents or actions of the developing country(ies), annexed to the project proposal. This ensures the assessment whether the project proposals effectively address the needs and priorities set by the developing country(ies).

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.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

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.

The federal ministers of Climate and of Development Cooperation provided an additional EUR 12 million for the period of 2021-2024 to three organisations which focus on the enhancement of capacities in the recipient countries: NDC Partnership, UNDP's Climate Promise initiative and the Partnership for Transparency in the Paris Agreement.

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.

The Brussels-Capital Region is backing a technology transfer project in Rwanda through a bilateral

agreement with its implementing partner, the Belgian development agency Enabel. The project focuses on constructing bridges using stone arches, a method that reduces GHG emissions by 70% compared to equivalent concrete bridges. Previously, this technique was not used in Rwanda, and the project seeks to spread its adoption throughout the region.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

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 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 (2024) set full climate-specificity and coordination of the project by a Flemish organisation as selection criteria under the Flemish International 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.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

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.

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.

The strengthening of absorptive capacities in our partner countries is something we aim at, for example through our support of in-country NDC Facilitators (NDC Partnership), local experts tasked with supporting the government in engaging, coordinating, facilitating and mobilising actors and resources for the implementation of the country's NDC. The in-country facilitator is embedded into the relevant government Ministry in order to strengthen national capacity.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

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 set at COP29. 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, as set by the 6th Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

Belgium has a cooperation program running from 2023 to 2028 with partner country Mozambique for a total amount of EUR 25 million, of which a component is helping the Mozambican government on their way to making the national economy more climate-resilient as there is an enormous potential for solar, water and wind energy. The possibility of developing green hydrogen will also be explored.

Sub-section 2.5. [Additional information]

16. 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.

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. A concrete consequence of this has been the development of guidelines for implementing the statement by the Belgian export credit agency Credendo, which are to be followed in all its activities.

The federal government has developed a position for its representatives in Multilateral Development Banks (MDBs) regarding investments in fossil fuels, a position which prioritises investments in renewable energy and strives for a phasing out of support for fossil energy by MDBs.

Belgium has joined the international coalition to phase out fossil fuel subsidies launched by the Netherlands during COP28, which aims to focus on three pillars: improving transparency, addressing international agreements and taking national action.

3. Bulgaria

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

The Bulgarian development cooperation policy is an integral part of the country's foreign policy. Environmental protection and the fight against climate change is identified as a horizontal priority in the financing of Bulgaria's bilateral ODA projects.

In 2022, Bulgaria provided USD 232.2 million in ODA (USD 240.4 million in constant terms), which represents 0.27% of GNI. This is an increase of 163.6% in real terms in volume and an increase in the percentage ratio to GNI compared to 2021. Bulgaria has not yet fulfilled its commitment to reach levels of 0.33% ODA/GNI by 2030, but it is an indicator of a sustainable positive trend in increasing the volume of ODA over the past ten years. Bulgaria provides all of its ODA as grants. The budget is adopted on a yearly basis.

Detail:

The Bulgarian development cooperation policy It is regulated by Council of Ministers Decree No. 234 of 1 August 2011 and is implemented in line with the UN Sustainable Development Goals with a 2030 horizon, the EU Treaty, the 2008 European Consensus on Humanitarian Aid and the new 2017 European Consensus on Development. The policy is consistent with the assessment criteria developed by the OECD and is in line with the principles of effectiveness, partnership, humanity, transparency, impartiality and non-discrimination.

The activities for the formation and implementation of the development policy are led by the Minister of Foreign Affairs, with the competent structural units of the Ministry participating in the formation and implementation of this policy. The Minister of Foreign Affairs is assisted by the Consultative Council "International Development Cooperation" established on the basis of Council of Ministers Decree No. 234/2011. The Council participates in defining the priority goals, objectives and activities of the Bulgarian development policy; forming general guidelines, goals, objectives, geographical and sectoral priorities of Bulgarian development assistance; preparing strategic documents (Medium-term programs for the provision of development assistance and humanitarian assistance, ect.).

At the expert level, the Council is assisted by the Interdepartmental Working Group "Development Policy", which includes representatives of all ministries.

Representatives of civil society organizations may be invited to participate in the work of these two bodies.

An important participant in the Bulgarian development cooperation system are the embassies in the partner countries.

The main objectives of the ODA are to assist partner countries in achieving the SDGs, to deepen cooperation in areas of mutual interest with beneficiary countries from the Western Balkans, the

Eastern Partnership, the Middle East, Sub-Saharan Africa and Asia, to position Bulgaria more sustainably and visibly on the international stage, to strengthen its image as a predictable and reliable partner within the EU and in other international organisations; to protect its national interests and priorities.

The third Medium-Term Programme 2020-2024 further develops and enriches the geographical and thematic scope of the assistance. The geographical priorities of the ODA are the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, the Republic of North Macedonia, Serbia and Montenegro) and the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine), as well as individual countries in Asia, Africa and the Middle.

The following thematic priorities are included in line with the SDGs: ensuring quality and inclusive education, improving healthcare, building capacity to support security, promoting economic and sustainable growth, etc. Three horizontal priorities are also defined: gender equality and the empowerment of women and girls, protecting the environment and combating climate change, protecting human rights with a special focus on children and vulnerable groups.

The main challenge facing Bulgarian development cooperation policy is to implement the commitment made upon Bulgaria's accession to the EU (as well as the other new member states admitted after 2002) to achieve levels of 0.33% of gross national income (GNI) in ODA by 2030.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:

Climate finance through the ODA, aiming to increase bilateral and multilateral support for climate action, with notable improvements in funding levels.

Detail:

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

Detail: The activities for the formation and implementation of the development policy are led by the Minister of Foreign Affairs, with the competent structural units of the Ministry participating in the formation and implementation of this policy. The Minister of Foreign Affairs is assisted by the Consultative Council "International Development Cooperation" established on the basis of Council of Ministers Decree No. 234/2011. The Council participates in defining the priority goals, objectives and activities of the Bulgarian development policy; forming general guidelines, goals, objectives, geographical and sectoral priorities of Bulgarian development assistance; preparing strategic

documents (Medium-term programs for the provision of development assistance and humanitarian assistance, ect).

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Detail: There are not specific methodologies used for climate finance programs or projects.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Detail: The specific activities (development projects and/or contributions to international organizations) that will be set on the cross-cutting priority “environmental protection and actions to fight climate change” will be consistent with and will help to fulfil Bulgaria's obligations under Art. 9 of the Paris Agreement in terms of supporting developing countries to mitigate the effects of climate change and adapt to them.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary:

Bulgaria actively supports and cooperates with non-governmental sector and business in order to promote sustainable development.

Detail:

The specific activities (development projects and/or contributions to international organizations) that will be set on the cross-cutting priority “environmental protection and actions to fight climate change” will be consistent with and will help to fulfil Bulgaria's obligations under Art. 9 of the Paris Agreement in terms of supporting developing countries to mitigate the effects of climate change and adapt to them.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary:

Detail: The following thematic priorities are included in line with the SDGs: ensuring quality and inclusive education, improving healthcare, building capacity to support security, promoting economic and sustainable growth, etc. Three horizontal priorities are also defined: gender equality and the empowerment of women and girls, protecting the environment and combating climate change, protecting human rights with a special focus on children and vulnerable groups.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary:

There is no specific policy regarding a balance between mitigation and adaptation projects.

Detail:

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

Detail:

Part of the project have been dedicated to climate change policy and the challenges associated with achieving climate neutrality. The process of transposing European legislation into national legislation in this important area for the EU, the strategic documents at the national level and the sub-normative framework have been presented in detail. Specific cases of implementation of the European Emissions Trading Scheme, issuance of greenhouse gas permits and the challenges associated with reducing the impact of the human factor on climate change, as well as adaptation to it, have been discussed.



4. Croatia

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:
<p>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 International Development, Cooperation and Humanitarian Aid from 2024, National development cooperation strategies of the Republic of Croatia for the period from 2017 to 2021 and The Implementation program for the period 2021 – 2024 for the Ministry of Foreign and European Affairs of the Republic of Croatia. 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.</p> <p>Also, the Republic of Croatia, within its voluntary contribution (in context of PA) in financing climate change mitigation program in 3rd countries, has adopted the Decision on implementing projects with third countries.</p>
<p>Detail: In previous communication it was stated that the Republic of Croatia is drafting a Programme of assistance to third countries. In September 2024 Croatian Government has adopted the Decision on implementing the projects with third countries. Main priorities/measures of the Decision on implementing the projects with third countries will encompass financing the development of action plans for adaptation to climate change and climate neutrality, pilot projects aimed at reducing the consumption of delivered energy and reducing greenhouse gas emissions. Taking into account the EU priority of greening the Western Balkans and the national priority of cross-border and regional cooperation with Croats in Bosnia and Herzegovina, the implementation of the "Assistance to third countries" measures will cover Bosnia and Herzegovina. The beneficiaries of the project would be local self-government units, public institutions and public companies, and non-profit organizations</p>
7. Information on national circumstances and limitations relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:
<p>Summary: Approximate amount of 5 million EUR for support to third countries is planned to be spent until 2025.</p>
<p>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.</p> <p>Approximate amount of 5 million EUR for support to third countries is planned to be spent until 2025 by Croatia. Human capacities remain the main relevant limitation.</p>

Sub-section 2.2. [General ex-ante information]

2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:
<p>Summary: In 2021, the Republic of Croatia funded humanitarian projects abroad worth HRK 94.26 million. With approximate amount of 5 million EUR until 2025, HR plans to support climate change mitigation and adaptation activities in neighboring countries i.e in Bosnia and Herzegovina</p>
<p>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:</p>

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.

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 programs 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.

Approximate amount of 5 million EUR for support to third countries is planned to be spent until 2025 by Croatia. Human capacities remain the main relevant limitation. In the Q4/2024 it is planned to publish a public call for financing projects of climate change mitigation and adaptation activities in Bosnia and Herzegovina.

11. 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;

(12/CMA.1, annex, 14/CMA.3)

Summary: The maximum intensity of support in relation to eligible costs is 90%

Detail: The maximum intensity of support in relation to eligible costs is 90%

The applicant is obliged to ensure funds for financing the difference between the amount of total acceptable project costs and the amount of requested funds.

8. Information on relevant methodologies and assumptions used project levels of climate finance; (12/CMA.1, annex)

Summary: OECD methodology will be implemented for international development cooperation

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.

6. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

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.

14. Information on efforts to integrate climate change considerations, including resilience, into their development support; (12/CMA.1, annex)

Summary: N/A

Detail: The public call for financing is in a draft mode, therefore we are not able to provide this information yet

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

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 International Development, Cooperation and Humanitarian Aid from 2024 regulates the goals, instruments, coordination, implementation and financing of international development cooperation and humanitarian aid provided by the Republic of Croatia to partner countries are regulated.

In 09/2024 the Government of the Republic of Croatia has adopted a Decision on the implementation of the projects with third countries.

Detail:

Main priorities/measures of the Decision on implementing the projects with third countries will encompass financing the development of action plans for adaptation to climate change and climate neutrality, pilot projects aimed at reducing the consumption of delivered energy and reducing greenhouse gas emissions. Taking into account the EU priority of greening the Western Balkans and the national priority of cross-border and regional cooperation with Croats in Bosnia and Herzegovina, the implementation of the "Assistance to third countries" measures will cover Bosnia and Herzegovina. The beneficiaries of the project would be local self-government units, public institutions and public companies, and non-profit organizations.

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 International Development, Cooperation and Humanitarian Aid from 2024, 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 neighbourhood.

Recipient country will be Bosnia and Herzegovina. The target groups, more precisely the recipients of aid,



will be the units of local and regional self-government, public institutions and public companies or non-profit legal entities. Croatia aligns its development assistance with the principles of counteracting climate change and of creating equal opportunities for men and women (climate action and gender equality as cross-cutting priorities).

4. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary: In the context 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 Krlež 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, with the newly adopted Decision on implementing the projects with third countries, special attention will be focused on financing the development of action plans for adaptation to climate change and climate neutrality, pilot projects aimed at reducing the consumption of delivered energy and reducing greenhouse gas emissions.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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

Detail: 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 financing the development of action plans for adaptation to climate change and climate neutrality, pilot projects aimed at reducing the consumption of delivered energy and reducing greenhouse gas emissions.

12. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

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.

15. information on how support to be provided to developing country Parties enhances their capacities (12/CMA.1, annex)

Summary: Capacity building through implementing projects

Detail: Croatian support to developing countries in aspect of enhancing their capacities will be provided by financing the creation of action plans for adaptation to climate change and climate neutrality, which will help regional and local authorities to better and more effectively follow up on their progress in this regard.

5. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries; (12/CMA.1, annex)

Summary: N/A

Detail: The public call for financing is in a draft mode, therefore we are not able to provide this information yet.

9. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

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 fulfilment 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 fulfilment of goals through voluntary assistance to third countries.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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; (12/CMA.1, annex; 14/CMA.3)

Summary: Mainstreaming climate action into development aid.

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.



5. Czech Republic

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- **Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)**
- **Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)**

Summary: The budget of Czech bilateral development cooperation, including financial resources dedicated to climate change in developing countries is being 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. Based on the OECD/DAC methodology, the total ODA (bilateral and multilateral) granted by Czechia in 2023 reached almost USD 790 million on a grant-equivalent basis.

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 increase 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.

All of the public climate finance Czechia is providing to the developing countries constitutes ODA. The budget of CZ bilateral ODA, including financial resources explicitly dedicated to climate change² in developing countries, is being approved by the Government on a yearly basis, specifically around June of the preceding year with an indicative outlook for two following years.

The Czech budget for international development cooperation for 2025 was approved by the government on the 10th of July 2024 in the total amount of CZK 1 021 820 400, with roughly equal allocations envisaged for 2026 and 2027. This allocation of public financial resources includes bilateral development cooperation with our six priority countries (CZK 641 820 400 is allocated for bilateral ODA in 2025), additional instruments for partnering with the private sector, humanitarian aid (including activities supporting climate resilience measures in areas such as drought and disaster risk reduction), scholarships for developing-country citizens to study at Czech public universities (at an annual cost of CZK 112 million between 2025-2027), the Transformation Collaboration (at an annual cost of CZK 110 million between 2025-2027), etc.

Within multilateral development cooperation, Czechia has contributed to the Global Environmental Facility in the amount of CZK 30 966 520 in 2023 and has pledged to contribute to the second replenishment of the Green Climate Fund (GCF) in the amount of 1 000 000 USD per year between 2024–2027. The first payment to the GCF for year 2024 has already been made. Contributions to multilateral institutions, such as the GCF, are also subject to Government approval.

² Besides, protection of environment and climate is a cross-cutting priority for the whole CZ ODA, see e.g. the 2018–2030 CZ Development Cooperation Strategy (https://www.mzv.cz/file/2710363/CZ_Development_Cooperation_Strategy_2018_2030.pdf).

7. Information on national circumstances and limitations relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the challenges and limitations of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

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)

Sub-section 2.2. [General ex-ante information]

2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary: The International Development Cooperation Plan of the Czech Republic for 2025 includes almost CZK 1 million in funding for three indicators: development cooperation, transformation cooperation and humanitarian aid. More detailed quantitative information are not available.

Detail:

The Czech Republic will continue to ensure effective continuity between development and humanitarian activities, with particular attention to the creation of mutually accountable and transparent partnerships at the level of the public, non-profit and private sectors. Emphasis will also be placed on linking bilateral cooperation with the instruments of the EU, the UN, other international organizations and international financial institutions.

Building on the successful implementation of the bilateral international cooperation in the six priority countries to date, Czechia will seek to attract further delegated cooperation projects with the EU and to participate in other European programmes such as Global Gateway.

Opportunities for Czech implementers and experts are also offered by a joint project with the UNDP, which will continue to support innovative Czech solutions and the deployment of Czech experts to priority countries.

Instruments open to all developing countries will continue to be used, in particular small local projects, the public university partnership programme, humanitarian aid provided abroad and stabilization aid to fragile countries, also in view of the global impact of the war in Ukraine and the Gaza conflict.

11. 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; (12/CMA.1, annex, 14/CMA.3)

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 acknowledges the importance of international climate funds in supporting the



climate action in developing countries and therefore decided to scale up its climate funding and pledged to the second replenishment of the Green Climate Fund for the period 2024-2027 in the total amount of 4 000 000 USD.

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. Under the Czech Trust Fund with UNDP Istanbul, an SDG Challenge Fund was established in 2019, which promotes innovative, often climate and environment related, solutions presented by Czech companies, NGOs and universities. The Financial Instruments programme of the National Development Bank (NDB) leverages its vast majority of the investment from private capital. The programme International Development Cooperation (IDC) Guarantee continues in cooperation with NDB and from 2023 has been extended to the IDC Financial Instruments and implemented under the joint responsibility of the MoFA and the NDB. An amount of CZK 27 674 200 has been allocated to the programme in 2023 in the form of a special-purpose grant.

8. Information on relevant methodologies and assumptions used project levels of climate finance; (12/CMA.1, annex)

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)

6. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

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

Detail: (see above)

14. Information on efforts to integrate climate change considerations, including resilience, into their development support; (12/CMA.1, annex)

Summary: 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, several Czech development cooperation projects include a climate resilience component. Examples can be found in Cambodia, Ethiopia, Zambia, Georgia etc.

Detail: (see above)

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)



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. In 2023, a mid-term evaluation of the Czech Development Cooperation Strategy 2018-2030 was launched and should be completed in 2030 at the latest. The strategic framework in the field of climate protection that sets out a strategy for the long-term low-emission development of the Czech Republic is the Climate Protection Policy of the Czech Republic which is currently being updated to be in line with the EU's climate neutrality target for 2050.

Based on our 2018-2030 Development Cooperation Strategy, the Czech Republic focuses its bilateral development assistance on six priority countries: Bosnia and 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.). In 2025, the Czech International Development Cooperation will continue to focus on these thematic priorities: good democratic governance, sustainable management of natural resources (especially water), economic growth including energy, agriculture and rural development, and inclusive social development. In the implementation of all development, transformation and humanitarian activities, gender equality and climate protection are cross-cutting principles.

The Plan of International Development Cooperation of the Czech Republic allocates CZK 165 000 000 for humanitarian aid in 2024. Additionally, within the Programme of Humanitarian, Stabilisation, Development and Economic Assistance to Ukraine CZK 500 000 000 has been allocated for 2024. 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.

4. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

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.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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)

12. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

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 reflect 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)

5. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries; (12/CMA.1, annex)

Summary: Czech actors responsible for evaluation of the proposals assess 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 as well as 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.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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; (12/CMA.1, annex, 14/CMA.3)

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.



6. Denmark

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary: The Danish government aims to scale up grant-based climate finance to at least 30 % of development assistance to developing countries in 2024 and 2025 (expected to correspond to more than 5 billion DKK annually). At the same time, Denmark will scale up bilaterally mobilised private climate finance from ca. 2 billion DKK annually in 2023 to ca. 6 billion DKK in 2030.

Detail:

The Danish Finance Act is approved by parliament on an annual basis. Thus, it is only possible to provide data on approved public climate finance for the coming year once the Finance Act has been passed, and it is not possible to provide data for the following years. The Danish government instead provides clarity on the projected levels of climate finance provided and mobilised for developing countries by politically committing to a series of budget targets.

The governments targets are:

- for 2024 and on the Finance Bill for 2025 grant-based climate finance to developing countries will constitute at least 30 % of section 6.3 Development assistance to developing countries (expected to constitute around DKK 5 billion annually),
- at least 60 % of this public climate finance will be for adaptation,
- At the same time the government has initiated a reform of the Danish development finance institution, IFU, aiming at significantly scaling up the mobilisation of private climate finance for developing countries through bilateral instruments. The aim is to triple the mobilisation of private climate finance from ca. 2 billion DKK annually to ca. 6 billion DKK annually by 2030.
- the total Danish contribution – including mobilized climate finance through the MDBs – has surpassed 1 % of the collective USD 100 billion target since 2019.

Denmark continuously strives to improve all reporting to UNFCCC related to climate finance, including based on feedback and comments from technical reviews and independent assessments.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

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. Nevertheless, the government has established national targets signalling a strong political commitment to climate finance to developing countries.

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 signal a strong political commitment to ensure a continued high level of climate finance to developing countries both from the public budget and through increased efforts to mobilise private climate finance.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

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 finance institution (IFU), global and regional climate specific funds (such as GCF) and a range of multilateral organizations and financing institutions. Quantitative levels are expected to be in the ranges indicated above.

Detail:

The most important channel of grant-based Danish climate finance is through direct bilateral cooperation. Danish bilateral cooperation is focused mainly on partner countries in Africa. There are specific country cooperation framework documents for Danish partnership countries that detail the overall collaboration, including on climate, in a multiannual perspective (normally 5 years). In addition, Denmark has established strategic partnerships with a broader range of developing countries from all continents. Collaboration with these countries are focused on strategic sector collaboration (authority to authority), capacity building, and mobilization of public and private climate finance for green transition and building resilience. Denmark also provides bilateral support to regions and groups of partner countries, for example multi-country support to SIDS. The specific projects and activities of all bilateral climate collaboration is determined through direct consultations between Denmark and the partner country in some cases detailed in a specific bilateral "green/climate partnership agreements". Most support is multiannual with a 3–5-year timeframe, but large-scale infrastructure may have much longer timeframes, up to 20 years.

In addition 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. Denmark also channels a considerable part of the climate finance to developing countries through core funding to the multilateral development banks (MDBs). Denmark is strongly engaged in reforming the MDBs to significantly increasing their contribution to

climate and development financing and strengthening their capitalisation under the heading Bigger, Better and Bolder Banks. A very significant increase in the Danish contribution to IDA is foreseen in this context.

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 finance institution, IFU, climate relevant investments of DKK 0.5– 2 billion have been mobilized annually since 2015. With IFU's new climate policy and a number of new instruments in place, including guarantees, the level is expected to increase from around DKK 2 billion annually today to around DKK 6 billion annually in 2030.

11. 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; (12/CMA.1, annex, 14/CMA.3)

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 finance 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 provides 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

8. Information on **relevant methodologies and assumptions** used to project levels of climate finance; (12/CMA.1, annex)

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 financial year in the context

of the Finance Bill. During the preparations of the Finance Bill the expected levels of climate finance to be provided under different budget lines and country frames are estimated. The ex-ante estimation builds 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 support this assumption.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

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 remains committed to the UN goal of providing 0.7 % of GNI as ODA and has fulfilled this goal 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 finance committed (for reporting on commitments) or disbursed (for reporting of disbursements) to climate change adaptation or mitigation activities within the reporting period, and which has not previously been reported, as new and additional finance.

For provision of new and additional resources to climate specific funds, this is tracked as provided when the funds are disbursed to the respective funds. Meanwhile, concerning climate finance through the MDBs, the provision of new and additional resources is estimated based on the MDBs measurement of their outflows. Private finance mobilized, i.e. through IFU, is tracked and measured at the time of closure of the financing package of a specific project investment.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

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 crosscutting priority area 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.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary:

The 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 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 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 aims 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 recognize 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 these fundamental values.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities,

technology transfer and capacity-building; (12/CMA.1, annex)

Summary:

Danish support covers a broad range of types of support and sectors. Many activities have a strong element of capacity building and technology transfer, including the more than 15 strategic sector cooperation programmes.

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 includes 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.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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 partner 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 channelled 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.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

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 channelled 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.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Summary:

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

Detail:

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 fulfil its mandates. Most projects and programmes have technical assistance through either twinning arrangement 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.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

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 channelled 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 channelled 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 facilitate access and 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

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

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, 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

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

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 20 strategic sector cooperation partnerships (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. 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 adaption. Programmes supported that provides such technical assistance include the multilateral development banks and a range of international expert organizations and partnerships such the NDC Partnership, the Energy Sector Management Programme of the World Bank (ESMAP), the UNEP Collaborating Centre, the Global Green Growth Institute, OECD, IEA and IRENA, the Global Centre on Adaptation, and many other. Lastly, Denmark is engaged in a range of initiatives aimed at accelerating private investments in clean energy globally.

Denmark is also an active member of the Coalition of finance ministers for climate action, and is the founding members of a number of global alliances that supports members countries in their green transition plans, such as BOGA – Beyond Oil and Gaz Alliance, GOWA - Global Off-shore Wind Alliance and the Group of Negative Emitters - GONE.



7. Estonia

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

Estonia recognizes that there is a need for sufficient financing to reach climate policy objectives, therefore Estonia contributed for international cooperation for climate policy 1,5 million EUR annually until 2023. In 2024 the budget was raised to 1,7 million EUR and from there the sum is planned to increase by 100 000 EUR per year.

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 most vulnerable countries. In addition, we seriously consider to support Ukraine, whose current challenges, both environmental and geopolitical, require increased international cooperation and attention.

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 to rise up to EUR 2 million annually in 2027, reflecting the decision made in State Budget Strategy for period 2024-2027.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

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 2024–2027, Estonia has decided to contribute up to EUR 2 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 six calls have been carried out and all together 33 projects have been financed. 20 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.

11. 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; (12/CMA.1, annex, 14/CMA.3)

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.

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 2013 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, that 100% 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 2021–2027, Estonia has decided to channel 11,9 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.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Summary:

The applicants of the open call for proposals have to determine whether the project would be mitigation, adaptation or both according to the Rio Markers. Later when reporting the climate finance, the reporter will review the added marker and change the marker in case it was applied not correct.

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

resources as being new and additional; (12/CMA.1, annex)

Summary:

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 to rise up to 2 million EUR annually for 2027. The annual budget for international cooperation of climate policy was 1,5 million EUR annually until 2023 until it was decided in the process for developing the State Budget Strategy for years 2024-2027 that the budget will be raised to 1,7 million EUR in 2024 and starting from there the budget will be increase by 100 000 EUR per year.

14. Information on efforts to *integrate climate change considerations*, including resilience, into their development support; (12/CMA.1, annex)

Summary:

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.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on *policies and priorities*, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

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 most vulnerable countries.

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.

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, Ukraine, Moldova 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.

4. Information on *purposes and types of support*: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

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 Climate 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 calls for proposals.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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 most vulnerable countries. In addition, we seriously consider to support Ukraine, whose current challenges, both environmental and geopolitical, require increased international cooperation and attention.

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 Climate 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.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

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.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Summary:

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.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

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 33 projects have been financed in the total amount of 5 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.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

Summary:

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.

In the last years we have started to notice a certain issue regarding applicants marking the projects either it supports mitigation, adaptation or mitigation and adaptation, wrongly. To overcome the issue, specialists need to look over the marks given to each project and if needed, make changes. To



make workflows more efficient we have planned to work out further instructions in the application forms.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

Summary:

The Government of Estonia is committed to fighting against global climate change therefore the fulfilment 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. To make sure that the finance provided has an effective outcome, applicants are asked to provide information about the amount of emissions that their projects will reduce or how exactly the project will affect local communities and ecosystems.

For the stable support Estonia has planned budgetary resources up to year 2027.

8. Finland

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available;
7. 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 continues to stay committed to what has been agreed under the UNFCCC as well as under the Paris Agreement. The Government's **Report on International Economic Relations and Development Cooperation** (2024) states that: "Finland's development policy priorities include improving the rights and the sexual and reproductive health and rights of women and girls, which are also key in managing population growth, as well as education and climate measures." It later continues: "Finland supports the efforts of developing countries in the mitigation of climate change and adaptation to it, and halting biodiversity loss in accordance with its international obligations."

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 Global Environmental Facility (GEF) and the Green Climate Fund (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 committed 60 million euros for the GCF-2 period. The actual disbursements are reflected in various reports, as appropriate.

Sub-section 2.2. [General ex-ante information]

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

Summary:

Finland continues to use various development cooperation instruments, including CSO support and blended finance, for channelling finance for climate action.

Detail:

The objectives of development cooperation will continue to be based on the Sustainable Development Goals (SDGs) and broadly shared priorities such as improving the rights and the sexual and reproductive health and rights of women and girls, education and climate action, but Finland's different activities will be brought closer together. Finland emphasises the need to prepare for extreme weather events caused by climate change, and we can provide developing countries top expertise in weather observation and early warning systems.

Finland continues to use various channels of development cooperation including CSO support and blended and concessional finance for channelling finance for climate action, as appropriate. Besides

providing funds to the operating entities of the financial mechanism of the UNFCCC and the Paris Agreement, Finland provides support through bilateral, regional and other multilateral channels. Support channelled through Finnish CSOs for climate action has recently shown a rising trend. One important aspect of Finland's works are climate-focused blended finance funds with MDBs. For instance, through IFC-Finland Climate Blended Finance Fund and ADB Ventures investment fund, 134 million euros have been committed to climate investments, especially in LDCs and LMICs. Close to 90 million euros will be invested through Finland's contribution to EBRD HIPCA and to Finland-LAC Blended Finance Fund with IDB Invest until 2027.

The operating entities of the Financial Mechanism remain important. Finland pledged about 48 million euros for the GEF-8 and 60 million euros for the GCF-2 period (planned to be disbursed during 2024-28). Finland has also pledged 3 million euros for the Fund for responding to Loss and Damage.

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

Finland continues to give high priority to private sector cooperation and mobilization of private finance.

Detail:

In its development policy and development cooperation, Finland promotes private capital mobilisation, especially towards private investments that advance sustainable development. Finland uses various instruments for this purpose, such as aid instruments intended to support the private sector, and blended and concessional financing instruments (so-called development policy loans and investments). Through Finland's blended finance funds, approximately 2 billion US dollars have been mobilized to date, especially towards climate investments. Since 2023, Finland has worked together with the US and other Nordic countries to create joint blended finance financing opportunities.

As an example, Finnfund is a state-owned company that finances private sector projects in developing countries by providing long-term risk capital for profitable projects. The funding modalities include equity investments, loans and/or guarantees. It cooperates with Finnish and foreign companies, investors and financiers. Finnfund plays a key role in financing private sector climate mitigation and adaptation projects in developing countries. Finnfund makes new investments worth of approximately 200-250 million euro per year and aims to maintain a carbon net negative investment portfolio.

8. 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-efficient. Currently (at the time the Finnish section is prepared), the budget for 2025 is under preparation. The next phase will be consultations between the Ministry for Foreign Affairs and the Ministry of Finance, and thereafter the proposals go to the Parliament for approval by the end of year 2024.

6. 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. 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. 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 significantly higher than in the base year used for fast-start finance.

14. 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.

Sub-section 2.3. [Specific elements of ex-ante information]

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

Summary:

Finland focuses its bilateral support to LDCs and fragile states, however, most of Finland's climate finance is channelled 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:

Development cooperation appropriations are limited, which calls for clear focus areas with fewer partner countries in Finland's bilateral development 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. The Ministry for Foreign Affairs has prepared a Country Programme for each of its long-term partner countries. Country Programmes have identified the areas of cooperation, forms of support, objectives and indicators. Country Programmes have built on the partner countries' own development plans, and their guidelines have been 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 the business sector promotes sustainable development, respecting the best practices and obligations of corporate social responsibility. Therefore, particular focus is placed on responsible private sector engagement and mobilizing private sector finance and expertise.

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

10. 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:

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

Detail:

Finland supports the efforts of developing countries in the mitigation of climate change and adaptation to it in accordance with its international obligations. As such Finland is committed to the decisions and recommendations of the COP 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. Currently, the emphasis is more on multilateral cooperation. The division between mitigation and adaptation support varies, but historically it has been usually close to 50-50. However, during some years big single disbursement(s) can unbalance the ratio. Furthermore, blended finance works better for mitigation related investments.

On the multilateral side, e.g. 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 allocates at least 60 per cent of its financing to Sub-Saharan Africa. At least half of the funding will be targeted at projects promoting adaptation to climate change.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

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 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 have taken place every four years, with the current country programmes ending in 2024. 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.

15. 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 focus specifically or significantly on capacity building. Furthermore, Finland has development cooperation instruments specifically focused on capacity building, such as the inter-institutional cooperation instrument (ICI) and higher education partnerships (HEP). For instance, most of the cooperation related to meteorology and early warning systems happens through ICI.

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

Summary:

Currently most of the funding goes through multilateral channels, which use their own criteria.

Detail:

Currently most of the Finnish funding goes through multilateral channels, which has criteria depending from organization to organization. On the bilateral side, projects stem from bilateral consultations, i.e. they are outcomes of coordination between policy priorities by the donor and the partner. Outside of the normal bilateral consultations, the key factors include whether the country in question is our partner country and whether the project focuses on sectors Finland can provide value added. For Finland, as a small country dependent on cooperation, it is essential that international order is based on rules and not on the use of force. The Government will make the readmission of nationals and support for the international rules-based order conditions for Finland's development cooperation. Finland does not provide development funding to administrations or actors that support the Russian war of aggression in Ukraine.

9. 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 has been 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 might prioritize cooperation in other sectors. For example, Finland has a strong reputation in the field of education, especially in basic education. Therefore, partner countries have often preferred cooperation in this field with Finland.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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. Finland was one of the key partners when the Coalition of Finance Ministers was established in 2019.

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. Finland has tried to draw more attention to the implementation of Article 2.1.c through the Coalition of Finance Ministers. The Coalition of Finance Ministers for Climate Action was launched at the World Bank Group-IMF Spring Meetings in 2019, with Finland and Chile as the first co-chairs, 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.

Finland participates in various donor coordination groups that advocate for the alignment of development cooperation and finance with the Paris Agreement. One example is the Like-minded Group on MDB Paris Alignment, which is a group of donors engaging with and influencing the multilateral development banks.

Sub-section 2.5. [Additional information]

16. 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 promotes circular economy through African Circular Economy Facility (ACEF) situated in African Development Bank. Facility was established in 2022 and its objective is mainstreaming the circular economy as an inclusive green growth strategy to help African nations fulfil their development priorities while meeting the goals of the Paris Agreement, Sustainable Development Goals (SDGs) and the African Union's Agenda 2063. ACEF supports the creation of institutional frameworks to foster the circular economy and provides private sector support for the circular transition.

9. France

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:
- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
 - Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

To increase clarity on projected levels of public financial resources, France has set a target of € 6 billion of climate finance to be provided to developing countries annually between 2021 and 2025. It also projects a level of public financial resources dedicated to adaptation, set at a third of the climate finance target.

Detail:

In 2015, France set a target of € 5 billion of climate finance to be reached by 2020, with € 1.5 billion dedicated to adaptation, in order to provide clarity and foreseeability to its levels of public financial resources dedicated to climate finance to developing countries. In December 2020, France updated that target and committed to provide € 6 billion of climate finance to developing countries annually between 2021 and 2025. A target on adaptation finance (a third of the climate finance target) has also been set for further clarity (see below).

In 2021, 2022 and 2023 this target has been met:

- 2021: € 6.1 billion
- 2022: € 7.7. billion
- 2023: € 7.2 billion

France takes into account recommendations areas for improvement of 13/CMA.5. Therefore, France has strived to improve the predictability of its climate finance through multiples instruments that depend on the channel of climate finance considered as well as the instruments considered (see below).

As a shareholder of MDBs, France advocates for an increase of MDBs climate finance targets to increase the amount of climate finance provided and mobilised for developing countries, as well as for increased predictability of such flows.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:

The provision of climate finance by France, for both the bilateral and multilateral channels, is determined by its annual budget, which is voted by Parliament and signed by the President in December of the year preceding the budget. As such, before enactment of the annual budget, it is difficult to foresee the level of climate finance that can be provided. Only previously approved

multiannual pledges to climate funds can be adequately predicted. However, by committing to a multi-year climate finance target, France thrives to increase the predictability of public finance to reassure its international partners about the reliability of its commitment.

Detail:

In France, the national budget is approved annually by the Parliament by late December for the following year, following a proposal by the government. Budget contains both the approval to make contributions to multilateral climate funds and initiatives, as well as the elements that will determine the levels of aid to developing countries, including climate finance provided. As such, before enactment of the annual budget, it is difficult to foresee the level of climate finance that can be provided.

Whilst the government strives to increase the predictability of public finance, including levels of climate finance provided, through multi-year planning, it is not binding on Parliament and the budgetary cycle remains annual. It is therefore challenging to give detailed ex-ante information on the level of public finance dedicated to climate finance, and also on its various components. However, multi-year pledges to multilateral funds and initiatives are usually approved by Parliament in one given year, also deciding on the disbursements modalities of commitments made to such funds and initiatives (e.g., GEF or GCF). This allows multilateral funds to have increased predictability of their commitment authority.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

The French policies, programmes and priorities are notably defined through the Government's commitments, the Interministerial Committee for International Cooperation and Development (French: CICID) and the 2017-2022 AFD Climate and Development strategy, which is currently being updated.

Detail:

In 2020, France committed to contribute € 6 billion to climate finance annually, from 2021 to 2025. This commitment was recalled in the 2023 conclusions of the Interministerial Committee for International Cooperation and Development (CICID).

The French contribution to climate finance is mainly implemented through

- the French development agency AFD (Agence française de développement), and its private sector subsidiary Proparco. In 2023, AFD group has financed 228 projects with climate co-benefits abroad, for a total commitment of approximately € 6.3 billion and in 2022, AFD group has financed 251 projects with climate co-benefits abroad, for a total commitment of approximately € 6.6 billion.
- Other bilateral instruments dedicated, in part, to the climate issues in developing countries, as the French Facility for Global Environment (French: FFEM), the Fund for Private Sector Studies and Aid (French: FASEP) and Treasury loans (subsidised and unsubsidised). Other bilateral instruments accounted for € 202 million in 2023.

France also provides financial support through multilateral finance (inflows only):

- Through development funds of multilateral development banks of which it is a shareholder: 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);
- Through climate funds such as the Green Climate Fund (GCF) and the Global Environment Facility (GEF) or the Least Developed Countries Fund (LDCF);
- Through other multilateral contributions such as the Climate Risk and Early Warning System Initiative (CREWS), the IPCC or the Central African Forest Initiative (CAFI).

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

France has repeatedly reached its targets of finance provided and mobilized, while also undertaking important efforts to go beyond this target, as evidenced by the figure of climate finance for 2022. In addition, France seeks to mobilise private finance and innovative finance through AFD, mainly through its private-sector subsidiary, PROPARCO, as well as other instruments from its Ministry of Finance and subsidiaries (BPI France). Building on the Paris Pact for People and the Planet, France has launched different initiatives such as the “Global Solidarity Levies Task Force” to explore other sources and instruments of climate finance.

Detail:

France seeks to mobilise private finance and innovative finance through AFD, mainly through its private-sector subsidiary, PROPARCO. In particular, France reported € 378 million of private finance mobilized by AFD and Proparco in 2023 (AFD reported € 1.3 billion of private finance mobilized by AFD and Proparco in 2022 and € 1.8 billion in 2021. The lower figures for 2023 are partly explained by a change in the methodology used to account for private finance mobilized). Regarding Proparco’s activities, 45% of its activities show a climate co-benefit in 2022. 95% 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. Other instruments from the French Ministry of Finance and its subsidiary BPI France are also used to the same aim. France is currently working on better monitoring and reporting of their impact.

Building on the Paris Pact for People and the Planet, France has launched different initiatives such as the “Call to Action on Paris Aligned Carbon Market”, the “Global Solidarity Levies Task Force” or the coalition for climate-resilient debt clauses to explore other sources and instruments of climate finance. The instruments explored as part of these initiatives can be implemented to help the world fulfil Paris Agreement commitments and the mandate of this task force builds on the Outcome of the Global Stocktake.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Summary: For bilateral contributions, France reports on commitments on projects whose climate benefits are assessed by each financing institution. Hence the French bilateral agency (AFD) uses a granular methodology to report on climate finance, developed in-house and more precise than Rio markers. Others use OECD DAC methodology for monitoring and reporting purposes. For

multilateral contributions, France reports on disbursements to climate funds, funds of multilateral development banks contributing to climate finance and other vertical funds or initiatives that have a benefit for climate.

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). While AFD and PROPARCO provide climate-specific data for each project, using its own more granular methodology, we use Rio markers to account for other bilateral financing.

For multilateral contributions, France reports at an aggregate level. France reports on multilateral climate-specific contributions (inflows). Multilateral contributions encompass contributions to:

- climate and environment funds (such as the GCF),
- MDBs development funds that partially target climate (such as IDA),
- other climate initiatives (such as CREWS or the Global Shield against Climate Risks).

Imputed multilateral shares of the OECD are used to report on climate-specific contributions, as well as for reporting on adaptation and mitigation, or on information directly provided by the institutions themselves when there are significant changes and the imputed multilateral shares of the OECD are not up to date. France does not report on climate finance provided and mobilised by MDBs according to its shareholding in such MDBs (outflows).

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Summary:

All climate finance reported by France is deemed new and additional.

Detail:

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.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Summary: France is committed to ensure that the Sustainable Development Goals and the Paris Agreement are key drivers of its public development strategy. The Paris Pact for People and the Planet of June 2023 puts forward the necessity to jointly address this dual challenge of eradicating poverty and preserving the planet.

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.

AFD aims to align 100% of its activities with the Paris agreement: this is thus always the case for new activities. AFD also 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.

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.

As a financial institution, the AFD is also implementing the Task Force on Climate Related Financial Disclosure guidelines and published its first TCFD report in 2021 and its second in 2023. 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 and to support the mainstreaming of these practices. The publication of the TCFD report contributes to the Group's transparency and accountability efforts on climate challenges. AFD will pursue such transparency efforts.

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 developments funds such as IDA, in order to ensure that all development finance flows are consistent with the objectives of the Paris Agreement.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary:

France's policies and priorities are particularly defined in the Interministerial Committee for International Cooperation and Development (French: CICID), and the 2017-2022 AFD Climate and Development strategy.

Detail:

The conclusions of the Interministerial Committee for International Cooperation and Development (CICID) in 2023 reaffirm the target of € 6 billion annually, of which a third is dedicated to adaptation finance, through 2025.

Prior to July 2023, France had a public list of 19 priority countries for ODA. Those countries were mostly African LDCs. In July 2023, the CICID suppressed this list and concluded that starting from 2024, 50% of the budgetary resources for development must go to LDCs. This target can be revised to integrate vulnerable countries, including some SIDS, if the definition of vulnerable and budgetary fragile countries was revised.

Priorities can also be reflected through France's contributions to multilateral public finance as France supports the concentration of at least 50% of multilateral funds' budgetary resources on LDCs. For instance, the Green Climate Fund aims for a floor of 50% of the adaptation allocation for particularly vulnerable countries, including LDCs, SIDS and African States. France strongly supports the achievement of this target.

Finally, the CICID promotes a gender-responsive approach of development aid, applicable to climate finance: in particular by supporting women's organisations and institutions promoting women's rights. These guidelines are applied to all ODA and thus to climate finance.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities,



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

Regarding mitigation and adaptation, France's target for climate finance thrives to provide support to both. Indeed, France has committed to reach € 6 billion, of which a third is dedicated to adaptation. France's climate finance thus targets adaptation, mitigation and cross-cutting activities. Every project is screened and attributed to one of these sectors. Therefore, France has declared €7.2 billion in 2023, including €2.8 billion for adaptation.

Furthermore, in all multilateral fora including boards of climate funds and MDBs, France advocates for climate finance to provide support on mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building activities.

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Detail:

Regarding vulnerable countries, France has set a target of 50% of all ODA targeted towards LDCs as of 2024. The CICID considers integrating some SIDS as part of this target. Prior to this, this ODA concentration effort was targeted towards 19 countries, most of which were African LDCs (see above). If this target is not climate-specific, it of courses has repercussions on climate ODA.

France's climate finance is executed through different channels, including grants, loans or equity. The choice of the appropriate instrument is taken considering the specific constraints of each recipient and the kind of projects (innovative, technical assistance vs. infrastructure, high vulnerability). AFD would for instance consider the macro-economic situation of the counterparts before offering grants or loans. For instance, in the LDCs, grants are privileged, while for developing countries, concessional loans are privileged, consistent with the OECD DAC conditions for ODA.

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developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

Financial support is discussed with recipient partners to address their needs and priorities, prior to the adoption of the financing. Alignment with NAPs, NDCs and LTS is strongly encouraged and valued for adopting a project.

Detail:

AFD has regular bilateral interactions with recipient country partners to define priorities and areas of intervention at the national level. Every single transaction is subject to the funding requests from the partners (countries or other partners), to ensure the local ownership and the relevance of the projects/programs for the local context. 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.) to respond to their specific needs and in line with AFD's mandate to support the implementation of SDGs worldwide and to ensure that every single activity is aligned with the requirements of the Paris agreement. 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.

15. information on how support to be provided to developing country Parties **enhances their capacities (12/CMA.1, annex)**

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 € 40 million in the form of grants and finances studies and capacity building programs. This Facility supported the elaboration of long-term strategies of these countries and some studies funded under this Facility were instrumental to some of the JET-Ps. It also supported the implementation of the JET-P by making available resident experts for instance.

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 values highly the integration of technical assistance and capacity building activities throughout its entire portfolio of support to partners. These activities are often linked with the projects/programs to support their implementation and to go beyond the sole objective of the project by improving the skills and the practices. This is part of AFD's strategy to fuel the long-term partnership with countries and non-sovereign counterparts. Several teams are active in the headquarters and in the teams in local offices, closer to the partners, to allow the deployment of 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.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Summary:

Every single support of AFD is subject to 1. The project coming from a request from its partners to respond to a relevant developmental need of the country and, 2. The assessment of the project against the requirements of the Paris agreement (which includes the consistency with available documentation such as NDC, LTS, NAP when they exist but also with available academic information).

Detail:

AFD Group's current climate strategy has become a strong marker of AFD's identity through three pillars:

- (i) The systematic assessment of each single operation to ensure its alignment with the requirements of Paris agreement (by an independent opinion from the Project's team) and the assessment of the operations with regards to national climate strategies (NDCs, long term strategies, NAPs, etc) by the Project team;
- (ii) the systematic measuring of the carbon footprint of funded operations and the assessment of their potential benefits in terms of mitigation and adaptation to the effects of climate change, in line with the Common Principles adopted by MDBs and IDFC;
- (iii) the objective that 50% of financing be committed for projects with climate co-benefits in foreign countries; and
- (iv) 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 finalising a new strategy for climate and nature for the next 6 years, which has high ambition for climate and nature challenges. After ensuring that 100% of its activities are aligned with Paris agreement, AFD will be one of the first IFI to set an objective of being 100% aligned with the Kunming-Montreal Global Biodiversity Framework. On top of this ambitious target, with regard to climate finance, whilst pursuing its support to the current climate finance activities as requested by its partners, AFD will look for operations with structural impacts to reach better efficiency to tackle climate change challenges. AFD also aims to strengthen its support to its partners in order to accompany them in their pathway to get their activities aligned with the requirements of the Paris agreement. It includes capacity building activities, but also the animation of networks of Public Development Banks from the North or from the South, such as IDFC or Finance in Common networks.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

Summary:

France is involved in various initiatives in order to enhance national planning and the access to financing 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. 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 activity. These initiatives contribute to reinforce an enabling environment to better integrate adaptation into policies and to identify high-impact adaptation projects. The two phases of the project, implemented since 2017 in 15 African countries, are now organised in 3 pillars: 1. Understand with the financing of studies and research, 2. Planning with the support to the participative construction of plans and strategies for adaptation investments and policies and 3. Invest, by supporting the feasibility studies, the application to dedicated funds and the support to the implementation of the projects. AFD is now considering to maybe expand geographically this support, which is highly-appreciated as it is locally and community-based.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

Summary:

AFD has developed a facility to support the implementation of the Paris Agreement in developing countries, through technical cooperation and capacity-building actions.

Detail:

The AFD 2050 Facility (€ 40 million grant), created in 2018, 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. It helps countries to elaborate their long-term strategies by favouring cross-sectoral discussions in countries, modelling exercises focusing on the macroeconomic or fiscal consequences of low carbon transition. Hence, some supports have also been instrumental to some of the JET-Ps. AFD is coordinating with the MDBs on the Facility they just created during COP 28 to ensure that supports are complementary and that there is no overlap.

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 is available online: <https://www.afd.fr/en/2050-facility>

Sub-section 2.5. [Additional information]

13. 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 in 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 Summit for a New Financing Pact of June 2023 for instance promoted a joint approach to tackle climate change while ensuring development.

Many initiatives were launched during the Summit, creating a momentum to explore a wide variety of sources and instruments to contribute to climate finance. Among others, France has launched and co-chairs with Kenya and Barbados the “Global Solidarity Levies Task Force”. This taskforce brings countries together to explore feasible, scalable and sensible options for climate levies. These levies can be implemented to help the world fulfil Paris Agreement commitments as the mandate of this task force builds on the Outcome of the Global Stocktake. Other member states include Antigua & Barbuda, Spain, Marshall Islands, Colombia and Senegal, with the European Commission, IMF and United Nations observing. France also launched with Colombia and Kenya, during COP 28, an expert review of the relationship between debt, nature loss, and climate change.

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 90 developed and developing countries for sharing best practices), the Global Carbon Pricing Challenge (which sets a collective goal of covering 60% of global emissions with carbon pricing by 2030), the OECD’s Inclusive forum for Carbon Mitigation Approaches and the Climate Club.

France, through AFD, has contributed to the creation and to the secretariat of the Finance in Common initiative: launched in 2020, Finance in Common (FiCS) is the global movement gathering around 530 public development banks (multilateral, regional, national and subnational) and their stakeholders. It works to help reorient the financial system towards sustainability, positioning PDBs as partners of choice, recognized as such by political leaders. Its members manage around 23 trillion USD in assets and about 2.5 trillion USD in annual investments, more than 10% of global investment flows. FiCS fosters an open dialogue among its members and central banks, investors, commercial banks, insurers, private companies, civil society, philanthropy and many international organizations.



It offers a space for networking, knowledge sharing, co-financing and joint activities throughout the year.



10. Germany

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

Germany has significantly increased its contributions to international climate finance in recent years, reaching EUR 6.39 billion from budgetary sources and EUR 9.96 billion (incl. mobilised) in 2022, and 5.66 billion (from budgetary sources) / 9.94 billion (incl. mobilised) in 2023. Due to budgetary and parliamentary requirements, Germany's ability to make statements on the future level of public financial resources is limited.

Detail:

Germany's international climate finance has grown steadily and substantially in the last two decades. Following an announcement in 2021, the German Federal Government affirmed in 2022 an increase of German climate finance from budgetary sources (including grant equivalents of KfW development loans) to EUR 6 billion by 2025 (up from EUR 0.471 billion in 2005). Germany provided a record EUR 6.39 billion in climate finance from budgetary sources in 2022, and mobilised a total of 3.57 billion from public and private sources, with Germany's overall contribution towards the USD 100 billion goal totalling at EUR 9.96 billion. Germany continued its total contribution of EUR 9.94 billion in 2023, incl. EUR 5.66 billion from budgetary sources and EUR 4.28 billion through public and private mobilisation.

Due to budgetary and parliamentary requirements, statements on the future level of public financial resources are only possible to a limited extent.

2022 was a particularly strong year regarding the amount of climate finance due to additionally available funding to mitigate the global energy and food crisis resulting from Russia's unprovoked and illegal war of aggression against Ukraine. As a result, Germany's climate finance did not and may not reach those same heights in the immediate follow-up. Nevertheless, Germany's future contributions can be expected to continue on its trajectory towards EUR 6 billion from budgetary sources in 2025 and provide Germany's fair share of the USD 100 billion goal from budgetary and mobilised sources.

- As stated in the 2021 Government Coalition Agreement, Germany continues to acknowledge its responsibility for international climate action as well as development cooperation in particular regarding Official Development Assistance (ODA).
- Germany will remain committed to contributing 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.

- • Germany is currently actively engaging to ensure an ambitious outcome on the NCQG at COP29. Germany will be a reliable partner on climate finance also under the NCQG, and will continue to provide and mobilise climate finance at scale.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:

Budget availability for each Federal Ministry is subject to annual budget discussions and parliamentary approval. As a result, there are limitations to providing granular quantitative information on the availability of planned support. Germany's demand-driven approach to the allocation of bilateral climate finance poses additional challenges for projecting certain categories of climate finance.

Detail:

In Germany, a new federal budget law is adopted every year. The government's administration prepares the federal draft 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). 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. 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 adaption and mitigation action through public budgetary resources, such a demand-driven approach poses challenges for projecting certain categories of climate finance.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

Germany's past climate finance programmes have been in line with its ambition stated in previous Biennial Communications. Germany will maintain its ambition in the future. To scale up the mobilisation of climate finance, Germany will endeavour to continue the strong performance of its national development bank KfW as well as other relevant actors and will engage more strongly with the private sector.

Detail:

Germany has contributed to international climate finance in line with its ambition stated in previous Biennial Communications: In 2022, Germany provided EUR 6.39 billion from budgetary sources and contributed EUR 9.96 billion to the USD 100 billion goal. In 2023, Germany

contributed EUR 9.94 billion to the 100 billion USD goal, incl. EUR 5.66 billion from budgetary sources. For further details see the First Biennial Transparency Report from 2024.

Germany will continue to place an important emphasis on applying its budgetary sources to provide climate finance to partner countries mainly in the form of grants. However, budgetary sources are not available without limits. Therefore, Germany will continue to provide concessional loans to partner countries, where their debt levels and economic capacity allow for it. Such concessional loans are an important additional instrument in the climate finance toolkit, for example to support infrastructure projects for the energy transition, incl. the transition away from fossil fuels, as seen in the plurilateral Just Energy Transition Partnerships. An even stronger focus must lie on mobilising private sector investments via public interventions like loans and guarantees. Germany will strive to engage more with the private sector, especially via its national development bank KfW's subsidiary DEG. Equally, debt-for-climate swaps can play an increasingly important role in creating more fiscal space in partner countries, coupled with commitments to increased and accelerated mitigation and adaptation measures.

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

Positively, the OECD found that in 2022 private finance mobilised by developed countries' public climate finance grew by 52%, following several years of relative stagnation. Private climate finance mobilised by Germany grew from EUR 170 million in 2021 to EUR 479 million in 2022, maintaining this increased level in 2023. However, there is much more potential to mobilise private climate finance. Germany will aim to increase private climate finance by engaging with the private sector, especially through its national development bank KfW and its subsidiary DEG.

Detail:

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. In 2023, Germany's national development bank KfW and its subsidiary DEG mobilised concessional loans of more than EUR 3.81 billion (up from EUR 3.09 billion in 2022) as well as private climate finance of EUR 475 million (EUR 479 million in 2022). For example, in 2023, KfW on behalf of Germany managed to mobilise EUR 35 million as part of a GIZ project to electrify rural areas in Madagascar by expanding renewable energies (<https://www.giz.de/en/worldwide/111759.html>).

The International Climate Initiative (IKI) is investing in blended finance vehicles to mobilise private capital. One example within the IKI is the [Emerging Market Climate Action Fund \(EMCAF\)](#), which is a fund of funds bringing together public and private sectors in pursuit of a common goal - to channel investment into emerging and developing countries to accelerate climate transition, facilitate their energy independence and meaningfully narrow the infrastructure investment gap at scale.

Taking into account the findings of the latest OECD report on the progress towards the collective USD 100 billion goal, Germany appreciates that private finance mobilised by developed countries' public climate finance grew by 52% in 2022, following several years of relative stagnation. This annual jump is likely to be linked to the strong overall growth of public climate finance between 2021 and 2022 (which grew by USD 18.3 billion or 25%), but also to an improved effectiveness in the use of the available public finance to mobilise private finance. However, there is still a pressing need to further increase efforts to address barriers to mobilising private investments for climate action and to make mobilised private climate finance more effective. To this purpose, Germany will

strive to apply its instruments to scale public and private finance via its national development bank KfW and its subsidiary DEG and make it more effective. Such instruments include providing concessional loans, refinancing local banks in developing countries to provide 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. Furthermore, Germany's International Climate Initiative set a deliberate goal with its [IKI Strategy 2030](#) to mobilise at least 1.5 billion EUR of private capital until 2030 for climate change mitigation, adaptation to climate change and/or biodiversity conservation in its partner countries. 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.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Summary:

The extent of budgetary resources and mobilising capital market funds will be an important factor for future levels of climate finance. Although ex-ante information contributes to transparency and predictability, only ex-post reporting can comprehensively reflect the overall volume of climate finance on a disaggregated level.

Detail:

The Federal Government's main sources of climate finance are from the Federal Ministry for Economic Cooperation and Development (BMZ) as well as from the International Climate Initiative (IKI). Within the Federal government, the Federal Ministry for Economic Affairs and Climate Action (BMWK), the Federal Ministry for Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) and the Federal Foreign Office (AA) are responsible for the IKI. The BMWK is in charge for the overall coordination. Maintaining sufficient funding levels for these sources of climate finance will play an important role for future climate finance provision. In addition to providing climate finance from budgetary sources, Germany is making an important contribution by mobilising capital market funds. Germany's national development bank KfW and its subsidiary DEG will continue to use its investment grade rating to mobilise capital market funds in the form of concessional development and promotional loans, equity investments and other financing. Scenarios for various climate-relevant budgetary programmes have been conceptualised 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.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Detail:

New and additional resources are determined in annual budgetary processes by the parliament. 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.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Summary:

Germany integrates climate change considerations, including resilience, into development cooperation through comprehensive climate mainstreaming guidelines and practices and through a variety of other initiatives. Among other things, Germany supports the OECD DAC Declaration on aligning development cooperation with Paris goals; supports research on integrating climate into development and investment planning; and supports just transitions at the nexus of climate and development.

Detail:

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 including relevant stakeholders. Mainstreaming guidelines include, among others, 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 cooperation 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 of development cooperation with a focus on just transition for all sides. As highlighted throughout this submission, Germany in particular supports the net-zero transitions in developing countries, e.g. through the JETPs, and exchanges closely with climate ambitious partner countries in the framework of the bilateral Climate and Development Partnerships.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary:

Germany places a strong emphasis on gender equality in all its climate finance activities. It remains a priority to provide a balanced share of adaptation finance in its provision of climate finance. LDCs and SIDS are an important focus of German climate finance activities, with Africa being a regional focus. This includes efforts to improve access and reduce costs of capital. Germany also closely works with middle-income countries with a high share of global GHG emissions and biodiversity hotspots, with a particular focus on Asia and Latin America.

Detail:

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. 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 revised gender action plan lays 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 is 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. The International Climate Initiative adopted a Gender Strategy in 2021 as well as a [Gender Action Plan](#) in 2024 for its project-based cooperation in the fields of climate action and biodiversity conservation. The strategy's goal for the future is to promote gender-transformative approaches and to require gender-responsive project planning as a minimum standard from IKI implementing organisations. IKI projects should be organised in such a way that gender-based disadvantages and discrimination are reduced.

To answer to the call on developed countries to collectively at least double total adaptation funding for developing countries by 2025 compared to 2019 levels, Germany is committed to providing a balanced share of its provision of climate finance for adaptation. 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 and response capacities (e.g. via support of adaptation planning processes, comprehensive risk management 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 (development cooperation partner countries: <https://www.bmz.de/en/countries/> / IKI [partner countries](#)).

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. Given Africa's great importance for global climate action and biodiversity conservation, the International Climate Initiative (IKI) plans to expand cooperation with African countries over the coming years. Currently, countries with a high share in global emissions and important biodiversity hotspots, foremost located in Asia and Latin America, are IKI focus countries for its climate mitigation, adaptation, biodiversity conservation and natural carbon sinks projects.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary:

Germany's international climate finance addresses climate change mitigation and adaptation and aims for a balanced allocation of resources between mitigation and adaptation. Germany looks to enhance partners' capabilities through technology transfer and capacity building as a key component of its bilateral cooperation. German climate finance additionally focuses on climate technology in various areas.

Detail:

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 including loss and damage 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.

Enhancing partners' capabilities, e. g. through technology transfer or in particular capacity building, is a key component of virtually all German bilateral cooperation.

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

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary:

It is a declared goal of the German government that the provision of financial resources for international climate finance should aim to achieve a balance between adaptation and mitigation activities. Germany provides targeted support, overwhelmingly in the form of grants, to the most vulnerable countries in the group of LDCs and SIDS, and Africa remains Germany's regional priority for development cooperation.

Detail:

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. In 2023, mitigation accounted for 57 % and adaptation for 43% of Germany's international climate finance. Germany strives to increase its adaptation finance, e. g. through its contribution to the Adaptation fund, engaging in the Champions Group on Adaptation Finance and in multilateral funds such as the Green Climate Fund (GCF) or the Least Developed Country Fund (LDCF), and the Special Climate Change Fund (SCCF) window dedicated to SIDS, 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. 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 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.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

Cooperation areas for climate finance are defined in a dialogue on equal terms with the partner countries' responsible national institutions. Priority sectors constitute the pillars of joint medium-term cooperation strategies. In the International Climate Initiative (IKI), country-specific selection procedure follows a similar approach.

Detail:

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.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Summary:

Capacity building is an important part of German climate finance activities. Virtually all climate finance projects include a capacity building aspect.

Detail:

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.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Detail:

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 and where appropriate with 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 analysis 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 examine the extent to which they can include 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>

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

Summary:

Partner countries' evolving needs for climate finance can be a challenge. Regular updates of NDCs are an important part of mitigating this challenge.

Detail:

Developing countries' needs and priorities are dynamic and this can pose a challenge for providing suitable support. As NDCs are the central documents for aligning external resources with countries' national strategies, it is of importance that NDCs are regularly updated and their ambition is enhanced, and that they are elaborated using robust data and methodologies to best serve developing countries' needs. Ideally, NDCs include an estimation of external finance needs for implementation and are 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 adaption. 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 UNFCCC 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 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 Mechanism.³

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

Detail:

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 aligning contributor goals in order to streamline NDC support processes.

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 a pathway towards 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 make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, the public sector should take an impact-oriented approach to budget planning and set adequate regulatory framework conditions for all economic actors, with carbon pricing playing a central role due to its efficiency. Furthermore, Germany provides support for the development of policy and regulatory frameworks in partner countries. This includes, for example, sustainable finance strategies, taxonomies, disclosure requirements, risk management frameworks, and standards for sustainable financial products. This further involves providing

³For further information please refer to: www.international-climate-initiative.com/en/about-iki/values-responsibility

advisory services and technical assistance to embed sustainability in governance and in the financial decision-making of financial institutions (e.g. through the Programs “Sustainable Finance in Brazil Finanças Brasileiras Sustentáveis (FiBraS)”, “Financing for Climate Action in Mexico (FINACC)” or the “Macroeconomic Reforms/Green Growth Programme” in Vietnam). 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 considers the termination of inefficient subsidies and the introduction of carbon pricing and taxation as some of the most effective climate finance policy instruments, since they make carbon-intensive activities more expensive and climate-friendly activities more profitable. They are, hence, effective levers for accelerating a socially just and ecologically sound transition. This applies also to cap-and-trade systems. At the same time, revenues from carbon pricing can be reinvested on climate protection incl. the energy transition, amplifying positive impacts, and be used to cushion social hardships in order to ensure a socially just transition. Climate-friendly subsidies can also be decisive drivers of decarbonisation, while generally they constitute a burden for national budgets. The Global Carbon Market project, supported through the German Government, advises finance ministries on reforms of climate and environmentally harmful as well as inefficient 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 of 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 align both their portfolios, including support for financial intermediaries, as well as activities with the Paris Agreement. Germany also provides technical assistance for incentivising the financial sector in developing countries to drive sustainable, climate-friendly development (e.g. Sustainable Economic Transformation and Sustainable Finance Global Project). 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 (e.g. LAGreen). In this way, and through the support of national development banks, domestic resource mobilisation can play a crucial role in delivering the required sums for climate finance. Furthermore, Germany asks MDBs to set ambitious climate finance targets and report on the qualitative outcomes of their climate finance. This position is represented through the German voting behaviour on projects and strategies as well as through political dialogue with MDBs and like-minded countries to increase support for long-term goals.

Sub-section 2.5. [Additional information]

13. Possible additional information

Detail:

Beyond the above-mentioned emphasis on domestic resources mobilisation (DRM), a large proportion of necessary investments has to be mobilised through the private sector. Hence, both regulations and government spending must aim at private capital mobilisation (PCM) through guarantees or other instruments.

The biodiversity and climate crises are inextricably linked and can only be solved together. Therefore, Germany aims to maximise synergies and co-benefits in finance addressing climate



change and adaptation and halting and reversing biodiversity loss. A significant part of German climate finance is biodiversity-relevant.

11. Greece

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

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 has been adopted and "Environment/Climate" 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.

For the period of 2021-2030 the total climate finance contribution will most probably exceed USD 20 million.

Within the framework of the Four-Year National Programme for International Development Cooperation 2022-2025, Greece intends to introduce a bilateral development assistance programme in a limited number of selected countries in Africa, the Middle East, the Balkans and the Black Sea.

The sectoral priorities, based on the United Nations 2030 Agenda, are:

Vertical Priorities

- (a) Combating poverty and hunger
- (b) Health
- (c) Education / Culture and management of cultural assets
- (d) Promotion of sustainable economic development

Horizontal Priorities

- (a) **Environment / climate change**
- (b) Good governance, strengthening democratic institutions and the rule of law
- (c) Gender equality
- (d) Digital transformation

Within this framework, the priority countries of Greek aid are:

First Priority Countries

Southeastern Europe: Albania, North Macedonia
 Middle East and North Africa: Egypt, Libya, Jordan, Tunisia
 Black Sea: Armenia

Second Priority Countries

Southeastern Europe: Bosnia-Herzegovina, Kosovo⁴
 Middle East and North Africa: Iraq, Palestine
 Black Sea: Georgia
 Sub-Saharan Africa: Ethiopia, Kenya, Nigeria

⁴ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

2. 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.

3. 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 its adverse impact on fiscal space, with the introduction of severe 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;
- 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, notably through IFIs;

4. 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 channelled 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.

5. 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.

6. 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.

7. 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 negative impact of the current geopolitical turmoil. In addition, 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. These crises have had a negative impact overall on Greece's ODA.

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

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.

9. 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. Hence, Greece has refocused its development aid programme to multilateral organizations, also with a view to better tracking delivery of projects' outcomes.

10. 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:

11. 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;

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.

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).

A side event on “Sustainable solutions to accelerate climate adaptation and build climate resilience in coastal areas” was organised in April 2024. The event aimed to contribute to the global discussion on how to trigger adaptation investments to best match the actual needs of vulnerable countries. It also aimed to foster the views, from a global perspective, of both developed and developing countries, as well as financial actors. It promoted the exchange of views on challenges, experiences, tools, and successful solutions for effective coastal adaptation that delivers economic benefits while being nature positive. Moreover, it aimed at bringing new perspectives on instruments and means to enhance access to and leverage of public and private finance, at different scales, for coastal adaptation.

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Summary:

Greece's financial contribution is in a form of grants through multilateral channels.

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, 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 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.

13. 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.

14. 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.

15. 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 2025 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.

16. Possible additional information

Summary: SAFER

Detail: The Ministry of Foreign Affairs has pledged to contribute 200.000 Euros to the UN salvage operation of the FSO “SAFER” and its replacement with a reliable storage vessel. The FSO “SAFER” is an aging and rapidly decaying supertanker moored off the Port of Hodeida in the Red Sea with one million barrels of oil aboard. It belongs to the government of Yemen, which is unable to perform any maintenance work on the vessel, risking a major oil spill in the Southern Red Sea that would lead to enormous disruptions to global trade routes and have dire humanitarian consequences in the region.



12. Hungary

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

Hungary remains committed to support the climate change mitigation and adaptation actions of developing countries and to the goal of jointly mobilizing USD 100 billion per year. Hungary fulfils all its reporting obligations with regards to climate finance.

Detail:

Hungary reports annually on financial and technological support provided to developing countries under the EU's Governance Regulation (REGULATION (EU) 2018/1999). Hungary communicates on the climate finance amounts provided and mobilized in previous years in its reports, projections for future provision and mobilization are not applied.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

Hungary actively contributes to international climate finance to developing countries, both in bilateral and multilateral format.

Detail:

In 2022, Hungary has committed and provided more than 8.2 million EUR (8 227 805 EUR) to developing countries. Knowledge transfer and technology export in the field of adaptive water management technologies and related sustainable agricultural practices is a priority in our support to developing countries.

Besides bilateral climate finance, Hungary supports developing countries also through the Green Climate Fund. In 2015, Hungary contributed by 1 billion HUF to the initial resource mobilization of the Fund. In the first replenishment period (2019) a further 200 million HUF was mobilized for the 2020-2023 operation of the Fund. For the second replenishment period, Hungary provides 100 million HUF for the Fund's operations between 2024-2027.

Between 2020 and 2023, one of the focus areas of Hungary's climate finance efforts was the Western Balkans region (six eligible countries: Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia, Albania and Kosovo). The Western Balkans Green Centre provided funding opportunities and non-reimbursable support for the preparation and implementation of climate change activities in the six target countries to Hungarian-based businesses, science and education centres and other economic operators. In 2020 and 2021, the Centre has launched a total of 4 calls for proposals, each with a budget of HUF 400 million, to which there has been exceptional interest. Beneficiaries prepared climate protection and green economy infrastructure investments and implemented capacity building programmes to improve local public services. The support schemes launched and operated between 2020 and 2023 have delivered 47 investment preparation and capacity building projects. Sectors supported included water management (e.g. flash flood management, water quality improvement), renewable energy (e.g. solar energy, geothermal waste heat recovery, sustainable district heating), energy efficiency, wastewater treatment, waste management, remediation, awareness raising, smart cities. Several projects have involved carrying out various assessments, strategy development, planning and modelling tasks, research activities and project documentation (feasibility studies, cost-benefit analyses, study designs).

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Summary:

No specific methodologies used.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Detail:

The government decision of 1770/2018 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 opted for providing financial means for the years 2019-2023: HUF 3.6 billion 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 of the Western Balkan countries.

Other regions, especially Southeast Asia and Africa have also played a significant role in Hungary's support activities (examples for recipient countries: Lao People's Democratic Republic, Sri Lanka, Vietnam, Indonesia, Cabo Verde, Kenya, Benin, Uganda, Madagascar, Democratic Republic of Congo, Rwanda, United Republic of Tanzania and Chad).

Knowledge transfer and technology export in the field of adaptive water management technologies and related sustainable agricultural practices is a priority in Hungary's support to developing countries. The Hungarian Government has bilaterally supported the implementation of several projects in developing countries in the form of non-reimbursable grants. In addition, the Hungarian Export-Import Bank has concluded tied aid loan agreements with a number of developing countries in recent years.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary:

In general, there has been a balance between the amounts provided for mitigation and adaptation in Hungary's climate finance figures. Cross-cutting support measures that address both mitigation and adaptation has played an important role, too. There has been a balance also between projects addressing technology transfer and capacity building in recent years.

Detail:

Recent years' reports on financial and technology support provided to developing countries show that Hungary has provided all types of support. In 2022, nearly EUR 1.7 million-1.7 million was provided for both mitigation and adaptation, and more than 4.8 million EUR for cross-cutting support.

Besides supported projects that have been addressing technology transfer or capacity building alone, many projects addressed both topics. The transfer of adaptive water technologies play a pivotal role here.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary:

Although Hungary has no dedicated policy for balancing between mitigation and adaptation finance, a significant share of the finance provided by Hungary serves adaptation goals. Also, a significant share of Hungary's climate finance has been provided to LDCs.

Detail:

Hungary supports the global goal of doubling adaptation finance by 2025 compared to 2019 level, from USD 20 billion to USD 40 billion. Therefore, in 2022, based on data submitted to the European Commission, Hungary has committed EUR 8.2 million for international climate finance for developing countries, of which nearly EUR 1.7 million is for adaptation. Adaptation-related support has been significant in the programmes run by the Western Balkans Green Centre, too. Water resilience is a key priority for Hungary, also in its support schemes.

Several countries belonging to the LDCs are in the forefront of Hungary's climate finance provision, e.g. Lao People's Democratic Republic, Benin, Uganda, Madagascar, Democratic Republic of Congo, Rwanda, United Republic of Tanzania and Chad.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

Climate projects supported and implemented by Hungary in developing countries always take into account the local needs and priorities of the respective country and serve the needs of the local beneficiaries.

Detail:

As for the support schemes targeted to the Western Balkans, local or central authorities or other local partners have been involved in the project development in all cases.

For instance, in the case of Serbia, several adaptation and energy transition methods were constructed in a way to serve the country's and its regions' needs, therefore, strengthen their own efforts towards mitigating the effect of climate change. For example, in Vojvodina, Hungary supported the creation of the FlexHeat (Flexible Grid and District Heating Efficiency) green district heating System, and mapped the possibilities of geothermal waste heat utilization and preparing project feasibility studies in the region. In addition, further research has been made on Serbia's own renewable solar potential, where else preparation for climate change related risks in Western Balkan region has been studied. In Zenta, focus has been shifted to development opportunities in energy efficiency and renewable energetics, and in Montenegro the following project took place: 'Reducing the effects of climate change, increasing efficiency of water supply and energy use by building a new IoT system, supporting reconstruction planning in designated area'.

Details about projects supported through the Western Balkans Green Centre can be found [here](#).

In some cases, local implementing partners are involved in the projects, such as in Kenya at a project addressing to improve access to water and sanitation.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Summary:

There have been several Hungarian-supported projects that fully or partly addressed capacity-building.

Detail:

Projects addressing fully or partly capacity-building include for example: eco-conscious training, establishing an agricultural model farm, establishment of a Hungarian model agricultural knowledge transfer centre, installing water purification systems etc.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

Detail:

Support provided and mobilized by Hungary assists developing countries to improve their resilience against the negative effects of climate change. For instance, the transfer of Hungarian adaptive



water technologies and sustainable agriculture practices enhances the recipient countries' ability for adapting to climate change.

13. Ireland

Sub-section 2.1. [Information on the provision of ex-ante information]

<p>7. Information on national circumstances and limitations relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:</p> <ul style="list-style-type: none"> Information on the challenges and limitations of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)
<p>Summary: Ireland's policies and associated priorities are framed on a medium to long-term basis, however our climate finance disbursements are still subject to an annual budgetary approval process.</p>
<p>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.</p> <p>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.</p> <p>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.</p>

Sub-section 2.2. [General ex-ante information]

<p>2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:</p> <ul style="list-style-type: none"> Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5) More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)
<p>Summary:</p> <p>Ireland has set a climate finance target of €225 million per year by 2025 and is on track to meet this target. Ireland's climate finance is overwhelmingly grant-based and primarily targets adaptation actions in countries and communities that are highly vulnerable to the impacts of climate change. Climate finance is provided through bilateral programmes, contributions to multilateral agencies and climate-specific instruments, and funding to civil society and research partners.</p>
<p>Detail:</p> <p>Ireland's climate finance expenditure in 2022 totalled €120,772,589 – an increase of 21% as compared to 2021. Ireland provides international climate finance through several channels of funding: bilateral funding through Ireland's overseas Embassies, civil society organisations, Multilateral Development Banks, specialized agencies and organisations across the UN system, multilateral climate and environment funds and the European Union.</p> <p>Ireland's climate finance is provided by four government departments – Department of Foreign Affairs, Department of Finance, Department of the Environment, Climate and Communication and the</p>

Department of Agriculture, Food and the Marine. To date, Ireland's international climate finance has been drawn from public sources of funding and is all ODA-eligible.

Ireland is committed to continuing to prioritise Least Developed Countries (LDCs), Small Island Developing States (SIDS) and fragile states in its support for adaptation action. Ireland's bilateral climate finance is 100% grant-based and explicitly targets the needs of those least responsible for causing climate change and yet most vulnerable to its impacts. In 2022, 84% of Ireland's bilateral climate finance was channelled to Least Developed Countries.

Ireland has developed its first Climate-Proofing Strategy for International Development Cooperation, which outlines how Ireland will meet commitments made in our international development policy to future-proof all of our international development and humanitarian spending and to safeguard the positive impacts of Ireland's ODA against the current and future impacts of climate change.

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary: Ireland has a range of measures through which we plan to mobilise additional climate finance, particularly from 2022 to 2025, as detailed in Ireland's Climate Finance Roadmap.

Detail:

Ireland has built on relationships with multilateral development banks and international financial institutions to advocate for climate finance. We are engaging in multilateral advocacy, supporting multilateral development banks to scale up private finance for climate-related infrastructure, including enshrining the Do No Harm principle.

Ireland's support for private sector engagement focuses primarily on the areas of agri-business development, climate action and environmental protection, micro-financing and financial services, and capacity-building for market access, including in fragile and conflict affected contexts. However, this is not a major proportion of Ireland's climate finance.

Ireland has an on-going partnership with the Climate Knowledge and Innovation Centre (Climate-KIC), which is a public-private partnership programme focused on climate innovation to accelerate the transition to a low carbon economy.

Ireland supports the Africa Fragility Initiative, led by the International Finance Corporation. This Facility promotes private sector development across 32 fragile countries in Africa and has developed practical guides for private sector companies and investors to assist them in thinking through practical considerations around climate-fragility issues, in target countries.

Ireland announced at this year's IMF/World Bank Spring Meetings that we will channel 20% of Ireland's 2021 allocation of Special Drawing Rights to the IMF's Resilience and Sustainability Trust. This Trust helps low-income and vulnerable middle-income countries build resilience to external shocks and ensure sustainable growth, by providing longer-term, affordable financing to address longer-term challenges like climate change.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Detail:

The DAC has agreed definitions for reporting environmental expenditures, most commonly known as the Rio markers.

Bilateral mission climate finance and CSO finance - DFA utilised the validated Creditor Reporting System (CRS) dataset. In line with the European Union methodology, each project is classified as either: adaptation, mitigation or cross-cutting spend. This approach has been devised to avoid double counting.

Multilateral - Ireland reports disbursed funding only, i.e. funding that has already been disbursed in the previous year to multilateral funds and institutions. Multilateral climate finance is provided as either core funding or earmarked climate-specific funding. As suggested by the name, core funding supports the core functions of a particular organisation. If these functions support climate action, a percentage of that core funding can be counted as climate finance. Earmarked funding is provided to support a particular project/fund within an organisation, and so can be used to specifically target climate action works. Multilateral climate finance for 2022 was calculated using two methodologies. The first is through the application of what is called imputed shares. As per this approach, the OECD has developed a set of shares (through percentages) that donor countries can apply to the funding that they provide to a number of major international organisations and funds. Imputed shares are subject to change due to the varied nature in which multilateral institutions spend and report climate relevant finance. In line with the Rio marker methodology set out above, a multilateral contribution may be designated a Rio marker of 0, 1, or 2 depending on its climate relevance

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

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.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Summary: In line with our commitment to aligning Ireland's Official Development Assistance (ODA) to the Paris Agreement, the Climate Unit in the Department of Foreign Affairs has developed a Climate Proofing Strategy to future-proof Ireland's ODA against current and future impacts of climate change.

Detail:

The Climate Proofing strategy covers a five year period (2024 – 2029) and all ODA spending Departments, all of whom were consulted during the development of the strategy: the Department of Foreign Affairs, including Embassies overseas, the Department of Finance, the Department of the Environment, Climate and Communications, the Department of Agriculture, Food and the Marine, the Department of Housing, local Government and Heritage, the Department of the Taoiseach, the Department of Defence and the Department of Enterprise, Trade and Employment. The strategy establishes a common understanding of what climate proofing means for Ireland’s ODA. The strategy also complements Ireland’s commitment to scale up its climate finance via the International Climate Finance Roadmap, primarily through strengthening our approach to identifying, managing and reducing climate related risks and shocks across all relevant development programming and interventions.

Ireland’s development support is guided by *A Better World*, *Ireland’s Second Strategy for Partnership with Small Island Developing States* and *Ireland’s Strategy for Africa to 2025* which all have climate action as a priority focus.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary: In recognition that adaptation to climate change is both a necessity and a priority for Least Developed Countries and Small Island Developing States, Ireland is committed to prioritising these countries and regions for adaptation action. Gender sensitive climate action is strongly integrated into this support. In 2022, 84% of Ireland’s bilateral climate finance was spent in Least Developed Countries.

Detail:

Ireland’s provision of international climate finance is guided by its International Development Policy, *A Better World*, and is set out in the International Climate Finance Roadmap, to ensure funding reaches the most vulnerable countries and communities, particularly SIDS and coastal developing communities and Least Developed Countries more broadly. The vast majority of bilateral climate finance goes to Sub Saharan Africa. Adaptation and Loss and Damage; oceans and biodiversity; and climate and security are the key priorities

In line with our policy priorities of mainstreaming gender and climate action, Ireland is collaborating with the International Finance Corporation (IFC) “Advancing Gender Equality, Resilience, Opportunity, and Inclusion Worldwide” (GROW) Initiative. The GROW Initiative aims to accelerate inclusive and gender-smart climate action by testing innovative financing structures and industry-specific approaches that integrate gender solutions in climate investments. At COP28, Ireland became a member of the Gender Just Transition Partnership with signatories resolving to drive gender-responsive just transitions, to achieve gender equality and support the sustainable and transformational impacts of our adaptation, mitigation, and finance efforts as they implement the Paris Agreement.

Ireland is committed to ensuring adequate and effective representation of women in decision-making processes. Ireland works with a range of partners that seek to strengthen women’s inclusion, participation and contribution to national and international climate discussions. Ireland provides funding to the Gender Team at the United Nations Framework Convention on Climate Change for its work in supporting countries to better integrate gender equality in climate action.

Ireland also provides funding to the Women’s Environment and Development Organisation (WEDO),

which connects and coordinates women's rights advocates and gender experts from across the world.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary: Ireland's approach to climate action prioritises support for locally-led programming, with a focus on partnership, participation and capacity building.

Detail:

In 2022, 53% of Ireland's total climate finance went towards resilience and adaptation programmes and projects. 27% of climate finance supported cross-cutting activities, and approximately 20% of finance was directed towards mitigation-focused projects. 80% of Ireland's climate finance supported adaptation as either the primary or part of projects' focus, reflecting on our prioritisation of building resilience and adaptation to climate change.

Capacity building is a major feature of all Irish supported activities and Ireland supports several programmes that provided technology support to developing country partners, in line with the United Nations Framework Convention on Climate Change (UNFCCC). Examples include:

- The Global Shield supports countries in developing comprehensive climate and risk management systems with improved risk modelling and disaster risk financing instruments, feeding into national disaster risk reduction strategies. In December 2023, Ireland paid a contribution of 10 million euro to the Global Shield Solutions Platform (GSSP).

The Systematic Observations Financing Facility (SOFF) is a UN Multi-Partner Trust Fund, established by the World Meteorological Organisation, UNDP and UNEP as a specialised mechanism to provide funding and technical expertise to address weather and climate information gaps in Least Developed Countries and Small Island Developing States. Ireland has funded SOFF since 2022 with a total contribution of €5 million to date.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary: Ireland's international climate finance is drawn from public sources of funding and is all ODA-eligible. Our bilateral and regional funding largely focuses on adaption and the integration of climate action in development programming, while multilateral funding focuses on cross-cutting finance supporting both mitigation and adaptation.

Detail:

Recognising that global adaptation finance falls well below required levels and that the majority of global climate finance is spent on mitigation, Ireland's bilateral and regional funding is focused on adaptation with a particular focus on LDCs and SIDS. 80% of Ireland's climate finance supported adaptation as either the whole or one component in 2022. Through our involvement in the Champions Group on Adaptation Finance, of which Ireland is a founding member, and in the Climate and Development Ministerial, we advocate for improving the quality and quantity of adaptation finance, and progressing towards the COP26 target for developed countries to collectively double adaptation finance by 2025 which was a major focus of the group at COP 26.

The majority of Ireland's climate finance is grant-based and in 2022, 84% of Ireland's bilateral climate finance, which is channelled through our Embassies and NGO partners working across Asia, Africa and the Americas, was spent in Least Developed Countries on adaptation actions.

Ireland's Strategy for Latin America and the Caribbean to 2025 commits us to support, financially and through advocacy, efforts aimed at the preservation and sustainable use of the Amazon rainforest as part of Ireland's commitment to tackle climate change, reverse biodiversity loss, and to support climate adaptation actions for vulnerable indigenous groups.

12. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary: Ireland's international climate support explicitly focuses on the needs of those least responsible for causing climate change, and with most to lose, namely Least Developed Countries (LDCs) and Small Island Developing States (SIDS). In line with Irish Aid's priorities of local ownership and strengthening institutions, Ireland provides funding to multilateral funds that invest in country-owned initiatives ensuring that they tie into country systems and plans. Ireland also provides multi-annual climate funding through our Embassies and partner Civil Society Organisations which involves consultations with governments and intended communities and requires alignment with locally and nationally defined government priorities and strategies.

Detail:

Ireland's ODA also focusses on country-led processes and directly supports a number of initiatives to strengthen the National Adaptation Planning process. Ireland is a funder and member of the Least Developed Countries Expert Group (LEG), which provides targeted support to LDCs in the formulation and implementation of their National Adaptation Plans (NAPs). Ireland supports the NAP Global Network, ensures a focus on policy alignment and a whole of government approach to the integration of adaptation planning for policy coherence. Similarly, the Special Climate Change Fund (SCCF), a multilateral fund which supports SIDS to enhance national and regional capacity to adapt to climate change which Ireland supports, works at a cross-governmental level ensuring a whole of government approach and national ownership.

Ireland endorses the Principles for Locally Led Adaptation (LLA), which advocate for communities and community-based organisations to be included as decision-makers in the climate adaptation interventions that affect them. The Principles were launched in January 2021 after a consultative two-year process led by the Global Commission on Adaptation, in order to guide global actors to shift funding and programming practices toward climate adaptation that is increasingly owned and led by local partners.

Ireland has been supporting the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR) since 2019. LIFE-AR is an LDC-led initiative that aims to support and deliver climate-resilient development pathways in LDCs. LIFE-AR's key goal is to develop strong climate finance architecture to ensure that at least 70% of climate finance that flows through the initiative reaches the local level by 2030.

15. information on how support to be provided to developing country Parties **enhances their capacities (12/CMA.1, annex)**

Summary: Capacity development is a key element of Ireland's climate finance to ensure transformative change and resilience. Beyond increased levels of adaptation funding, Ireland

supports other means of implementation such as increased capacity in systems, people and technological advancement.

Detail:

Ireland provides funding to several multilateral funds that assist countries in capacity building and strengthening their enabling financial environments, including the Green Climate Fund (GCF), the Adaptation Fund, and Global Environment Facility (GEF).

The GCF provides resources for capacity building, technology development and transfer, and innovative and replicable approaches. The GCF seeks to strengthen country capacities and enable environments for Nationally Determined Contributions, National Adaptation Planning, and Long-Term Strategies implementation, investment planning, and enhanced access to GCF resources. The GCF Readiness and Preparatory Support Programme (RPSP), aims to enhance developing countries' access to GCF resources and financial instruments. When requested by developing countries, the GCF helps their financial institutions build capacities to integrate climate considerations into their investment operations.

Ireland is funding founder of the Global Shield, a key element of which is building developing country capacity on modelling and data support and developing open-source standardised modelling platforms. This risk modelling supports risk-informed decision making for adaptation planning, disaster risk management and anticipatory action.

Ireland also co-chairs and funds the Systematic Observations Financing Facility which works with partner countries, primarily LDCs and SIDS to build the scientific, human resources and institutional capacity they need to maintain high quality weather observations and to share weather and climate data regionally and across the globe.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Summary: Ireland assesses proposals based on alignment with policy priorities of our Programme for Government, the strategic objectives of A Better World and on our International Climate Finance Roadmap.

Detail:

In line with Ireland's priorities for climate finance and diplomacy, key criteria include climate adaptation outcomes, the target beneficiaries – including a geographic focus on LDCs and SIDS, conflict-affected states and communities and vulnerable groups. Key thematic priorities include governance, gender equality, reducing humanitarian need, locally-led adaptation and development and food systems. The Climate Unit in Irish Aid advises on funding proposals from and strategic partnership agreements with multilateral organisations to maximise climate outcomes.

Ireland also follows international standards and guidelines on aid effectiveness in its provision of international support through flexible and we continue to work to improve this and increase multi-year funding across all funding streams.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate

finance (14/CMA.3)

Summary: Setting specific financial goals enables clearer measurable outcomes. Access to climate finance by conflict-affected states and communities remains a challenge that Ireland is seeking to address.

Detail:

Annual budget cycles can make it difficult to predict future climate finance. In 2022, the Government published Ireland's International Climate Finance Roadmap which lays out the goal of reaching €225mn in climate finance per year by 2025 and the specific steps to achieve this. Having a specific target, rather than a percentage of ODA, as well as a roadmap with clear ownership across government having been approved by Cabinet, enabled us to make clear progress in increasing our climate finance allocations which has more than doubled since 2020 and we are on track to meet the €225mn goal in 2025.

Access to climate finance continues to be a challenge for communities, regions, and countries that are fragile or affected by conflict. This is a focus for Ireland's climate finance and diplomacy. Ireland adopts a considered approach to risk, tailoring the implementation of projects accordingly. Ireland also seeks to follow the Principles for Locally-Led Adaptation where possible, with the aim of identifying mechanisms to support local climate action and ensure that local governments and civil society have the skills and capacity to implement effective, conflict-sensitive climate projects. Many countries in conflict-affected settings often carry a high debt burden meaning even highly concessional loans further increase the debt burden. For this reason, Ireland provides its climate finance in the form of grants. To ensure that climate funding reaches communities, Ireland also seeks to follow the Principles for Locally-Led Adaptation where possible, with the aim of identifying mechanisms to support local climate action and ensure that local governments and civil society have the skills and capacity to implement effective, conflict-sensitive climate projects.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

Summary:

As part of our commitment to aligning Ireland's Official Development Assistance (ODA) to the Paris Agreement, the Climate Unit in the Department of Foreign Affairs has developed a Climate Proofing Strategy for all of Ireland's ODA. Ireland provides funding to several multilateral funds that assist countries in developing and implementing their Nationally Determined Contributions and National Adaptation Plans supporting low emission, climate-resilient development pathways.

Detail:

Ireland provides funding to several multilateral funds that assist countries in taking mitigation action, including the Green Climate Fund (GCF) and the Global Environmental Facility (GEF). For example, the GEF-8 climate change mitigation strategy aims to support developing countries to make shifts towards net-zero greenhouse gas emissions and climate-resilient development pathways, supporting the objectives of the UNFCCC and the Paris Agreement. Ireland also supports the IEA's Clean Energy Transitions Programme (CETP), which supports the speed up of the global transition towards more sustainable energy production and use.

Ireland's climate finance supports country-led processes and directly funds a number of initiatives to strengthen the National Adaptation Planning process. These include the NAP Global Network and



the Least Developed Countries Expert Group both of which support the advancement of adaptation and resilience by building the capacity of Least Developed Countries to develop and implement National Adaptation Plans.

Ireland's new Climate Proofing Strategy further strengthens this by making specific provision for our engagements with multilateral organisations, with a key metric requiring that by 2029, all such organisations make clear reference to climate action within their strategic plans, theories of change and operational arrangement.



14. Italy



Sub-section 2.1. [Information on the provision of ex-ante information]

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

- **Information demonstrating how each of their biennial communications has improved compared with the previous one;**
- **Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed;**

Italy is making efforts in increasing clarity of its information on the projected levels of public financial resources to be provided to developing countries and will provide enhanced information on its contribution to the goal of 100bn USD per year through its forthcoming BTR.

Italy announced in 2021 in the context of the G20 Leaders' Summit under the Italian Presidency, its aim of tripling its contribution to 1.4 billion EUR by 2026. In 2022, the Italian Climate Fund has been created and from 2023 it is fully operational, constituting a key vehicle to support developing countries in implementing adaptation and mitigation actions in line with their national climate plans.

While the collection of provisional financial information remains challenging, the coordination between different relevant administrations providing or channelling resources to developing countries for climate action increased since the last submission in 2022.

The information provides updates to the information on the status of projected levels of climate finance stated in previous biennial communications, especially in terms of what has been already disbursed and the adjustments made to the forward-looking commitments communicated in 2022. Italy is providing detailed and updated information on new channels, in particular on the Italian Climate Fund and the plans to mobilize additional climate finance through public interventions. Italy updated information on how support that will be provided addresses the needs of developing countries, as well as on the factors that Italy takes into account when allocating resources to developing countries for climate action. Further and enhanced information is provided on Italian priorities, according to updated plans and strategies, as well as on the linkages valued by Italy between gender and climate change.

The following reflects the most up-to-date information and come from internal data and information from the different administrations. This does not constitute a complete picture, but represents the best effort made by the Ministry of Environment and Energy Security, the Ministry of Foreign Affairs and Development Cooperation, the Ministry of Economy and Finance and the Italian Agency for Development Cooperation to provide quantitative and qualitative information on projected level of public climate finance.

7. Information on national circumstances and limitations relevant to the provision of ex ante information, including, as applicable:

- **Information on the challenges and limitations of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements**

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.

An important share of climate finance is provided through the European Development Fund and through EU-funds financed by Member States. However, it is not possible to report on ex ante information regarding funds extended through this channel, which is reported by the European Commission.

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 (MAECI), the Ministry of Environment and Energy Security (MASE) and the Ministry of Economy and Finance (MEF). While activities are to be implemented in coherence with the National Three-Year Development Cooperation Policy and Planning Document, every administration manages their own funding independently, including the monitoring and evaluation phase.

Sub-section 2.2. [General ex-ante information]

2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available, including, as applicable:

- **Information on the status of projected levels of climate finance stated in previous biennial communications;**
- **More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable.**

Italy contributes to climate action and to the implementation of developing countries' NDCs through a variety of channels and programs (bilateral, multilateral 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 2024 to 2027:**

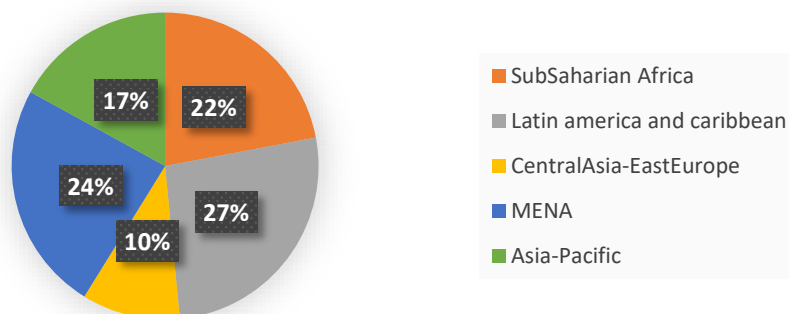
- from the **Italian Ministry of Economy and Finance (MEF)** the expected contribution for the period from 2024 to 2027 will amount to a minimum of € 706.33mn. The Italian MoF provides

international climate finance through multilateral channels. The indicative aggregate amount above includes:

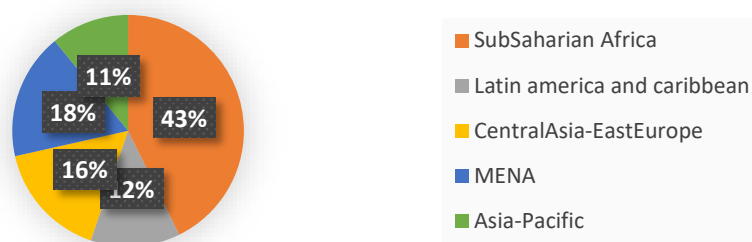
- The 2024 Italian contribution to the **Global Environment Facility of €24.17mn**. From 2025 to 2027, Italy will contribute to the GEF with a further amount of **€68.94mn**, beyond the first instalment of the next replenishment (GEF-9 whose negotiation process will begin mid-2025);
- The 2024 Italian MoF contribution to **MDBs of €185.96mn**, constituting around 44,5% of the total Italian MoF contribution to MDBs, is channelled through the World Bank Group (€ 105.5mn), the African Development Bank Group (€ 63.16mn) and other Multilateral Development Banks and Funds (€ 17.3mn).
- From 2025 to 2027, Italy will contribute to MDBs with a further amount of at least **€ 427.26mn** (World Bank Group € 195.18mn, African Development Bank Group € 169.79mn, others € 62.29mn). Contributions for the period 2025-2027 related to ongoing or next replenishment negotiations (IDA21, AfDF17, and SDF11) and capital increases will be added once approved.
- Within the period, from the **Italian Ministry of Foreign Affairs and International Cooperation (MAECI)**, as well as from the **Italian Agency for Development Cooperation (AICS)**:
 - 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 **€ 786 mn**, expecting an **increasing trend** over the years (from € 116 mn in 2021 to € 150 mn in 2026).
 - These amounts include only public own resources from the two aforementioned entities dedicated to climate action.
- The **Italian Ministry of Environment and Energy Security (MASE)** will contribute to:
 - the **Green Climate Fund** with an aggregate amount of **€ 231mn**, with the following distribution: € 33 mn for the years 2021 to 2023, and € 66 mn for the years 2024 and 2025. This aggregate amount pertains to the payments disbursed in the period 2021-2025 in accordance with the respective contribution agreements related to the total pledges of Italy to the Green Climate Fund, respectively of € 250 mln to the Initial Resource Mobilization 2015-2019 (IRM) and of € 300 mln to the first replenishment period 2020-2023 (GCF-1) of the Green Climate Fund, whose full disbursement is planned until 2027 (with additional payments of € 66 mn in 2026 and € 46 mn in 2027). Furthermore, Italy announced at COP28 in Dubai that will continue to support the Green Climate Fund also in the next second replenishment cycle 2024-2027 with a new pledge of € 300 mn, that will be regulated by a specific contribution agreement;
 - the Multilateral Fund for the implementation of the **Montreal Protocol** with an additional contribution of € 23,264 mn to the replenishment period 2021-2023 (with an average € 7,75 mn annual contribution). Furthermore, in 2024 and 2025, Italy will disburse a yearly contribution of € 8,743 mn to the Multilateral Fund as part of the total contribution of € 26,228 mln to the replenishment period 2024-2026;

- In 2023, the MASE committed 20% more resources for climate change mitigation and adaptation actions to developing countries through bilateral and multi-bilateral channels with respect to the previous three years. Resources available for international cooperation projects are:
 - 2024 - € 43.515.670,00
 - 2025 - € 48.890.846,00
 - 2026 - € 35.300.000,00
- At COP28 in Dubai, Italy also announced will contribute with a pledge of € 100 million euro to the **Fund for responding to Loss and Damage** established by Decision 1/CP.28 and 1/CMA.5, as provision of support, on a voluntary basis, for commencing the operationalization of the Fund.

MASE amount committed to date



Resources 2024-2025 per area



- The Italian budgetary law 2022 established the **Italian Climate Fund (ICF)**, under the responsibility of the Ministry of Environment and Energy Security (MASE). The ICF contributes to the achievement of the objectives established by the international agreements on climate and environmental protection of which Italy is part. The ICF has a total endowment of 4 billion euros (with a top-up funding of 200mn euros from the budgetary law 2024) and represents Italy's main public national instrument dedicated to international commitments on global climate finance.

The Fund has decided to allocate at least 75% of its resources to Africa and the Middle East and North Africa (MENA) area. This choice is in line with the Italy's foreign policy orientations and reflects a commitment towards promoting sustainable development in these regions.

The ICF can support a wide range of financial interventions aimed at mitigating and adapting to climate change and provide support to all countries receiving official development assistance identified by the OECD Development Assistance Committee.

To be eligible, interventions must have climate mitigation and/or adaptation as objective⁵. Even if projects reducing greenhouse gas emissions and improving the capacity to absorb the impacts of climate change will be selected as a priority, projects to protect biodiversity and combat desertification will also be eligible.

The fields of intervention are, among others: agriculture, energy, transport and water infrastructure.

The ICF will optimize the use of national public resources, in line with the best practices of international development financing institutions, with a view to of being additional, also catalyzing private capital in those contexts in which it would be difficult to channel resources.

The ICF can also provide grants for technical assistance to prepare and/or evaluate projects financed by the Fund, thus represents a highly relevant tool for encouraging the development of solid partnerships.

Furthermore, to maximize the effectiveness of the interventions, priority will be given to operations directed towards sovereign counterparts and projects aimed at attracting private sector investments. This approach aims to ensure greater effectiveness in the implementation of climate policies and to encourage full involvement of key actors.

The approach adopted focuses on three main lines of action: the launch of a technical assistance activity to encourage the development and structuring of new projects in collaboration with the administrations involved; the promotion of private sector investments in developing countries, both through direct financing and through support for local counterparts; the implementation of a promotion plan for the Fund, aimed at generating new high-impact initiatives in priority areas, establishing partnerships with other financial actors in the climate and development sector.

Since November 2023, the ICF has been fully operational and has already approved interventions for a total of approximately 553mn (552.7) euros.

11. 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 fact, Italy is committed to improve the monitoring and reporting of private climate finance mobilized through public interventions, particularly via the formal reporting system CRS++ of the OECD. The institutional arrangements and capacity building required for the consistent collection of

⁵ The Fund allocates at least 80% of the resources to projects Rio marker 2 on climate adaptation and mitigation, and up to a maximum of 20% of the resources on projects Rio marker 1 on adaptation and climate mitigation and/or Rio marker 2 on biodiversity and desertification.

such data are being currently fine-tuned; therefore, we expect to enhance our ability to monitor and report private finance mobilization along with the increased intervention of the ICF.

The Italian Climate Fund will be an important channel of private finance mobilization. The ICF became operational at the end of 2023, and since then, the first initiatives have been approved. Therefore, it is currently premature to provide precise details on the private finance to be mobilized through the ICF. It should be noted that resources from the ICF are allocated to projects and activities through various financial instruments aimed at mobilizing additional private finance, in accordance with established internal regulations.

In parallel, Cassa Depositi e Prestiti (CDP, the Italian national development bank and manager of the ICF) is developing further initiatives to promote the mobilization of private finance within the context of its international cooperation efforts.

8. Information on relevant methodologies and assumptions used to project levels of 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 Environment and Energy Security (MASE) and within the Ministry of Foreign Affairs and International Cooperation (MAECI), the Ministry of Economy and Finance (MEF) and the Italian Agency for Development Cooperation (AICS).

In order to compile this submission, all relevant administrations have been consulted and provided information according to their internal sources.

6. 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 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.

14. 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').

The Italian Agency for Development Cooperation (AICS), established by Law 125/2014 as the implementing agency under the umbrella of the Italian Ministry of Foreign Affairs and International Cooperation (MAECI), promotes environment and climate mainstreaming across its network of field offices through guidelines, trainings and screening tools aimed at checking whether activities may increase environmental and associated social vulnerability. During the 2024 planning process, AICS's field offices were recommended to integrate climate objectives into the identification of proposals. Specifically, for initiatives not focused on climate objectives, it was recommended to systematically explore the potential project impacts in terms of mitigation and/or adaptation, with the dual purpose of avoiding potential negative impacts, such as increased emissions and/or exposure to climate change risks, while also evaluating the opportunity to integrate measures or components able to enhance positive outcomes in terms of mitigation and adaptation. Furthermore, it was recommended to explore the correlations between climate objectives and gender equality, considering the disproportionate impact that climate change has on the lives of women and girls, as well as the positive role women can play in environmental protection as change agents and community leaders.

Sub-section 2.3. [Specific elements of ex-ante information]

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

The MASE's intervention strategy in the area of international cooperation for environment and climate change is outlined in the Policy Priorities Guidance Act for the year 2024 and for the period 2024-2026. Interventions are carried out in line with the principles and goals of Agenda 2030 and ensures alignment with the national goals of the "Piano Mattei".

The Italian bilateral cooperation gives priority to three geographical areas considering their state of vulnerability to the effects of climate change:

- Africa, with particular reference to the MENA area;
- island states in the Pacific;
- island states in the Caribbean.

The bilateral cooperation aims to support the efforts of developing countries, particularly those that are most vulnerable and have the lowest rate of development (so-called LDCs, Least Developed Countries), in protecting the environment, combating climate change and sustainable development.

One of the priority sectors of the Italian Development Cooperation is food security and sustainable **agriculture**. Activities in this sector, under the three-year policy and planning document 2024-2026 - 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.

In the path from the Paris Agreement to COP29, awareness has evolved to recognize that climate action cannot be a separate line of intervention, but rather a horizontal approach affecting all sectors of development cooperation. This shift in perspective has also been driven by a deeper understanding of the causal links between sustainable development, the environment, human rights, and peace and security. The climate-food security nexus is a key approach for Italian development cooperation. Its centrality was reflected during COP28 through adherence to the Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action. In this context, Italy stated that one of the objectives of the Italian Climate Fund is to allocate a significant volume of resources to the nexus between climate and food systems.

One of the nexuses that clarify the impact of climate change and the need for an adequate response is the Water-Energy-Food-Ecosystem Nexus (WEFE Nexus); this approach, based on the interdependence between water, energy, food security and ecosystems, has been integrated into the practice of Italian cooperation projects.

The challenge to global stability posed by climate change is also acknowledged within the framework of humanitarian action and the Humanitarian-Development-Peace Nexus. Considering the increasing recognition of intersectoral connections, Italy joined the "Getting Ahead of Disasters" Charter, launched by the COP28 Presidency of the United Arab Emirates, the Government of Samoa, and the Government of the United Kingdom.

Through the endorsement of the Locally Led Adaptation principles at COP28, Italy committed to raising the ambition to ensure inclusive, locally owned, and participatory processes while protecting the poorest and most vulnerable from the adverse effects of climate change. Locally led approaches are implemented through financial instruments that channel aid to local authorities and civil society

organizations (CSOs) in partner countries. Local authorities and CSOs are directly involved in project design and implementation, ensuring local agency and ownership.

As for the bilateral climate-related ODA managed by the Italian Agency for Development Cooperation (AICS), adaptation-related ODA more than double mitigation-related ODA and activities pursuing both mitigation and adaptation remain the largest share, reflecting that climate is a cross-cutting priority for Italy's development programs. Support for adaptation focuses on sectors closely linked to the ecosystem, such as agriculture, forestry and fishing, water supply and sanitation or disaster risk reduction. Africa absorbs the largest share of climate-related ODA, in line with the priority assigned by the Italian development cooperation to Africa. A significant integration of gender equality objectives into climate related ODA is also observed, reflecting the increasing acknowledgment of the gender-environmental sustainability nexus.

4. 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 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.

10. 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, including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation

Italy aims to strike a fair balance in allocating support to mitigation and adaptation actions.

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 is following up to 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 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.

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

The Ministry of Environment and Energy Security (MASE) 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 MASE and MAECI 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 MAECI takes care of project impact evaluation through independent consultants. So far, no special methodology has been devised for climate related programs.

As for the MASE, the first step in establishing the donor-recipient agreement is the signature of a Memorandum of Understanding or a technical agreement, a high level 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 the Guiding Principles for the bilateral cooperation mechanism;
- approves and reviews the Work Plan, that identifies potential main areas and subjects for cooperation projects;
- adopts the Monitoring and Evaluation Framework and supervise its implementation, with the aim to promote a transparent, efficient and result-oriented approach and to guarantee ownership and accountability;
- adopts formats, templates and standard procedures for cooperation projects and initiatives;
- approves Concept Notes and Full Project Proposals, including budget and schedule, to be implemented and financed under the framework of the MoU;
- discusses appropriate procurement procedures and related standards to be applied for the supply of goods and services necessary for projects' implementation;
- supervises the correct execution of projects and activities, the achievement of their objectives and their long-term impact;

- oversees the appropriate use of funds and take relevant technical and financial decisions for the implementation of projects and activities;

As for the Italian Ministry of Foreign Affairs and International Cooperation (MAECI), which is assigned political responsibility for development cooperation by Law 125/2014 (art. 11), the annual planning process arise from negotiations between the MAECI Direction for Development Cooperation and the Diplomatic Representations. In this exercise, the Italian Agency for Development Cooperation, established by Law 125/2014 as the implementing agency under the umbrella of MAECI, contributes to the annual planning (art. 17) through the identification of Concept Notes in partnership with local authorities. The annual planning is finally approved by a Joint Committee established at MAECI.

For some countries, based on indications from the MAECI Direction for Development Cooperation to the Diplomatic Representations, a National Plan (PIP) is formulated and established with the authorities of the partner country, identifying priority intervention sectors, allocations (grants and concessional loans), and in some cases also specifying the initiatives that will be financed over a 3-to-5-year base. Initiatives designed under the framework of PIPs are required to integrate climate change issues and a climate resilient approach.

15. 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.

In conflict and disasters affected countries and fragile state, in line with the commitment made at the world Humanitarian Summit in 2016 under the Grand Bargain “Greater support is provided for the leadership, delivery and capacity of local responders and the participation of affected communities in addressing humanitarian needs,” , the so called “localization” of aid and in line with the “DAC Recommendation on Strengthening Civil Society in Development Cooperation and Humanitarian Assistance” adopted in July 2021, the Italian Cooperation foresees capacity building of local responders (communities, CSOs, etc).

5. 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.

In evaluating proposals, key importance is given to alignment with Nationally Appropriate Mitigation Actions (NAMAs) and National Adaptation Programmes of Action.

Additionally, emphasis is placed on the integration of climate issues into the priority sectors outlined in the policy guidelines on Italian development cooperation for the years 2024-2026.

9. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them, including information, as applicable, on:

- **Improving enabling environments to strengthen the absorptive capacity of developing countries;**
- **Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance.**

Alignment with the Paris Agreement for ODA providers is an ongoing process; it starts from the integration of climate priorities into the design, implementation, and impact assessment of cooperation initiatives across all sectors and goes through the screening of all intervention with the aim to check-proof their climate neutrality and/or ensure their significant contribution to climate objectives. However, the full integration of climate objectives across all sectors of the development landscape has not yet been achieved. Barriers persist in overcoming the sectoral approach within operational structures and among cooperation stakeholders. Developing guidelines and screening tools, implementing trainings and providing mentorship is crucial to overcome these barriers and make ODA flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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;

As is well known, achieving the climate mitigation and adaptation goals embodied in the Paris Agreement requires a global effort and several changes in our societies including in the international financial architecture, whose financial flows must be consistent with a pathway to a low GHG emissions and climate resilient development (Art.2.1c).

Italy is strongly committed to the achievement of these goals and is working both on a national and international level for making the transition toward the climate zero as fast and sustainable as possible. This includes providing support to developing countries, especially in the ones more effected by the nefarious consequences of climate change.

This support declines in many ways from the financial to the technical assistance, and Italy is providing it through **bilateral agreements**, but also collaborating with other countries in addressing the issue in different fora, from international groups (such as **G20, G7, the Coalition of Finance Ministers for Climate Action**) to financial institutions (such as **Multilateral Development Banks - MDBs** and **Vertical Climate and Environmental Funds - VCEF**).

In particular, concerning the alignment of financial flows, Italy is supporting the work conducted by the **OECD** working groups for methodological and policy advancements (<https://www.oecd.org/en/topics/assessing-the-alignment-of-finance-with-climate-goals.html>), the Coalition of Finance Ministers for Climate Action (of which the financial flows alignment is one of the founding principles <https://www.financeministersforclimate.org/align>) and the **MDBs' working group on Paris Alignment** (<https://www.worldbank.org/en/publication/paris-alignment/joint-mdb-paris-alignment-approach>). This latter group is particularly relevant, due to the crucial role that MDBs play in channelling large financial flows toward supporting the developing countries.

Finally, it is important to remember that public finance alone will not be able to mobilize enough resources to achieve the global climate goals, and therefore the private sector has a pivotal role to play, with the public sector needed to provide appropriate financial and policy incentives and enabling conditions.

15. Latvia

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:
 - Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
 - Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

The Ministry of Climate and Energy (MCE) is public authority to manage and coordinate implementation of provisions of the international climate finance and the financial support to developing countries in the framework of the United Nations Framework Convention on Climate Change (UNFCCC).

Latvia provides the public financial resources to developing countries using several financial support programmes and instruments, such as:

1. **State budget programme “Development cooperation projects and international assistance”** (*hereinafter “Grant Programme”*) is providing annual calls for bilateral granted project proposals covering regions and countries in accordance with the Development Cooperation Policy Guidelines for 2021–2027. The Grant Programme is used to support development and capacity building projects for developing countries and knowledge transfer in different areas including climate change.
2. **Contributions from the State budget, municipal authorities’ budget and other public entities’ budget**, which were provided through bilateral and multilateral channels.

A legal framework on reporting systems on greenhouse gas emissions, adaptation to climate change was adopted on 25 October 2022. This legislation, inter alia, set reporting requirements on financial support to developing countries in the field of climate change. Such a reporting mechanism requires reporting annually on mandatory bases across the state authorities taking into account support actions implemented and projected.

Detail:

The development of a legal framework on reporting conditions has produced several positive results already for reporting periods 2022 and 2023:

- More trusted data was gathered;
- Possibility to use those data for national and international reporting;
- Data based government decision making process was improved;
- Awareness across state authorities on the topic of financial support on climate to developing countries was deepened.

7. Information on national circumstances and limitations relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the challenges and limitations of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

According to the UNFCCC Latvia is not an Annex II Party of the UNFCCC. Therefore, the provisions of Article 4.3, 4.4 and 4.5 of the UNFCCC are not directly applicable.

During period 2022-2023 Latvia has decided to make voluntary contributions, thus, support the international climate finance.
At the same time, due to strict budgetary constraints Latvia has limited opportunities to allocate climate finance to developing countries.

Sub-section 2.2. [General ex-ante information]

2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

The quantitative and qualitative information on support programmes and financial instruments in Latvia during years 2022-2023 is as follows:

- The Grant Programme is one of the main sources for bilateral public financing which has provided in total EUR 340 714,44 making increase during 2022-2023 for 2.4 times. The financial support was provided to Cameroon, Congo, Rwanda, Guinea, Vietnam, Ghana, Ukraine, Moldova, Uzbekistan, Kazakhstan.
- Additional allocations from State budget, municipal authorities' budget and other public entities' budgets have provided in total EUR 731 002,2 which is allocated for co-financing of the grant bilateral projects, bilateral capacity-building support to Azerbaijan, and contributions to international organisations and funds as bilateral and multilateral support targeted to Ukraine, Uzbekistan, Pakistan, Turkey, Morocco, Syria, Libya, Moldova as well as Latin America and Caribbean region.

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

The additional climate finance is mobilized as co-financing of the Grant Programme bilateral projects. In 2023 **private mobilized** climate finance was made as cofinancing of the Grant Programme bilateral projects by the Latvian project partners in amount of EUR 27 705,59.

Detail:

Due to the aggression of Russia in Ukraine, since 2022 Latvia has focused its additional financial support to Ukraine for recovery actions including infrastructure. Latvia's mobilized additional finance is considered as climate finance action related to the energy efficiency, renewable energy sources.

6. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Summary:

In period 2022-2023 following new and additional resources were provided:

1. Additional contributions from the state budget were applied as a financial resource to support developing countries through bilateral and multilateral channels.
2. Additional contributions were provided from the budgets of municipalities, and other

<p>public entities to support bilateral and multilateral interventions.</p> <p>3. Latvia acknowledges that an essential factor is the leverage of private finance scaling up climate finance. In year 2023 private mobilized support was provided as cofinancing of the Grant Programme bilateral projects by the Latvian project partners in amount of EUR 27 705,59.</p>
<p>Detail:</p> <p>Latvia recognizes that the private finance and investment will be pivotal to achieving long-term transformation of developing countries into low-carbon, sustainable, and climate-resilient economies. National instruments and mechanisms to support players in private sectors should be developed.</p>

<p>14. Information on efforts to integrate climate change considerations, including resilience, into their development support; (12/CMA.1, annex)</p>
<p>Summary:</p> <p>Latvian government has made significant decisions to increase provision of financial support for actions on climate resilience and humanitarian aid for crises caused by climate change.</p>
<p>Detail:</p> <p>In 2022 and 2023 EUR 341 000 were allocated for multilateral interventions including mitigation, adaptation and humanitarian aid action support caused by the latest climate change crises, e.g.:</p> <ol style="list-style-type: none"> 1. Voluntary contribution DG ECHO mechanism to support Pakistan; 2. Voluntary contribution to UNDP Climate Promise; 3. Humanitarian aid to the Kingdom of Tonga to mitigate the effects of natural disasters; 4. UN OCHA, as a response to the prevention of the earthquake consequences in Syria; 5. Contribution to the prevention of the flood consequences in Libya through the International Federation of Red Cross and Red Crescent Societies (IFRCRCs); 6. "Flood (climate crisis) mitigation in Pakistan through the voluntary contribution (ECHO) mechanism"; 7. Contribution to the Economic Commission for Latin America and the Caribbean; <p>Voluntary contribution to the UN Central Emergency Response Fund (CERF).</p>

Sub-section 2.3. [Specific elements of ex-ante information]

<p>3. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)</p>
<p>Latvia's policies and priorities of the international climate finance are determined by the following policy documents:</p> <ol style="list-style-type: none"> 1. Development Cooperation Policy Guidelines for 2021-2027 (2021): this document determines regions, recipient countries for support provision to developing countries including international climate finance as part of the development cooperation. 2. Support to developing countries for the implementation of climate measures in 2025-2030 (project of the policy document, it is planned to adopt the document in 2024/2025). The document will determine projected financial support, source of finance, support types and mechanism of support for period 2025-2030.

The above-mentioned policy documents foresee equal right to access information on application for climate finance to different of beneficiaries' target groups, sectors or gender responsiveness

4. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Latvia is fully aware of purposes and all types of support. The aim of support to developing countries is to fulfil goals and purposes of the Paris Agreement stipulated in Article 2.1.(c) and Article 9.

The above-mentioned policy documents foresee a balanced approach to all types of support.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

During 2022-2023 Latvia's support to LDCs (with focus on African countries and SIDS) for adaptation activities has been increased compared to mitigation interventions taking account humanitarian aid aspects and crises caused by extreme weather by providing financial support both to bilateral and multilateral interventions.

12. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

In order to ensure that support has reached priorities of developing countries in climate change area Latvia has introduced certain mechanisms to ensure targeted bilateral cooperation such, as:

1. Elaboration of intergovernmental cooperation documents. For example, Latvia has supported needs and priorities of Azerbaijan in 2023 by providing a capacity-building seminar where topics covered requirements of the transparency mechanism of the Paris Agreement, climate change monitoring, forecasting and early warning system operation. The capacity building seminar was based on the Protocol to the Partnership from 2022 between Azerbaijan and Latvia.
2. Inclusion of requirement to the project application of the Grant Programme to describe needs and priorities of the recipient country in field of climate change.

15. information on how support to be provided to developing country Parties enhances their capacities (12/CMA.1, annex)

At the bilateral level, requirement to the project application of the Grant Programme is included to describe needs and priorities of the recipient country in field of climate change.

At the multilateral level, contributions are made based on the needs of the targeted developing country to the concrete subjected multilateral institutions dealing with response and climate crisis mitigation actions caused by climate change such, as.

1. UN OCHA, as a response to the prevention of the earthquake consequences in Syria;
2. Humanitarian aid to the Kingdom of Tonga to mitigate the effects of natural disasters;

3. Contribution to the prevention of the flood consequences in Libya through the International Federation of Red Cross and Red Crescent Societies (IFRCRCS);
4. "Flood (climate crisis) mitigation in Pakistan through the voluntary contribution (ECHO) mechanism";
5. Contribution to the Economic Commission for Latin America and the Caribbean;
6. Voluntary contribution to the UN Central Emergency Response und (CERF);
7. Voluntary contribution to UNDP Climate Promise.

9. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

The following challenges have been recognised:

1. Lack of clear definition on climate finance at the international level;
2. Limited national financial resources to increase financial support to developing countries;
3. Private mobilized financial support should be increased at the national level.
4. Latvia should develop a reporting mechanism to gather more qualitative data on private mobilized finance as well as improved data exchange with international financial institutions (IFIs).

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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; (12/CMA.1, annex; 14/CMA.3)

Assessment of the relevance of the activities and compliance with long-term climate goals are included evaluating the project proposals of the Grant Programme.

16. Lithuania

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Lithuania contributes to the EU's overall commitments to international climate finance. 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**, 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. Lithuania is a highly active contributor to the European Investment Bank's Eastern Partnership Technical Assistance Trust Fund and Economic Resilience Initiative. Also, Lithuania has made financial contributions to the UNFCCC secretariat, World Bank funds, Eastern Partnership Technical Assistance Trust fund.

Lithuania's contributions to EU-led climate initiatives have been increasingly disaggregated to show national efforts, enabling a more transparent understanding of its role in global climate finance. Improvements are also reflected in Lithuania's support for innovative climate finance mechanisms, such as blended finance, where public funds are used to leverage private investment in developing countries.

7. Information on national circumstances and limitations relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the challenges and limitations of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

As part of the EU, Lithuania's climate finance contributions are often pooled through collective EU mechanisms and funds. As Lithuania's main financial support to developing countries is given through its National Climate Change programme, which is part of the budget is usually hard to plan due to budgetary planning constraints. Since 2022 Lithuania introduced a new strategical planning system which helps to plan better in advance. Since then, the proceeds of Climate Change programme are planned for 4 years period.

Sub-section 2.2. [General ex-ante information]

2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

The Ministry of Environment from Climate Change Programme allocated 8 mln. Euros (2 million annually) for bilateral development cooperation for 2022-2025. Since 2014 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 mln. Eur were provided to climate mitigation projects in developing countries. In 2020 - 1,32 mln. Eur, 2021 - 1,94 mln. Eur, 2022-2023 – 5,39 mln. Eur. For the implementation of development cooperation projects in 2022-2025, Ministry of Environment from Climate Change Programme allocated 8 mln. Eur (2 million Euros annually).

11. 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;

(12/CMA.1, annex, 14/CMA.3)

For the implementation of development cooperation projects in 2022-2025, the Ministry of Environment from Climate Change Programme allocated 8 mln. Eur (2 million Euros annually). The bigger part of the proceeds has already been allocated to projects. The support to applicants is given if they can mobilise their own financial resources, it can vary from 30 to 50 percent of their own share to projects.

8. Information on relevant methodologies and assumptions used project levels of climate finance; (12/CMA.1, annex)

Lithuania, as an EU Member State, provides climate finance information in line with the collective EU reporting framework under the Paris Agreement. Its climate finance contributions are typically integrated into broader EU commitments, making the methodologies and assumptions used to project levels of climate finance largely consistent with EU practices.

6. An indication of new and additional resources to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Lithuania defines new and additional climate finance resources as those that exceed pre-existing commitments, such as ODA or previous climate finance contributions.

14. Information on efforts to integrate climate change considerations, including resilience, into their development support; (12/CMA.1, annex)

Lithuania's efforts to integrate climate change considerations, including resilience, into its development support are multifaceted and involve both national initiatives and collaboration with EU and international partners. Lithuania prioritizes climate resilience in key sectors such as RES in its

development cooperation with partner countries, particularly in the Eastern Partnership region. Through its participation in EU frameworks and instruments like the European Green Deal and the Global Climate Change Alliance Plus, Lithuania ensures that its development assistance aligns with global climate action and contributes to building resilience in vulnerable regions.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

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: Armenia, Georgia, Nigeria, Ukraine, Uzbekistan 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 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.

Starting from 2022, Lithuania also provides bilateral support for the implementation of renewable energy projects (solar power plants) in Ukraine.

4. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Priority is given for the bilateral cooperation projects in developing countries to support climate mitigation (GGH reducing) activities. The multilateral contributions included cross-cutting activities.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Lithuania is committed to achieving a balance between climate change mitigation and adaptation in its provision of climate finance. Through its participation in EU mechanisms and multilateral climate funds, Lithuania ensures that a significant portion of its climate finance supports adaptation efforts, particularly in Least Developed Countries (LDCs) and Small Island Developing States (SIDS). Lithuania by aligning its climate finance with the country-driven strategies of its partners, Lithuania aims to meet the specific needs of developing countries.

12. Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

By aligning its climate finance with the country-driven strategies of its partners, Lithuania aims to

meet the specific needs of developing countries.

15. information on how support to be provided to developing country Parties enhances their capacities (12/CMA.1, annex)

Lithuania's support to developing country enhances their capacities by focusing on institutional, technical, and financial strengthening. Lithuania helps developing countries build the capabilities required to effectively tackle climate change and achieve their climate goals. [2 sentences]

5. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries; (12/CMA.1, annex)

Lithuania aims to support projects that effectively address climate change challenges (reduce GHG emissions) and contribute to sustainable development in developing countries.

9. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

Lithuania's experience with climate finance has several challenges, such as low capacity in the ministry, complex funding processes, and coordination issues in development countries, state budgetary constraints because of geopolitical situation, difficulties with the private sector investments. Currently Lithuania is working with OECD DAC to improve projects quality and to create better assessment criteria to avoid such problems in advance.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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; (12/CMA.1, annex; 14/CMA.3)

Lithuania's efforts to help developing countries to meet the long-term goals of the Paris Agreement, are seen through financing projects in developing countries that are in line with their climate goals and strategies and that give GHG reduction effect. These projects are good learning and demonstration initiatives to work further on these kinds of projects and enhance local/regional interest in financing climate projects.

Sub-section 2.5. [Additional information]

16. 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/>.

Reports <https://am.lrv.lt/lt/veiklos-sritys-1/klimato-politika/klimato-kaita/sesd-apskaitos-ir-prognoziu-ataskaitos-nacionaliniai-pranesimai/lietuvos-nacionaliniai-jtbkkk-igyvendinimo-pranesimai-ir-dvimetes-ataskaitos-2/>

17. Luxembourg

(The answers are limited to ICF funding and do not take into account ODA-climate related funding, unless specified otherwise.)

1. 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, through its Ministry of Foreign and European Affairs (MoFA), 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.

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)].

In 2021, Luxembourg adopted a revised ICF strategy for the years 2021-2025 and committed a new financial envelope of 200 million euros for that same period. An additional 20 million euros was pledged at the UNGA in New York in 2021, meaning that Luxembourg’s total projected level of ICF was elevated to 220 million euros for the period 2021 to 2025.

The Luxembourg ICF pledge is delivered through Luxembourg’s Climate and Energy Fund (under the authority of the Ministry of the Environment, Climate and Biodiversity [MECB]). As of today, a total budget of approximately 300 million euros of the whole ICF envelope (340 million euros; 2014-2025) has been committed. In the run-up to COP29 and the anticipated announcement of the New Collective Quantified Goal on Climate Finance (NCQG), the MECB has already initiated the discussion around possible financing scenarios and a more ambitious ICF budget for the next commitment period 2026-2030.

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 ICF.

The table below gives an overview of climate related funding to developing countries in 2023:

Source	Committed	Provided
MECB (Climate and Energy Fund)	35 375 801.70	36 289 739.32
MoFA (Climate related ODA)	34 818 661.10	34 818 661.10
MFIN (Sustainable finance budget)	3 178 640.00	9 073 419.00
Total	73 373 102.80	80 181 819.42

MoFA and MFIN figures are additional to the ICF pledge of the MECB, delivered through Luxembourg’s Climate and Energy Fund.

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<p>2. Indicative quantitative and qualitative information on programmes, including projected levels, channels, and instruments, as available;</p> <p>The ICF strategy 2021-2025 is 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.</p> <p>During the funding period 2014-2020, most of the ICF 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 (GCF) contribution). Luxembourg also provided, in several cases directly and indirectly first loss and junior equity investments into themed impact funds. (e.g., Forestry and Climate Change Fund (FCCF) a pioneering impact fund aiming at sustainable forestry within secondary and degraded tropical forests; Luxembourg-EIB Climate Finance Platform (LCFP) a de-risking mechanism for private investments, which, among others, provided funding for the Land Degradation Neutrality Fund).</p> <p>During 2021-2025, the Luxembourg ICF intended to further broaden its use of different instruments. The types of instruments to be used under the ICF window 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.</p> <p>It is noted that a focus has been set on the engagement with the private sector in order to mobilize more private sector climate finance. Blended finance structures absorbing most of the non-grant funding provided under Luxembourg's ICF strategy, targeting activities that can become investable and bankable (e.g. LCFP; FCCF; the Restoration Seed Capital Facility (RSCF), a technical assistance facility to co-finance the development and establishment of new investment funds and support pipeline and project development for existing funds that invest in Forest Landscape Restoration).</p> <p>Since 2014, Luxembourg's ICF pledge to the GCF totals 125 million euros (2014-2020: 35 million euros, 2020-2024: 40 million euros, 2024-2027: 50 million euros) delivered in the form of grant and capital contributions.</p> <p>Financing activities are implemented through bilateral and regional channels (development agencies, financing institutions, project developers, research institutions, NGOs) and multilateral channels (UN bodies, multilateral development banks...).</p>

<p>3. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;</p> <p>The specific support Luxembourg provides is 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</p>
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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.

The selected 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

Activities related to the funding themes of the Luxembourg ICF are described in detail in the strategy document. An exclusion list summarizes projects that cannot benefit from Luxembourg's ICF funding. 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.

Any support from Luxembourg's ICF envelope is subject to several conditions and requirements, including – eligibility criteria:

- Clear and direct climate change focus
- Additionality of support
- Alignment with host country climate strategies and NDCs
- Safeguards and gender
- Exclusions

And selection criteria:

- Strong climate impact
- Other sustainable development benefits
- Mobilisation of private sector funding
- Transformation, innovation, and lasting outcomes
- Efficiency
- Gender equality contribution.

The gender component has been integrated as a mandatory eligibility (in terms of the applicant organisation) and selection criteria (gender-sensitive and/or gender-responsive activities).

While there is no general restriction in country eligibility, the ICF strategy grants enhanced consideration for climate finance support to LDCs 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").

Assistance for mitigation and land-use (including REDD+) focused interventions in transition countries and emerging economies, on the other hand, are conditional on exceptional mitigation

benefits, the transformational nature of the underlying climate finance concept and high levels of private (co-) funding to 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 not required, that such activities are predominantly located in more advanced developing countries equipped with an appropriate enabling environment, policies and a strong recognition of the rule of law that 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.

A small funding window for 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 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.

4. 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 2021-2025 ICF 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 ICF 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 must 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 ensures that Luxembourg's ICF achieves an overall balanced impact in terms of mitigation, adaptation, and REDD+. Adaptation elements shall be included in most supported activities. Nature-based solutions should become an integral part of this balanced approach, rather than a separate category. Funding themes are described in chapter 3. Several activities contribute to both adaptation and mitigation.

Over the past few years, a great number of activities were launched in the field of climate and sustainable finance to leverage private sector funding in the areas of adaptation and mitigation: e.g.,

- the Luxembourg-EIB Climate Finance Platform (LCFP), a de-risking mechanism for private investments;
- the Forestry and Climate Change Fund (FCCF), a pioneering impact fund aiming at sustainable forestry within secondary and degraded tropical forests;
- the International Climate Finance Accelerator (ICFA), a public-private partnership set up to support climate finance fund managers in Luxembourg;
- the Restoration Seed Capital Facility (RSCF), a technical assistance facility to co-finance the development and establishment of new investment funds and support pipeline and project development for existing funds that invest in Forest Landscape Restoration;
- the City Climate Finance Gap Fund (Gap Fund), an early-stage project incubator to turn resilient low-carbon ideas in urban contexts into strategies and finance-ready projects;

- Resilient Landscapes Luxembourg (RLL); an innovative project incubator for science-based high-quality Nature-based Solution projects to develop investment-ready projects.

Support for capacity building is an integral part of most activities supported through the Luxembourg ICF and several activities also include technology transfer elements, especially when it comes to bilateral agreements. Activities to promote human rights and gender equality 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.

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

The ICF strategy 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 programme). 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 ICF funding from Luxembourg. The MECB carries out the analysis of OECD/DAC RIO climate markers for all proposed ICF activities and 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 MC1 and MC2, 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.

As already stated in chapter 3., ICF strategy uses specific eligibility and selection criteria. These criteria are interconnected and described in more detail in Luxembourg's ICF strategy. The potential for transformation, the creation of an enabling environment as well as the needs of beneficiaries, the political will and country priority reinforce the climate impact and the benefits to sustainable development.

6. 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 euro 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. MECB fulfils its role through a close exchange of information with the Directorate of Development Cooperation and Humanitarian Affairs of the MoFA.

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).

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

The 2021-2025 ICF budget is made available through Luxembourg's Climate and Energy Fund and administered under the authority of the MECB. 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 MECB signs off on all approved ICF agreements after consultation with a defined management board composed of representatives from various ministries. The budget is approved for a multi-year period, e.g. the commitment of 220 million euros for the period 2021-2025.

ICF budget for the period 2021-2025 is approved as follows⁶:

2021	2022	2023	2024	2025	2026	2027
23 927 262	27 130 939	36 149 605	59 500 000	64 000 000	12 000 000	7 000 000

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

As explained in chapter 7., ICF contributions through the Climate and Energy Fund are defined through a multi-year budget: 220 million euros from 2021 to 2025. Discussions regarding a more ambitious target for the period 2026-2030 are already taking place within the MECB.

Concerning climate related ODA contributions (MoFA) and ICF contributions from the MFIN: no explicit projections are available at this point, but it is assumed that contributions will not drop in the future.

10. 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

⁶ Total budget of approx. 230 million euros - instead of 220 million euros - due to a carry-over of 10 million euros from the 2014-2020 commitment period, corresponding to delayed payments (slower project execution).

Numbers for 2021-2023: Provided amounts.

Numbers for 2024-2027: Remaining commitments of the 2021-2025 period with disbursements foreseen until 2027.

Commitments beyond 2025 will be additional to the ICF budget of the next commitment period 2026-2030.

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 already explained in chapter 4., Luxembourg's ICF strategy no longer applies strict and siloed quotas for mitigation, adaptation and REDD+ support. Instead, the ICF 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 ICF 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 must 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 ensures that Luxembourg's ICF achieves an overall balanced impact in terms of mitigation, adaptation, and REDD+. Adaptation elements shall be included in most supported activities. Nature-based solutions should become an integral part of this balanced approach, rather than a separate category.

11. 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. The Luxembourg Sustainable Finance Roadmap (LSFR) developed in 2018 in close collaboration between the MFIN and the Ministry of Sustainable Development and Infrastructure (now MECB), which specifies actions to foster a sustainable finance ecosystem in Luxembourg, offers a key reference point for engagement.

In 2021, Luxembourg adopted its Sustainable Finance Strategy and launched its implementing organization, the Luxembourg Sustainable Finance Initiative (LSFI). The Luxembourg Sustainable Finance Strategy is currently being updated to reflect the recent developments in Luxembourg and beyond.

While preparing the national path for the transformation of its financial sector, Luxembourg seeks to offer its expertise and capacity building to help developing countries who wish to set equally ambitious objectives.

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, nature-based solutions as well as wider measures aimed at realizing NDC commitments. Under the ICF 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 does currently absorb most of the non-grant funding provided under Luxembourg's ICF strategy, targeting activities that can become investable and bankable (e.g. the

Luxembourg-EIB Climate Finance Platform (LCFP), a de-risking mechanism for private investments ; the Forestry and Climate Change Fund (FCCF), a pioneering impact fund aiming at sustainable forestry within secondary and degraded tropical forests; the Restoration Seed Capital Facility (RSCF), a technical assistance facility to co-finance the development and establishment of new investment funds and support pipeline and project development for existing funds that invest in Forest Landscape Restoration).

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

As already stated in chapter 3., one of the six main selection criteria of the ICF programme is “transformation, innovation, and lasting outcomes”, which includes the analysis of national priorities, 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.

13. 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 strategy 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 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.

As already stated in chapter 3., the specific support Luxembourg provides is 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 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

Generally, Luxembourg puts a strong emphasis on activities that are promising for mobilizing financing from the private sector. It is assumed, but not required, that such activities are predominantly located in more advanced developing countries equipped with an appropriate enabling environment, policies and a strong recognition of the rule of law that 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.

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

In 2021, Luxembourg's Development Cooperation launched a transformative Environment and Climate Change Strategy aligned with its overarching Development Cooperation Strategy "*The Road to 2030*", and in step with international environmental and climate commitments. To ensure thorough implementation, a comprehensive action plan was devised alongside an extensive set of tools, publicly available, all aimed at equipping stakeholders with practical resources. These resources are designed to systematically embed environmental and climate considerations—and their intersections with gender issues—across all cooperation activities. Additional tools are planned, and according to the OECD, these initiatives are already yielding positive results by strengthening the integration of gender, environmental, and climate issues in LU cooperation efforts. Additionally, at the national programming level, targeted workshops are organized as needed to deepen collaboration on these critical topics.

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

Capacity-building is integrated in most of Luxembourg's ICF and ODA-climate activities (especially in bilateral projects).

18. Malta

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

When it comes to recognising the critical role of international cooperation to finance global efforts to tackle climate change, Malta intends to continue providing climate finance to developing country Parties. Malta has a long-standing relationship with the Green Climate Fund (GCF) and has been consistently scaling up its annual contribution to the GCF, doubling its annual commitment yet again in 2023 to €400,000. This level of support is projected to remain consistent in the future.

Malta has also provided climate finance through other channels: contributions to Tunisia's efforts in protecting its Ghar El Melh lagoon through the Global Water Partnership (GWP), contributions to the International Federation of Red Cross (IFRC)'s Disaster Response Emergency Fund (DREF), and through the University of Malta (UoM)'s Islands and Small States Institute (ISSI), providing numerous postgraduate scholarships schemes and aid to the Organisation of African, Caribbean and Pacific States (OACPS) to develop a Climate Multidimensional Vulnerability and Resilience Index (CVRI).

Malta reports annually on financial and technological support provided to developing countries under the Governance Regulation⁷, 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.

2. 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. Similar intervention logic can be seen with Malta's contributions to the IFRC's DREF, a long-standing fund dating back to 1979 and with Global Water Partnership Mediterranean (GWP) as an implementing partner for protecting its Ghar El Melh lagoon.

In 2023, Malta provided €400,000 to the GCF, €80,000 to GWP for Tunisia's Ghar El Melh Lagoon, €50,000 to IFRC's DREF and over €70,000 in other aid, including academic capacity building endeavours.

3. 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.

Noting that small island developing states and smaller states are often disproportionately affected by climate change, Malta as an Annex I party not registered under Annex II, focuses its additional contributions not made through multilateral channels on aiding these vulnerable parties in line with Malta's "Island for Islands" initiative.

⁷ 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

The 'Island for Islands' initiative, announced in 2021, aims to share information, best practices, and capacity-building on climate change policies tailored to island nations. Malta has also co-chaired the UN's Steering Committee on Partnerships for SIDS, supporting their implementation of the SAMOA Pathway and Sustainable Development Goals. In response to COVID-19, Malta hosted online webinars and collaborated with local ministries and international organisations on key topics such as COVID-19 lessons, tourism resilience, blue economy partnerships, and renewable energy.

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

Malta provides funds to the GCF and IFRC's DREF to be disbursed in line with the policies of the Funds and decisions of the Funds' Boards. GCF launched its second replenishment in 2023, which aims at a balanced approach between adaptation and mitigation. IFRC's DREF is focused on disaster-response, however it also takes an anticipatory action approach, with an aim that this accounts for 25% of the fund's expenditure by 2025.

The provision of scholarships through schemes such as ISSI provide a resource-efficient way for Malta to build capacity and improve the autonomy of vulnerable communities to take climate action in a way that is not feasible for Malta to undertake on its own with its limited resources.

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

Due to limitations posed by Malta's relatively small size, Malta works with established parties within the ICF space, such as the GCF, IFRC's DREF and GWP. These organisations possess the administrative capacity to effectively distribute and implement Malta's contributions in alignment with their respective policies and priorities.

6. 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.

7. 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.

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

No specific methodology is currently in use to project Climate finance to be provided to developing countries.

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

Malta, being a rather small provider of finance, faces exaggerated costs in terms of overheads for 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 or with established parties. 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.

10. 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 annually to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board. GCF launched its second replenishment in 2023, which aims at a balanced approach between adaptation and mitigation. At current financing levels, the funds provided to GCF account for approximately 65% of reported annual contributions.

Malta has opted for grants to provide its international climate finance.

11. 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 updated EU Emission Trading Scheme Directive specifies that EU Member States shall spend at least 100% of the auction revenues on measures addressed to tackle climate change starting from 5th June 2023 onwards. Malta uses these resources both for national and international purposes. Albeit without specific earmarking, expenditure on climate projects exceeds significantly the 100% benchmark.

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

Malta works with established parties within the ICF space, such as the GCF, IFRC's DREF and GWP. These entities develop systems which ensure targeted aid deliveries in line with needs and exigencies of beneficiaries.

13. 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;

Malta works with established parties within the ICF space, such as the GCF, IFRC's DREF and GWP. Taking the GCF, the major beneficiary of Malta's ICF as an example, it balances funding between

mitigation and adaptation efforts, catalyses additional finance through innovative mechanisms, and strengthens institutional capacities for effective climate finance access. This comprehensive approach enables the GCF to effectively assist countries in transitioning to low-emission and climate-resilient development pathways.

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

Malta's Multilateral contributions through the GCF follow its strategic vision linked to international climate targets. The GCF employs robust monitoring and evaluation processes to ensure that funded projects yield measurable outcomes in emissions reductions and resilience building.

Malta's bilateral contributions, such as the Tunisia's Ghar El Melh Lagoon, aims to provide funding in a coordinated manner, in line with the exigencies and priorities of the beneficiary countries' institutions.

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

Malta remains committed to capacity-building in education through scholarships at the Masters and PhD levels for nationals of ODA-eligible SIDS. Since 2021, the Ministry for Foreign and European Affairs and Trade, in collaboration with the University of Malta's Islands and Small States Institute, expanded the programme under a new three-year agreement, offering a total of 2 PhD and 9 Masters scholarships for the 2024-2027/8 academic years. Additionally, Malta is a key partner of the Diplo Foundation, funding scholarships for applicants from developing countries, including SIDS.

The 'Climate Vulnerability and Resilience Index' (CVRI) will be a key component of the re-launched Malta-based Commonwealth Small States Centre of Excellence (CSSCOE). Developed by the Ministry for Foreign and European Affairs and Trade of Malta (MFET), in collaboration with the University of Malta's Islands and Small States Institute (ISSI) and the Organisation of African, Caribbean, and Pacific States (OACPS), the Index, besides assessing vulnerability and resilience individually, also juxtaposes the two indices, with the objective of creating a more comprehensive understanding of the risks of being harmed by climate change, and the efforts and costs associated to address climate change vulnerabilities by strengthening and maintaining resilience.

Multilaterally, Malta provides funds to the GCF to be disbursed in line with the policies of the Fund and decisions of the Fund's Board. The GCF have a history of capacity building by addressing barriers and strengthening institutional capabilities.

19. The Netherlands

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

The Netherlands has in its current Foreign Trade and Development Cooperation Policy “Do What we do Best” 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 current policy “Do what we do best” (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 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, a better integration of climate objectives in development cooperation, and a more effective mobilization of private finance for climate action of the Dutch Fund on Climate and Development (DFCD) 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 in particular Covid-19 did lead to some challenges related to the mobilization of private finance in the period 2020-2022 due the difficulties that the private sector experiences in its operations.

In its policy note “Do what we do best”, 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.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:
Given the annual budget cycle, and the always ongoing approval of new programs and activities, the Netherlands can in principle only provide an estimate of its climate finance for one year ahead. As indicated before, the previous cabinet aimed for a further significant increase in climate finance over the course of its mandate with a specific target for 2025. In 2022, 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. A new cabinet was installed in July 2024. The process of formulating a new government program is currently ongoing. At this moment, it is too early to say to what extent this will influence the future climate policy and priorities.
Detail:
Overall policies are determined when a new Government takes office and are approved by Parliament. They clarify thematic priorities, focus countries or regions, cross-cutting issues, channels, key initiatives and the general budgetary framework. Subsequently, they are translated in more detailed policies, in multi-annual strategic plans and theories of changes.
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. 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 programs 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 programs and activities, the Netherlands can in principle only provide an estimate of its climate finance for one year ahead. In its policy note "Do what we do best" (2022), 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. A new cabinet was installed in July 2024. The process of formulating a new government program is currently ongoing. At this moment, it is too early to say to what extent this will influence the future climate policy and priorities.

Sub-section 2.2. [General ex-ante information]

2. Indicative quantitative and qualitative information on programmes , including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable: <ul style="list-style-type: none"> Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5) More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)
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 (DFCD).

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 200 million to the Dutch Fund for Climate and Development (DFCD), for the period 2019-2037;
- EUR 120 million to the Green Climate Fund (GCF), for the period 2019-2023 (first GCF replenishment);
- USD 44 million to the World Bank's Regional Off-grid Electrification Project in the Sahel for the period 2019-2026;
- EUR 35.6 million for the AGRI-3 Fund for the period 2020-2039;
- USD 160 million to Climate Investment Funds (CIF), for the period 2021-2031;
- 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;
- USD 114M to PSNP 5/Productive Safety Net Program Phase 5 in Ethiopia, for the period 2021-2026;
- EUR 20M to the EBRD/HIPCA (High-Impact Partnership on Climate Action) program for the period 2021-2024;
- USD 70M for World Bank/ESMAP for Electrifying Africa for the period 2021-2028;
- A total of about € 220 million for the period 2021-2025 for strengthening Civil Society Organizations active in lobby and advocacy in the areas of climate (justice), nature, biodiversity and sustainable/resilient WASH and Food Security;
- EUR 112 million for the PSNP V/ Productive Safety Net Program phase 5 in Ethiopia, for the period 2021-2026 (after top-up).
- EUR 100 million for the Pro-Arides program, for the period 2021-2030.
- EUR 46 million for DGIS - IHE Delft Programmatic Cooperation (DUPC3), for the period 2021-2027.
- EUR 124 million to the Global Environment Facility (GEF), for the period 2022-2026 (8th GEF replenishment);
- EUR 45 million to the Least Developed Countries Fund (LDCF), for the period 2022-2026;
- EUR 19 million to Climate Energy Response Facility (CERF), for the period 2022-2025;

- EUR 15 million to the Climate & 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 60 million to CASCADE/Catalyzing Strengthened Policy Action for Healthy Diets and Resilience, for the period 2022-2027;
- EUR 200 million to CGIAR/Consortium of International Research Centers, for the period 2022-2027;
- EUR 16 million to STEP CHANGE/Accelerating Adaptation to Climate Change, for the period 2022-2027;
- EUR 16 million for Strategic Partnership with WRI, for the period 2022-2028.
- EUR 80 million for the Global Alliance for Improved Nutrition (GAIN), for the period 2022-2027.
- EUR 45M for WaterWorx II, for the period 2022-2026.
- USD 9.8 million for P4G/Partnering for Green Growth and the Global Goals, for the period 2023-2027;
- EUR 105 million to One Acre Fund 2023-2027;
- EUR 60 million additional commitment to FMO AEF/Access to Energy Fund for the period 2023-2030;
- EUR 80 million to EnDev/Energising Development for the period 2023-2027;
- EUR 100 million to AAAP/Africa Adaptation Acceleration Program for the period 2023-2028;
- EUR 55 million to Water@Heart program, for the period 2023-2028;
- EUR 140 million to the Green Climate Fund (GCF), for the period 2023-2028 (second GCF replenishment).
- EUR 100 million to the Soil Values West Africa program, for the period 2023-2033.
- EUR 39.5 million for CIEMER/NCEA National Commission for Environmental Assessment, for the period 2023-2032.
- EUR 16 million for the Water Resilience Trust Fund, for the period 2023-2027.
- EUR 15,5 million for the BRIDGE+/Building Rural Income through inclusive Dairy Business Growth in Ethiopia, for the period 2023-2029.
- EUR12 million for the Horticultural Livelihoods, Innovation and Food Safety (Horti-LIFE III) in Ethiopia, for the period 2023-2030.
- EUR 30 million for the Manguana – Food Systems Beira Corridor Program, for the period 2023-2027.
- EUR 30 million for BRIGHT/Basin Management Support for Resilient, Inclusive Growth and Harmonized Transformation for the National IWRM Program of Ethiopia, for the period 2024-2029.
- EUR 24 million to NL CGIAR Partnership II, for the period 2024-2028.
- EUR 20 million for the Sustainable Agriculture for Forest Ecosystems (SAFE) program, for the period 2024-2028.
- USD 27 million for ADRiFi MDTF - Supporting adaptation capacity through increased parametric insurance penetration in Africa (SACPIP -AFRICA), for the period 2024-2029.
- EUR 65 million for the WASH UNICEF ASWA Phase III program, for the period 2024-2027.

11. 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; (12/CMA.1, annex, 14/CMA.3)

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), for 2023 the report indicated that the NL mobilized EUR 922 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 (e.g., Mobilized private (climate & biodiversity) finance: 2023 report | Report | Government.nl).

For example, Dutch activities such as Access to Energy Fund's contribution to Climate Investor One, the Dutch Fund for Climate and Development (DFCD) and its contribution to Climate Investor Two, and the AGRI-3 Fund are designed to mobilize and attract private investors, as well as FMO delegated funds like MASSIF and Building Prospects.

In addition, we support working on the lower end of the mobilization scale, like Mobilizing 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.

Finally, the Netherlands is also mobilizing private finance for climate through supporting pioneering activities, such as ILX Fund I, which mobilized more than USD 1 billion from three of the largest Dutch pension funds. Given the limited role of blended finance in these structures and considering the scope of OECD methodology for mobilized private finance, this element of the mobilized private climate finance is currently not attributed to the Netherlands.

We are aware that at the global level most private finance mobilized is in support of mitigation. To address this there is for instance for the Dutch Fund for Climate and Development (DFCD)⁸, a requirement that 65% of the investments is directed at adaptation and that 25% should be directed to least developed countries as determined by the OECD-DAC country list. The Origination Facility within the DFCD has an even stronger focus on adaptation.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Summary:

The Netherlands estimates future levels of public climate finance on the basis of approved ODA budgets and trends in climate relevance of relevant budget articles/themes. Mobilized private finance is projected on the basis of three-year rolling averages. For reporting public climate 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 and the OECD-DAC methods for calculating mobilized private finance.

Detail:

The Netherlands estimates future levels of public climate finance on the basis of approved ODA budgets and trends in climate relevance of relevant budget articles/themes. Mobilized private finance is projected on the basis of three-year rolling averages.

⁸ <https://thedefcd.com/>

For reporting purposes, for most activities (projects/programmes), the OECD/DAC's Rio Marker methodology is used to provide an approximate quantification of the Netherlands' climate finance:

- If an activity is marked as principal for mitigation or adaptation, 100% of the support is considered and reported as climate finance.
- If an activity is marked as significant for mitigation or adaptation, 40% of the support is considered and reported as climate finance. We consider this percentage to be a reasonable estimate of the average climate contribution of projects that have climate change adaptation or mitigation as a significant objective.

In case more than one climate Rio Marker is assigned to an activity, the activity is reported as crosscutting. Double counting is avoided as follows:

- If an activity has 2 'principal' markers, 100% is reported as crosscutting in our reporting to EU and UNFCCC (in our administrative system both markers are counted for 50%);
- If an activity has 2 'significant' markers, 40% is reported as crosscutting in our reporting to EU and UNFCCC (in our administrative system both markers are counted for 20%);
- If an activity has 1 'principal' and 1 'significant' marker, 100% is reported as either adaptation or mitigation in our reporting to EU and UNFCCC depending on which one carries the marker 'principal' (in our administrative system the 'principal' marker is counted for 60% and the 'significant' marker for 40%).

For a limited number of activities, in particular in the area of Humanitarian Aid Assistance, we have, irrespective of the Rio Markers assigned and pending further analysis and discussions with the relevant organizations, applied a more conservative percentage between 1%-27% to estimate climate finance (in most cases for adaptation).

In line with the OECD-DAC methodology, we do not apply the Rio markers to our core contributions to multilateral organizations. Instead, we apply the OECD-DAC's imputed climate-related shares. For a few multilateral organizations carrying out climate-relevant work, the OECD – DAC has not yet determined imputed climate-related shares. For these organizations, we have determined climate-related shares ourselves, where possible in consultation with the organizations concerned, and applied them to our core contributions.

To measure the volume of private finance mobilized by the Netherlands directly, we follow the OECD-DAC methods. For the private finance mobilized 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.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Summary:

As indicated before, the Netherlands has been 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 reported in Biennial Reports (BR) and National Communications (NC), 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.

The climate finance reported annually by the Netherlands is considered new and additional to the financial disbursements reported in previous years. Dutch support for climate action in developing countries is financed from the budget of the Ministry of Finance and the budget for Foreign Trade and Development. This budget is approved by Parliament annually, providing new and additional resources to the budgets approved in previous years.

The Netherlands total annual climate finance has increased substantially from EUR 493 million in 2015 to some EUR 1.843 billion in 2023. This increase is partly the result of more effectively mainstreaming/integrating climate mitigation and adaptation in new development cooperation programs. A substantial part also comes from recent year-on-year increases in the general and climate related budget for Foreign Trade and Development.

Concrete examples of substantial new and additional financial commitments made by the Netherlands in recent years are listed in our response under question 2.

In addition to public climate finance, our contribution to international climate finance also includes private climate finance mobilized by public means. The Netherlands has, with the help of external companies, been measuring and reporting the annual amount mobilized in line with OECD guidelines. These data are published each year in publicly accessible reports. Although the Netherlands did have a policy to mobilize private climate funding also before Copenhagen, it now has a policy and accompanying measures to also do so for climate action specifically.

14. Information on efforts to *integrate climate change considerations*, including resilience, *into their development support*; (12/CMA.1, annex)

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 Multiannual Strategic Plans and in the projects and programs 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 question 1). Awareness and knowledge is enhanced through ad hoc training sessions, workshops, personal communications and an online training course.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on *policies and priorities*, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

<p>Summary:</p> <p>In line with the current policy, the Netherlands channels its 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, the Netherlands also supports multilateral climate funds and there is flexibility to provide support to programs and initiatives that target climate change at a global level beyond the regions listed.</p>
<p>Detail:</p> <p>In line with the current policy, the Netherlands has focused 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 has been flexibility to provide support to programs and initiatives that target climate change at a global level beyond the regions listed.</p> <p>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, there is focus on sustainability and digitalization transitions. Furthermore, supporting the multilateral system and multilateral climate funds is a priority.</p> <p>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.</p> <p>The Netherlands has aimed to provide balanced support to mitigation and adaptation. 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). 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).</p> <p>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. The Netherlands has adopted a Feminist Foreign Policy and 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.</p> <p>The new cabinet, that was installed in July 2024, is in the process of formulating its government program. At this moment, it is too early to say to what extent this will influence the current climate policies and priorities.</p>

<p>4. Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)</p>
<p>Summary:</p> <p>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.</p>

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 adaption, 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 mobilized is in support of mitigation. Therefore, the Netherlands has decided to focus on mobilizing the private sector for adaptation in programs such as the Dutch Fund on Climate and Development (DFCD) and Mobilizing 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"). In 2023, the Netherlands approved EUR 40 million additional funding to the Origination Facility to continue to optimally benefit from the DFCD structure. The top-up of the Origination Facility has an explicit focus on adaptation, with the agreement that at least 90% of the investments done by the Origination Facility will have a "principle" Rio Marker for climate 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. 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.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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. The Netherlands public climate finance comprises of grants only and, as further elaborated in question 12, addresses national strategies and priorities by, among others, working with all stakeholders in the identification and design of programs and by referring to National Determined Communications (NDCs), National Adaptation Plans (NAPs) and other relevant national policies and strategies.

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 programs and initiatives that target climate change at a global level beyond the regions listed.

Internationally, the Dutch government demonstrates leadership for further scaling up adaptation finance ambitions. The Netherlands focuses on achieving a better balance and improving the quantity, quality and accessibility of this finance specifically for least developed countries (LDCs) and Small Island Developing States (SIDS), for example through the Champions Group on Adaptation Finance and the Climate & Development Ministerial that were launched in 2021.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

To address the needs and priorities of our partner countries, we work with a multitude of actors, including national, regional and local authorities, multilateral organizations, non-governmental organizations, private-sector organizations, farmers organizations, water boards, and so on. These organizations all have their own processes to ensure that their activities meet the needs of their target populations. We furthermore require implementing organizations to carry out context, problem and stakeholder analyses, and in that process also refer to climate profiles such as those published by IPCC, and not least also to National Determined Communications (NDCs), National Adaptation Plans (NAPs) and other relevant national policies and strategies

Detail:

The Netherlands' support for climate action in developing countries is an integral part of its international cooperation policy. Since Dutch public climate finance is all financed from ODA, our bilateral activities and contributions to multilateral institutions and development banks are primarily intended to support the poorest and most vulnerable countries and communities. The Netherlands furthermore targets more than half of its public climate finance for adaptation.

Of the Dutch partner countries, mostly situated in the Sahel, the Horn of Africa, the Middle East and North Africa, most are least developed countries (LDCs), many are fragile and conflict-affected states and all of them are vulnerable to climate change.

An evaluation of climate finance in the period 2010–2019 was carried out and published by the Evaluation Department in 2021.⁹ According to the report, 60% of the public climate finance evaluated reached the poorest countries. For mobilized private climate finance that percentage was 50%. To further improve the focus on the most vulnerable people, women and girls, the report furthermore presented a number of practical recommendations for program identification, design and monitoring and evaluation.

To address the needs of our partner countries, we work with a multitude of actors, including national, regional and local authorities, multilateral organizations, non-governmental organizations, private-sector organizations, farmers organizations, water boards, and so on. These organizations all have their own processes to ensure that their activities meet the needs of their target populations.

⁹ <https://english.iob-evaluatie.nl/>

With regards to (earmarked) bilateral activities funded with public climate finance, we require implementing organizations to carry out context, problem and stakeholder analyses, and in that process also refer to climate profiles such as those published by IPCC, prepared by the Ministry itself or available at other organizations such as USAID, AfDB, WB, UNDP, and not least also to National Determined Communications (NDCs), National Adaptation Plans (NAPs) and other relevant national policies and strategies. In each program's Theory of Change and Monitoring, Evaluation and Learning (MEL) strategy, implementing organizations funded by the Netherlands are expected to explain how the program intends to address climate risks and vulnerabilities, and with what results. To demonstrate and promote locally-led climate action and - through training, lobby and advocacy - improve access to finance, the Netherlands actively partners with and supports the NDC partnership, knowledge brokers such as CDKN and IIED, and with civil society partnerships such as VCA, AACJ and GAGGA.

Considerable part of the Netherlands' climate finance is provided through (core) contributions to multilateral (climate) funds such as GCF and GEF, to multilateral organizations such as WFP, UNICEF, UNDP and UNEP, and to multilateral development banks. In those cases, the Netherlands does not have direct control of the selection of programs and (focus) countries but has been playing an active role, through scheduled board meetings and dialogues and direct communications, in asking those organizations to increase the climate relevance of their activities, to direct their activities towards the poorest and most vulnerable countries, and to also develop the necessary processes, safeguards, guidelines, manuals, etc. in that regard.

Fund managers receiving Dutch funds aiming at supporting and mobilizing private sector finance and investments are provided with instructions regarding objectives, scope and focus, and are expected to report and be evaluated accordingly. For the Dutch Fund for Climate and Development (DFCD),¹⁰ for instance, there is a requirement that at least 50% (striving for 65%) of the investments is directed at adaptation in the poorest and most vulnerable countries.

15. information on how support to be provided to developing country Parties *enhances their capacities* (12/CMA.1, annex)

Summary:

Capacity building of local partners in developing countries forms an integral part of many activities that support climate change mitigation or adaptation. Depending on context, demand, sector and type of program, capacity-building support is focused on individuals, institutions as well as at the systemic level.

Detail:

Capacity building of local partners in developing countries forms an integral part of many activities that support climate change mitigation or adaptation. Capacity building support is focused on individuals, institutions as well as at the systemic level.

At the systemic level, the Netherlands supports 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 one of the founding members (and former co-chair in 2019 and 2020), the Netherlands has focused on further strengthening the NDCP through both political and financial support.

¹⁰ <https://thedefcd.com/>

Examples of programs supporting partnerships between Dutch and local knowledge and educational institutes aiming at local institutional development and capacity building in the area of water management include the Joint Cooperation Partnerships (JCPs) in Indonesia, Bangladesh and Egypt.

Good examples of (institutional) capacity building at the more operational level are the “Waterworx” and “Blue Deal” programs. In the Waterworx program 10 Dutch drinking water companies have established partnerships with water operators in 14 developing countries. The objective of the partnership is to combine capacity, knowledge, networks and financial means to ensure sustainable and climate resilient access to water for 1 million, mainly urban and poor people. Improving the technical, operational and financial capacity of local water utilities via water operator partnerships (WOPs) is at the heart of the program. This will be done through peer-to-peer knowledge exchange and strategic investments. Complementary efforts aim to contribute to improving the enabling policy and regulatory framework for sustainable service delivery. The programmatic approach to this initiative will be utilized to ensure knowledge development and exchange and to facilitate access to additional finance. In the “Blue Deal” program, supporting similar types of partnerships between Dutch Water Boards and local municipalities, focuses among others on institutional capacity building in integrated water management and sanitation.

Under ‘Power of Voices’ (POV) Grant Program, the Netherlands also supports a number of partnerships with a strong focus on strengthening local civil society organizations involved in both local and international lobbying and advocacy for climate action. Such partnerships include the Global Alliance for Green and Gender Action (GAGGA), the African Activists for Climate Justice (AACJ), the Voices for Just Climate Action (VCA) Program and the Green Livelihoods Alliance for Forests for a Just Future Program (GLA).

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Summary:

This is demand and context specific and there is, therefore, no general answer to this question. However, the way and extent to which the proposal has been prepared with and is owned by the local partners, and to which climate change and climate action, relevant national policies (such as NDCs and NAPs), and gender responsiveness are integrated in the analysis and design, are important elements in evaluating proposals.

Detail:

This is demand and context specific and there is, therefore, no general answer to this question. However, the way and extent to which the proposal has been prepared with and is owned by the local partners, and to which climate change and climate action, relevant national policies (such as NDCs and NAPs), and gender responsiveness are integrated in the analysis and design, are important elements in evaluating proposals.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

Summary:

A periodic review of international climate policy for the period 2016-2021 published in early 2024 presented a number of important lessons and recommendations for providing, mobilizing and delivering climate finance with a view to, among others, increase the focus on and ownership and participation of all stakeholders/target groups and enhance the absorptive capacity of developing countries.

Detail:

In the Netherlands, learning is a constant process fed by project, program and thematic evaluations.

A periodic review of international climate policy for the period 2016-2021 was carried out and published by the Evaluation Department in 2023. The review, which builds on a number of studies covering, among others, climate change adaptation and climate finance, informs the Ministry of Foreign Affairs, in particular the minister for Foreign Trade and Development and the Inclusive Green Growth Department, on future decision-making on new (climate) policies and programming.

With regard to the topic of improving enabling environments to strengthen the (absorptive) capacity of developing countries, the researchers described a number of cases in which the effectiveness, impact and sustainability of programs supported by the Netherlands were negatively impacted by the limited capacity, resources and, in many cases, also knowledge within local institutions. While recognizing that in many countries the Netherlands can and should play a more active role in, for instance, (TA and financial support to) regulation, training and knowledge transfer, there are at the same time also areas (such as human resources and operational budgets) where the role donors such as the Netherlands can play is often limited.

Regarding the lessons learned for informing future efforts in providing, mobilizing and delivering climate finance, the periodic review presented a range of recommendations such as:

- Strengthening local ownership of and participation in identifying, assessing, designing and evaluating programs;
- Strengthening context and climate risk and vulnerability analyses to avoid climate-blind programs and strengthen climate-responsiveness; and
- Better adapt different climate finance (blending) instruments to local needs and conditions and stages of progress/development.

These and other findings and recommendations from the periodic review and project evaluations inform future activities and are expected to gradually improve relevance, effectiveness and in particular also their impact and sustainability.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

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 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 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 cooperation 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 has elaborated policies to deliver on these commitments. This includes the development of a whole-of-government International Climate Strategy. Furthermore, export credits can no longer be used for investments in fossil energy.

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.

20. Poland

Sub-section 2.2. [General ex-ante information]

<p>2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:</p> <ul style="list-style-type: none"> • Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5) • More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)
<p>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 2022-2023 amounted to around 34,21 EUR million (including multilaterally – EUR 20,39 million, bilaterally – EUR 13,82 million). All amounts are expressed in “grant equivalent value”.</p> <p>Data for 2023 is still preliminary (final information will be available as early as the end of September 2024).</p>
<p>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.</p> <p>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.</p> <p>Poland also provides financial support to organizations taking action to protect the climate, such as the UNFCCC, UNEP, UNECE-LRTAP, IUCN, UNCCD, IAEA-TCF, WMO, IBRD, IDA, CEDB and CITES. In 2022-2023, these payments amounted to EUR 1.,07 million. Data for 2023 is still preliminary.</p> <p>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 2022-2023 amounted to EUR 18.41 million. Data for 2023 is still preliminary.</p> <p>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.</p>
<p>11. 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; (12/CMA.1, annex, 14/CMA.3)</p>
<p>Summary: The Polish Challenge Fund promotes private sector engagement in development cooperation, including climate-related projects and initiatives.</p>

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/>).

After the 2020 pilot phase, which focused on the Republic of Belarus and Ukraine the initiative has grown in scope. In 2021-2023 Georgia, Republic of Moldova, and Ukraine were among supported countries. The 6th Call for Proposals launched in 2023 will operate in Georgia, Republic of Moldova and North Macedonia. So far, over \$2,500,000 USD has been contributed to the Polish-UNDP Partnership and invested in the priority countries.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Summary:

Detail: Where it is possible to use in the UNFCCC forms - we apply the OECD DAC methodology (Rio markers, grant equivalent).

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary: Poland's climate-related voluntary 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 2022 included Albania, Ukraine, Georgia, 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 2022 included Albania, Georgia, Ukraine, Kenya, Lebanon, Tanzania, and the Republic of Moldova.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

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 2022 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.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary: No policy regarding mitigation/adaptation balance.

Detail: No policy regarding mitigation/adaptation balance. The Multiannual Development Cooperation Program 2021–2030 ‘Solidarity for Development’ prioritizes granting climate-related bilateral assistance primarily to the Eastern Partnership and African countries.

15. Information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Summary:

Detail:

Sharing knowledge on the transformation process of coal regions – study visits to Polish mining regions by stakeholders from Ukraine

The project under this name was financed by the National Fund for Environmental Protection and Water Management under the Priority Programme ‘Support to the Climate Minister in the implementation of climate policy, Part 1) Expertise, studies, implementation of international commitments’ in the amount of EUR 137.500,00.

The project started on 1 September 2020 and ended on 30 June 2023 (the project was extended due to Russia's attack on Ukraine in February this year).

The aim of the project was to present to Ukrainian stakeholders the experience of transformation of Polish mining regions – administrative-legal, organisational, economic, social, spatial, environmental conditions, etc. – in the context of the operation of European Union structures. The project was carried out in cooperation with the World Bank, which was involved in conducting knowledge exchange between Ukrainian and Polish coal regions as part of a broad initiative entitled ‘World Bank Support to Coal Regions in Transition’. The project envisaged the organisation of five study visits of delegations from Ukrainian coal regions to Polish coal regions in transition.

Approximately 130 representatives of Ukrainian administration, civil society and industry participated in the project. They had the opportunity to talk and discuss with Polish experts and practitioners about the best ways to carry out a fair transformation of coal regions in Ukraine based on the Polish experience. The first three visits took place online due to the COVID pandemic restrictions. The next two were organised on-site in Poland. Visitors from Ukraine visited the Silesian and Mazovian Voivodeships - they had the opportunity, among other things, to take part in a workshop entitled ‘Different sides of a just transition in the Silesian region’, with the participation of representatives of local government units (regional and local), representatives of associations of mining towns, trade unions and NGOs, and they also visited sites of transition in mining and post-industrial regions.

It is worth emphasising that the project of sharing of knowledge on the fair transformation of coal regions and the energy sector, is part of the implementation of the objectives and priority directions related to, inter alia, the reduction of greenhouse gas emissions, improvement of energy efficiency, energy from renewable sources, energy security, improvement of environmental quality, ecological safety and improvement of air quality.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

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).

21. Portugal

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

Portugal (PT) adopted, by the end of 2022, the Portuguese Development and Cooperation Strategy 2030 (PDCS 2030 | https://www.instituto-camoes.pt/images/img_noticias2022_1/ECP2030_Triptico_EN.pdf). This strategy is fully aligned with the 2030 Agenda for Sustainable Development and the Paris Agreement, and it has a whole pillar dedicated to Climate Action and Green Transition which aims to support developing countries to address climate change goals by supporting partner countries to seize opportunities in transition towards more sustainable economic development patterns, notably in the energy, agriculture, water and sanitation, waste management and biodiversity sectors in bilateral, triangular and multilateral dimensions.

Furthermore, the climate cooperation budget planning in PT is an annual exercise that involves a wide range of institutions, such as Camões IP- the Portuguese Development Cooperation Agency - and the Ministry of Environment and Energy, which plays an important role through the Environmental Fund. The Environmental Fund (FA) is a National Fund that aims to support environmental policies for the pursuit of the Sustainable Development Goals of the United Nations 2030 Agenda, 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.

Through the joint Order n.º 9253/2023, of 8th September, elaborated by the Ministers of Foreign Affairs and Environment and Climate Action, it was adopted the establishment of a Joint Multiannual Programme for Development Cooperation in the Areas of Environment and Climate Action to 2030, that strengthens the framework of transparency in the area of financing and climate action - as provided for in Article 10(1) of the Paris Agreement - and follows up on the DAC/OECD recommendations regarding policy coherence, particularly to concerning the integration of environment and climate change issues into development cooperation.

Annually, 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 or Memorandums of Understanding with recipient countries, in compliance with international obligations under the Paris Agreement. In 2024, the Environmental Fund budget will allocate 5 M EUR to projects in Portuguese-speaking countries and other countries - compliance with international obligations - Paris Agreement.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

The mainly limitation is based on the budgetary planning which is only 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.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

During the last two years PT reinforced its commitment regarding climate financing, having announced during COP27 that it will contribute with 1 million euros to the Adaptation Fund. Recently, in Dubai, Portugal announced a 5 million euros pledge for Loss and Damage Fund. Besides that, PT will increase, in the period 2024-2027, its contribution to the Green Climate Fund by 4 million euros. Portugal has also made multilateral disbursements for UNDP Climate Promise and for UNSG initiative “Early Warnings for All”.

Moreover, Portugal signed last year “Debt for nature and climate swap” agreements with Cabo Verde and São Tome and Príncipe (two Atlantic African SIDS). These agreements aim to convert sovereign debt into climate and nature investments. The process is more advanced in Cape Verde which is the pilot-phase, involving a debt conversion of 12 M EUR until 2025.

For the period 2022-2023, the Portuguese Cooperation to climate action allocated about 9.730 million € (10.01 million USD) to projects with Cape Verde, Guinea-Bissau, Mozambique, São Tomé and Príncipe, East Timor – countries that belong to Community of Portuguese Speaking Countries (CPLP) – as well with El Salvador, Colombia and Kenya.

Lastly, it worths it to underline that PT is committed to allocate a total of 35 million euros to fund climate actions in recipient countries, in particular Portuguese speaking African Countries by 2030.

11. 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; (12/CMA.1, annex, 14/CMA.3)

In the close future, PT is engaged in mobilizing climate finance from a wide variety of sources, namely through innovative sources of finance. This is the case of the debt swap mechanism signed with Cape Verde’s and São Tomé’s governments during COP28 aiming to create a debt swap mechanism into climate financing until 2025.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

The information is based on the Development Assistance Committee (DAC/OECD), Creditor Reporting System (CRS) and on the “Rio Markers” methodology for climate change mitigation and adaptation. Applying the Rio Markers, which include mitigation and adaptation to Climate Change (CC), means the use of a scoring system of three values, according to which the ODA amount reported within the DAC/CRS. The Rio Markers are quality indicators and were not initially oriented to quantify climate finance but only to qualify the level of mainstreaming of environment and climate change into development cooperation. However, regarding the need to estimate more accurately the climate finance flows and that the activities can have more than one principal and significant policy objective and trying to avoid double counting, we have aligned our approach with the one used by European Commission by adopting the same range of coefficients detailed in the table below.

Markers	Mitigation (%)	Adaptation (%)	Cross-cutting (%)	Total (%)
2 M & 0 A	100	0	0	100
1 M & 0 A	40	0	0	40
0 M & 2 A	0	100	0	100
0 M & 1 A	0	40	0	40
2 M & 1 A	100	0	0	100
1 M & 2 A	0	100	0	100
2 M & 2 A	0	0	100	100
1 M & 1 A	0	0	40	40

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

The Portuguese Environmental Fund has a 5 million euros dedicated window to support the funding of ODA projects on a Grant basis. Given the non-conventional nature of this source of ODA flows, Portugal considers this financial mechanism as a new and additional source of funding. Furthermore, Camões IP has started in 2023 a new dedicated grant funding line for Environment and Climate projects – PROGEA (Governance and Environment for Development Program in the areas of Climate Action, Just Green Transition and Biodiversity Conservation), that has allocated 1 million euros.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Since the adoption of the Portuguese Development and Cooperation Strategy 2030, climate change has become one for the sectorial priorities of the Portuguese cooperation strategy. The climate resilience development is one of the axes integrated on the pillar related to climate change. Furthermore, in 2023 the amount of support to projects in adaptation field has reached a total amount of 3,031 million euros.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

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), which is the coordinator entity for development cooperation, and the Ministry of Environment and Energy which is responsible for the thematic area.

The Portuguese Cooperation in 2022-2023 was mainly directed towards geographic territories and sectoral areas where Portugal has a greater intervention capacity and can achieve better results, considering the interconnection between the needs and priorities of partner countries and the recognized added value of Portuguese Cooperation action.

Thus, Portuguese Cooperation focused on different degrees of geographic prioritization, according to principles of concentration and differentiation, with the first level comprising the Portuguese-speaking African countries (PALOP) and Timor-Leste and, in a second level, countries and regions of strategic interest where Portugal has comparative added value, namely in the African continent, Asian's Pacific countries, Latin America and SIDS in general.

The mainly supported sectors have been the promotion of institutional capacity building, agriculture research and development, and waste management.

Concerning gender responsiveness PT funded, two projects between 2022 and 2023 that aimed to integrate gender-specific climate risk dimensions into the work of the UN system. In this

domain it is also relevant to highlight the 200.000 euros multilateral voluntary disbursement made for UN Women in 2023 for the project “Gender-Responsive Action on Climate, Peace and Security in CAR and Sahel”.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

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.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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. The partner countries are mostly Portuguese-speaking African countries and regions of strategic interest where Portugal has comparative added value, namely in the African continent, Latin America and SIDs and can achieve better results, taking into account the interconnection between the needs and priorities of partner countries.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Portugal have been establishing Memorandums 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, based on 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

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Most projects supported by Portuguese Cooperation usually have a strong technical assistance and capacity building component with a particular focus on the development of national capacities.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

When evaluating the proposals PT looks into country’s needs and priorities, the alignment of the proposal with the country’s main strategic documents regarding climate action, the relevance of the proposal and its potential positive impacts, and the alignment of the proposal with the priorities of the National Strategy for Development Cooperation to 2030. In any case, the recipient country is responsible for the proposals.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

The recipient country is responsible for putting forward the proposals of programs or programs and must 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 as it is the case of the article 2.1c.

22. Romania

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

In line with international commitments to allocate 0.33% of the national GNI to ODA activities by 2030 and in order to better align to the latest standards and trends in the field, Romania constantly works to improve its policies and practices in the international development cooperation field.

Detail:

Romania's 2024-2027 *Multannual Strategic Programme of International Development Cooperation and Humanitarian Assistance* is in line with, among other important international documents, the 2030 Agenda. This strategic document includes three thematic priorities, based on the country's aim to support the SDGs through its international development cooperation and humanitarian assistance policy: institutional development; green transition, environment and climate change; human development.

The Ministry of Foreign Affairs, as the national coordinator for the international development cooperation and humanitarian assistance policy is focusing its work on better aligning with the OECD's Development Assistance Committee legal instruments, including the Declarations and Recommendations on Environment and Climate Change. In this sense, revisions were made to both the national documents and internal procedures, In order to assess the possible impact of ODA projects on the environment.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:

Romania's annual budgetary cycle brings challenges to providing ex-ante information. Despite this, the MFA and RoAid took steps forwards in order to include an environmental impact assessment in the ODA project evaluation process.

Detail:

The methodological norms established for the ODA projects financed by the MFA and implemented by the Romanian International Development Cooperation Agency (RoAid) include an evaluation process for all proposed and implemented projects. In this context, in order to better align to international standards, new measures were introduced, including an evaluation of the possible environmental impact of proposed projects. The state budget representing the funding source for

ODA programs and projects implemented by different public institutions including climate finance assistance is approved on an annual basis; therefore, financial predictions and provision of ex-ante information are limited.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

Green transition, environment and climate change are established as thematic priorities in the 2024-2027 *Multiannual Strategic Programme of International Development Cooperation and Humanitarian Assistance*

Detail:

The 2024 - 2027 *Multiannual Strategic Programme of International Development Cooperation and Humanitarian Assistance* establishes priorities green transition, environment and climate change as thematic priorities. This shows Romania's active involvement in the international efforts to counter negative impact of climate change and environmental damage.

In terms of financing, Romania has continued to provide support for environmental and climate issues through both multilateral contributions and bilateral projects. RoAid implemented bilateral projects and programs in this field, consisting of transfer of expertise and donations, focusing on promoting environmental protection through mitigation and adaptation.

Romania provided up to 0.96 mil EUR (2022) and 0.6 mil EUR (2023) as ODA, representing mostly programs and projects, contributions to international environmental organizations.

Note: The ODA data for 2023 is yet to be validated by the OECD

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

Romania aligns its policies and practice to the EU and international efforts to support mobilizing additional financing and collaboration with the private sector and NGOs, in order to increase the impact of ODA activities and achieve the SDGs.

Detail:

In line with EU and international efforts to increase ODA financing and achieve the SDGs, Romania supports the initiatives to mobilize additional financing. As well, through the Annual Plan for International Development Cooperation and Humanitarian Assistance, the MFA and RoAid have been working together with various partners, including the private sector and NGOs, in

implementing bilateral projects in developing countries, including in areas of climate and environment protection, thus increasing the real impact of its international development financing.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Detail: There are not specific methodologies used for climate finance programs or projects in international development cooperation. Romania follows the OECD Recommendations and Declarations on Environment and Climate. In this respect, the evaluation of ODA projects financed by the MFA with possible significant impact on environment takes into consideration these legal instruments as well as the national provisions of Law no. 292/2018 on the evaluation the impact of some public and private projects on the environment.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Detail: See 11.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Detail: As previously mentioned, climate change is a thematic priority of the 2024-2027 *Multiannual Strategic Programme of International Development Cooperation and Humanitarian Assistance*.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary:

Romania's priorities in the field of international development cooperation are set in the 2024 – 2027 *Multiannual Strategic Programme of International Development Cooperation and Humanitarian Assistance*.

Detail:

According to the 2024 – 2027 *Multiannual Strategic Programme of International Development Cooperation and Humanitarian Assistance*, there are three thematic priorities: institutional development; green transition, environment and climate change; and human development.

Romania pays special attention to building resilient societies based on peace and democracy and promoting the education sector as a key element for a sustainable future. Nevertheless, as climate, change can be a factor generating conflicts and exacerbating existing situations of fragility, this theme stands as a thematic priority for Romania's international development cooperation and humanitarian assistance.

The Programme also mentions three main crosscutting themes of interest for Romania's international development cooperation projects and programmes: human rights and fundamental freedoms; gender equality and combating discrimination.

The geographic priorities are the extended Black Sea region, the Western Balkans, Africa and the Middle East. Within these regions, the Programme also identifies 10 priority countries: Republic of

Moldova, Ukraine, Georgia, the Republic of Serbia, the Republic of Albania, the State of Palestine, the Islamic Republic of Mauritania, the United Republic of Tanzania, the Republic of Senegal and the Federal Democratic Republic of Ethiopia.

Romania actively supports and cooperates with international organizations, the civil society, academia and the private sector in order to promote sustainable development.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary:

Romania supports the implementation of projects and programmes of international development cooperation through all means available, allocating financial and technical assistance.

Detail:

In line with the 2024 – 2027 *Multiannual Strategic Programme of International Development Cooperation and Humanitarian Assistance*, Romania aims to integrate the environmental component in its international development cooperation projects and programmes. The fight against climate change is in this context an important aspect within the thematic priority of green transition, environment and climate change.

Romania supports both mitigation and adaptation actions in international development cooperation projects and programmes implemented or financed. Although most of ODA financing for protecting the environment is through the support of international organizations, the bilateral projects implemented by RoAid tend to focus on capacity-building and transfer of knowledge and technology to developing countries.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary:

There is no specific policy regarding a balance between mitigation and adaptation in development cooperation projects.

Detail:

Romania, through the collaboration with international organizations and by implementing bilateral projects, supports both mitigation and adaptation.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

The partners' needs, national context, policies and strategies are always taken into careful

consideration when proposals for ODA projects or programmes are made.

Detail:

Romania's objective in implementing ODA programs and projects is to respect and support its partners' national strategies for development and their needs, an analysis in this respect being made in the process of configuration of the annual proposed projects.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Detail:

Using its own expertise, Romania mobilizes the necessary resources to help the development of partner countries' capacities through transfer of knowledge and expertise.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Detail: In the evaluation process of projects proposals to be introduced in the Annual Plan for International Development Cooperation and Humanitarian Assistance an analysis on the possible impact on the environment is made, based on the OECD Recommendation and Declaration on Environment as well as Law no. 292/2018, on the evaluation of the impact of some public and private projects on the environment. The analysis takes into consideration the potential significant impact of the project on the environment and the affected population, as well as ways to mitigate these effects. This evaluation is also used in the monitoring phase of the project.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

Detail:

There are constant efforts and progress made in order to strengthen Romania's policy and practices in the field of international development cooperation and humanitarian assistance. In this vein, the MFA collaborates closely with the OECD, learning from the experiences of other donors and partners.

As well, taking into consideration lessons learned from the implementation of the *Multiannual Strategic Programme on International Development Cooperation and Humanitarian Assistance for the period 2020-2023*, the MFA has its multiannual strategic programming making it more focused as well as flexible.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

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 countries and use of renewable and green energy and resources.

23.Slovakia

Sub-section 2.1. [Information on the provision of ex-ante information]

<p>1. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:</p> <ul style="list-style-type: none"> • Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5) • Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)
<p>Summary:</p> <p><i>Having committed itself to the fulfilment of the Sustainable 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 recognized 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.</i></p> <p><i>There is an interest to influence increasingly ODA programming by addressing climate change</i></p>
<p>Detail:</p> <p>The Medium - Term Strategy for Development Cooperation of the Slovak Republic for 2019 – 2023, which was extended until 2024 (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% 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.</p> <p>The Slovak Republic's total ODA (161,8 million EUR, preliminary data) decreased in 2023, representing 0.14% of gross national income (GNI).</p> <p>A new Medium - Term Strategy for Development Cooperation of the Slovak Republic for 2025 – 2030 is now being prepared.</p> <p>The Slovak Republic's contribution to the GCF for the four-year period 2020-2023 was 2 million EUR and was paid in three instalments - 0.5 mil. EUR in 2021, 1.0 mil. EUR in 2022 and 0.5 million EUR in 2023.</p> <p>The contribution to the GCF for the year period 2024 – 2027 will be 2,2 mil. EUR and will be paid in four instalments – 550 000 EUR each year.</p>

<p>7. Information on national circumstances and limitations relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:</p> <ul style="list-style-type: none"> • Information on the challenges and limitations of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)
<p>Summary:</p> <p><i>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.</i></p>

Sub-section 2.2. [General ex-ante information]

<p>2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:</p>
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<ul style="list-style-type: none"> • Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5) • More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)
<p>Summary:</p> <p><i>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.</i></p>
<p>Detail:</p> <p>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.</p> <p>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.</p> <p>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.</p>

<p>8. Information on relevant methodologies and assumptions used project levels of climate finance; (12/CMA.1, annex)</p>
<p>Summary:</p> <p><i>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.</i></p>
<p>Detail:</p> <p>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.</p> <p>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</p>

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.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

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

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

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. Recognizing that development and climate are interconnected areas, the Slovak Republic has environment and climate change as one of the cross-cutting issues of its ODA. Cross-cutting themes have been integrated into SlovakAid projects and activities. Their inclusion in projects and activities in all six priority sectors is being assessed.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

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:

The territorial priorities of the SK ODA are:

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, Georgia, Moldova), East Sub-Saharan Africa (Burundi, Ethiopia, Eritrea, South Sudan, Kenya, Rwanda, Somalia, Tanzania and Uganda), The Middle East (Iraq, Jordan, Lebanon and Syria), Afghanistan.

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.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

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.

Detail:

Key SK ODA interventions and support programmes and tools:

Development and humanitarian activities administered by SAIDC are considered to be a key part of Slovak bilateral cooperation. Programme countries for years 2019 – 2024 are Kenya, Moldova and Georgia. For each of these countries a separate strategy for development cooperation was developed (the so called CSP). CSP specifies the goals, priorities and modalities of bilateral development cooperation. Development cooperation activities are also implemented in other partner countries and regions. Environment and climate change as one of the cross-cutting issues and is therefore the subject of methodological guidelines of the Slovak Agency for International Development Cooperation (SAIDC).

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).

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 programme 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.

In response to the recommendations resulting from the OECD DAC Peer Review in 2018, in 2021, the MFEA SR, in cooperation with the United Nations Development Programme (UNDP), external experts and other partners, ensured the development of manuals for the implementation of cross-cutting topics to be applied in all development interventions of the Slovak Republic. One of the cross-cutting topics is the environment and climate change. The manuals provide guidance and recommendations for the systematic integration of cross-cutting topics into the process of planning, management, implementation and evaluation of development cooperation activities of the Slovak Republic. Cross-cutting topics are also the subject of methodological guidelines of the SAIDC, as well as training for relevant development cooperation actors. The degree of the integration of cross-cutting topics is also one of the evaluation criteria when deciding to support an application within a call for proposals.

The Slovak Ministry of Finance supports the implementation of several initiatives relevant to the Paris Agreement, notably the Slovak Transformation Fund with the UNDP aimed to deploy innovative solutions in development, i.a. tackle complex urban challenges including climate change; and contributing to initiatives of international financing institutions, such as ESP Energy Efficiency Fund of the European Bank for Reconstruction and Development.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

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 sectoral 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

12. Information on how financial support effectively addresses **the needs and priorities of**

<p>developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)</p> <p><i>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 sectoral 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</i></p>
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<p>15. information on how support to be provided to developing country Parties enhances their capacities (12/CMA.1, annex)</p>
<p>Summary: <i>Capacity building component appears in various projects within development interventions of SK ODA.</i></p>
<p>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. Another example is the Sharing Slovak Expertise Program (SSE). The main aim of SSE is to offer and to pass on (through study visits, sending of experts, internships, roundtables and seminars) Slovak expertise, experience and recommendations from public sector reforms in various areas. Several development or humanitarian projects also include activities aimed at capacity building.</p>

<p>5. Information on the factors that providers of climate finance look for in evaluating proposals, in order to help to inform developing countries; (12/CMA.1, annex)</p>
<p>Summary: <i>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.</i></p>
<p>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 or 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</p>

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.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

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 promotes 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.

Sub-section 2.4. [Mobilization of climate finance; Art. 2.1c]

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

The Slovak Republic's contribution to the GCF for the four-year period 2024 – 2027 is 2,2 mil. EUR and will be paid in four instalments - 550 000 EUR each year.

13. 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; (12/CMA.1, annex; 14/CMA.3)

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.

24. Slovenia

<p>1. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, as available;</p>
<p><i>Summary:</i></p> <p>Slovenia is actively contributing to the annual mobilization of USD 100 billion for climate finance, focusing on bilateral and multilateral initiatives, while working towards its 2030 goal of allocating 0.33% of GNI for ODA and increasing climate-related aid, as outlined in its Development Cooperation and Humanitarian Aid Strategy and long-term climate strategy.</p>
<p><i>Detail:</i></p> <p>Slovenia has been actively contributing to the annual mobilization of USD 100 billion by 2020, and throughout 2025. Bilateral projects and multilateral initiatives have been financed to support climate-related interventions. The focus has been on collaborating with organizations such as The World Bank, GEF, and other international organisations to maximize impact.</p> <p>Slovenia tracks climate finance to eligible official development assistance (ODA) countries within the framework of ODA reporting. In line with its Resolution on Development Cooperation and Humanitarian Aid, Slovenia is working towards the commitment to allocate 0.33% of GNI for ODA by 2030. In 2021, Slovenia allocated EUR 97 million, which accounts for 0.19% of the GNI for official development aid, a 22% increase from the previous year. In 2023 Slovenia allocated approx. EUR 6.6 million, an increase of 39% compared to 2022, and 14% compared to 2019, to international climate projects, supporting developing countries.</p> <p>There is an expected gradual growth of ODA figures, including 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 for 2050 reiterates the goal of striving to increase the ODA to 0.33 per cent by 2030. Slovenia will ensure the meeting of international commitments, particularly with the suitable mobilization of earmarked funds from its national Climate Change Fund.</p>
<p>2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available;</p>
<p><i>Summary:</i></p> <p>Slovenia, guided by its Development Cooperation and Humanitarian Aid Strategy, channels climate finance through its ODA system, aiming to increase bilateral and multilateral support for climate action, with notable improvements in funding levels from 2022 to 2023, though still working towards its 2030 goals.</p>
<p><i>Detail:</i></p> <p>Slovenia channels climate finance and environmental assistance to developing countries through its official development assistance (ODA) system. Guided by the Development Cooperation and Humanitarian Aid Strategy until 2030, Slovenia upholds the principle of common but differentiated</p>

responsibility and respective capabilities, ensuring adequate funding for international climate action.

The strategy outlines Slovenia's commitment to continue allocating bilateral public climate finances to support climate measures in partner countries through projects and bilateral contributions. By 2030, the strategy mandates that 60% of country-programmable aid should incorporate an environmental perspective in planning, implementation, and monitoring, with 40% specifically dedicated to climate action. Slovenia projects a steady increase in bilateral support, aiming for a total of EUR 4.9 million by 2025.

In preparing the annual reports on international climate finance, we calculate the share of bilateral programme aid dedicated to climate action. In 2022, this share was 23%, falling short of the commitment outlined in the Development Cooperation and Humanitarian Aid Strategy. However, preliminary data for 2023 indicate a significant improvement.

The figures for 2023 suggest a remarkable increase in bilateral support for climate action, with a 70% rise compared to 2022 and an 8% increase compared to 2019. This positive trend reflects our intensified efforts and strategic adjustments to meet our set goals. Additionally, multilateral support has seen an 8% increase compared to 2022 and a substantial 25% increase compared to 2019. These improvements underscore our commitment to scaling up climate action funding and enhancing our contribution to global climate resilience and sustainability initiatives.

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

Summary:

The Development Cooperation and Humanitarian Aid Strategy until 2030 aligns Slovenia's public climate finance with the Sustainable Development Goals (SDGs) of the Agenda 2030, focusing on the Western Balkans, the European Neighbourhood, and sub-Saharan Africa. The strategy prioritizes promoting peaceful and inclusive societies, good governance, equal opportunities, quality education, and combating climate change through sustainable resource management. Recently, the Ministry of Foreign and European Affairs adopted guidelines for gender mainstreaming in development cooperation to ensure gender equality and the empowerment of women and girls are integrated into all ODA projects.

Detail:

The Development Cooperation and Humanitarian Aid Strategy until 2030, guiding the allocation of public climate finance, aligns with the Sustainable Development Goals (SDGs) outlined in Agenda 2030. Slovenia's selection of regions or partner countries for assistance is based on political, economic, and other bilateral relations. The priority geographical areas for international development cooperation include the Western Balkans, the European Neighbourhood, and sub-Saharan Africa, with a particular focus on the least developed countries. These regions receive the majority of Slovenia's Official

Development Assistance (ODA). The primary thematic areas of focus are promoting peaceful and inclusive societies, with an emphasis on good governance, equal opportunities, including gender equality, and quality education; and combating climate change, with an emphasis on sustainable management of natural and energy resources. Environmental protection and gender equality are integral to achieving SDGs 5, 12, and 13, and Slovenia aims to mainstream these themes throughout its development assistance.

Cooperation is facilitated through technical assistance or capacity-building activities provided directly to state authorities or via other implementing partners, building public infrastructure to enhance conditions for sustainable development and environmental protection, scholarships or tuition fee waivers for youth, and supporting civil society by funding NGO projects.

The Ministry of Foreign and European Affairs, as the national coordinator for ODA, has recently adopted the Guidelines for Gender Mainstreaming in International Development Cooperation and Humanitarian Aid. These guidelines serve as a resource for all practitioners and implementers who design, implement, and manage ODA projects aimed at gender equality and the empowerment of women and girls. They also seek to make the concept of gender equality in development cooperation accessible and straightforward.

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

Summary:

Slovenia's Development Cooperation and Humanitarian Aid Strategy until 2030 aids partner countries in integrating climate change measures into national policies, focusing on reducing greenhouse gas emissions and enhancing biodiversity. The strategy prioritizes cross-sectoral solutions like energy efficiency and sustainable mobility. Slovenia commits to various forms of cooperation, including technology transfer, capacity-building, education, and infrastructure development to support sustainable development.

Detail:

As outlined in the Development Cooperation and Humanitarian Aid Strategy until 2030, Slovenia's aid focuses on assisting partner countries in integrating climate change adaptation and mitigation measures into their national policies, strategies, and plans. This support includes efforts to reduce greenhouse gas emissions, enhance climate resilience, transfer relevant technologies, and strengthen administrative capacities.

Climate change significantly contributes to biodiversity loss. Biodiversity is crucial for ensuring ecosystem stability and resilience, and for meeting fundamental human needs such as clean air, drinking water, and quality food. Therefore, Slovenia prioritizes measures that enhance biodiversity and nature-based solutions, such as strengthening aquatic and terrestrial habitats, to maintain ecological systems and ensure a sustainable future for all life forms.

Additionally, Slovenia emphasizes projects that provide comprehensive cross-sectoral solutions to climate-related challenges, such as energy efficiency, sustainable mobility, sustainable forest

management, integrated water resource management, and reducing the carbon footprint of food.

Slovenia is committed to implementing various forms of cooperation to assist partner countries. This includes sharing technology, innovation, and expertise through development projects, offering capacity-building activities, providing scholarships, and other educational initiatives to raise awareness among youth, and constructing public infrastructure to support sustainable development.

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

Summary:

Slovenia urges implementing partners to adopt a unified approach in project proposals, addressing partner countries' needs, sustainable development targets, and climate strategies. Funding criteria, including environmental impact and climate change mitigation, are outlined in Article 8 of the Decree on Development Cooperation, with additional criteria for climate-related projects, all aligning with the state's strategic principles.

Detail:

In drafting project proposals or cooperation programmes, Slovenia encourages implementing partners to adopt a unified approach. This approach should incorporate the clearly defined needs of partner countries, also taking into account its Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), or Long-Term Strategies (LTS), adhere to basic principles of development cooperation and humanitarian aid, and address the three dimensions of sustainable development and cross-cutting issues. It should also establish clear links between activities, results, and goals, and make direct references to sustainable development targets, as outlined in the "Development Cooperation and Humanitarian Aid Strategy of the Republic of Slovenia until 2030."

The conditions and criteria for funding or co-funding bilateral development cooperation programmes or projects, including their impact on environmental protection and climate change mitigation and adaptation, are specified in Article 8 of the Decree on Implementing Development Cooperation and Humanitarian Aid of the Republic of Slovenia. Additional criteria may be applied for climate-related projects. Per example, if the project is co-funded by the Climate Change Fund, which is earmarked in line with Article 183 of the Environmental Protection Act (ZVO-2). Furthermore, all evaluating conditions and criteria that are used for screening project proposals align with the principles set forth in 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.

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

Detail:

Slovenia is continuously intensifying its efforts to mobilize new and additional resources specifically for climate change activities through both bilateral and multilateral contributions, complementing its

existing public climate support. The country is actively exploring additional channels to strengthen dialogue with the private sector, particularly for bilateral development projects. By engaging more closely with private sector stakeholders, Slovenia aims to tap into new funding capacities and expand the financial resources available for climate initiatives. This approach not only seeks to leverage private investments but also to foster innovative partnerships and collaborative efforts that can enhance the overall impact and sustainability of climate change mitigation and adaptation projects.

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

Detail:

The national budgetary procedures in Slovenia restrict the ability to accurately project climate finance levels. Additionally, unpredictable events in Europe could impact socio-economic sectors, potentially causing fluctuations in the projected figures.

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

Detail:

The methodology and assumptions used to project levels of climate finance are integral to the ODA framework for calculating projections. Projects already implemented with a primary focus on climate mitigation and adaptation are accounted for at their full value. Future projections depend on national budgetary constraints, the extent of the Climate Change Fund, and multi-annual strategies. Private flows are included in international development cooperation only if they have been incentivized by public funds.

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

Summary:

Slovenia's international development cooperation and humanitarian aid require sufficient, predictable, and flexible resources, but recent global changes have strained staffing and limited planning. To improve effectiveness, Slovenia should adopt an Action Plan to gradually increase ODA, regularly prepare framework programs, strengthen organizational and human resource capacities, enhance the capabilities of implementing institutions and NGOs, foster international partnerships, and expand financing instruments.

Detail:

The country's international development cooperation and humanitarian aid rely on sufficient, predictable, and flexible resources. However, recent changes in global conditions have increased the need for flexibility, which has strained staffing capacities and limited medium- and long-term planning, including achieving goals in priority areas and making structural shifts for stable financing.

To improve the effectiveness of Slovenia's ODA and ensure sufficient and flexible resources, an Action Plan should be adopted to gradually increase ODA. It is also important to regularly prepare framework programs covering relevant departments and categories and to strengthen the organizational and human resource capacities at several ministries. Additionally, enhancing the operational capacities of Slovenian implementing institutions and NGOs, fostering partnerships with organizations in partner countries, and expanding financing instruments beyond non-repayable financial aid are crucial steps.

Enhancing cooperation with the private sector, including providing training and workshops on opportunities for private sector involvement in international development cooperation, is also beneficial. Furthermore, raising awareness among the private sector of the benefits of engaging in international development cooperation and the importance of forming consortia and partnerships is essential.

Special attention should also be given to strengthening and stabilizing human resources management. Investing in the capacities of the human resources and preserving institutional memory are important aspects of the international development cooperation and humanitarian aid system.

10. 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. Slovenia also prioritizes projects that address both climate change mitigation and adaptation, focusing on comprehensive, multi-sector solutions to maximize the impact of its climate interventions.

Detail:

When allocating support, Slovenia pays special attention to both mitigation and adaptation to climate change. This means that Slovenia not only focuses on projects aimed at reducing greenhouse gas emissions (mitigation) but also on those that help communities adjust to the changing climate (adaptation). It prioritizes projects that can address both aspects simultaneously, thereby maximizing the impact of its interventions.

Moreover, Slovenia seeks to fund projects that offer synergies across multiple sectors, leading to comprehensive solutions to climate-related challenges. For instance, a project might enhance energy efficiency, promote sustainable mobility, improve food management, and support sustainable forest management all at once. Such integrated projects are favoured because they provide holistic benefits and tackle various climate-related issues in a coordinated manner, ensuring broader and more sustainable impacts.

11. 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 Slovene government is exploring ways to effectively implement and increase climate finance commitments by fostering public-private partnerships, enhancing collaboration between the Ministry of Foreign Affairs and the Ministry of the Economy, and utilizing co-financing schemes and innovative financial instruments, including the issuance of its first green bond in June 2023.

Detail:

The Slovene government is exploring modalities to effectively implement existing climate finance commitments while considering strategies to increase these contributions. Slovenia encourages cooperation with the private sector by fostering dialogue and raising awareness about climate finance. This initiative is aimed at building stronger partnerships and mobilizing additional private resources for climate action.

The Ministry of Foreign Affairs, in its role as the national coordinator for development cooperation and humanitarian aid, is enhancing collaboration with the Ministry of the Economy, Tourism and Sport. This partnership is focused on promoting entrepreneurship, internationalization, foreign investments, and technology transfer, all of which contribute to leveraging private finance for climate initiatives.

Slovenia is also working with business associations and corporate social responsibility associations to mobilize private finance. By engaging these entities, Slovenia aims to align corporate investments with climate goals and attract more private capital into climate finance projects.

Additionally, Slovenia employs simple co-financing schemes where non-governmental organizations (NGOs) are invited to attract private (commercial) co-financing. NGOs must secure private contributions amounting to at least 5% of the public project financing. This approach encourages private sector investment in climate-related projects by sharing the financial responsibility.

Beyond the current co-financing schemes, Slovenia is considering the implementation of more complex financing instruments to increase the leverage of private climate finances. These instruments could include blended finance, green bonds, and other innovative financial products designed to attract larger volumes of private investment for climate-related projects. For example, Slovenia issued its first green bond on 1 June 2023. This €1.25 billion bond marked Slovenia's entry into the green bond market, aimed at funding projects with positive environmental impacts, particularly in the areas of renewable energy, energy efficiency, clean transportation, sustainable water management, and climate change adaptation.

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

Summary:

Slovenia's climate finance, through ODA projects aims to maximize the efficiency of support to developing countries by promoting local ownership, sustainability, and collaboration with local stakeholders and their systems. Slovenia emphasizes inclusive partnerships, diversification of financial support, and ensures transparency and accountability to achieve long-term results.

Detail:

To enhance the effectiveness of development cooperation, Slovenia has established principles in the state's Development Cooperation and Humanitarian Aid Strategy until 2030. These principles guide the allocation of support to developing countries, aiming to maximize efficiency and address their specific needs and priorities. Slovenia's goal is to encourage local ownership and sustainability of financed activities. Therefore, it collaborates intensively with local partner 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 these systems, promoting inclusive partnerships and fostering constant dialogue with implementing partners. Additionally, Slovenia places greater emphasis on achieving long-term results and ensuring the transparency and accountability of allocated funds to facilitate inclusive reviews.

13. 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:

Slovenia's National Strategy on Development Cooperation and Humanitarian Aid Strategy, effective until 2030, aligns with the Paris Agreement's long-term objectives and has ceased financing fossil fuel projects. When selecting projects, Slovenia considers the needs and priorities of developing countries as outlined in their NDCs, NAPs, or LTS, focusing on both reducing greenhouse gas emissions and incorporating climate adaptation measures, while promoting alignment of all financial flows with the Paris Agreement goals.

Detail:

The National Strategy on Development Cooperation and Humanitarian Aid Strategy of Slovenia, which will be in effect until 2030, has been developed to align with the long-term objectives of the Paris Agreement. In line with its commitments under the Paris Agreement, Slovenia has ceased financing projects that promote the use of fossil fuels.

When selecting projects, we take into consideration the needs and priorities of developing countries, as well as their guidelines and goals outlined in their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), or Long-Term Strategies (LTS). We focus not only on reducing greenhouse gas emissions in key sectors (such as promoting sustainable mobility, decreasing emissions in agriculture, implementing renewable energy sources and energy efficiency measures, and ensuring energy security) but also on incorporating adaptation measures to climate change (like efficient use of water resources and enhancing climate resilience). This balanced

approach is essential as it is more challenging to attract private sector funds for these measures. It is also vital to promote an understanding of aligning all financial flows, both public and private, with the goals of the Paris Agreement.

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

Summary:

Slovenia's development cooperation and humanitarian aid principles align with Agenda 2030, focusing on sustainable resource management and climate change mitigation. A unified methodology for evaluating projects, based on national legislation, discourages support for fossil fuel projects in line with the Paris Agreement. The Ministry of Foreign and European Affairs is adopting Guidelines to integrate environmental protection into all aspects of international development and humanitarian activities, addressing climate change through resilience, biodiversity conservation, and financial alignment with the Paris Agreement.

Detail:

Slovenia's development cooperation and humanitarian aid principles align with the objectives of Agenda 2030. Sustainable management of natural resources and combating climate change are cross-cutting thematic priorities in the National Strategy on Development Cooperation and Humanitarian Aid through 2030. These priorities specifically aim to address and achieve the targets of Sustainable Development Goals 5, 12, and 13.

Based on the International Development Cooperation and Humanitarian Aid Act of the Republic of Slovenia (2018) and the Regulation on the Implementation of International Development Cooperation and Humanitarian Aid of the Republic of Slovenia (2018), a unified methodology for evaluating projects and programs has been established. This methodology includes the assessment of cross-cutting themes, such as climate change. In accordance with the Paris Agreement, it discourages support for projects that promote the use of fossil fuels.

Furthermore, the Ministry of Foreign and European Affairs, serving as the national coordinator for Official Development Assistance (ODA), is in the last phase of adopting Guidelines for Mainstreaming Environmental Protection in International Development Cooperation and Humanitarian Assistance. These Guidelines, prepared in strong cooperation with the Ministry of Environment, Climate and Energy and Ministry of Natural Resources and Spatial Planning, aim to systematically integrate environmental protection into the needs assessment, planning, selection, implementation, monitoring, and evaluation of Slovenia's international development cooperation and humanitarian aid activities. Climate change is addressed through mitigation and adaptation measures, including building climate resilience, biodiversity conservation, circular economy and aligning financial flows with the objectives of the Paris Agreement.

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

Summary:

Slovenia ensures the sustainability of its bilateral climate support by focusing on capacity-building activities, which strengthen the institutional frameworks of developing countries to effectively manage and utilize climate-related funds. This approach includes training, workshops, and technical assistance led by Slovenian experts who share their specialized knowledge and best practices in areas such as forest management and beekeeping, enhancing local capacity and project effectiveness.

Detail:

Slovenia's approach to ensuring the sustainability of its bilateral financial climate support emphasizes the importance of capacity-building activities. These activities aim to bolster the institutional capacity of developing countries, enabling them to effectively manage and utilize climate-related funds. By focusing on capacity-building, Slovenia helps these countries develop robust administrative frameworks, improve their ability to implement climate policies, and enhance their overall resilience to climate change. This support includes training programs, workshops, and technical assistance designed to equip local institutions with the necessary skills and knowledge to sustain long-term climate initiatives and maximize the impact of financial aid.

In many cases, Slovenian experts contribute their expertise and share best practices as an integral part of project activities. This involvement includes offering specialized knowledge and practical insights drawn from Slovenia's experiences in relevant fields, such as forest management and beekeeping. Slovenian experts may lead training sessions, conduct workshops, and provide on-site technical assistance to ensure that project goals are met effectively. Additionally, they may collaborate with local stakeholders to adapt and implement successful strategies tailored to the specific needs and contexts of the partner countries.

25.Spain

Sub-section 2.1. [Information on the provision of ex-ante information]

<p>1. Enhanced information to increase clarity on the projected levels of public financial resources to be provided to developing countries, (12/CMA.1, annex), including, as applicable:</p> <ul style="list-style-type: none"> • Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5) • Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5as available.
<p>Summary: In 2023 Spain adopted its International Climate Finance Strategy which aims at both ensuring compliance with its international climate finance commitments and enhancing information on its projected levels of climate finance. The strategy contemplates the creation of an inter-ministerial monitoring unit to ensure that its objectives are dully met.</p>
<p>Detail: Spain's climate change support for developing countries is articulated through financial contributions and different types of instruments coming from several departments/entities in the central¹¹, regional and local administrations, all working internally to enhance the alignment of investment and financial flows with the Paris Agreement's objectives. Following the mandate of the 2021 Spanish Climate Change and Energy Transition Law, the Spanish Council of Ministers approved in 2023 its International Climate Finance Strategy as the key planning instrument that will allow to both scale up climate finance and enhance information on its projected levels. This strategy pays special attention to adaptation finance, which will be prioritized in the foreseen duplication of ODA contributions for it to become the main component of Spanish climate finance. In this regard, Spain always takes into consideration making contributions to the Adaptation Fund on a regular basis.</p>

<p>7. Information on national circumstances and limitations relevant to the provision of ex ante information</p>
<p>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. In this context, differences between projections of ex ante provision of support and final figures could arise depending on budgetary developments.</p>
<p>Detail: Regarding the specific policies and instruments, it should be mentioned that:</p> <ul style="list-style-type: none"> - Within the Spanish Cooperation there are calls for proposals in some programmes and strategies, which hampers prediction on thematic funds allocation. - Most of OOF instruments are demand-based, which makes it difficult to provide ex ante information and projections.

¹¹ This support refers to Official Development Assistance (ODA), bilateral and multilateral, and Other Official Flows (OOF), mainly bilateral. For ODA, the main actors are the Ministry of Economic Affairs Trade and Business, the Ministry for Foreign Affairs, European Union and Cooperation, the Spanish Agency for International Development Cooperation (AECID) and the Ministry for Ecological Transition and the Demographic Challenge. For OOF, the main actors are the Ministry of Economic Affairs Trade and Business, through the Corporate Internationalization Fund (FIEM), the Spanish Development Finance Institution (COFIDES), the State Financial Agency (ICO) and the Spanish Export Credit Agency (CESCE).

Sub-section 2.2. [General ex-ante information]

2. Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments, as available.
<p>Summary:</p> <p>Spain has committed to increase its climate finance levels by 50%, reaching 1350 million € per year by 2025, and is working to ensure its achievement through several funds, programmes, instruments, and initiatives. This commitment is included in the Spanish International Climate Finance Strategy, adopted in 2023, which also contemplates duplicating its ODA contributions and prioritizing adaptation projects therein, for ODA to become the main component of Spain's climate finance.</p>
<p>Detail:</p> <p>This work includes continued contributions to some of the 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. Also, it includes bilateral support for institutional strengthening, technology transfer, capacity building and projects with rural and isolated communities. In addition to that, focus is given to mainstreaming climate change in all international financial instruments. Some examples of recent and foreseen relevant climate change contributions, as well as specific or innovative instruments and programs supported by Spain, are presented below:</p> <ul style="list-style-type: none"> - Contributions to the most relevant multilateral climate change funds and climate related UN programmes: Green Climate Fund (225 million € foreseen for 2023-2028), Global Environmental Facility (30.8 million € foreseen for 2022-2025); Adaptation Fund (72 M€ in 2022 and 2023, altogether, and 17,5 M€ in 2024); Fund for responding to Loss and Damage (20 M€ in 2024), Least Developed Countries Fund (10 M€ in 2023); Special Climate Change Fund (2 M€ in 2023); Climate support UNDP Program: (0,8 M€ in 2023 and 2,5 M€ in 2024); International Drought Resilience Alliance -IDRA- (3 M€ to the Secretariat and more than 4 M€ in projects in 2023). - Global Agriculture and Food Security Program: 3 M€ in 2023; 1,9 M in 2024 - FAO: 400.000 € in 2023; idem in 2024 - IFAD: 1.650.000€ in 2023; idem in 2024 - WHO: 900.000€ in 2023; 1.000.000€ in 2024 - UNWOMEN 900.000€ in 2023; 1.595.000€ in 2024 - UNHABITAT 900.000€ in 2023; idem in 2024 - It is also worth mentioning the increasing role of the Development Promotion Fund (FONPRODE) in providing financial cooperation to address climate change challenges. In 2023, it established an internal goal of allocating at least 30% of its annual funding commitments to climate change. FONPRODE is advancing in its internal goal of increasing its climate finance portfolio, in the modality of reimbursable cooperation. - The Ecological Transition Programme (PROTEC), already in its 4th edition, focusing on circular economy and nature-based solutions and droughts has had its budget significantly increased overtime: from 1 M€ and 4 M€ in 2021 and 2022, respectively, to 9,98 M€ (2023) and 10 million€ (2024). - Continued support to regional cooperation in Latin America and the Caribbean through specific climate change programmes: <ul style="list-style-type: none"> o ARAUCLIMA Programme to address climate change in the Latin-American and the Caribbean region: 1.149.000 € (2023), 2.000.000 € (2024) and 2.300.000 € (2025). o Support for the climate related activities of the Ibero-American regional networks:

	<p>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)</p> <ul style="list-style-type: none"> ○ Circular Economy Lab: 150.000 € (2023) and 157.000€ II phase
-	<p>Other AECID instruments addressing relevant sectors related to climate change are:</p> <ul style="list-style-type: none"> ○ NGOs: In 2023, 15,38 M€ (34,19% of the total budget) were allocated to 26 projects related to climate change. AECID's "Development NGOs instrument" is aimed at the most vulnerable, reaching isolated or highly vulnerable communities. ○ Water and Sanitation Fund for Latin America (FCAS), which addresses the impacts and challenges of climate change and associated risks in, at least, 30% of its budget. In 2023 its portfolio and budget amounted to 10,7 M€ and it is foreseen that in 2024 it will amount to 11,6 M€. ○ Technical and institutional support for several delegated funds from the European Union such as EUROCLIMA+ Programme¹² in Latin America (4,7 M€ in 2023 and 6,5 M€ projected for 2024) or Covenant of Mayors in Sub-Saharan Africa (COMSSA), with a 332.000€ budget in 2023 and 1 M€ for 2025 and beyond.
-	<p>Continued support to specific technology centres such as ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE), including gender mainstreaming and clean cooking (332.000€ in 2023 and 1.031.000 in 2024).</p>
-	<p>Continued support to the Sendai Action Framework through UNDRR climate change issues in the LAC region (300.000€ in 2023 and 2024), as well as to the Global Fund for Climate Resilience of the IFRC (0,75 M€ in both 2023 and 2024).</p>
-	<p>FIEM: A special export-credit direct-financing scheme was launched in 2019 (ECOFIEM Line¹³) to finance climate change projects within the context of the internationalization of Spanish companies. In December 2021 this credit line was extended by 150 million, reaching a total amount of €200 million. Additionally, in its guidelines for 2024 FIEM prioritizes the financing of projects that contribute to the energy transition and comply with the NDCs of the beneficiary countries as well as project finance operations, since the vast majority of renewable energy projects fall under this category.</p>
-	<p>COFIDES: The COFIDES 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 in the three-year strategy period. In 2022 and 2023, 42% of climate finance was allocated to developing countries.</p> <p>COFIDES continues working on Technical Assistance activities to support projects to implement good practices in climate action through programmes such as Cofides Impact (1,7 million € - UE Next Generation); TIF-Triple Inclusive Finance (5,75 million € from the EU blending facilities); Proposed Investment Programs (PIP) Renewable Energy Programme for Sub-Saharan Africa (2 million € under the framework of the European Fund for Sustainable Development-EFSD).</p> <p>In parallel to the above initiatives, all efforts related to climate finance are compiled in <u>Sustainability Management section of the 2023 COFIDES' Activity and Sustainability report</u>.</p>

¹² [https://www.aecid.es/Centro-](https://www.aecid.es/Centro-Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20GRAMA)

[Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20GRAMA](https://www.aecid.es/Centro-Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20GRAMA)
[CON%20LINKS%20A%20CONVOCATORIAS.pdf](https://www.aecid.es/Centro-Documentacion/Documentos/documentos%20adjuntos/EUROCLIMA+%20DESCRIPCION%20GRAMA)

¹³ https://comercio.gob.es/Financiacion_para_internacionalizacion/FIEM/Paginas/Linea-ECOFIEM.aspx

- ICO: The new ICO Strategic Plan for 2022-2027 has a greater focus on sustainable finance and sets the goal of allocating to it 40% of the total volume of new commitments, including funds allocated to climate and environmental action in the next five-year period. Through its International Channel line, strategic alliances are made with financial institutions in third markets. ICO signs collaboration agreements with international financial institutions or local banks based outside Spain, mainly in Latin America and the Caribbean, to develop business and/or investment activities or meet liquidity needs abroad through on-lending.
- CESCE launched a new product in 2022, the Green Investment Loans¹⁴, designed to foster green financing. Under this instrument, for the underlying activities to be considered as green, they need to have been included either in the Climate Change Sector Understanding of the OECD Arrangement on Officially Supported Export Credits, or to be aligned with the EU Taxonomy. In 2023, the Green Investment Loans Instrument was the most demanded coverage surpassing Buyer's Credit, traditionally CESCE's State Account dominant product.

11. 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 (12/CMA.1, annex, 14/CMA.3)

Summary:

Spain works to enhance the mobilization of climate finance and promotion of actions to shifts investment through the different actors and instruments already mentioned, in line with article 2.1.c of the Paris Agreement, both domestically and in recipient countries. This includes the use of 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.

In this context, Spain champions the call to step up the impact of Special Drawing Rights (SDRs) through the International Monetary Fund (IMF) and the World Bank Group (WBG)'s enhanced framework for scaled-up climate action. In particular, Spain will channel SDR 1.5 billion to the IMF's Resilience and Sustainability Trust (RST) in support of climate policies identified by the national authorities with joint support by the World Bank and the IMF as the framework is operationalized. This enhanced framework will accelerate country-led climate action and help mobilize further financing, including from bilateral donors, multilateral development banks, and the private sector.

In addition to this, other specific actions contribute to the global effort of mobilising additional financial sources.

FONPRODE has set up several cofinancing framework agreements with IFIs and it is also strengthening European financial cooperation with several European Development Financial Institution¹⁵ (EDFI) associations, including AFD, KfW, ICO or CDP, among others, to jointly enhance the impact and visibility

¹⁴ <https://www.cesce.es/en/w/insurance-policy-for-investment-loans>).

¹⁵ <https://www.edfi.eu/>

of EU's development cooperation. In this sense, FONPRODE supports the Global Green Bond Initiative recently launched by the European Commission.

At a smaller scale, AECID has also promoted private sector involvement through Public Private Development Alliances (e.g. cooperation with the Shire Alliance in Ethiopia). In addition, AECID has launched a specific call for proposals that provides the private sector with opportunities to partner with NGOs, other civil society organizations and academia in innovative projects for sustainable development. These, however, have had moderate success, probably because of the associated risks and the difficulties of creating jobs and entrepreneurship among the poorest and in very difficult environments which, although often result in potentially scalable projects, are highly time and resource-consuming.

COFIDES, in turn, is the Spanish accredited entity of the Green Climate Fund, and had its first submitted operation, the Kuali Fund, approved in 2024: with a project value of USD 139.6 M, Kuali Fund aims to support climate change adaptation and mitigation by facilitating the transition to greener and more inclusive business models to both SMEs and smallholder farmers in Latin America, the Caribbean and India. In addition to this, COFIDES remains an active member of the Interact Climate Change Facility (ICCF) by committing an additional 20 M € in 2022.

ICO:

- Is a member of the Water Finance Coalition¹⁶ (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.
- It has played a key role in developing and promoting the Green and Social bond market. Since 2019, it has issued green bonds¹⁷ on an annual basis, with the aim of financing projects that contribute to protecting the environment and to fight against climate change.
- Promotes the ecological transition and environmental, social and governance (ESG) sustainability in its strategy.
- As an implementing Partner (IP) of the European Commission (EC), ICO participates in the InvestEU programme. ICO's participation is carried out under the Sustainable Infrastructure Window (SIW), to invest in equity, quasi-equity and debt products (brokered and direct) guaranteed by the European Commission. Currently, the ICO has invested through financial intermediaries in 17 projects through 4 funds.
- ICO is currently implementing lines under the MRR – Next GenerationEU-, among which the Green ICO Line, allocated with 22 bn euros to finance projects by both private and state companies and households with the aim of supporting the green transition (sustainable transport projects, energy efficiency, renewable energy, decarbonisation of industry, water management, circular economy, adaptation to climate change...).

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

Summary: the Spanish International Climate Finance Strategy establishes concrete criteria to determine which plans, programmes and projects should be funded. In addition, the Delegate Commission of the Government for Economic Affairs annually approves the planning for climate finance contributions to multilateral financial institutions.

¹⁶ <https://www.waterfinancecoalition.org/>

¹⁷ https://www.ico.es/inversores/bonos_verdes__ico

As stated in its International Climate Finance Strategy, adopted in 2023, Spain seeks to support those activities and projects with a clear and direct impact on the fight against climate change. Accordingly, the Strategy establishes that the following criteria must take precedence when identifying plans, programmes and projects to support or initiatives and funds to contribute to:

- Strong impact in the fight against climate change, both by financing projects that help mitigate climate change and, in particular, financing projects that improve adaptation capacities.
- Capacity to generate synergies to achieve the sustainable development goals (*2030 Agenda for Sustainable Development*).
- Promoting the mobilisation of financing for the private sector.
- Contributing to the technological transfer and R&D.
- Promoting alignment with plans to fight climate change (NDCs, NAPs, Strategy for long-term emissions reduction) in the country receiving aid.
- Reinforcing and extending early alert systems and contingency plans.
- Catalysing financing and climate-risk insurance.
- Participating in the activities included in *Regulation (EU) 2020/852, of the European Parliament and of the Council of 18 June 2020, regarding the establishment of a framework to facilitate sustainable investments*.

In any case, all those projects that support or promote activities that involve harm to the environment or climate are excluded from being counted as climate finance.

As regards multilateral institutions, the Spanish Delegate Commission of the Government for Economic Affairs adopts the planning for contributions to multilateral financial institutions for a 3-year period on an annual basis (for the ongoing year and the following two years), both committed and proposed, according to national priorities and commitments, of which climate finance is one of the most relevant.

6. 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 at the same time working on continuing support for existing activities and funds, and on the mainstreaming of climate change in all international cooperation instruments.

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

Summary: Spanish development cooperation has developed specific tools and methodologies to enhance the mainstreaming of climate change and resilience considerations, both in the development and in the humanitarian and emergency sectors, in different instruments.

Detail: Several guidelines have been elaborated within the Spanish Cooperation to integrate climate changes considerations in it, especially regarding regional and bilateral actions. Among these

guidelines: Reaching resilience guidelines¹⁸; Environmental and climate change mainstreaming guidelines¹⁹; Gender guidelines²⁰; and Environmental mainstreaming in Humanitarian and Emergency Aid Action guidelines²¹.

In the case of multilateral institutions, Spain has traditionally supported, through its respective board representatives, a high priority for climate change in the strategies of those institutions.

In the case of OOF, and specifically concerning 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.

In line with ICO's participation in European funds, the regulations and guidelines that develop InvestEU and the MRR provide indications for calculating the climate and environmental contribution of projects, as well as guidelines for assessing sustainability in InvestEU and the application of the DNSH principle in the MRR.

Among the efforts made to achieve the net zero-target for 2050, COFIDES has updated its exclusion list by extending it to a comprehensive exclusion of fossil fuel project all throughout their value chain, is measuring its portfolio carbon footprint and in the path to allocate 30% of the total volume of new commitments to climate action.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness;
Summary: The new Spanish Cooperation Act, adopted in 2023, 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, adopted in 2023, is aligned with the 2030 Agenda and the Paris Agreement and, among others, reinforces the principles of just ecological transition and gender equality in the fight against inequality and poverty. This law gives 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 that the new Sustainable Development Spanish Fund (FEDES) replacing FONPRODE will play 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" (SCMP).
SCMP 2024-2027 defines the geographical priorities at three levels: priority regions (Latin America and Caribe; Sub-Saharan; North Africa; West Africa and Sahel) priority countries (listed below), and other countries of interest (Ukraine and Afghanistan at the moment).

¹⁸ [https://www.aecid.es/Centro-Documentacion/Documentos/Divulgaci%C3%B3n/REACHING%20RESILIENCE%20\(ESPAGNOL\)%20LR.pdf](https://www.aecid.es/Centro-Documentacion/Documentos/Divulgaci%C3%B3n/REACHING%20RESILIENCE%20(ESPAGNOL)%20LR.pdf)

¹⁹ <https://www.aecid.es/Centro-Documentacion/Documentos/Publicaciones%20AECID/151015guiaTMA.pdf>

²⁰ <https://www.aecid.es/Centro-Documentacion/Documentos/Publicaciones%20AECID/GU%C3%8DA%20DE%20G%C3%89NERO.pdf>

²¹ <https://www.aecid.es/Centro-Documentacion/Documentos/Acci%C3%B3n%20Humanitaria/Guia%20Medioambiente.pdf>

Priority countries are:

- Latin America and Caribbean countries: Argentina, Bolivia, Brasil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Haití, Honduras, México, Nicaragua, República Dominicana, Panamá, Paraguay, Perú, Uruguay and Venezuela.
- Subsaharian Africa: Cabo Verde, Senegal, Níger, Mali, Etiopía, Guinea Equatorial and Mozambique.
- North África and Middle East, Marruecos, Mauritania, refugee Saharan population, Tunisia, Egypt, Jordan, Palestine, Lebanon.
- Asia: Philippines

In addition to these priority regions and countries, the Spanish Cooperation identifies other countries of interest where to work on a specific basis, in particular to promote global public goods or respond to (non-humanitarian) crises or development challenges that may arise. For example, when it comes to the financing of global public goods (such as the fight against climate change), FONPRODE/FEDES may finance interventions in other countries pertaining to the priority regions, and even in other non-prioritized developing countries.

The transversal approaches (climate justice, biodiversity and environmental sustainability among others) and sectoral priorities (biodiversity, climate change) defined in the SCMP will be implemented in each priority country and country of interest, but also through regional approaches that must be adapted to the specific context and needs of the countries. Moreover, among its priorities, the SCMP specifically contemplates taking specific action to support partner countries to comply with their climate change international commitments, including NDCs and NAPs.

Land, environmental, human rights defenders and indigenous peoples will be supported by the Spanish Cooperation. Also, gender and environmental issues, including climate change, are two mainstreaming priorities for the Spanish Development Cooperation who has developed its own guidelines to operationalize these issues (see section 14).

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.

4. 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 activities, including through technology development and transfer and capacity-building activities.

Detail:

To date, finance for mitigation has played a greater role in quantitative terms and is mainly focused on renewable energy and urban transport projects. However, a special focus is currently being put on the scaling up of adaptation finance, following the new collective commitment of doubling adaptation finance by 2025, from 2019 levels. In particular, the Spanish International Climate Finance Strategy pays special attention to adaptation finance, which will be prioritized in the foreseen

duplication of ODA contributions, which will make ODA the main component of Spanish climate finance. On adaptation, most of the financing requests come from the agricultural and disaster risk management (droughts, floods, fires, etc).

On technology development and transfer and capacity-building activities three additional cooperation programs should be highlighted: INTERCOONECTA Programme, with a focus on Circular Economy in 2023; COOTEC Programme for Technical Cooperation and the Program for Triangular Cooperation. These programmes respond to partner countries' demands and adaptation actions (fire prevention, climate scenarios, coastal areas, water management, agriculture, etc.) are often prioritised.

10. 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;

(12/CMA.1, annex, 14/CMA.3), including information on:

- **Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)**

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 VI Spanish Cooperation Master Plan 2024-2027 (SCMP 2024-2027) considers both adaptation and mitigation and the Spanish Cooperation is doing a constant effort to increase the focus on adaptation projects and finance.

Detail:

Special attention is being given now to scale up finance for adaptation. In particular, the Spanish International Climate Finance Strategy pays special attention to adaptation finance, which will be prioritized in the foreseen duplication of ODA contributions, making ODA the main component of Spanish climate finance. In addition, Spain considers options such as making new contributions to the Adaptation Fund (AF), of which Spain is one of the main contributors, with USD 72 M pledged in the 2022-2023 period (USD 133 M in total) and an additional 17,5 M € pledged in 2024, and to the two Global Environment Facility funds focused on adaptation, with a total contribution in 12 M€. Of these 2 funds, Spain chose Window A of the Special Climate Change Fund, which focuses on supporting the adaptation needs of Small Island Developing States.

In addition to the specific new contributions from AECID to the Adaptation Fund, the efforts made by the Spanish Cooperation to focus on adaptation projects are reflected in the mobilization of new funds from FONPRODE (e.g. to the promotion of the coastal climate change related risk management in Africa). In addition to this, the launch of the International Drought and Resilience Alliance (IDRA) in 2023 has mobilized more than 7 M€ from Spanish ODA. The increasing budget of the Ecological Transition Program (PROTEC) -from 1 M€ in its first edition in 2021 to nearly 10 M€ in 2023, 2024 and, most probably, also in 2025- has allowed to promote nature-based solutions or other initiatives that help improving the adaptation resilience in different countries. Also, the Spanish Cooperation supports regional efforts on adaptation as very efficient efforts especially in the Ibero-American space. Other traditional focus and demand from partner countries are DRR projects and water climate change adaptation management.

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. In the case of developing countries that are particularly vulnerable to the adverse effects of climate change, the Spanish Development Cooperation promotes institutional strengthening, capacity building and cross sector alliances, in addition to a mere results-oriented approach.

Since the beginning of 2024, COFIDES develops a climate change strategy to identify and manage climate change risks (at project and portfolio level), with a timeline of achievements for 2030 and 2050.

Last, in the context of export credits, the last revision of the OECD Arrangement on Officially Supported Export Credits (applicable since July 2023), enhanced terms for adaptation projects were approved, providing a more flexible definition to what can be considered as adaptation projects, which, in turn, now benefit from more favourable financing terms (e.g., longer tenors, up to 22 years).

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

The Spanish Development Cooperation system is based on agreements reached with the partner countries responding to their demands (Country Partnership Framework).

The new Spanish Cooperation Master Plan (SCMP 2024-2027) describes the way the Spanish Cooperation works within different scenarios which need constant adaptation to respond to the changing needs. Spanish Cooperation aims to support partner country demands, especially in the areas where Spain has an added value. Examples of this are the Ibero American networks on water, meteorology, and climate change (CODIA, CIMHET, RIOCC), which are key sources of demand-driven projects for AECID, at the regional, subregional and national levels. Moreover, at national level, Spanish Cooperation staff on the ground keep a constant dialogue with national institutions, multilateral organizations and a varied range of development actors, facilitating the access to updated information and promoting bottom-up initiatives.

In addition, FIEM prioritises the financing of projects that are aligned with the priorities, needs and strategy of the beneficiary country.

15. 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 co-benefits 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. In the Iberoamerican region the traditional capacity building activities of the Spanish Cooperation has evolved towards a co-creation approach and the enhancement of triangular cooperation.

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

For 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 countries are represented).

In the case of bilateral support, it is generally decided in direct dialogue with recipient countries and partners. Because of this, the provision of climate finance is determined, among other factors, by the prioritization of climate action in the development cooperation dialogue between partner countries.

The following factors are often considered when evaluating proposals:

- National priorities and country ownership
- Efficiency
- Impact potential and effectiveness
- Innovation
- Governance of the project
- Enabling environment in the recipient country
- Gender sensitivity
- Monitoring and evaluation
- 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.

9. Information on challenges and barriers encountered in the past, lessons learned and measures taken to overcome them, including information, as applicable, on:

- **Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)**
- **Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)**

There are challenges and barriers in the climate finance delivery chain both on the 'supply side' and the 'demand side'. For example:

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.

Failing to map existing strategies and relevant policies in recipient countries has sometimes resulted in the fragmentation of cooperation or in 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), and others (NAMAs, TNAs, TAPs...), are taken into account, and complementary strategies should be also considered. I

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, they often do not provide the level of information needed to create pipelines of projects and assess progress on their implementation. It is vital that finance provided targets programmes and proposals that are tailored to the context in which the project is implemented.

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.

As regards the Spanish financial cooperation, one of the barriers encountered in the past has been the lack of financial support to technical assistance. This has resulted in specific new budgets in different FONPRODE interventions which cover this need and reinforce the potential success of the effort made.

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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; (12/CMA.1, annex; 14/CMA.3)

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.

All these actions and experiences are often shared with interested third parties.

26.Sweden

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

One of the Swedish government priorities is an expanded and more effective climate aid. Furthermore, the Government intends to increase and streamline Swedish climate aid, while at the same time mobilising other types of capital to a greater extent.

Sweden attaches great importance to clarity and transparency, and all past and ongoing climate aid from Sweden, as well as all other aid provided by Sweden, can be found on [Home page](#) | [Openaid](#).

Detail:

The Swedish budget for development aid, including climate finance is decided by the Parliament on an annual basis. Therefore, there is no pledge, commitment or announcement clarifying the total volume of future contributions to climate change.

The government have decided on an expanded and more effective climate aid, this is part of the policy for development cooperation adopted in December 2023. In the same policy the government states its intention to increase and streamline Swedish climate aid, while at the same time mobilising other types of capital to a greater extent ([development-assistance-for-a-new-era-freedom-empowerment-and-sustainable-growth-brochure.pdf \(government.se\)](#)).

Swedish aid is channelled mainly through multiannual bilateral, geographic, thematic 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 timeframe. The strategies therefore present what Sweden is prepared to support in response to developing countries' priorities. The strategies can be found here on the Government's website: [Strategier för internationellt bistånd - Regeringen.se](#)

Even if no total projection of climate finance can be provided, below are some examples of ex ante information that Sweden can provide:

- Swedish pledges to the climate funds provide ex ante information, such as 4,1 billion SEK to GEF for GEF-8 and 500 MSEK for GEF-7 to be paid 2025-2026 as well as 8 billion SEK to GCF-2 2024-2027.
- The Nordic countries have decided to recapitalize the Nordic Development Fund (NDF) with a Swedish contribution of EUR 113 million for the period 2022-2031.

- Sweden have pledged 18,4 billion SEK to the World bank for IDA19 and IDA20 which will disbursed in the period 2021 to 2031. About 6 billion SEK of this counts as climate finance. And recently, Sweden pledged an additional 8,2 billion to IDA 21. To the African Development Fund, Sweden have pledged 1 356 million SEK to be disbursed 2025-2029, of which about 450 MSEK is climate finance
- 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.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:

As mentioned above, the Riksdag (parliament) determines the budget for development aid the following year in December each year. In parallel, multi-annual strategies determine amounts for geographies and thematic areas. Therefore, Sweden cannot provide a forward-looking announcement, commitment, or communication on the actual future total level of climate finance.

Furthermore, a core principle in Swedish development assistance is the dialogue with partner countries, and thus the focus of our development assistance, including the climate finance, is based on the priorities expressed by partner countries in development dialogues. Therefore, 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.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

The Swedish Government has outlined its intention to increase and streamline Swedish climate aid, while at the same time mobilising other types of capital to a greater extent in the following document: ([development-assistance-for-a-new-era--freedom-empowerment-and-sustainable-growth-brochure.pdf](https://www.government.se/development-assistance-for-a-new-era-freedom-empowerment-and-sustainable-growth-brochure.pdf) ([government.se](https://www.government.se)))

Examples of ongoing climate projects supported by Sida can be found on Sida's webpage: [Sida's work with climate and environment | Sida](#)

At [Openaid.se](https://openaid.se), statistics and payments from Sida, the Ministry of Foreign Affairs and other agencies handling funds in the Swedish Government's [Expenditure Area 7 'International Aid'](#) can be found.

Detail:

Sweden's climate aid contributes to the three main goals of the Paris Agreement through strategic investments in emissions reduction, climate change adaptation, and financial flows. Additionally, Sweden strives that climate aspects permeate sectors, creating co-benefits and collaborations. The majority of Swedish climate finance to low- and middle-income countries is channelled as bilateral ODA through the Swedish International Development Cooperation Agency (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. 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.

In the last biennial communication Sweden highlighted that 8 billion Swedish kronor had been set aside for Sweden's global development assistance in the areas of environment, climate and biodiversity for 2022–2026. Sweden also highlighted pledges made to the climate funds, including 8 billion SEK to GCF-1 (2020-2023), 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, and that the Nordic countries had decided to recapitalize the Nordic Development Fund (NDF) with a Swedish contribution of EUR 113 million for the period 2022-2031.

The total disbursements of climate finance made by Sweden since then have exceeded the figures mentioned above. Details on the figures of Swedish climate finance provided can be found in separate reports to the UNFCCC and OECD. The pledges to the climate funds are being disbursed according to plan, and so far, 3,2 billion SEK have been allocated to the global development cooperation strategy in the areas of environment, climate and biodiversity for 2022–2026, and more than 2 billion has been disbursed.

Sweden's climate finance increased with 17% in 2023 compared with 2019. Since 2022 Sweden has a new Government that has set new priorities for Swedish climate finance: an expanded and more effective climate aid and to increase and streamline Swedish climate aid, while at the same time mobilising other types of capital to a greater extent.

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

As previously mentioned, the Swedish Government has outlined its intention to increase and streamline Swedish climate aid, while at the same time mobilising other types of capital to a greater extent in the following document: ([development-assistance-for-a-new-era--freedom-empowerment-and-sustainable-growth-brochure.pdf \(government.se\)](#))

In parallel the Government also set a clear objective to strengthening Sweden's position as a prioritised partner for green and digital transition in its [Strategy for Sweden's trade, investment and global competitiveness \(government.se\)](#). This strategy can further enable mobilising capital from a wide variety of sources.

Detail:

Synergies between international development cooperation, trade promotion and trade policy

The prospects for enhanced synergies between international development cooperation, trade promotion and trade policy are particularly good with respect to green and digital transition. Transitioning to a fossil-free and climate-neutral society requires major investments worldwide. Better interplay between development cooperation, export and investment promotion, and trade policy can improve the prospects for sustainable development in developing countries through increased trade. Sweden is a knowledge nation and innovation leader, and a partner for economic and democratic development, green transition and digitalisation. The Strategy for Sweden's trade, investment and global competitiveness includes the objectives to increase Swedish project exports to low- and middle-income countries, with a focus on green and digital transition and to increase the contribution by Swedish exports to global climate benefits.

Guarantees

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. Sida issues financial guarantees enabling banks and investors to consider investments that they would not otherwise do. This allows businesses and entrepreneurs in developing countries to access capital, and it facilitates investment that delivers development results.

It is a tool to expand and leverage available resources for development with market finance and knowledge. Guarantees stimulate mobilisation of both private and public capital, including partner countries' domestic capital. Guarantees are used to enable investments in clean and more efficient energy production, reduced emissions, climate adaptation action and other environmental improvements.

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. Sweden is also promoting such an approach in multilateral development cooperation through development banks, including the Swedish development finance institution Swedfund. Furthermore, Sweden is 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 reporting standards such as the ISSB standards will further mobilise investments.

8. Information on relevant methodologies and assumptions used project levels of climate finance; (12/CMA.1, annex)**Summary:**

Methodologies and assumptions used to project levels of climate finance would depend on projected levels of development cooperation as determined by the Riksdag, as well as levels of finance in multi-annual strategies and multi-year core support to organizations with significant climate shares.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Summary:

For the purpose of this reporting to UNFCCC, Sweden considers newly committed (for reporting on commitments) or disbursed (for reporting of disbursements) finance for climate change within the reporting period (2021-2022) as new and additional finance.

Detail:

Sweden recalls that the concept of new and additional was established in 1992, with the adoption of the UN Framework Convention on Climate Change, which states that “The developed country Parties [...] shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations”.

Since 1992, climate action has – rightly and necessarily – been more and more integrated in both national budget processes and development finance. Furthermore, with article 2.1.c of the Paris Agreement, Parties have committed to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Sweden also notes that the Paris Agreement does not explicitly call for new and additional resources.

Against this background, Sweden’s approach to climate finance is to mainstream it across our development finance, and other financing streams, in addition to climate-specific projects and global climate funds. In parallel, Sweden clearly sees the value of climate-specific financing as well as advocates globally the importance of expanded and more efficient levels of finance available for climate action, as well as transparency and reporting on climate finance. Sweden therefore believes the concept of new and additional is less relevant today as the conditions for and framing of climate finance have evolved since 1992, and the focus should rather be ensuring the integration of climate action across financing streams globally, which is necessary to achieve the scale of climate finance needed.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Detail:

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 a means to achieve this, all Sida-financed projects and programmes shall undertake 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 and climate change 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.

In Sida's new operational strategy 2024-2026, it is made clear how the agency will contribute to reaching the Swedish Government’s goals and the strategic direction for Swedish development cooperation mentioned above. This means that all operational departments at Sida must identify opportunities and directions in order to increase and make climate work more effective while at the same time achieve other prioritized development goals and make progress towards achieving the

2030 Agenda. Sida has two main approaches to increase climate aid: targeted efforts (where climate is the principal objective according to OECD-DAC terminology) and integrated efforts (where climate is a significant objective according to OECD-DAC terminology). In order to deliver on the operational strategy (and especially the specific objective “Increased and more effective climate aid”, Sida will target and integrate the three interconnected crises on climate change, biodiversity loss and pollution.

Sida also actively participates in international method development discussions on how to ensure alignment between development cooperation 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.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary:

Climate and environment is one of Sida’s most prioritised areas and is included in 31 of the government’s 46 strategies. The scope of Sida’s environmental and climate assistance ranges from support to organisations in Africa, Asia, the Middle East, Eastern Europe and Latin America, to regional and global organisations.

Sweden is committed to align development co-operation with the goals of the Paris Agreement on Climate Change. Sweden considers the countries' Nationally Determined Contributions (NDC) and National Adaptation Plans (NAP) and development plans as central tools for understanding needs, priorities and where the funding gap is the largest in our partner countries.

In 2022 and 2023, the top five countries receiving climate finance through Sida were:

The top five countries receiving Sida climate finance during 2021 and 2023	
2022	2023
Mozambique	Mozambique
Kenya	Kenya
Tanzania	Afghanistan
Bangladesh	Moldova
Afghanistan	Mali

In 2022 and 2023, between 70-80 percent of the Swedish bilateral climate finance was considered gender integrated.

Detail:

The starting point for Sida's development cooperation is to work in line with the principles of development effectiveness, the partner countries’ own needs, priorities, and strategies. This also includes climate aid. In 2021, Sweden adopted the OECD/DAC “Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change”. The declaration emphasises that DAC members’ climate aid should be guided by the Busan Principles for effective aid: ownership, results, partnership for inclusive development, transparency, and accountability.

Sida strives for a focus on reform efforts and policy coherence in partner countries to promote a just green transition. The support shall be aligned with each country's identified needs and priorities. Key components include supporting long-term institution building, capacity development, and resources technology, and innovation. By emphasising collaboration with national and local authorities, democratic participation processes, and with a wide range of stakeholders, Sida aims to foster inclusive partnerships and ownership.

Sweden has long been committed to integrating a gender perspective into all its activities, including support for climate action, and plans to continue this work. Sida voluntary report gender integration in the Biennial Report to the UNFCCC in order to support the UNFCCC Action Plan for Gender Equality (GAP), track progress, stimulate further integration and encourage other actors to do the same. In 2022 and 2023, between 70-80 percent of the Swedish bilateral climate finance was considered gender integrated. The OECD-DAC gender policy marker is used to track gender equality integration in bilateral and multi-bilateral climate finance provided through Sida.

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary:

Sweden supports developing countries in accordance with their priorities, including mitigation, adaptation, cross-cutting activities, technology transfer or capacity-building.

Swedish climate aid should increasingly contribute to energy efficiency and effective emission reductions, not least in high-emitting partner countries, including contributions to transitions to fossil-free energy.

Protecting biodiversity also contributes to effective climate action and is key to achieving sustainable food systems and global water and food security.

Detail:

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, climate change adaptation and cross-cutting). Implementing both emission reduction and adaptation measures together, taking into account goal conflicts, can support co-benefits and synergies with e.g. health and well-being and it can increase the cost-effectiveness of actions. Sida is also actively working to use the potential to increase climate integration (both adaptation and mitigation) within projects and programs whose principal focus lies elsewhere. Sida finds substantial opportunities to enhance climate integration in both new and ongoing contributions.

Swedish climate action engages the business sector, emphasize mobilization of private capital, and cooperating with major climate funds and development banks and striving for their enhanced effectiveness. Adaptation efforts in already vulnerable countries is particularly important and should involve engagement of local authorities.

Swedish 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.

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.

10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary: [One sentence describing policy regarding mitigation/adaptation balance – or stating if no policy. Once sentence describing if there is any LDC/SIDS/Africa prioritization]

A core principle in Swedish development cooperation and climate finance is the dialogue with partner countries. Thus, the focus of our support is based on the priorities expressed by partner countries in development dialogues. Therefore, Sweden does not have a percentage or numeric goal for climate change adaptation. In practice Sweden has a high share of finance for adaptation. In both 2022 and 2023 about 50% of Sida's climate finance went to adaption. The remainder was either cross-cutting or for mitigation. A key parameter for continued high shares and volumes of adaptation finance is that partner countries continue to prioritise climate change adaptation in development cooperation dialogues with us. Sweden's climate finance also prioritizes LDCs, particularly for adaptation, which is expressed through a number of strategy decisions.

Detail:

Sweden is contributing significantly to the call from COP26 to developed countries to collectively double adaptation finance by 2025 compared with 2019. The largest share of the climate finance focus on supporting countries' actions for climate adaptation. More than half of Sida's climate finance was for climate adaptation in 2023, 52 percent (mitigation 26 percent). Most of Sida's climate aid goes to climate adaptation, given that many of Sida's partner countries contribute marginally to global emissions, while the partner countries are extremely exposed and vulnerable to the effects of climate change. One of the key aspects of Sida's work within climate adaptation is ensuring that climate finance reaches the local level, where it is most needed.

Grants are also given to projects and programs for emission reductions, a fair transition and cross-sector investments such as climate-related research and capacity building that may have implications for both adaptation and emission reduction.

A short summary of Sida's Climate Finance report 2022 can be found here: [Sida's climate finance reporting 2022](#).

In 2023 the Swedish government adopted an updated [adaptation strategy](#). It states the intention from the Government to continue an ambitious engagement in global adaptation issues in line with the Paris Agreement and global commitments. The government intends to increase and streamline Swedish climate aid, while at the same time mobilising other types of capital to a greater extent.

Since climate adaptation may require large investments in developing countries, Sweden supports the development of local capacities and conditions for financial markets, domestic resource mobilisation and national conducive investment climate. The government supports strengthening resilience against climate change through adaptation efforts in the most vulnerable societies and anticipatory action in climate related humanitarian crisis. The Government will continue to push for ambitious and efficient climate adaptation action through cooperation at the regional, EU and UN levels. Furthermore, the strategy clarifies the reasoning behind the intention which includes the explanation that through support to the Adaptation fund, the LDCF, GEF and GCF, Sweden is contributing significantly to the call to developed countries to collectively double adaptation finance by 2025 compared with 2019. It also states that a clear climate perspective in the traditional development aid will continue to be important, not least to support adaptation.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

The recipient countries NDCs, NAPs and other cross-sectoral climate strategies are the starting point for the identification of the countries' priorities. Our development cooperation takes developing countries priorities as a point of departure. We continue to stand ready to support developing countries who clearly outline their needs and priorities and we think that projects and programs should be developed in dialogue between the donor and the recipient.

Detail:

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.

Central tools for understanding needs, priorities and where the funding gap is the largest in our partner countries, are the countries' national development plans, National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs) as well as countries' long-term strategies.

Sweden is a founding member of [the NDC partnership](#) and currently a member in the steering committee.

15. information on how support to be provided to developing country Parties **enhances their capacities** (12/CMA.1, annex)

Summary:

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.

Detail:

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 semiarid 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.

In June 2024 the Government decided on a new strategy guiding Sida's continued work within the field, 2024-2028 [Strategy for Innovation, Partnership and Capacity Building \(in Swedish\)](#)

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Summary:

Sweden does not separate climate finance proposals from other types of development cooperation. Thus, climate finance proposals are evaluated as a part of the regular donor dialogue with partners and partner countries. This means that Sweden stands ready to support partners with climate finance for needs and priorities expressed in regular donor dialogues.

Detail:

Swedish development cooperation is guided by government strategies. The strategies set the objectives for Swedish development cooperation. As already mentioned, climate and environment is one of Sida's most prioritised areas and is included in 31 of the government's 46 strategies. Strategy reports can be viewed at the [Openaid website](#).

The starting point for Sida's development cooperation is to work in line with the principles of development effectiveness, the partner countries' own needs, priorities, and strategies. This also includes climate aid. As mentioned above, in 2021, Sweden adopted the OECD/DAC "Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change" The declaration emphasises that DAC members' climate aid should be guided by the Busan Principles for effective aid. It builds upon previous international agreements regarding effective aid and development cooperation, which Sweden has committed to.

Sida has an opportunity to streamline climate aid even more strategically in line with the OECD DAC's principles of 'Paris Alignment' and draws on the work done together in the OECD/DAC. For example, the report "More Effective Delivery of Climate Action in Developing Countries" (2023).

Another starting point for Sida's work is the multidimensional poverty approach, which highlights how contextual poverty looks based on lack of resources, influence, choices and human security. The approach includes climate aspects and uses e.g. NDCs and NAPs as strategic supporting documents.

9. Information **on challenges and barriers** encountered in the past, lessons learned and measures taken to overcome them; (12/CMA.1, annex, 14/CMA.3, 13/CMA.5), including information, as applicable, on:

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate

finance (14/CMA.3)
<p>Detail:</p> <p>A key lesson learned is the value of working with the principles of development effectiveness, the partner countries' own needs, priorities, and strategies. Sweden has adopted the OECD/DAC "Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change" which that DAC members' climate aid should be guided by the Busan Principles for effective aid: ownership, results, partnership for inclusive development, transparency, and accountability.</p> <p>Another key lesson learned is the importance for partner countries to priorities climate in their own national planning and budget processes, as well as in dialogue with donors. Sida strive for a focus on reform efforts and policy coherence in partner countries to promote a just green transition. The support should be aligned with each country's identified needs and priorities. Key components include supporting long-term institution building, capacity development, and resources technology, and innovation. By emphasising collaboration with national and local authorities, democratic participation processes, and with a wide range of stakeholders, Sida aims to foster inclusive partnerships and ownership.</p>

Sub-section 2.4. [Focus on Art. 2.1c]

<p>13. 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; (12/CMA.1, annex; 14/CMA.3)</p>
<p>Summary:</p> <p>Sweden works to contribute towards developing local capacity and conditions for financial markets, resource mobilisation and an attractive investment climate to address the triple planetary crisis of climate change, biodiversity loss and pollution.</p>
<p>Detail:</p> <p>Sweden works to support developing countries in their efforts to develop local capacity and conditions for financial markets, domestic resource mobilisation and an attractive investment climate. One example is the support of Sweden's international development cooperation agency (Sida) to UNDP Bangkok Regional Hub for the implementation of the regional program "Strengthening the Governance of Climate Change Finance to Enhance gender Equality", which included strengthening domestic budget systems to enable delivery of gender-responsive climate change investments.</p>

27. European Commission

Sub-section 2.1. [Information on the provision of ex-ante information]

1. Enhanced **information to increase clarity** on the projected levels of public financial resources to be provided to developing countries, as available; (12/CMA.1, annex), including, as applicable:

- Information demonstrating how each of their biennial communications has improved compared with the previous one (13/CMA.5)
- Information demonstrating how areas for improvement set out in relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement have been addressed; (13/CMA.5)

Summary:

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.

The EU has set a higher climate spending target (30%) under the Neighbourhood, Development and International Cooperation Instrument (NDICI)-Global Europe for 2021-2027 compared to the previous programming period, and the Commission President has added additional EUR 4 billion to this target in her 2021 State of the Union address.

The mid-term review (MTR) of NDICI-Global Europe programming, launched in June 2023, is scheduled to be concluded by end 2024. This mid-Term Review aims to assess the MIPs' relevance and progress, and, if needed, to revise their priority areas and related sectors of intervention, and to establish country allocations for 2025-2027.

Detail:

The EU, its Member States and the European Investment Bank (EIB) remain the world's leading contributor of development assistance and the world's biggest climate finance contributor, providing at least a third of the world's public climate finance. In 2022, the European Union and its Member States contributed EUR 28.5 billion to public climate finance, and over 54% of this amount was dedicated to either climate adaptation or cross-cutting action.

In 2021 and 2022, the European Commission committed a total of EUR 6.53 billion bilateral climate finance to developing countries. Of this total bilateral climate finance committed, EUR 2.09 billion was marked for mitigation, EUR 1.51 billion for adaptation, and EUR 2.92 billion for cross-cutting. Of the bilateral climate finance, almost EUR 1.2 billion (18.4 %) was committed to LDCs: with at least EUR 762 million (64%) marked for adaptation, EUR 228 million (19%) for mitigation, and EUR 210 million (18%) for cross-cutting.

Climate benchmarks have been proposed for some bilateral, regional and thematic programme. The Instrument for Pre-accession Assistance (IPA) Regulation indicates that actions under the IPA III are expected to contribute 18% of its overall financial envelope to climate objectives, with the objective of increasing to 20% by 2027.

The Ukraine Facility Regulation indicates that the Facility should contribute, to the extent possible in a war-torn country, at least 20 % of the overall amount corresponding to

support under the Ukraine Investment Framework and to investments under the Ukraine Plan to climate change mitigation and adaptation, environmental protection, including biodiversity conservation, and to the green transition.

The proposed Regulation for the Reform and Growth Facility for the Western Balkans indicates that the Facility should contribute to the achievement of the overall target of 30% of Union budget expenditure supporting climate objectives. At least 37% of the non-repayable financial support channelled through the Western Balkans Investment Framework (WBIF) should account to climate objectives.

The Council Decision on the Overseas Association, including Greenland (DOAG) states that actions under this programme are expected to contribute 25 % of their overall financial envelope to climate objectives.

In 2022, under the NDICI-Global Europe instrument, all decided actions contributed to the climate spending target for a total of EUR 3.392 billion (corresponding to 24.5 % out of the total committed amount). Cumulative figures 2021-2022 resulted in contributions to the Climate spending target of EUR 5.340 billion.

The EIB Group has several targets for climate action and environmental sustainability financing:

- The EIB Group will support €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 action and environmental sustainability to exceed 50% of its operations in 2025;
- The EIB pledges to increase the share of adaptation support to 15% of the bank's overall finance for climate action by 2025.

These commitments apply to the Bank's activities outside the European Union as well as inside it. The EIB Group Operational Plan²² includes orientations for performance across key policy objectives. This includes orientations for climate action and environmental sustainability financing, for the three years from 2022-24, with the aim to gradually increase performance towards the 2025 target of 50%.

7. Information on **national circumstances and limitations** relevant to the provision of ex ante information; (12/CMA.1, annex), including, as applicable:

- Information on the **challenges and limitations** of providing ex ante information, particularly in relation to budgetary and legislative requirements for the allocation and approval of public climate finance disbursements (13/CMA.5)

Summary:

Regional and thematic multi-annual indicative programs (MIPs) have a duration of 7 years and are subject to a mid-term review as well as possible ad-hoc reviews. For flexibility and continued political ownership, indicative country allocations are presented in the course or in result of the

²² [The EIB Group Operational Plan 2022-2024](#)

programming process, while the duration of these periods or the relevant indicative allocation may be reviewed during the implementation of the MIP.

Detail:

Under the Neighbourhood, Development and International Cooperation Instrument (NDICI), a set of general program principles apply to all partner countries. The main approach for actions financed under this Instrument is through geographic programmes, which 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.

Regional and thematic multi-annual indicative programs (MIPs) have a duration of 7 years and are subject to a mid-term review as well as possible ad-hoc reviews. For 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. This approach, which aims to strengthen co-ownership by partner country government and other stakeholders, sets the overall targets in the NDICI which are applied to the 7-year period. It allows to plan long-term and avoid budget uncertainties, while also allowing flexibility to fit the emerging priorities of partner countries.

Sub-section 2.2. [General ex-ante information]

2. Indicative **quantitative and qualitative information on programmes**, including projected levels, channels and instruments, as available; (12/CMA.1, annex), including, as applicable:

- Information on the status of projected levels of climate finance stated in previous biennial communications (13/CMA.5)
- More detailed information on strategies for scaling up the provision of climate finance, including through public interventions, as applicable (13/CMA.5)

Summary:

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.

Since 2021, most EIB operations outside the European Union are 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.

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

The European Investment Bank 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.

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

Since 2021, most EIB operations outside the European Union are 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 (2014-2023), EIB invested more than €71 billion of its own resources outside the European Union and EFTA, including just under €27 billion in climate action projects (representing 38% of total financing in these regions). In 2023, EIB own resource climate action financing outside the EU and EFTA reached €3.4 billion, accounting for 45% of our total financing in these regions.

11. 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; (12/CMA.1, annex, 14/CMA.3)

Summary:

The EU Global Gateway is a EUR 300 billion strategy to boost major investments in partner countries. It focuses on smart, clean, and secure investments, as well as enabling operating environments. It reflects the EU's commitment to support partner countries in their green transition.

No actions/measures will be supported if they are incompatible with the beneficiary countries' Nationally Determined Contributions under the Paris Agreement, promote investments in fossil fuels, or if they can cause significant adverse effects to the environment or the climate.

The European Fund for Sustainable Development Plus (EFSD+) is the main financial tool to mobilise investments under the **EU's Global Gateway strategy**, which aims to narrow the global investment gap in infrastructure and promote sustainable development.

Detail:

The EU Global Gateway is a EUR 300 billion strategy (EUR 150 billion in Africa) to boost major investments in partner countries. It focuses on smart, clean, and secure investments, as well as enabling operating environments, including regulatory frameworks in digital, energy, transport, health, education and research sectors.

It aims to create partnerships based on democratic values, high standards, and transparency, and supports partner countries in their green transition. It covers both hard connectivity and the business-enabling environment. The 2024 Global Gateway list includes 138 flagship projects, such as green hydrogen storage facilities, climate adaptation and resilience initiatives in Africa, and initiatives to strengthen climate resilience in the Pacific Islands. It appears as an important tool to promote digital technologies, with a focus on climate, infrastructure, and energy.

When it comes to green and clean investments: the Global Gateway reflects the EU's commitment to support partner countries in their green transition. All proposed activities are subject to a mandatory environmental and climate risk screening at the moment of design, which determines the need for an environmental and/or a climate risk assessment. Such processes identify potential impacts and mitigation measures to guarantee adherence to the European Green Deal commitment to 'do no harm', also included in NDICI-Global Europe. No actions/measures will be supported if they are incompatible with the beneficiary countries' Nationally Determined Contributions under the Paris Agreement, promote investments in fossil fuels, or if they can cause significant adverse effects to the environment or the climate.

The EU has put in place several mechanisms and initiatives to mobilise private finance and align the financial system with the goals of the Paris Agreement and national SDG plans. The European Fund for Sustainable Development Plus (EFSD+) is the main financial tool to mobilise investments under the **EU's Global Gateway strategy**, which aims to narrow the global investment gap in infrastructure and promote sustainable development. The EFSD+ provides a comprehensive set of tools, including guarantees, grants, technical assistance, and other support, to mobilise private sector investments for sustainable development in partner countries. It contributes, among others, to climate change adaptation and environmental protection and management. Offering a variety of risk-sharing instruments of up to EUR 40 billion, the EFSD+ aims to mobilise up to EUR 135 billion of public and private financing to help partner countries achieve the Sustainable Development Goals. Together

with the private sector and the leverage effect, the EFSD+ is expected to mobilise more than half a trillion euros in investments for 2021-2027.

The Global Green Bond Initiative (GGBI) is a great example. The GGBI, brings together European development finance institutions and multilateral development banks as well as the Green Climate Fund to contribute to developing local green capital markets in low- and middle-income partner countries. The Initiative has already received public investment commitments of close to EUR 1 billion. The GGBI proposes a three-pillar approach to develop the green bond markets and facilitate the flow of EU investors into green projects in LMICs:

- pillar 1 on crowding-in private investors by providing confidence and de-risking mechanisms, through a Global Green Bond investment vehicle, where EU Development Finance Institutions (DFIs) backed by an EFSD+ guarantees are bearing the first losses;
- pillar 2 on building the issuers' capacity and know-how at local level sharing our EU experience; and
- pillar 3 on subsidizing part of the coupon of first-time green bond issuers facing particularly high interest rate.

Under the NDICI-Global Europe, the EU helps countries reform their regulatory frameworks to create enabling environments for private investment in green technologies and climate-resilient infrastructure to address investment needs in developing and least developed countries with critical infrastructure and connectivity needs.

8. Information on **relevant methodologies and assumptions** used project levels of climate finance; (12/CMA.1, annex)

Summary:

The NDICI-Global Europe regulation establishes 3 possible bases for geographic multi-annual indicative programmes.

Programming is also be informed by the pre-programming work done at country, regional and thematic level.

Detail: [200 words]

The NDICI-Global Europe regulation establishes 3 possible bases 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.

6. An indication of **new and additional resources** to be provided, and how it determines such resources as being new and additional; (12/CMA.1, annex)

Summary:

‘New and additional resources’ are considered to be resources committed after and not included in the previous National Communications or Biennial Reports.

Detail:

The EU tracks the provision of financial support through a project-based monitoring and reporting system. The system uses OECD Development Assistance 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.

14. Information on efforts to **integrate climate change considerations**, including resilience, **into their development support**; (12/CMA.1, annex)

Summary:

The EU implements a proactive and systematic approach to assess and guarantee a high quality of the actions, and a quality check and justification of the Rio markers, offering diverse tools, guidance, and training to facilitate the green and clean transition across all sectors.

Such tools include the Greening Toolbox (mainstreaming guidelines), or the Greening Facility (technical assistance).

Detail:

The EU implements a proactive and systematic approach to assess and guarantee a high quality of the actions, and a quality check and justification of the Rio markers, offering diverse tools, guidance, and training to facilitate the green and clean transition across all sectors.

A revised version of the 2016 mainstreaming guidelines, the “[Greening Toolbox 2024](#)”, incorporates updated policies and strategies, including the EU Global Gateways 360° approach and a new emphasis on financial instruments and investments. This Toolbox provides additional resources to ensure the integration of climate change and environmental considerations throughout the project lifecycle. Moreover, to complement these efforts, sectoral and quick tips notes on integrating environment and climate in different sectors have been continuously developed

The Greening Facility_(a technical assistance facility) helps in building knowledge and capacities on the integration of environment and climate change in external actions and provides guidance on how to identify and maximise opportunities for programmes and projects to contribute to climate and environment objectives and ensure compliance with the ‘do no harm’ principle. It offers remote and on-site assistance to EU staff and national partners to build capacities and strengthen knowledge of all stakeholders._The Greening Facility also provides quality control of the Rio markers for EU international cooperation actions, to ensure a consistent and correct use of the eligibility criteria, rules and guidance established by the OECD DAC.

Sub-section 2.3. [Specific elements of ex-ante information]

3. Information on **policies and priorities**, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness; (12/CMA.1, annex)

Summary:

The EU external funding for 2021-2027 targets all third countries, including the countries in the EU Neighbourhood, Sub-Saharan Africa, the Americas and the Caribbean, and Asia and the Pacific. The countries most in need, particularly least developed countries, low-income countries, fragile countries will be given specific attention

Nationally Determined Contributions to Paris Agreement represents a key document for integrating climate change objectives into sector interventions.

Detail:

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 the external dimension of migration, including the Partnership Framework with third countries on migration.

The EU external funding for 2021-2027 targets all third countries, including the countries in the EU Neighbourhood, Sub-Saharan Africa, the Americas and the Caribbean, and Asia and the Pacific. The countries most in need, particularly least developed countries, low-income countries, fragile countries will be given specific attention. The EU external funding employs different aid modalities, including project-based approach, budget support, blended finance and provisioning of guarantees. It 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.

Through programmes focusing on ecosystems preservation, nature-based solutions, sustainable management of water resources, the EU contributes to strengthen adaptation and resilience of communities.

Set up at the start of 2022 (see below), 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 Neighbouring 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: Diversity and inclusion help to accelerate the transition to more sustainable societies. 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 as 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 accelerating climate action through financing for gender equality and supporting a gender-responsive approach to climate action and vulnerability.

In 2023, 59% of the EIB's financing for gender equality, contributed to climate action and environmental sustainability. The financing will enable women to play an active role in tackling the effects of climate change and will back women led climate funds and female entrepreneurs in the areas of climate and environment. We make sure that women benefit from low-carbon and climate-resilient infrastructure and services generated by our investments.

To accelerate financing for women EIB was the first MDB to join the 2X Challenge calling for DFIs to work in partnership and collectively mobilize billions in support of women. The EIB together with together with BII and EBRD led the development of and launched the [2X Gender Smart Climate Finance Guide](#) at COP26 in Glasgow in 2021. The Guide helps investors identify opportunities in gender and climate finance. In February 2024, the EIB Group launched the Women Climate Leaders Network, bringing together 47 women leaders from the private sector across all 27 EU Member States who will work on new business models and ways

4. Information on **purposes and types of support**: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building; (12/CMA.1, annex)

Summary:

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.

Detail:

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.

The Green Deal Knowledge Hub of the European Commission, a group of multiple technical assistance facilities in the areas of environment and climate, also work to support different services and partner countries to integrate climate and climate-resilient development as part of the EU's external action.

As highlighted above, 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:

- Supporting €1 trillion of investment in climate action and environmental sustainability from 2021 to 2030.
- Gradually increasing the share of EIB Group annual financing dedicated to climate action and environmental sustainability to exceed 50% by 2025 and beyond.
- Aligning 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.

As highlighted above, EIB also has an additional target for climate change adaptation:

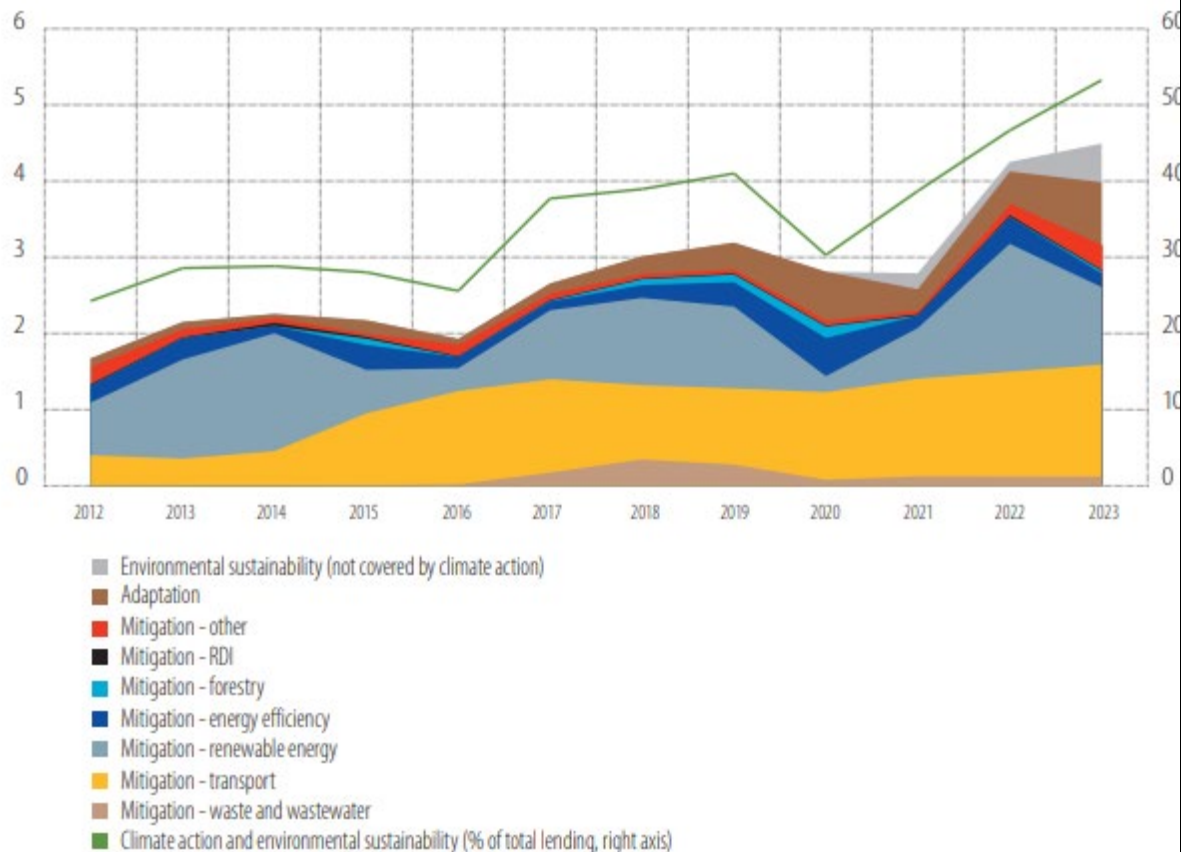
- The EIB pledges to increase the share of adaptation support to 15% of the bank's overall finance for climate action by 2025.

In 2013, the Bank pledged to devote at least 25% of its financing to climate action. This objective was duly fulfilled from 2014 onwards (Figure 1). With the launch of EIB Global, the EIB has increased its provision of development finance that is dedicated to climate action and environmental sustainability. The launch has been an opportunity to intensify the development of an expanding pipeline of projects that address this vital issue. EIB Global's main strategic goal is to increase the impact of our activities aligned with EU priorities. We support progress towards the SDGs and the Paris Agreement.

In the outside-EU context, however, one of the most striking requirements is providing sufficient climate change adaptation finance, as there is a growing investment gap to address the increasing impacts of climate change. Climate change adaptation still receives only 14% of total public climate finance. This leaves the Paris Agreement commitment to balance funding between mitigation and

adaptation unmet. In our outside-EU lending, own-resource climate action and environmental sustainability (CA&ES) financing reached €4.5 billion in 2023, on trend with the significant increase achieved since the creation of EIB Global (see Figure 7). The share of CA&ES financing accounted for 53% of total financing in these regions. EIB support for climate action outside the European Union also reflects regional needs and priorities.

Figure 1: THE EIB'S COMMITMENT TO CLIMATE ACTION OUTSIDE OF THE EU HAS GROWN



10. 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; (12/CMA.1, annex, 14/CMA.3), including information on:

- Efforts towards achieving a balance in the provision of climate finance for mitigation and adaptation (13/CMA.5)

Summary:

In line with the EU Adaptation Strategy, the EIB Adaptation Plan.²³ approved 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.

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.

Detail:

The EU is continuing to implement a number of initiatives at country, regional and continental level across Africa, Asia and the Pacific, and Latin America and the Caribbean in support of adaptation focusing on key strands. These include, namely: (1) increasing availability and sustainable use of freshwater, (2) ensuring climate proofing of new and existing infrastructure; (3) combating desertification and droughts; (4) closing the climate protection gap, (5) ensuring sustainability of food systems vis a vis climate stress, (6) strengthening early warning systems, (7) enhancing coastal resilience and (8) strengthening the links between climate action and biodiversity protection through nature-based solutions.

In order to support the goal established through the EIB Adaptation Plan, the EIB committed to growing the share of EIB climate action for adaptation to 15% of EIB's overall climate financing, by 2025.

This target represents a significant increase in ambition, particularly outside of the EU. Over the 2014-2023 period, the average share of adaptation within overall EIB climate action financing has been 5-6%.

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 (see the line in summary). This approach is in line with the core principle of "common but differentiated responsibilities and respective capabilities" underpinning the Paris Agreement.

12. Information on how financial support effectively addresses **the needs and priorities** of developing country Parties and supports country-driven strategies; (12/CMA.1, annex, 14/CMA.3)

Summary:

The EU ensures climate finance projects align with national climate strategies and development plans, such as Nationally Determined Contributions (NDCs), NAPs, and long-term low-emission development strategies.

Detail:

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 and in coordination with national entities to make them a success, and ensuring that there are options for mobilizing additional domestic support are all vital steps in ensuring

²³ https://www.eib.org/attachments/publications/the_eib_climate_adaptation_plan_en.pdf

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.

The EU ensures climate finance projects align with national climate strategies and development plans, such as Nationally Determined Contributions (NDCs), NAPs, and long-term low-emission development strategies. In addition, it is a significant contributor to the implementation of national climate goals through global initiatives such as the Adaptation Fund (AF).

The EIB has been working outside the European Union for more than 60 years. To do so, it is supported by EU mandates, as well as deploying financing purely at its own risk. Now, EIB Global tailors its activities to the development needs, local contexts and EU external action priorities in each region. The mandates guiding and enabling the activities of EIB Global are now consolidated under the EU Neighbourhood, Development and International Cooperation Instrument (NDICI).

- To overcome these challenges and to ensure alignment with EU priorities, the strategic focus of EIB Global is thus tailored according to region. Regional priorities are set out in EIB Global's Strategic Roadmap:
- Enlargement countries: Supporting the EU enlargement strategy and countries' preparations for EU accession through greater economic convergence and integration with the European Union. Supporting the recovery and reconstruction of Ukraine.
- The EU Neighbourhood: Implementing European Neighbourhood Policy, such as the EU Agenda for the Mediterranean and the Eastern Partnership Policy; finance for stability, prosperity and resilience under the Economic and Investment Plans and the Green Deal.
- Sub-Saharan Africa: Contributing to the Global Gateway and the achievement of the Sustainable Development Goals, with a focus on smart, inclusive growth, gender-responsive investments and climate adaptation in less developed economies.
- Latin America, the Caribbean, Asia, Central Asia and the Pacific: Focusing on the large climate finance needs and adaptation challenges, as well as strategic connectivity and partnerships, under the Global Gateway.

In April 2024, MDBs have published a Viewpoint Note which outlines how they will collaborate as a system for impact and scale.²⁴ In this note, the leaders outlined key deliverables for joint and coordinated action in 2024 and beyond building on the progress since their Marrakesh statement in 2023, as their institutions work to accelerate progress toward the Sustainable Development Goals (SDGs) and to better support clients in addressing regional and global challenges. The MDB Heads committed to concrete and actionable deliverables in five critical areas:

²⁴ [Multilateral Development Banks deepen collaboration to deliver as a system \(eib.org\)](https://eib.org/en/multilateral-development-banks-deepen-collaboration-to-deliver-as-a-system)

1. Scaling up MDB financing capacity. MDBs expect to generate additional lending headroom in the order of \$300-400 billion over the next decade, with the support of shareholders and partners.
2. Boosting joint action on climate change. MDBs are increasing their common engagement on climate.
3. Strengthening country-level collaboration and co-financing. MDBs are engaged in discussions and supporting country-owned and country-led platforms to make it easier for countries to work with the banks. Actions include:
 - a. Assessing proposals on country-led and country-owned platforms, towards a common understanding and next steps, including for some MDBs to implement platforms.
 - b. Continue harmonizing procurement practices, including by relying on each other's procurement policies to reduce transaction costs and increase efficiency and sustainability.
 - c. Accelerating co-financing of public-sector projects through the newly launched [Collaborative Co-Financing Portal](#).
 - d. Catalyzing private-sector mobilization
 - e. Enhancing development effectiveness and impact. MDBs agreed to heighten the focus on the impact of their work.

15. information on how support to be provided to developing country Parties *enhances their capacities* (12/CMA.1, annex)

Summary:

The EC and EIB Global are currently exploring how it can build on past experience in terms of provision of technical assistance and advisory services, to enhance their offering and ensure greater impact of the projects it finances.

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. 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.

Detail (also noting information in previous sections):

Helping partner countries build their capacity to develop and implement projects is 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 delivered capacity building in the form of in-person training on climate finance for senior Egyptian ministerial staff in support of the Egyptian COP27 Presidency. The two training sessions provided focused on global climate finance frameworks and principles, and climate adaptation finance. The sessions aimed at providing the Egyptian ministerial staff with a solid understanding of climate finance in general, and concepts of topic at COP27 in particular. Following the training and discussions at COP27, the EIB is providing support to the government of Egypt in identifying activities and investment options that can support agricultural production and food security against a backdrop of increased severity of sea level rise and other impacts of climate change in the Northern Delta region of Egypt.

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 (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.

5. Information on the **factors** that providers of climate finance look for in **evaluating proposals**, in order to help to inform developing countries; (12/CMA.1, annex)

Summary:

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 2016, the EU developed the mainstreaming guidelines⁵² "Integrating the environment and climate change into EU international cooperation and development". These guidelines provide a framework for strengthening the contribution of EU international cooperation and development policy to sustainable development by integrating, or mainstreaming, environmental and climate change considerations into the different phases of the EU programme and project cycles.

Detail:

In 2024, a revised version of the EU guidelines, the *Greening EU International Cooperation Toolbox*, has been produced. This toolbox provides technical guidance and tools for staff working in relevant EC headquarters and in EU Delegations, as well as to the implementing partners involved in the design and implementation of EU international cooperation programmes. The Greening Toolbox is aligned with the new external instruments (NDICI-Global Europe and IPA III) as well as the new instruments Ukraine Facility and the Growth Plan for Western Balkans) and reflecting the new approaches towards cooperation. In particular, the new guidelines will address specific. It will be regularly updated in order to align with the evolution of institutional policies and processes.

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

In terms of tracking climate finance, the EIB has a well-established process based on the Joint MDB climate finance tracking methodologies, and integrating EU taxonomy criteria. Details of EIB climate action and environmental sustainability criteria are published on the EIB website.²⁵

- Improving enabling environments to strengthen the absorptive capacity of developing countries (14/CMA.3)
- Lessons learned for informing future efforts in providing, mobilizing and delivering climate finance (14/CMA.3)

A key prerequisite for ensuring funding success is country ownership. Co-creation of proposals are a way to ensure support is responding to domestic priorities and development goals, and to enable national entities towards successful implementation.

Regular dialogue with international donors and partner countries on development policy and finance helps to understand how to best match climate finance needs with sources of available finance. 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 right source of finance available, while ensuring the appropriate policy and legal frameworks.

A longer-term global trend of increasing geopolitical fragmentation can be seen in the stagnation of global capital flows, which have not grown consistently since the global financial crisis of 2008. This could weigh on efforts to combat climate change and achieve SDGs, both of which require the mobilisation of significant global capital. The pandemic and the war in Ukraine have derailed several decades of progress in terms of reducing poverty, with the poor most affected by recent energy and food price inflation.

In this context, high debt levels are limiting spending on critical social safety nets and much needed infrastructure in EMDEs. Global debt accumulation (public and private sectors) accelerated at the

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onset of the pandemic. Following the pandemic, strong growth and higher inflation in advanced economies boosted nominal GDP, reducing the debt-to-GDP ratio whereas debt ratios continued to climb among many EMDEs. The combined impact of higher domestic and external debt levels and high interest rates has put enormous pressure on debt servicing costs in many countries. Owing to various factors, there are now 26 low-income countries at high risk of debt distress and ten in debt distress. A prudent and stable policy environment is key to dealing with these debt challenges.

INVESTMENT GAPS ARE GROWING

Against a challenging macro-financial backdrop, the financing needs to achieve the SDGs and support the green transition are growing.

Multinational development banks have demonstrated the vital role they play in terms of keeping finance flowing when credit from other sources becomes scarcer during periods of economic turbulence. With many countries and economies still facing difficult financing conditions, it is important to keep the tap flowing on concessional finance. Given the challenges facing our development partners, investment is not sustainable if it puts the finances of our partners in jeopardy, a key principle motivating the EU's Global Gateway Initiative. This will allow global partnerships to flourish and lead to a more prosperous future for all.

CLIMATE TRANSITION

The climate transition is both a challenge and an opportunity for development. A global green transition is now both imperative and extremely urgent. Countries that have achieved a high level of development by relying on fossil fuels have a special responsibility not only to decarbonise their own economies, but to assist in the transition and sustainable development of others. The three key priorities are: to replace fossil fuels in the current energy mix; achieve economic growth and development goals with minimal new emissions; and build resilience to climate change in all countries. Investing in climate adaptation and resilience is a further challenge, with many developing countries among the most exposed to the risks posed by climate change. Developing economies also possess tremendous unexploited potential for wind, solar, geothermal or hydro-based electricity generation that could provide a reliable domestic source of power to enable rising living standards and universal access to clean energy, even for remote communities. Making the most of these natural assets will bring significant benefits in terms of sustainable growth. The financial capital needed for the global climate transition exists, but channelling it to green investment, particularly in low and middle-income countries, is subject to many hurdles. High financing costs in those countries threaten to make clean energy technologies, which have high upfront investment costs and low running costs, less affordable. International efforts to catalyse and accelerate the inflow of capital for green investments are therefore essential.

The EIB has been working outside the European Union for more than 60 years. To do so, it is supported by EU mandates, as well as deploying financing purely at its own risk. Now, EIB Global tailors its activities to the development needs, local contexts and EU external action priorities in each region. The mandates guiding and enabling the activities of EIB Global are now consolidated under the EU Neighbourhood, Development and International Cooperation Instrument (NDICI).

To overcome these challenges and to ensure alignment with EU priorities, the strategic focus of EIB Global is thus tailored according to region. Regional priorities are set out in EIB Global's Strategic Roadmap:

Enlargement countries: Supporting the EU enlargement strategy and countries' preparations for EU accession through greater economic convergence and integration with the European Union. Supporting the recovery and reconstruction of Ukraine.

- The EU Neighbourhood: Implementing European Neighbourhood Policy, such as the EU Agenda for the Mediterranean and the Eastern Partnership Policy; finance for stability, prosperity and resilience under the Economic and Investment Plans and the Green Deal.
- Sub-Saharan Africa: Contributing to the Global Gateway and the achievement of the Sustainable Development Goals, with a focus on smart, inclusive growth, gender-responsive investments and climate adaptation in less developed economies.
- Latin America, the Caribbean, Asia, Central Asia and the Pacific: Focusing on the large climate finance needs and adaptation challenges, as well as strategic connectivity and partnerships, under the Global Gateway.
- 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.

Some regions will struggle to simultaneously address underlying development challenges and the mounting impact of climate change. EIB highlights the specific challenges and potential solutions in the context of Africa in its report on Finance in Africa.²⁶

Sub-section 2.4. [Focus on Art. 2.1c]

13. 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**; (12/CMA.1, annex; 14/CMA.3)

Summary:

- The Global Gateway is the EU's contribution to narrowing the global investment gap worldwide.
- The Global Gateway is also fully aligned with the UN's Agenda 2030 and its Sustainable Development Goals, as well as the Paris Agreement.

Detail: [200 words]

The *Greening EU International Cooperation Toolbox* (see section 5) will address specific opportunities and challenges in support to investments in the form of provision of guarantees and the use of innovative financial instruments. Moreover, they will reflect the emphasis of coordinated action at EU level (Team Europe) and the need to promote an enabling environment and address

²⁶ [Finance in Africa 2023 \(eib.org\)](https://www.eib.org/en/press/2023/01/230101-finance-in-africa-2023)

green and social priorities under the 360-degree approach of the EU Global Gateway Investment Agenda.

The Sustainable Finance Advisory Hub is a Team Europe Initiative under the Global Gateway providing a single-entry point for demand-driven and high-quality technical assistance to EU's partner countries to develop sustainable finance ecosystems and promote sustainability-related instruments. The Hub has been designed as a truly coordinated initiative to ensure high synergy and impact. The EIB, EU, UN organisations, development agencies, Development Financial Institutions, and regional development banks have been preparing this initiative together. The technical assistance will be provided through a strategic network of implementing partners on the ground.

The Hub will help LMICs develop credible sustainable finance frameworks (taxonomies, disclosure requirements, standards) while promoting interoperability with already existing international standards. Through the Hub, the European Commission will step up its support in comparing EU and national and/or regional taxonomies in LMICs, contributing to enhance interoperable frameworks and provide support to increase their transparency, visibility, recognition and use by the markets.

On its turn, the EIB Group has established targets aiming to increase support in climate action and environmental sustainability during the critical decade, as well as committing 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. The EIB Climate Bank Roadmap²⁷ and its mid-term review²⁸, 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 framework²⁹.

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.

Sub-section 2.5. [Additional information]

16. Possible additional information

Summary:

In 2022, the EIB established a dedicated branch, EIB Global, bringing under a single “umbrella” all its activities outside the European Union.

In 2023 EIB Global published its approach to a just transition and just resilience³⁰.

Detail:

Just transition

²⁷ https://www.eib.org/attachments/strategies/eib_group_climate_bank_roadmap_en.pdf

²⁸ [EIB Group Climate Bank Roadmap Mid-term Review](#)

²⁹ <https://www.eib.org/en/publications/the-eib-group-path-framework>

³⁰ [EIB Global's approach to a just transition and just resilience](#)

In 2023 EIB Global published its approach to a just transition and just resilience³¹. This document contains an approach that builds on the principles of the Paris Agreement, EU policy, the joint multilateral development banks just transition principles, the EIB's support for the just transition mechanism in the European Union, as well as its broader policies and investments in climate action, environmental sustainability, social development and social coherence. The bottom line is that the transition to a low-carbon, climate-resilient and environmentally sustainable economy must be just and socially fair, or there will be no sustainable transition

To implement its approach, EIB Global will continue to explore new ways of using its mandates, products, partnerships and technical assistance offerings. Partnerships will be essential, as will access to concessional finance to complement the EIB's financial products and existing technical advisory offering. EIB Global continues to seek a wide variety of like-minded partners to further scale up this work and accelerate sustainable and inclusive transitions.

With this approach, the EIB is taking a more integrated and holistic set of actions to respond to the interconnected climate and environmental crises and social inequalities. It is an opportunity for the Bank to advance more inclusive and diverse economies, and to create new jobs where societies are transitioning away from carbon-intensive livelihoods. A chance to further strengthen regional climate resilience and empower people unequally affected by climate change and the environmental degradation it causes.

Ultimately, EIB Global will support partner countries, clients and organisations in their efforts to make the transition to a low-carbon, climate-resilient and environmentally sustainable economy just and socially fair. This complements the long-standing EIB support for climate action, environmental sustainability and social development and brings these areas and EIB's long experience promoting regional and social cohesion closer together. EIB Global will use a mix of financing, advisory services and technical assistance.

The EIB recognises that supporting a just transition requires a human rights-based approach and comprehensive, complementary interventions by different stakeholders. As an integral part of the EU climate bank, EIB Global focuses its efforts where it stands to add the most value and have the greatest impact, working through partnerships and in support of national, sub-national and local players in both the private and public sectors. EIB Global continues to seek a wide variety of like-minded partners to further scale up this work and accelerate sustainable and inclusive transitions.

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 members states and financial institutions. EIB Global's priorities are anchored in the global EU policy agenda – the "policy first" principle.

³¹ [EIB Global's approach to a just transition and just resilience](#)