

Climate Finance Received – An Assessment of Biennial Update Reports

Determining the amount of climate finance received by each developing country is a surprisingly difficult task. The Biennial Update Reports (BURs), submitted every two years by non-Annex I countries, are intended to provide information on this topic. This research suggests that many countries have not submitted their BURs, not complied with UNFCCC reporting requirements, or have used vastly different reporting approaches, making comparisons extremely difficult, if not impossible.

Policy Pointers

- There is a need to understand why many non-Annex I countries have not submitted or not complied with requirements for the Biennial Update Reports. Support should be provided to identify issues and assist with this process.
- Common reporting approaches must be adopted that include guidelines for information reporting categories, as well as underlying definitions, methodologies, and assumptions. The UNFCCC should work closely with non-Annex I countries to develop suitable guidelines that are within the capacities of the various Parties.

Measuring climate finance remains a contentious and complex issue. While much attention has been paid to flows from donor countries, there is increasing concern over the amounts of finance actually received by each developing country.

The Biennial Update Reports (BURs) are an important repository for information on climate finance received. Beginning in 2014, non-Annex I countries have been expected to submit BURs every two years; yet out of 154 non-Annex I countries, only 37 had submitted a BUR by July 2017. Among these 37, there are substantial gaps in compliance with UNFCCC reporting requirements, and different countries used drastically different approaches to reporting climate finance information.

On the topic of UNFCCC compliance, non-Annex I countries are expected to provide information on five main items:

- 1) Financial, technical, and capacity building needs
- 2) Financial, technical, and capacity building support received
- 3) Technology needs

- 4) Technology support received
- 5) Related constraints and gaps

Of the 32 BURs for which technical assessments were available, only seven countries earned full credit for reporting in all of these categories (i.e. Armenia, Ghana, India, Moldova, Namibia, South Africa, Thailand).

Additionally, even compliance with UNFCCC reporting requirements is insufficient to paint a complete picture of climate finance received. The lack of concrete guidelines on how information should be reported means there are substantial inconsistencies between reports. For example, some countries reported information by project, while others reported by donor; some grouped all multilateral funding under a single heading, while others differentiated between climate funds and other multilateral financial institutions (Table 1).

At the same time, differences in definitions, underlying counting methodologies and assumptions could introduce further inconsistencies between

Table 1: Reporting Approaches for Financial Support Received

Non-Annex I Party	REPORTED IN TABULAR FORMAT				ALLOCATION CHANNELS								SECTORS		FINANCIAL INSTRUMENTS					OTHER					
	PER PROJECT	PER DONOR	PER THEMATIC AREA	ONLY HEADLINE FIGURES	TOP DONORS	BILATERAL	MULTILATERAL	MULTILATERAL FINANCIAL INSTITUTIONS	MULTILATERAL CLIMATE CHANGE FUNDS	SPECIALIZED UNITED NATIONS BODIES	GEF	PRIVATE FOUNDATIONS	PRIVATE SECTOR	MITIGATION/ADAPTATION	ECONOMIC	GRANT	CONCESSIONAL LOAN	LOAN	NATIONAL BUDGET	RESULT-BASED PAYMENT	LEASING	ODA/NON-ODA	STATUS OF FINANCE	DOMESTIC FINANCE FLOWS	CO-FINANCING
Argentina		✓			✓						✓														✓
Armenia	✓					✓		✓	✓	✓															
Brazil		✓				✓	✓				✓														
Chile	✓					✓	✓	✓	✓				✓	✓									✓		
Colombia		✓				✓		✓	✓	✓			✓												
Ghana	✓					✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓
Indonesia		✓				✓		✓		✓					✓	✓							✓	✓	
Lebanon		✓			✓	✓		✓	✓																
Malaysia	✓					✓			✓	✓	✓														
Mauritania	✓					✓		✓		✓			✓		✓	✓				✓					
Mexico				✓									✓	✓	✓	✓	✓								
Montenegro		✓			✓					✓	✓				✓	✓									
Morocco	✓					✓		✓	✓	✓			✓		✓	✓								✓	
Paraguay		✓				✓		✓		✓	✓				✓										
Peru	✓					✓		✓	✓				✓		✓	✓						✓		✓	
Moldova (R. of)	✓					✓		✓	✓	✓			✓	✓	✓	✓	✓								
South Africa	✓					✓		✓	✓				✓		✓	✓						✓	✓	✓	
Thailand	✓					✓				✓	✓		✓												
Tunisia	✓					✓				✓	✓		✓												
Viet Nam			✓										✓											✓	

Source: Weikmans and Roberts (Forthcoming); Data extracted from UNFCCC (2016). UNFCCC Standing Committee on Finance 2016 Biennial Assessment and Overview of Climate Finance Flows Report. Pp. 32-33, 103-105. Note: Twelve BURs with technical Reports are not included, as not enough quantitative information was provided to be adequately compared.

reporting data, meaning that improved reporting requirements may still not allow data to be compared across countries.

Moving forward, there are clear needs to improve reporting of climate finance information in recipient countries. More work is needed to understand why complying with UNFCCC requirements has been difficult, and to develop common reporting approaches that are not overly

burdensome for Parties receiving climate finance.

To read the full chapter on this research, look for the 2017 AdaptationWatch Report, to be released at COP23 in November 2017.

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- Adaptify (Netherlands)
- Both ENDS (Netherlands)
- Brown University’s Climate and Development Lab (USA)
- Centre d’Etudes du Développement durable, Université Libre de Bruxelles (Belgium)
- ENDA Tiers Monde (Senegal)
- Grupo de Financiamiento Climático para América Latina y el Caribe (LAC Region)
- International Centre for Climate Change and Development (Bangladesh)
- Institute for Social and Environmental Transition (Nepal & USA)
- Nur University (Bolivia)
- Oxford Climate Policy (UK)
- Pan African Climate Justice Alliance (Kenya)
- Stockholm Environment Institute (Sweden)
- Transparency International (Germany)
- University of Colorado-Boulder’s Environmental Studies Program (USA)



Publication and outreach support provided by the Stockholm Environment Institute.