



## Climate Action Network International Briefing Paper on Article 9.5

**August 2018**

Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1300 members in over 120 countries. [www.climatenetwork.org](http://www.climatenetwork.org)

Article 9.5 states that “Developed country Parties shall biennially communicate indicative quantitative and qualitative information related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.” To ensure predictability of financial flows, aid effectiveness on the ground and transparency, a robust framework must be agreed in order to fully implement Article 9.5 by COP24. This will be fundamental for recipient countries because it will help them manage and implement their national climate plans.

*In CAN's view, the full operationalization of Article 9.5 requires that Parties adopt at CMA1-3 mandatory guidelines/rules/procedures applicable to all developed countries to inform and communicate qualitative and quantitative information related to the mobilization of climate finance resources through different channels and sources. Such guidelines must include date for communications to be released, the time period between these communications, and the format.*

*When informing and communicating available information on the projected level of public finance, such guidelines/rules/procedures will be subject to limitations of contributor's national budget processes. If a country is unable to provide sufficient quantitative information, it shall provide as much qualitative information as possible and say why it can't provide such quantitative information.*

*The process to be adopted by Parties must built on the Strategies and Approaches. Finally, CMA 1-3 must ensure that the communication under Article 9.5 contributes to the collective effort to ensure all financial flows are consistent to low-carbon pathways and climate-resilient development. It shall also ensure linkages to the Global Stocktake as per Article 9.6 and over time to the assessment and overview of climate financial flows. Other Parties that provide financial support shall use the same modalities to communicate information in accordance to Article 9.5 if they wish to do so.*

CAN's briefing paper draws on research by the Project for Advancing Climate Transparency (PACT), a consortium composed of nine universities, institutes, and nongovernmental organizations from around the globe, of which CAN is a member. PACT advances the development of robust and effective transparency and accountability rules and processes for the Paris Agreement on climate change.

## Context

At COP18, developed countries were asked to submit information, alongside their strategies and approaches, to indicate how they intended to deliver their commitment to scale up climate finance, as to reach the US\$100 billion per year goal, by 2020<sup>1</sup>. At COP19, countries agreed to communicate bi-annual *ex-ante* qualitative and quantitative information on how they would provide funds from 2014 to 2020<sup>2</sup>.

The Paris Agreement Article 9.5<sup>3</sup> builds on the Strategies and Approaches pre-2020. In Paris, Parties decided “to initiate, at its twenty-second session, a process to identify the information in accordance with Article 9.5 of the Paris Agreement, with a view to providing a recommendation for consideration and adoption by [CMA 1]”<sup>4</sup>.

At COP22, the APA asked Parties to identify “a number of possible additional matters relating to the implementation of the work programme under the Paris Agreement and preparing for convening the first session of CMA 1 that in their view have not yet been addressed”. Additionally, Parties held a workshop on identifying 9.5 information in May 2017, on the side lines of SBs 46.

Discussions on predictability also happened beyond the UNFCCC. Donors agreed in the OECD’s Paris Declaration of Aid Effectiveness “to provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion according to agreed schedules.”

The Accra Agenda for Action also refers to predictability when it commits to the provision of “regular and timely information on their rolling three- to five-year forward expenditure and/or implementation plans, with at least indicative resource allocations that developing countries can integrate in their medium-term planning and macroeconomic frameworks.”<sup>5</sup> Finally, the UN International Conferences on Financing for Development refers to commitments by donors to “make aid more predictable by providing developing countries with regular and timely, indicative information on planned support in the medium term.”<sup>6</sup>

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<sup>1</sup> FCCC/CP/2012/8/Add.1 decision V.67

<sup>2</sup> FCCC/CP/2013/10/Add.1 Decision 3/CP.19, Long Term Finance

<sup>3</sup> Article 9.5 of the Paris Agreement says: “Developed country Parties shall biennially communicate indicative quantitative and qualitative information related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.”

<sup>4</sup> FCCC/CP/2015/10/Add.1, Finance, para. 55

<sup>5</sup> You can read both declarations at the following link:

<http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>

Read Para. 26, of both the Paris Declaration and the Accra Agenda for Action in the Annexes.

<sup>6</sup> NGA. 2008. Doha Declaration on Financing for Development, General Assembly Resolution 63/239 and Addis Ababa Action Agenda, General Assembly Resolution 69/313

## A holistic approach for 9.5 applicable to all contributor Parties

Article 9.5 mandates Developed countries to communicate indicative quantitative and qualitative information related to 9.1 and 9.3 of the Paris Agreement. Article 9.1 states the responsibility of Developed countries to provide financial support for both mitigation and adaptation as part of their obligation under the UNFCCC. Article 9.3 mandates Developed Parties to lead the way in creating the right condition to ensure the mobilization of climate finance from all types of sources, instruments, and channels, considering needs and priorities of developing countries. In that sense, to ensure consistency and coherence, it is clear that Article 9.5 communications should give us an indication about the collective effort to ensure that all financial flows are consistent with Article 2.1c of the Paris Agreement. At the same time, such information shall be as detailed as possible to allow recipient countries to plan implementation of their NDCs better. The procedures for communications in accordance with Article 9.5 should be the same for all Developed countries and other countries who provide support, while acknowledging that other Parties that provide support communicate voluntarily. It should also include other types of support beyond adaptation and mitigation, such as information on loss and damage finance, capacity building and technology transfer.

PACT suggestions: Information to be communicated, by all mandated Parties

| <b><i>Qualitative and quantitative information related to provision and mobilization, applicable to all</i></b> |  |
|---|--|
| <b>Description of budgetary process</b>   | Provide information on national budget process, including the timeline, stages and with a focus on elements particularly relevant for climate finance. |
| <b>Relevant investment, trade and fiscal policies</b>   | Policies and incentives relevant to mobilization of climate finance in developing countries and efforts align all finance flows with climate goals.    |
| <b>Information on overall climate finance provision and mobilization</b>  | Information on overall climate finance pledges.  |
| <b>Information on countries and regions</b>   | Information on how efforts focus on different regions or categories of countries (e.g. Least Developed Countries, Small Island Developing States).     |
| <b>Information on themes, sectors or technologies</b>   | Information on how efforts focus on thematic areas of climate finance (e.g. adaptation, mitigation, REDD+), sectors, or technologies.                  |

Dagnet, Y. *et al.* 2018. "Setting the Paris Agreement in motion: key requirements for the implementing guidelines." Project for Advancing Climate Transparency (PACT).

## Public finance information to be provided as available

To ensure trust between all Parties, Article 9.5 also mentions that "as available, projected levels of public financial resources to be provided to developing country Parties". In order to demonstrate progress on how contributor countries will mobilize support as part of their obligation under the UNFCCC, and to help recipient countries prepare their NDCs in the coming years, it is important that contributor countries enhance the way they communicate their intentions to scale-up public financial support. At the same time, the process to communicate in accordance to Article 9.5 shall

acknowledge that national budgetary processes are different from one country to the other. Communications on Article 9.5 must not present a burden to contributor countries but shall provide greater clarity on predictable financial resources over time.

The process to communicate in accordance to this article should build on biennial submissions on Strategies and Approaches and reconcile this to other useful information that is already available from other sources of information such as existing policies, pledges, and announcements from contributor countries.

PACT suggestions: Information to be communicated by mandated Parties “as available”

| <b><i>Projected levels of public financial resources to be provided, “as available”</i></b> |   |
|---|---|
| <b>OECD Development Assistance Committee’s Survey on Donors’ Forward Spending Plans</b>     | Respondents provide projected information on core country programmable aid, up to 3 years ahead. From 2014-16, there was a voluntary question on climate finance, which could be restored.                |
| <b>Multi-year budget/planning frameworks</b>  | Some contributor countries have medium-term budget frameworks or commitments that include development assistance and climate finance.   |
| <b>Public climate finance through multilateral climate funds</b>                            | Information on pledges to multilateral climate funds. The GEF and GCF run on multi-year replenishment cycles; pledges to other funds may also be made in advance, and then disbursed over multiple years. |
| <b>Public climate finance through bilateral channels</b>                                    | Some contributors initiating multi-year funding partnerships with developing countries, and may be able to project the proportion of climate-specific funding.  |
| <b>Public climate finance through development finance institutions</b>                      | Such as multilateral or bilateral development banks.  |
| <b>Public climate finance to specific programs and initiatives</b>                          | Advance commitments to multi-year and/or large programs and initiatives.  |

Dagnet, Y. et al. 2018. “Setting the Paris Agreement in motion: key requirements for the implementing guidelines.” Project for Advancing Climate Transparency (PACT).

It will be important over time to ensure the information communicated in accordance to Article 9.5 is useful to other processes within the Financial Mechanism of the convention. The UNFCCC already synthesizes information from the biennial submission on Strategies and Approaches. It’s expected that such practice would also benefit the process for the communication of the information compiled under Article 9.5. Communications on Article 9.5 should contribute to the Biennial Assessment and Overview of Climate Finance Flows and as per Article 9.6, it shall also inform the global stocktake, to assess the collective effort to reduce the finance gap.

## **Minimal considerations for communications under Article 9.5**

While in the Paris Agreement it clearly states that information related to Article 9.5 shall be communicated biennially, Parties must decide on the elements related to the operationalization of this Article. Such elements are:

- A specific date or moment every two years to receive all submissions under Article 9.5.
- A specific date immediately ahead of a COP every two years (during the same year submissions are published), when synthesised information on Parties' submissions is published.
- To coincide with the year when synthesised information is published, a Finance Ministerial shall be held biennially at the COP, to provide a space and opportunity for a dialogue on the information contained in Parties' submissions.
- A clear, harmonised format to communicate quantitative information. For example, designing a Common Tabular Format for *ex-ante* information could be ideal.
- A clear, harmonised format to communicate qualitative information related to this Article with specific types of information that all countries must provide to ensure comparability and coherence.
- Who is required to communicate, and guidelines for joint communications by groups of countries.
- All such communications under Article 9.5 should in principle be open and accessible to all stakeholders when required.