



Climate Action in Financial Institutions



PRINCIPLES FOR MAINSTREAMING CLIMATE ACTION

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Asian Development Bank's Public Climate Financing Database

Institution Principle Related Work Stream(s)

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|  | <p>PRINCIPLE 5: ACCOUNT for your Climate Action</p> |  <p>MAPPING REPORTING INITIATIVES AND UNDERSTANDING IMPLEMENTATION CHALLENGES</p> |
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Publication date: 2017

| Date Policy/Tool Established | Additional Capacity Required (e.g., staff, resources, other) | How Established? |
|--|---|--|
| 10 April 2017 | Existing resources and systems were used for this new initiative; with support from consultants who currently track and monitor climate finance at ADB. Development of the website was an additional task, enabled by ADB's Department of External Relations. | Directive of ADB President |
| Monitoring, reporting tools | | How Implemented |
| With ADB's commitment of \$6 billion for climate finance by 2020, systematic internal monitoring and reporting is being implemented through various internal mechanisms. | | The Climate Financing Database is linked to ADB's main website accessible for public use. https://www.adb.org/climate-change-financing |
| Key Lessons | | |
| <ul style="list-style-type: none"> • Engagement with key departments in the conceptualization and development of the database and public website made delivery of the output prompt and effective. • Evaluation of the tool is helpful for determining future enhancements | | |

Introduction

Since 2012, the Asian Development Bank has been reporting investments made to address climate change in projects, based on an agreed-on methodology and approach with other multilateral development banks (MDBs) on tracking climate finance. This group tracks and reports climate finance in a granular manner; adaptation finance is calculated using the joint MDB Methodology on Tracking Climate Adaptation Finance, which is context-based and location-specific, capturing investments associated with activities directly addressing a climate change vulnerability. Mitigation finance is calculated in accordance with the joint MDB Methodology for Tracking Climate Mitigation Finance, which is based on a list of activities that are compatible with low-carbon emissions development pathways.

The MDBs initiated this joint effort primarily to build trust and accountability in view of the climate finance commitments made under the Copenhagen Accord and the Cancun Agreements, to provide new and additional resources from developed to developing countries. The MDBs aimed to contribute to consistency in methods and approaches in counting climate finance.

In 2015, ADB committed to double its climate financing to \$6 billion by 2020. Following this commitment, the institution has been enhancing its efforts to mainstream climate action into ADB's operations and systematically tracking progress. In 2016, a guidance note on quantifying climate finance was prepared to support a consistent bank-wide approach to the measurement and reporting of ADB's climate finance. Sectoral notes were issued subsequently, covering energy, urban and water and agriculture (forthcoming) sectors. Staff training on climate finance tracking is also being conducted to enhance capacity in better integrating climate consideration and capturing climate finance in investments by ADB. Further, ADB is also committed to remain transparent and accountable, and a concrete step towards that is providing open access to information at the project level on investments. This level of detailed information provided on ADB's website is unique, and represents one of the first such effort amongst MDBs.

Development and Design

The existing database for recording climate investments served as the basis for the data that was uploaded on the website. The format was enhanced to provide details that would be useful for users. Graphic tools present summaries and key results. Links to

all related project documents are also provided for further detailed information. The data is also provided in excel files to facilitate analysis and assessment by users. The website is also mobile-device friendly, for easier access.

Implementation

The timeframe to develop the website was limited, given senior management's enthusiasm for this initiative. Moving forward, ADB will incorporate additional features in the website design to enable filtering and onsite analysis. The supporting database will be updated annually.

Experience and Impact

ADB's Department of External Relations and the Office of Information Systems and Technology, with the Climate Change and Disaster Risk Management Division proved to be key to the successful launch and implementation of the website. After the launch, ADB has received various inquiries on the projects as well as the approach to counting climate finance. The website continues to receive attention and has resulted in a perceived increase in interest in ADB's climate financing.