



**GREEN
CLIMATE
FUND**

Meeting of the Board
16 – 19 March 2021
Virtual meeting
Provisional agenda item 15

GCF/B.28/11/Add.02

26 February 2021

Methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of accredited entities

Summary

In accordance with paragraph 35 of the GCF Monitoring and Accountability Framework for Accredited Entities, adopted in decision B.11/10, to advance the goal of the GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, the re-accreditation decision by the Board will take into account the Secretariat and Accreditation Panel's assessment of the extent to which the accredited entity's overall portfolio of activities beyond those funded by the GCF has evolved in this direction during the accreditation period.

In accordance with decision B.12/30, paragraph (d), in which the Board requested the Accreditation Panel to establish a baseline on the overall portfolio of accredited entities, this document presents the baseline methodology for accredited entities to use as a part of their re-accreditation application.

I. Background

1. In decision B.11/10, the Board adopted the Monitoring and Accountability Framework for Accredited Entities. Paragraph 35 of annex I to the decision states that:

“In accordance with decision B.10/06, paragraph (j), to advance the goal of the GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, the re- accreditation decision by the Board will take into account the Secretariat and Accreditation Panel’s assessment of the extent to which the accredited entity’s overall portfolio of activities beyond those funded by the GCF has evolved in this direction during the accreditation period.”

2. In decision B.12/30, paragraph (d), the Board requested the Accreditation Panel (AP) to establish a baseline on the overall portfolio of accredited entities (AEs).

3. In decision B.14/08, paragraph (g), the Board requested the AP to present a report at the fifteenth meeting of the Board on progress made towards establishing a baseline for the whole portfolio of AEs in accordance with decision B.12/30. The AP provided a progress report contained in annex I of the report of the AP to the Board at its fifteenth meeting (B.15) (document GCF/B.15/Inf.05). The AP also presented the document titled “Baseline on the overall portfolio of accredited entities” containing the initial baseline methodology in documents GCF/B.21/Inf.13 and GCF/B.22/Inf.15.

4. The assessment and evaluation over time of the overall portfolio of an AE and any other entity accredited in the future addresses two related attributes:

- (a) The greenhouse gas (GHG) emissions directly associated with the assets on its balance sheet, not just those that have attracted GCF finance, on the one hand; and
- (b) The resilience to the climate change that those assets are expected to be exposed to, on the other.

5. Furthermore, the methodology for establishing the baseline on the overall portfolio of AEs activities beyond those funded by GCF should include:

- (a) The extent to which said overall portfolio of AEs beyond those funded by GCF have evolved in the direction of promoting the paradigm shift towards low-emission and climate-resilient development in the context of sustainable development; and
- (b) Considering the overall portfolio of AEs beyond those funded by GCF, including:
 - (i) Emissions not only from assets that have attracted GCF finance; and
 - (ii) All the climate exposed assets.

II. Process of developing a methodological framework

6. Document GCF/B22/Inf.15 contained information on the identified potential indicators, potential methodologies for mitigation and adaptation, reporting methods, and tools to be tested in the pilot phase of the implementation of the baseline methodology.

7. As stated in the aforementioned document, an analysis was conducted that contained an overview of the different types of AEs, their scope of business, an overview of financial and non-financial instruments employed by the AEs and their progress towards low-emission and climate-resilient development pathways across all activities in the portfolio of AEs. The AP, taking into consideration the recommendations of the consultants supporting the AP in conducting the analysis, and in consultation with the Secretariat, identified the following three

categories of project types in the portfolio of AEs to which the baseline methodology would apply:

- (a) Mitigation projects/programmes (including those financed by the GCF and beyond those financed by the GCF);
- (b) Adaptation projects/programmes (including those financed by the GCF and beyond those financed by the GCF); and
- (c) “Carbon intensive”, that is fossil fuel projects/programmes, including the implementation of fossil fuel extraction and combustion technologies, for example coal mining and/or coal-fired power plants.

8. As stated further in document GCF/B22/Inf.15, the AP had developed a preliminary hybrid approach for collecting information on the development of the baseline methodology from direct access and international access AEs based on:

- (a) An aggregated approach for AEs that do not have existing frameworks for which such baseline methodologies would be applied, and this instead would use the standardized GCF baseline tool; and
- (b) A disaggregated approach for AEs with existing frameworks, where existing reporting frameworks would be taken into consideration and assessed by the AP, supported by consultants.

9. The AP and the Secretariat have conducted several rounds of consultations with relevant stakeholders on the suggested approach, including Board members, national designated authorities, AEs and observers. The feedback obtained from the stakeholders was considered in further developing the methodology, in particular during the pilot phase of the proposed methodology application.

10. Following B.22, the AP launched the pilot phase for testing the preliminary approach, in particular, of the set of technical indicators for the mitigation and adaptation sectors. In order to complete the pilot phase in an expedited and professional manner, the AP, with the support of the Secretariat, contracted a specialized technical consultancy firm with relevant expertise to support the AP in its analysis and further development of the baseline methodology.

11. For the initial application of the suggested technical indicators, the AP, with the support of the Secretariat, identified 21 AEs to invite to participate in the pilot phase, representing different types of organizations, modalities, regions and sectors/portfolios. The invited AEs also include those who have made their accreditation master agreement (AMA) with GCF effective and would need to apply for re-accreditation to GCF in 2021 or 2022 (for which the baseline methodology is relevant to address one of the re-accreditation application components).

12. For the AEs that agreed to participate in the pilot phase of the baseline methodology, a set of indicators was shared, and virtual meetings were held with each of the AEs to explain the overall approach and the methodology cards that were provided. Follow-up meetings were held with the AEs to elaborate on the information required and respond to any questions or concerns and, where necessary, request additional information.

13. The consulting firm supporting the AP in implementing the pilot phase collected and consolidated the information provided by AEs in accordance with the suggested methodological framework and calculated the relevant indicators. A detailed analysis of the information submitted by each of the AEs was carried out, and follow-up meetings were held with each AE participating in the pilot study.

14. In the course of testing the application of the aggregated and disaggregated approaches, the AP and the consulting firm concluded that it would be more effective for AEs to follow a

single consolidated approach, incorporating key elements of the aggregated and disaggregated approaches tested during the pilot phase as relevant to each AE, which is presented in section III of this document.

III. GCF baseline methodology and indicators for the overall portfolio of the accredited entity

15. The finalized GCF baseline methodology, presented below, is to be applied by AEs to collect, analyse and present information regarding the extent to which the overall portfolio of activities of the AEs, beyond those funded by GCF, has evolved in the direction of low-emission and climate-resilient development pathways in the context of sustainable development during the accreditation period. The baseline methodology is a standardized approach to be followed by GCF AEs when preparing the corresponding report to be submitted as part of re-accreditation applications of AEs, in response to decision B.11/10.
16. The key principles that will guide the process of preparation of the baseline report for AEs are stated below:
 - (a) **Period:** As per decision B.23/11, paragraph (a), the five-year accreditation term for all AEs accredited to GCF starts from the date of the effectiveness of the AMA. Per decision B.24/13, paragraph (a) and annex XXVI, AEs are required to submit their application for re-accreditation to GCF no later than six months prior to the end of the accreditation period;
 - (b) **Holistic process:** The indicators presented in the baseline methodology are designed so that it can be completed by any AE regardless of type and size. The information to be reported by the AE will depend on the type of projects/portfolio of the entity. If the AE cannot answer a question or report on an indicator, clear justification should be provided;
 - (c) **Data is subject to interpretation:** The AP acknowledges that the baseline development will not simply be an arithmetic calculation based on the evolution of the selected indicators. The narrative is important as well, and there may be many reasons that explain why, for instance, an increase in direct emissions can be the result of an expansion of activities of the AE, not entailing higher carbon intensity;
 - (d) **Delta approach:** In accordance with decision B.11/10, what will be assessed and considered is the extent to which the overall portfolio of activities of the AE, beyond those funded by GCF, has evolved during the accreditation period, that is the change between the overall portfolio of the AE at the start of the accreditation term and the end of the accreditation term, not just the absolute figures. The AP understands that it might not be possible to compare the indicators of one AE against those of others, as their backgrounds, scopes and activities may differ;
 - (e) **Robustness:** The information provided by AEs must be based on robust methodologies following the requirements of this baseline methodology and be monitored using adequate monitoring systems. The methodological choices made by the AEs should be constant over time and, when possible, be based on recognized international standards;
 - (f) **Transparency:** Transparency is essential to achieve the mission of GCF as well as to ensure replicability and data assessment. As such, GCF needs to have access to AE data regarding the activities under the scope of the assessment of the overall portfolio of the AE beyond those funded by GCF;

- (g) **Efficiency and sobriety:** The baseline development process must be conducted using robust methodologies and transparent information. However, the AP does not want this process to entail an excessive burden or a duplication of procedures. Therefore, the baseline methodology has been simplified, ensuring its ability to be applied by all AEs and at the same time allowing GCF to assess the trends in the overall portfolio of the AE beyond that funded by GCF regarding adaptation and mitigation investments;
- (h) **Organization and action oriented:** A combination of bottom-up and top-down indicators has been included, as information will be necessary not just from projects developed by the AE but also on corporate climate change mainstreaming and accounting;
- (i) **Exhaustivity:** All relevant sources should be included. Also, the baseline methodology will not only consider indicators that show the evolution of the overall portfolio of the AE, such as adaptation benefits, but that also will delve into potential impacts and the reasons for them.
17. The baseline methodology outlined in this paper is composed of the following elements:
- (a) **Key areas:** Those areas of activity that should be addressed by AEs;
- (b) **Guiding questions:** The questions aimed at addressing the key issues that will be considered in the re-accreditation process; and
- (c) **Indicators:** The indicators provide guidance on how the AE should answer the questions in a transparent and effective manner and provide supporting quantitative data.
18. The indicators are divided into two major groups: mandatory (key) indicators and supplementary (voluntary) indicators.

3.1 Key areas

19. In the first step of applying the baseline methodology, AEs have to identify the key areas of their activities and/or investments (within their entire project/programme portfolio, including projects/programmes funded by GCF) that either contribute to climate change mitigation/adaptation or that exacerbate negative impacts from climate change through the development of carbon-intensive projects.
20. The mitigation project activities or investments can include, but are not limited to, the following types of projects/programmes:
- (a) Energy generation and access (renewable or other carbon-neutral technologies);
- (b) Energy efficiency;
- (c) Transport (low-emission transport technologies or fuel saving improvements in the transportation system);
- (d) Buildings, cities, industries and appliances (energy-efficiency and fuel-saving technologies in construction, infrastructure, appliances, industrial/production processes, improvements in the waste-handling methods);
- (e) Land use/forestry (REDD-plus); and
- (f) Institutional and regulatory systems (improvements in institutional systems that result in lower GHG emissions in particular sectors).

21. The adaptation project activities or investments can include, but are not limited to, the following types of activities:
- (a) Enhancing livelihoods (measures to protect the livelihoods from climate change impacts);
 - (b) Health and well-being and food and water security (measures to improve the healthcare system, well-being of communities and provision of food and water when affected by climate change impacts);
 - (c) Infrastructure and built environment (measures to improve the climate resilience of buildings and infrastructure);
 - (d) Ecosystems and ecosystem services;
 - (e) Institutional and regulatory systems (improvements in the institutional and regulatory systems targeted at enhancing climate resilience in particular country(s)/region(s)/area(s));
 - (f) Climate information/early warning systems; and
 - (g) Awareness-strengthening and climate risk reduction (capacity-building programmes oriented at enhancing public awareness of climate risk and its reduction).
22. Carbon intensive project activities or investments can include, but are not limited to, the following types of activities:
- (a) Fossil fuels exploration and production;
 - (b) Building and/or operation of fossil fuel power plants;
 - (c) Building and/or operation of GHG-emission intensive industries (such as construction materials production (cement, aluminium), chemical industries and fertilizers production. The GHG-gases emitted in these processes would be carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride; and
 - (d) Deforestation.
23. In the event that an AE invests in a project/programme that leads to GHG emission reductions in an existing carbon-intensive project/programme activity, such activity should be indicated and described in the baseline report, which will be taken into consideration by the AP during its review.

3.2 Guiding questions

Guiding question 1: Has the entity established policies or commitments in the short, medium, or long-term regarding investment in climate projects?

Scope: All accredited entities.

Mandatory indicators: N/A.

Supplementary indicators: N/A.

Observations: The objective of this indicator is to understand the entity's commitments in terms of climate change in order to comprehend the entity's ambition and how this has changed over time during the period of accreditation. It is also expected to know, if available, specific goals and objectives (if possible, quantifiable targets should be included).

Documentation: Official document, approved by the board of the entity, which states the objectives of the entity in terms of contributions to mitigation or adaptation.

Guiding question 2: Does the entity receive resources from third parties for the financing of climate projects?

Scope: All accredited entities.

Mandatory indicators: Total USD received from donors and/or total USD received per donor for adaptation and/or mitigation projects.

Supplementary indicators: N/A.

Observations: The objective of this indicator is to track the financial resources received by the AE from donor entities or investors. This information will be used by the AP as a context to understand, if applicable, the reason for changes in the portfolio of the entities or the mitigation and adaptation impact achieved.

Documentation: A file describing, to the extent possible, the funds received from each donor/investor for climate change projects, preferably on an annual basis.

Guiding question 3 (optional): Does the accredited entity calculate and reduce its greenhouse gas emissions at the corporate level?

Scope: All accredited entities.

Mandatory indicators: Tonnes of carbon dioxide equivalent (carbon footprint, at least scope 1 and 2).

Supplementary indicators: N/A.

Observations: The objective of this indicator is to learn about the entity's scope 1 and 2 emissions in its daily operations. In this case, it would be suggested that the entity follow some internationally recognized methodology to perform the calculation. The annual results of this indicator will enable the AP to understand and evaluate the evolution of emissions and the implementation of reduction measures.

Documentation: Greenhouse gas inventory report.

Guiding question 4 (optional): Does the accredited entity evaluate the climate risks of its portfolio?

Scope: All accredited entities.

Mandatory indicators: Total number and percentage of projects/operations for which a climate change vulnerability assessment exists.

Supplementary indicators: N/A.

Observations: The objective of this indicator is to find out if the entity analyses the potential risks of climate change for its projects and operations.

Documentation: A file containing the list of projects or percentage of the portfolio to which this analysis was made. In addition, information should be provided on the methodology used to conduct the analysis.

Guiding question 5: What are the main sectors of activity of the accredited entity?

Scope: All accredited entities.

Mandatory indicators: Sectoral distribution of the portfolio in % and USD divided by:

1. Climate-related projects (mitigation and adaptation);
2. Non-climate-related projects and operations; and
3. Carbon-intensive projects (energy generation, mining operations, oil and gas exploration and processing, construction including cement production, manufacturing industries such as steel, aluminium production, metal production, chemical industries and transport).

For carbon-intensive projects, please specify the sectors that were considered and if possible, indicate the share of each sector in the portfolio.

Supplementary indicators: N/A.

Observations: The objective of this indicator is to know how the entity's portfolio is distributed and to see how it evolves over the accreditation period towards a more sustainable portfolio and disinvestment in carbon-intensive sectors.

Documentation: Information on projects/operations and the sectors in which they are categorized.

Guiding question 6: Is the accredited entity investing in mitigation projects/operations?

Scope: All accredited entities (AEs) that implement/finance mitigation projects.

Mandatory indicators:

#6. Reduction of greenhouse gas emissions across the AE portfolio (tonnes of carbon dioxide equivalent) with the indication of the sectoral distribution.

Supplementary indicators:

1. USD invested in mitigation by sector:

Supplementary indicators: #2: Total investment (USD) into renewable energy and energy efficiency projects; and #7: Total investment into green transport and mobility; and Impact generated.

Supplementary indicator #1. Megawatts of new renewable energy capacity installed (separately for off-grid and on-grid).

The AE shall provide sufficient information for the identification of the specific mitigation sectors and technologies/measures supported. For instance, in the case of investments in power generation projects, the technology deployed shall also be identified (e.g. solar photovoltaics, hydropower, switch from fossil fuel to a less carbon-intensive source of energy, etc.). In the transport sectors, information on activities related to increasing vehicle efficiency

or electric mobility, or supporting the enhancement of public transport systems or modal shift, shall also be reported. In the case of energy efficiency activities, the AE shall provide information on whether the project is targeting the efficiency of specific equipment (e.g. boilers, electric motors), waste heat recovery, and/or the introduction of energy management systems, etc.

The above is a non-exhaustive list of examples. The AE can provide additional qualitative explanations to clearly identify the project type/technology it is supporting. All mitigation sectors/technologies the AE is supporting shall be included and briefly described.

Observations: The aim of the question is to evaluate the level of involvement of the AE in mitigation activities and to identify the sectors and technologies/measures the AE is supporting. Please provide as much information as possible in this regard.

Documentation: Any documentation that can demonstrate the overall investments and results.

Guiding question 7: Is the accredited entity investing in adaptation projects/operations?

Scope: All accredited entities (AEs) that implement/finance adaptation projects.

Mandatory indicators: #7. Number of climate resilient projects and number of beneficiaries whose resilience to climate change has been improved per year

Number of climate-resilient projects and number of beneficiaries whose resilience to climate change has been improved per year

Number of climate r: Number of climate resilience projects and corresponding number of beneficiaries (individual human beings, disaggregated by gender) whose resilience to climate change has been improved. Data to be disaggregated by sector.

Number of climate resilience projects and corresponding number of beneficiaries (individual human beings, disaggregated by gender) whose resilience to climate change has been improved. Data to be disaggregated by sector.

Supplementary indicators:

1. USD invested in adaptation, by sector.

Supplementary indicators: #4. Total USD invested to protect biodiversity and enhance natural capital; and #5. Total USD invested to enhance infrastructure and community resilience.

2. Impact generated.

Supplementary indicators: #3. Total hectares targeted by nature-based solutions (e.g. afforestation); #6. Hectares receiving investment for improved forest management by projects; #8. Hectares receiving investment for climate-resilient agriculture management practices; #9. Changes in economic losses; #10. Extent of adoption of climate-resilient technologies/practices; and #11. Area of ecosystems/natural assets that have been made more resilient to climate change.

The AE shall provide sufficient information for the identification of the specific adaptation sectors and technologies/measures supported. For instance, in the case of investments in sustainable agriculture, the AE shall indicate the action supported (e.g. renewable water pumping, strengthening food production from rainfed agriculture, etc.). For enhanced

resilience activities, the type of intervention shall be identified (e.g. early warning systems; enhancement of infrastructure resilience, such as for roads and bridges; safeguarding of physical and productive assets of the communities, etc.).

The above is an indicative, non-exhaustive list of examples. The AE can provide additional qualitative explanations to clearly identify the project type/technology it is supporting. All adaptation sectors/technologies the AE is supporting shall be included and briefly described.

Observations: The goal of the question is to evaluate the level of involvement of the AE in adaptation activities and to identify the sectors and technologies/measures the AE is supporting. Please provide as much information as possible in this regard.

Documentation: Any documentation that can demonstrate the overall investments and results.

3.3 Mandatory indicators to support the guiding questions

Table 1: Mandatory indicators to support the baseline methodology guiding questions

Indicator #	Indicator	Units of measurement
1.	Qualitative information on policies and commitments regarding mitigation and adaptation investments	N/A
2.	Total USD received from donors and/or Total USD received per donor for adaptation and/or mitigation projects	USD
3.	Greenhouse gas (GHG) emissions including scopes 1 and 2 ¹	tCO ₂ eq ²
4.	Share of projects with climate change vulnerability assessment investment	% of total projects % of total investments
5.	Sectoral distribution of the AE portfolio	USD by sector
6.	Reduction of GHG emissions across the AE project/investment portfolio, with indication of sectoral distribution	tCO ₂ eq
7.	Number of climate-resilient projects and number of beneficiaries whose resilience to climate change has been improved per year	Absolute number (count) of projects and corresponding individual human beings

¹ Scope 1 GHG emissions are direct emissions from sources that are owned or controlled by the accredited entity, such as on-site fossil-fuel combustion and fleet fuel combustion. Scope 2 GHG emissions are indirect emissions that are not owned or controlled by the accredited entity such as emissions from the generation of the electricity, heat or steam purchased by the accredited entity.

² Tonnes of carbon dioxide equivalent.

3.4 Supplementary indicators to support the guiding questions

Table 2: Supplementary indicators to support the baseline methodology guiding questions

Indicator #	Indicator	Units of measurement
1.	New renewable energy capacity installed (separately for off-grid and on-grid)	Megawatts
2.	Total investment into renewable energy and energy efficiency projects	USD
3.	Total hectares targeted by nature-based solutions (e.g. afforestation)	Hectares
4.	Total investment to protect biodiversity and enhance natural capital	USD
5.	Total investment to enhance infrastructure and community resilience	USD
6.	Hectares receiving investment for improved forest management by projects	Hectares
7.	Total investment into green transport and mobility	USD
8.	Hectares receiving investment for climate-resilient agriculture management practices	Hectares
9.	Changes in economic losses	USD
10.	Extent of adoption of climate-resilient technologies/practices	Amount/number
11.	Area of ecosystems/natural assets that have been made more resilient to climate change	Hectares

24. In order to provide clear guidelines on methodologies and information to be taken into account in the calculation and reporting of indicators, a set of methodology cards has been developed for each of the proposed indicators, for both mandatory (annex I) and voluntary (annex II) ones. AEs should follow the guidance provided to ensure the provision of relevant data and information and allow the assessment by the GCF during the re-accreditation process.

25. When possible, to avoid double counting, the information provided by AEs should refer to the portion of the input/outcome/output/impact that is attributable to them. This means that only the fraction related to their specific contribution to the financing of the project should be accounted for. However, if this is not possible, it is acceptable for the AE to submit the whole input/outcome/output/impact, provided that this fact is stated explicitly and that the criterion remains constant over time, to produce a relevant time series indicator.

Table 3: Linkages between mandatory and supplementary indicators of the GCF baseline methodology

Guiding questions	Mandatory indicators	Supplementary indicators
1. Has the entity established policies or commitments in the short, medium or long-term regarding investment in climate change projects?	N/A <i>The question is addressed only through the qualitative information (see methodology card 1 in annex I).</i>	N/A
2. Does the entity receive resources from third parties for the financing of climate projects?	Total USD received from donors and/or total USD received per donor for adaptation and/or mitigation projects.	N/A
3. Does the accredited entity (AE) calculate and reduce its greenhouse gas (GHG) emissions? (optional)	tCO ₂ eq ³ (carbon footprint, at least scopes 1 and 2).	N/A
4. Does the AE evaluate the climate risks of its portfolio? (optional)	Total number and percentage of projects/operations for which a climate change vulnerability assessment exists.	N/A
5. What are the main sectors of activity of the AE?	Sectoral distribution of the portfolio in (%) and USD divided by: a. Climate-related projects (mitigation and adaptation); b. Non-climate related projects and operations; and c. Carbon-intensive projects (energy generation, mining operations, oil and gas exploration and processing, construction including cement production, manufacturing industries such as	N/A

³ Tonnes of carbon dioxide equivalent.

Guiding questions	Mandatory indicators	Supplementary indicators
	steel, aluminium production, metal production, chemical industries and transport).	
6. Is the AE investing in mitigation projects/operations?	No mandatory indicator is required, however, the entity may choose one or more from the list of the supplementary indicators that are relevant to its activities/investments.	<ul style="list-style-type: none"> • Types of mitigation projects by technology implemented. • Reduction of GHG emissions across the AE portfolio (tCO₂e_q) with indication of sectoral distribution. • USD invested in mitigation by sector/ supplementary indicators 2 and 7. • Impact generated/ supplementary indicator 1.
7. Is the AE investing in adaptation projects/operations?	N/A	<ul style="list-style-type: none"> • Types of projects by technology/method implemented. • Number of beneficiaries (individual human beings, disaggregated by gender) whose resilience to climate change has been improved. Data to be disaggregate by sector. • USD invested in adaptation by sector/supplementary indicators 4 and 5. • Impact generated/ supplementary indicators 3, 6, 8, 9, 10 and 11.

3.5 General guidance for defining the indicators

26. The assessment of the extent to which the overall portfolio of activities of the AE beyond those funded by GCF has evolved in the direction of low-emission and climate-resilient development pathways in the context of sustainable development should be the result of a joint interpretation of quantitative and qualitative information.

27. The information supporting the responses to the guiding questions, as well as the calculations of the indicators that are presented as “mandatory”, must be reported by all AEs. In the event that an AE cannot provide information on these indicators, the AE must provide an explanation and, where possible, report on an equivalent indicator that could provide a similar type of information.

28. From the indicators proposed as “supplementary”, AEs can select those they consider most appropriate for the projects they implement/finance and/or have in their portfolio.

29. It is recommended that AEs identify a minimum number of supplementary indicators (e.g. three to five supplementary indicators, covering both adaptation and mitigation sectors) that AEs should be reporting on to ensure the provision of sufficient data for the evaluation of trends in the overall portfolio of the AE beyond those activities funded by GCF. If a particular indicator has a limited value considering the AE profile or is too complex to be calculated by the AE, it might be excluded from the report with appropriate justification from the AE.

30. The AE must attach documentation that supports the response given and the result of the reported indicator. To this end, the methodological cards contained in this document (refer to annex I and annex II) should be considered as guidelines. At the very least, the AE should report on the:

- (a) Methodology used to calculate the indicator;
- (b) Information used to calculate the indicator; and
- (c) Period for which the indicator was calculated.

31. Where possible, when defining the indicators, AEs should follow well-established internationally recognized methodologies for the quantification of the indicators related to mitigation (both emissions and emission reductions) such as those from the clean development mechanism (CDM),⁴ Gold Standard⁵ and/or Verified Carbon Standard (VCS).⁶

32. If available, AEs shall report only on the annual values, including activities that are still ongoing. Cumulative values should not be reported under the selected indicators.

33. AEs shall report on each indicator covering the timeframe of the accreditation period, that is from the effectiveness of the AMA until the date of the application for re-accreditation (date of the end of the accreditation period minus six months). In cases where data provided is incomplete, justifications can be provided to clarify why a certain gap exists. In the attached methodological cards, the accreditation term is used to indicate the time period from the effectiveness of the AMA.

34. Only active projects and activities shall be considered for reporting (i.e. projects that were active in the reporting year), while activities completed shall not contribute to the reporting after the year of completion.

⁴ CDM methodologies available at <<https://cdm.unfccc.int/methodologies/documentation/index.html>>.

⁵ Gold Standard methodologies available at <<https://www.goldstandard.org/content/methodologies>>.

⁶ VCS methodologies available at <<https://verra.org/project/vcs-program/methodologies/methodology-catalog/>>.

35. Relevant concepts that AE should take into account to answer the methodology questions are:
- (a) Adaptation (to climate change): the process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects; and
 - (b) Mitigation (of climate change): a human intervention to reduce the sources or enhance the sinks of GHG emissions.

IV. Limitations of the baseline methodology

36. The GCF baseline methodology is considered as a very innovative approach in analysing an overall project/programme portfolio of an AE beyond those funded by GCF. It sets up a new direction in the systematization and harmonization of the data and information related to climate change projects and programmes and the definition of changes/shifts in the corporate investment strategy and practices. As this is a novel approach and has not yet been fully implemented across a wider range of entities, the following challenges were identified in the pilot phase:

- (a) Lack of preparation of some AEs to respond to a systematic approach as required by the methodology;
- (b) For some AEs, mainly direct access entities, there is a need for capacity-building of staff and the systematization of information;
- (c) Difficulties in applying a comprehensive methodology to AEs with large portfolios;
- (d) Challenges to parameterize the dominant factors that influence a portfolio over time. The result can be affected by many variables;
- (e) Determining the contribution of each AE to a specific project/programme, in the case of co-financing or blending of various financial instruments, is still a pending issue;
- (f) Limited availability of full time series over the accreditation period;
- (g) The assessment period for information is not the same for all AEs;
- (h) AEs are working to align their reporting framework with GCF requirements, however, this process is still in progress; and
- (i) None of the commercial banks or multilateral development banks (MDBs) invited to participate were available to do so in the pilot phase of the project, and therefore it has not been possible to test this methodology (particularly elements reflecting the disaggregated approach) with these AEs against their specific types of project portfolio or investments. However, it would be crucial for the adjustment of the baseline methodology in the future.

37. The AP assumes that the identified challenges might still remain until a broader scope of AEs reflecting even greater diversity in types, sizes and project/programme portfolios in different results areas compared to the AEs that participated in the pilot phase. The AP recommends the baseline methodology be reviewed periodically to ensure it can achieve the objectives of decision B.11/10 while being applied in a manner that reflects the diversity of the AE accredited to GCF.

V. Linkages to the GCF integrated results management framework

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38. For the elaboration of the baseline methodology, various methodologies from a broad range of organizations, such as other funds, methodologies used by MDBs, and the indicators and methodologies proposed in the GCF integrated results management framework (IRMF) (document GCF/B.28/09⁷) were considered.
39. In consultation with the Secretariat, the AP, supported by the consultants, also analysed the alignment of the baseline methodology and indicators with the IRMF.
40. Table 4 below lists the indicators proposed in the baseline methodology and relates it to other organizations that report on these (or similar) indicators and how the proposed indicators align with the IRMF. However, in some cases, the indicators of the baseline methodology and those of other organizations and the IRMF are not strictly aligned; instead they cover very similar aspects and similar information.
41. Regarding the alignment with the IRMF, it is important to highlight that although the indicators of the IRMF and the baseline methodology are mainly aligned with the aim of not causing an additional burden for AEs, and there was some overlap in the indicators (see table 4 below), the final objective of reporting these indicators is different in both cases. As mentioned before, the main objective of the GCF baseline methodology is to assess the evolution during the accreditation term of the overall portfolio of activities of the AE beyond those activities funded by GCF in terms of the impact generated in adaptation and mitigation through such projects/programmes. The IRMF, on the other hand, is focused on the calculation of particular indicators at the level of the GCF-funded project/programme of the AE to analyse the achieved results of the project/programme in line with the GCF objectives and results areas.

⁷ To be considered at B.28.

Table 4: Comparison guiding question indicators with reference to other organizations and the GCF integrated results management framework

Indicator number	Guiding question indicators	Alignment with other entities of reference	Alignment with integrated results management framework indicators
1.	Qualitative information on policies and commitments regarding mitigation and adaptation investments (Unit: N/A)	N/A	Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways
2.	Qualitative information on financial resources received by the accredited entity (AE) from external sources (Unit: N/A)	N/A	N/A
3.	Greenhouse gas (GHG) emissions including scope 1 and 2 (Unit: tCO ₂ eq ⁸)	N/A	Core indicator 1: GHG emissions reduced, avoided or removed/sequestered, per relevant result area
4.	Share of projects with climate change vulnerability assessment investment (Unit: % of total projects)	N/A	N/A
5.	Sectoral distribution of the AE portfolio (Unit: USD by sector)	N/A	N/A

⁸ Tonnes of carbon dioxide equivalent.

Indicator number	Guiding question indicators	Alignment with other entities of reference	Alignment with integrated results management framework indicators
6.	Reduction of GHG emissions across the AE portfolio, with the indication of the sectoral distribution (Unit: tCO ₂ eq)	GEF ⁹ , GCF, FIP ¹⁰ , SREP ¹¹	Core indicator 1: GHG emissions reduced, avoided or removed/sequestered, per relevant result area
7.	Number of beneficiaries whose resilience to climate change has been improved per year (Unit: absolute number (count) of individual human beings)	AF ¹² , LDCF ¹³ , SCCF ¹⁴ , GCF	Core indicator 2: Direct and indirect beneficiaries, per relevant result area

⁹ Global Environmental Facility (GEF), available at <http://www.thegef.org/sites/default/files/documents/Results_Guidelines.pdf>.

¹⁰ Forest Investment Program (FIP).

¹¹ Scaling Up Renewable Energy Program (SREP), available at <https://www.climateinvestmentfunds.org/sites/cif_enc/files/results-2015/srep/> and <https://www-cif.climateinvestmentfunds.org/sites/default/files/knowledge_documents/srep_mr_toolkit_version_4.1_2014_08_28_0.pdf>.

¹² Adaptation Fund (AF), available at <<http://www.adaptation-fund.org/wp-content/uploads/2015/01/AF%20Core%20Indicator%20Methodologies.pdf>>.

¹³ Least Developed Countries Fund (LDCF).

¹⁴ Special Climate Change Fund (SCCF), available at <https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-LDCF.SCCF_17-05_Updated_RBM_Framework_for_Adaptation_to_Climate_Change_2014-10-08_4.pdf>.

Table 5: Comparison of guiding question indicators (supplementary) with reference to other organizations and the GCF integrated results management framework

Indicator number	Guiding question indicators (supplementary)	Alignment with other entities of reference	Alignment with integrated results management framework indicators
1.	Megawatts (MW) of new renewable energy capacity installed (separately for off-grid and on-grid) (Unit: MW)	SREP ¹⁵ , CTF ¹⁶ , GCF, GEF ¹⁷	Core indicator 1: Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered, per relevant result area
2.	Total investment in renewable energy and energy efficiency projects (Unit: USD)	N/A	Core indicator 1: GHG emissions reduced, avoided or removed/sequestered, per relevant result area
3.	Total hectares (ha) targeted by nature-based solutions activities (Unit: ha)	N/A	Core indicator 1: GHG emissions reduced, avoided or removed/sequestered, per relevant result area Core indicator 4: Hectares of natural resource assets brought under improved management practices, per relevant results area and natural resource asset type
4.	Total USD invested to protect biodiversity and enhance natural capital (Unit: USD)	GEF, FIP ¹⁸	Core indicator 4: Hectares of natural resource assets brought under improved management practices, per relevant results area and natural resource asset type

¹⁵ Scaling Up Renewable Energy Program (SREP), available at <https://www.climateinvestmentfunds.org/sites/cif_enc/files/results-2015/srep/> and <https://www-cif.climateinvestmentfunds.org/sites/default/files/knowledge_documents/srep_mr_toolkit_version_4.1_2014_08_28_0.pdf>.

¹⁶ Clean Technology Fund (CTF), available at <https://www.climateinvestmentfunds.org/sites/cif_enc/files/ctf_monitoring_and_reporting_toolkit_version_4.6_0.pdf>.

¹⁷ Global Environmental Facility (GEF), available at <http://www.thegef.org/sites/default/files/documents/Results_Guidelines.pdf>.

¹⁸ Forest Investment Program (FIP), available at <<https://climatefundupdate.org/the-funds/forest-investment-program/>>.

Indicator number	Guiding question indicators (supplementary)	Alignment with other entities of reference	Alignment with integrated results management framework indicators
5.	Total USD invested to enhance infrastructure, assets and community resilience (Unit: USD)	SCCF ¹⁹ , LDCF ²⁰ , AF ²¹	Core indicator 3: Value of improved physical assets to adapt to the effects of climate change and or reduce GHG emissions, per relevant result are and physical assets type
6.	Hectares receiving investment for improved forest management (Unit: ha)	GCF, GEF, AF, FIP	Core indicator 4: Hectares of natural resource assets brought under improved management practices, per relevant results area and natural resource asset type
7.	Total investment in green transport and mobility activities (Unit: USD)	GCF, GEF ²²	Core indicator 1: GHG emissions reduced, avoided or removed/sequestered, per relevant result area Core indicator 3: Value of improved physical assets to adapt to the effects of climate change and or reduce GHG emissions, per relevant result are and physical assets type
8.	Hectares receiving financial support for climate-resilient agriculture management practices (Unit: Ha)	GEF	Core indicator 4:

¹⁹ Special Climate Change Fund (SCCF), available at <https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-LDCF.SCCF_17-05_Updated_RBM_Framework_for_Adaptation_to_Climate_Change_2014-10-08_4.pdf>.

²⁰ Least Developed Countries Fund (LDCF).

²¹ Adaptation Fund (AF), available at <<http://www.adaptation-fund.org/wp-content/uploads/2015/01/AF%20Core%20Indicator%20Methodologies.pdf>>.

²² Number of passengers or emissions avoided.

Indicator number	Guiding question indicators (supplementary)	Alignment with other entities of reference	Alignment with integrated results management framework indicators
			Hectares of natural resource assets brought under improved management practices, per relevant results area and natural resource asset type
9.	Changes of economic losses (Unit: USD)	PPCR ²³	<p>Core indicator 3: Value of improved physical assets to adapt to the effects of climate change and or reduce GHG emissions, per relevant result are and physical assets type</p> <p>Core indicator 4: Hectares of natural resource assets brought under improved management practices, per relevant results area and natural resource asset type</p>
10.	Extent of adoption of climate resilient technologies/practices (Unit: number of technologies and/or practices)	SCCF, LDCF, AF	<p>Core indicator 6: Degree to which GCF's investments contribute to technologies and innovation not previously or widely demonstrated in a particular context</p>
11.	Area of ecosystems/natural assets that have been made more resilient to climate change (Unit: ha)	GCF, GEF	<p>Core indicator 4: Hectares of natural resource assets brought under improved management practices, per relevant results area and natural resource asset type</p>

²³ Pilot Program for Climate Resilience (PPCR).

VI. Implementation arrangements, including roles and responsibilities

42. The AP takes into account that the level of readiness of the AEs to utilize this novel baseline methodology varies and there may be AEs which will require support for the full operationalization of the GCF baseline methodology. The AP, together with the Secretariat and supported by the consultants, will conduct a virtual training workshop on the baseline methodology and how to apply the methodology cards. The training workshop will be for all AEs.

43. As per the updated Strategic Plan for the Fund: 2020–2023 (decision B.27/06), the Monitoring and Accountability Framework (decision B.11/10) and the re-accreditation process (decision B.24/13), the assessment of the extent to which the overall portfolio of activities of the AE beyond those activities funded by GCF has evolved towards low-emission and climate-resilient development pathways will be assessed in the re-accreditation process and consideration by the Board. To inform this assessment, AEs are requested to provide information in their re-accreditation application to GCF using the baseline methodology contained in this document.

44. In line with the re-accreditation process, the Secretariat, together with the AP, will review and analyse the information and supporting documents submitted by AEs as part of their re-accreditation application and, subsequently, the AP will prepare a recommendation on re-accreditation of AEs for the Board's consideration.

45. At the time of publication, the AP considers the presented baseline methodology a "living document", and therefore the AP recommends the baseline methodology be reviewed periodically to ensure it can achieve the objectives of decision B.11/10 while being applied in a manner that reflects the diversity of the AE accredited to GCF.

Annex I: Methodology cards for mandatory indicators

The methodology cards to establish a baseline on the overall portfolio of accredited entities are contained below.

Table 1. Qualitative information on policies and commitments regarding mitigation and adaptation investments

Type (mitigation/adaptation/crosscutting): Crosscutting

Key area: Portfolio level

Category	Field	Description
Guiding question 1: Has the entity established policies or commitments in the short, medium, or long-term regarding investment in climate projects?		
Basic description	Qualitative information	Number and type of policies and commitments regarding mitigation and adaptation investments
	Sector	Portfolio level
	Subsector	Portfolio level
	Contribution to the Sustainable Development Goals (SDGs) indicators	N/A
Required information	Purpose of the information	<p>Clarifies the main objective of the required information.</p> <p>Contributes to addressing the question: Has the entity established policies or commitments in the short, medium, or long-term regarding investment in mitigation and adaptation projects?</p> <p>The objective is to understand the entity’s commitments in terms of climate change to comprehend the entity’s ambition, as well as changes in ambition, since its accreditation. It is also expected that the accredited entity (AE) will provide, if available, specific goals and objectives (if available, quantifiable targets should be included).</p>
Guidance	Determination of the information required	The AE shall report on its organization’s official policies and commitments that are related to mitigation and adaptation investment, taking into account only those that are been officially issued or published by the AE since the year of the accreditation.

Category	Field	Description
		<p>It is expected that the information to be provided by the AE will be qualitative in nature. This information refers to, for instance, a description of a new investment policy (e.g. decision to divest from fossil fuels, or to increase the share of the portfolio in clean energy to a certain percentage) or commitment (e.g. achievement of a reduction of own emissions by a certain percentage in a given period).</p> <p>The information shall allow a clear understanding of the impacts of the policy/commitment on the AE portfolio and how this will shift toward mitigation and adaptation investments. Clear reference on the year during which the policy/commitment is issued and becomes valid shall be provided. The reporting shall be limited to the policies/commitments issued during the accreditation period until the commencement of the reaccreditation process.</p> <p>If available, the AE can provide also qualitative information that clarifies further the impacts of the policy/commitment or its level of implementation.</p>
Data sources	Data sources references	<p>Description of the sources used for all information provided. It is expected that official documents form the AE will be used to identify policies/commitments.</p>

Table 2. Total USD received from donors and/or Total USD received per donor for adaptation and/or mitigation projects

Type (mitigation/adaptation/crosscutting): Crosscutting

Key Area: Portfolio level

Category	Field	Description
Guiding question 2: Does the entity receive resources from third parties for the financing of climate projects?		
Basic information	Indicator	Total USD received from donors and/or Total USD received per donor for adaptation and/or mitigation projects.
	Sector	Portfolio level
	Subsector	Portfolio level
Required information	Purpose of the information	<p>Clarifies the main objective of the required information.</p> <p>Contributes to addressing the question: Does the entity receive resources from third parties (donors and investors) for the financing of mitigation and adaptation projects?</p> <p>The objective is to track the financial resources received by the AE from donor entities. This information will be used by the Accreditation Panel to understand, if applicable, the reason for changes in the portfolio of the entities or the impact obtained on mitigation and adaptation.</p>
Guidance	Determination of the information required	<p>The AE shall report on the volume of financial support (USD) received by third parties for the implementation of mitigation and adaptation projects. Also the number of external sources shall be provided. The financial flows shall be reported regardless of their utilization and shall include also resources received for activities that go beyond project implementation (i.e. the information reported shall cover also resources received for research activities, training and capacity building, etc.)</p> <p>This information is not referring to the financial resources that are leveraged by the AE for the implementation of projects within its portfolio (e.g. the co-finance provided by the GCF).</p>

		<p>The AE shall report the value, on a yearly basis, from the first year of the accreditation until the commencement of the reaccreditation process.</p> <p>The AE may also report qualitative information to explain more clearly the overall context and the reasons for changes in the financial flows volume over time and how this affects the mitigation and adaptation investments in its portfolio.</p> <p>Acknowledging potential confidentiality issues, AE may either share or not share identifying information on the donors. Although anonymized, financial flows received shall be reported by the AE.</p>
	<p>Measurement frequency</p>	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the AMA) to allow and evaluation of the trend of the indicator over time</p>
<p>Data sources</p>	<p>Data sources references</p>	<p>Description of the sources used for each data and information provided.</p>

Table 3. Greenhouse gas emissions including scope 1 and 2 (tCO₂eq)¹

Type (mitigation/adaptation): N/A

Key area: N/A

Category	Field	Description
Guiding question 3 (Optional): Does the accredited entity (AE) calculate and reduce its greenhouse gas (GHG) emissions?		
Basic information	Indicator	GHG Emissions including scope 1 and 2 (tCO₂eq)
	Sector	N/A
	Subsector	N/A
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.² Reporting on SDGs is voluntary.³
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Contributes to addressing the question: Is the AE calculating and reducing its GHG emissions?</p> <p>The indicator measures the level of scope 1 and 2 emissions of the AE. It provides information on the trend in the emission increase or decrease over time.</p>

¹ Tonnes of carbon dioxide equivalent.

² SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

³ Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		Scope 3 emissions are not covered by this methodology.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition scope 1 emissions (GHG Protocol, n.d.)⁴: direct GHG emissions that occur from sources that are owned or controlled by the company.⁵ Direct carbon dioxide emissions from the combustion of biomass shall not be included in scope 1 but reported separately. GHG emissions not covered by the Kyoto Protocol, e.g. chlorofluorocarbons (CFCs), nitrous oxides (NOx), etc., shall not be included in scope 1 but may be reported separately.</p> <p>Definition of scope 2 emissions (GHG Protocol, n.d.)⁶: GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated. Scope 2 emissions include also the emissions from purchases of heat or steam.</p> <p>If the AE decides to submit this indicator, then it shall describe the sources of emissions covered under scopes 1 and 2.</p> <p>The AE shall set its consolidated GHG reporting boundaries to include its overall business operations (including subsidiaries, associates, etc.). Two approaches can be followed: the equity share approach and the control approach. The former requires the availability of the share of equity the AE is owning and applying this to the emissions to be accounted for; the latter requires the inclusion of the emissions resulting from operations the AE can control. The control approach is disaggregated into financial control (an AE has financial control over an entity (i.e. it can influence the financial and operating policies of the</p>

⁴ GHG protocol (n.d.): A Corporate Accounting and Reporting Standard, available at <<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>>.

⁵ For example: emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment.

⁶ GHG protocol (n.d.): A Corporate Accounting and Reporting Standard, available at <<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>>.

Category	Field	Description
		<p>entity)) and the operational control (i.e. the AE can introduce certain policies through its operational control over another entity) (GHG Protocol, n.d.).</p> <p>The GHG emissions of the consumed electricity shall be calculated multiplying the total amount of electricity consumed by the AE times the official grid emission factor of the country where the electricity is generated and consumed. If operations occur in different geographies, the AE shall use the applicable grid emission factor. Transmission and distribution (T&D) losses should not be accounted under scope 2.⁷</p> <p>The following sources (non-exhaustive) can be used for the quantification of the indicator:</p> <ul style="list-style-type: none"> • Official internal documents • Existing methodologies applied for the calculations (e.g. CDM⁸, etc.) • Calculations based on meter readings, utility or procurement billing records, official invoices • Published grid emission factors by government/national sources or other internationally recognized sources (e.g. IEA⁹, IGES¹⁰, etc.).
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Metric tonnes of carbon dioxide equivalent emissions (tCO₂eq), absolute value, disaggregated by scope.</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for each data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

⁷ These emissions should be reported by companies that own the T&D network.

⁸ Clean Development Mechanism.

⁹ International Energy Agency.

¹⁰ Institute for Global Environmental Strategies.

Table 4. Share of projects with climate change vulnerability assessment investment (%)

Type (mitigation/adaptation/crosscutting): Crosscutting

Key area: Multiple

Category	Field	Description
Guiding question 4 (Optional): Does the accredited entity (AE) evaluate the climate risks of its portfolio?		
Basic information	Indicator	Share of projects with climate change vulnerability assessment
	Sector	Multiple, to be identified by the AE
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Input
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Contributes to addressing the question: Is the AE taking into account the climate risks of its projects?</p> <p>The indicator gives information on how often climate risks are considered by the AE in its investment decisions. The indicator does not measure the extent to which the climate risks have been a driving factor for the investment decision.</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of vulnerability: the propensity or predisposition to be adversely affected. Vulnerability encompasses a variety of concepts and elements including sensitivity or susceptibility to harm and lack of capacity to cope and adapt.³</p> <p>The indicator is expressed as a share (%) of the total number of projects implemented by the AE. This requires the determination of the absolute number of projects implemented for which a climate change vulnerability assessment exists and a comparison with the total number of projects implemented by the AE.</p> <p>The following sources (non-exhaustive) can be used for the quantification of the indicator:</p> <ul style="list-style-type: none"> • Project documents from projects officially approved by the AE • Results of due diligence and other official reports, also from third parties <p>Only activities that have been officially approved and for which a formal document from the AE proving the approval exists shall be considered.</p> <p>AE can disaggregate the absolute number according to project type or sector. This is not mandatory.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Share (%) of the total number (count) of projects, per year, being implemented at any portion of a given year by the AE.</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>

³ Intergovernmental Panel on Climate Change (2014): Climate Change 2014. Annex II Glossary. Cambridge Press, Cambridge, United Kingdom and New York, NY, USA.

Category	Field	Description
Data sources	Data sources references	Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.

Table 5. Sectoral distribution of the portfolio of the accredited entity

Type (mitigation/adaptation): Mitigation

Key area: Multiple

Category	Field	Description
Guiding question 5: What are the main sectors of activity of the accredited entity (AE)?		
Basic information	Indicator	Sectoral distribution of the AE portfolio
	Sector	Multiple, to be identified by the AE. The indicator shall cover as a minimum: <ul style="list-style-type: none"> • Climate-related projects (mitigation and adaptation). • Non-climate-related projects and operations. • Carbon intensive projects (energy generation, mining operations, oil and gas exploration and processing, construction including cement production, manufacturing industries such as steel, aluminium production, metal production, chemical industries and transport).
	Subsector	Multiple, to be identified by the AE.
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Output

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Contributes to addressing the question: What are the main sectors of activity of the AE?</p> <p>The indicator measures the extent to which the AE is investing in climate-related sectors and energy/carbon intensive sectors, providing a picture of the AE investment portfolio that can be compared with other indicators (e.g. with the total investments in renewable energy).</p>
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p><u>Definition of carbon intensive sectors:</u> economic sectors or industries where production processes result in the emission of far above average amounts of carbon dioxide equivalent relative to the sector or industry's economic importance, calculated for instance as tCO₂eq³/unit produced, or CO₂eq/value of production (USD) or another metric. These sectors are identified by default as follows:</p> <ul style="list-style-type: none"> • Fossil fuel-based power and heat generation • Construction, including cement production • Fossil fuelled transport (AE can differentiate between investments in transport involving fossil fuels or electric mobility) • Chemical production • Any type of investment involving mining, production and distribution of coal, natural gas and oil • Metal production (including iron & steel and aluminium). <p>The AE may add new sectors to the above list.</p> <p><u>Definition of climate-related projects⁴:</u></p>

³ Tonnes of carbon dioxide equivalent.

⁴ OECD DAC Rio Markers for climate, available at <https://www.oecd.org/dac/environment-development/Revised%20climate%20marker%20handbook_FINAL.pdf>.

Category	Field	Description
		<ul style="list-style-type: none"> Climate change mitigation activities: These contribute to the objective of stabilizing greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions or to enhance GHG sequestration. Climate change adaptation activities: These intend to reduce the vulnerability of human or natural systems to the current and expected impacts of climate change, including climate variability, by maintaining or increasing resilience, through increased ability to adapt to, or absorb, climate change stresses, shocks and variability and/or by helping reduce exposure to them. This encompasses a range of activities from information and knowledge generation to capacity development, planning and the implementation of climate change adaptation actions. <p><u>Non-climate-related projects and operations</u> refers to the other activities that do not fit into the other two classifications. Some examples of this are projects/operations in sectors such as education, policy development and commercial financing.</p> <p>For the purpose of this methodology, only activities for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The following sources (non-exhaustive) can be used for the quantification of indicator:</p> <ul style="list-style-type: none"> Signed financial agreements with counterparts Signed contracts (e.g. EPC, civil works, support for training activities, etc.) Proof of financial resources allocated/disbursed by the AE to project in carbon-intensive sectors
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>USD, absolute value per year and percentage, disaggregated by category</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p>

Category	Field	Description
		The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.
Data sources	Data sources references	Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.

Table 6. Reduction of greenhouse gas emission across the accredited entity's portfolio, with indication of sectoral distribution

Type (mitigation/adaptation): Mitigation

Key area: Multiple

Category	Field	Description
Guiding question 6: Is the accredited entity (AE) investing in mitigation projects/operations?		
Basic information	Indicator	Reduction of greenhouse gas (GHG) emission across the AE portfolio, with indication of sectoral distribution
	Sector	Multiple, to be identified by the AE
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Outcome

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the "E-Handbook on Sustainable Development Goals Indicators", available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator</p> <p>Contributes to addressing the question: is the AE calculating and reducing its GHG emissions across its portfolio?</p> <p>The indicator measures the total quantity of emission reductions that the AE is achieving across its entire portfolio and measures the performance of the AE over the accreditation period. It does not measure the effectiveness of the mitigation investments. The AE shall also provide the sectoral distribution of the emission reductions achieved.</p>
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of portfolio: the sum of all assets managed by the AE that are invested in projects in a given year. It covers all financial instruments used by the AE (i.e. equity, loans, guarantees and others) and every economic sector in which the AE operates. A portfolio can comprise different assets (bonds, stocks, project finance, loans, etc.) and all of them must be considered in the emission reductions estimations. For simplicity, the AE can claim the entire emission reduction from one project as long as it provided direct financial support, regardless of the type of support provided or the actual share (%) of the total investment associated with the mitigation project.</p> <p>Depending on the project type, the AE shall identify an applicable existing methodology for the determination of the baseline and the associated emission reductions achieved. Existing methodologies from the clean development mechanism, Verified Carbon Standard, Climate Action Reserve, Plan Vivo Standard and other established methodologies at international level should be favoured.</p> <p>In case no existing methodology is applicable to one or more projects, the AE may develop its own methodological approach. The International Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories can be referred to for GHG emission and removal estimation methods in developing new approaches.</p>

Category	Field	Description
		<p>Where available, default values sourced from reputable international or national sources (e.g. host country government or ministries, IPCC) can be used. The use of proxies is allowed subject to the provision of a justification and a clear explanation of why the proxy can be considered conservative.</p> <p>The AE can aggregate the emission reductions by economic sector.</p> <p>The figure below depicts graphically the main steps for emission reduction estimations.</p> <p>Figure 1: Step-wise approach for estimating emission reductions</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Step 1: Identify applicable mitigation action(s)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Step 2: Define Measurement Boundary</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Step 3: Establish baseline, project emissions</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Step 4: Determine ex-ante parameters</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Step 5: Measure ex-post parameters</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Step 6: Apply tool to calculate emission reductions</div> <p style="text-align: center;"><i>Baseline emissions – Project emissions = Emission reductions</i></p> <p>Only activities for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Metric tonnes of carbon dioxide equivalent (tCO₂eq), per year. Sectoral distribution of the emission reductions achieved shall be provided as well.</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p>

Category	Field	Description
Data sources		The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.
	Data sources references	Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.

Table 7. Number of beneficiaries whose resilience to climate change has been improved per year

Type (mitigation/adaptation): Adaptation

Key area: Multiple

Category	Field	Description
Guiding question 7: Is the accredited entity (AE) investing in adaptation projects/operations?		
Basic information	Indicator	Number of beneficiaries whose resilience to climate change has been improved per year
	Sector	Multiple, to be identified by the AE
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps answer the question: Is the AE investing in adaptation projects?</p> <p>The indicator measures the number of individuals that received support to enhance resilience by the project activities. It also contributes to understand the extent to which the AE is utilizing climate finance resources for adaptation activities. However, it does not provide information on how effective the support provided to the beneficiaries is.</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		Where applicable, the AE may provide details on the methodology used for the identification of the indirect effects of their activities and that can lead to an increased number of beneficiaries beyond its direct financial interventions (indirect beneficiaries). Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (where applicable) and assumptions used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of beneficiary: individual receiving support from the activity(ies) whose livelihood has been improved by the activity(ies) and/or whose resilience to climate change has been improved by the activity(ies) implementation, i.e. those individuals that enhanced their adaptive capacity (the capacity to adjust to potential damage, to take advantage of opportunities, or to respond to consequences).³</p> <p>The indicator shall consider only those beneficiaries that receive direct support aiming explicitly at enhancing resilience (or reducing vulnerability). Support can be provided in the form of financial transfers, capacity-building and training, provision of technologies, etc. The type of support provided by the activity must be clearly defined.</p> <p>For the purpose of this methodology, only projects for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The indicator is expressed in absolute number of beneficiaries. It can be determined at individual or at household level. If the total number is derived from the number of households, data from the latest census shall be used (i.e. average number of persons per household).</p> <p>The following sources (non-exhaustive) can be used for the quantification of the beneficiaries:</p> <ul style="list-style-type: none"> • Review of official statistics in targeted areas/countries

³ Intergovernmental Panel on Climate Change (2014): Climate change 2014. Annex II Glossary. Cambridge Press, New York.

Category	Field	Description
		<ul style="list-style-type: none"> • Surveys, semi-structured interviews • Sampling • Contracts and/or invoices (where applicable) • Records of capacity building/training events. <p>AEs should compare the total number of beneficiaries to the total population of the country/region where the activity(ies) is implemented to provide information on how relevant the activity(ies) is/are in the targeted areas and the transformational impact.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Absolute number (count) of individual human beings per year, disaggregated by gender.</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources reference	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Annex II: Methodology cards for supplementary indicators

The methodology cards to establish a baseline on the overall portfolio of accredited entities are contained below (supplementary indicators).

Table 1. Megawatts of new renewable energy capacity installed (separately for off-grid and on-grid)

Type (mitigation/adaptation): Mitigation

Key area: Energy, renewable power generation

Category	Field	Description
Basic information	Indicator	Megawatt (MW)s of new renewable energy (RE) capacity installed (separately for off-grid and on-grid).
	Sector	Energy
	Subsector	Renewable energy power generation (on-grid and off-grid)
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator (disaggregated for on-grid and off-grid investments). ¹ Reporting on SDGs is voluntary. ²
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the accredited entity (AE) investing in mitigation projects?</p> <p>The indicator measures the extent to which the AE contributes to the expansion of RE generation capacity over the observed time period. It measures the total MW for which implementation can be considered as secured (i.e. that reached financial closure).</p> <p>Where applicable, AEs may provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger additional investments in RE capacity beyond its direct financial interventions. Direct and indirect impacts should be clearly differentiated.</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
<p>Determination of the indicator</p>	<p>Methodology for the determination of the indicator</p>	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of RE: electricity and/or useful heat energy generation through the use of renewable resources, i.e. hydro, solar, wind, geothermal, biomass and tidal/waves.</p> <p>Definition of on-grid generation: any generation facility that is connected to and that supplies the power generated to the national/regional electricity transmission and distribution grid.</p> <p>Definition of off-grid generation: installation of electrical and/or heat energy generation for communities/users that are not connected to the national/regional electricity transmission and distribution grid, had no previous access to modern energy source or that are supplied by isolated fossil-fuel based generation units.</p> <p>For the purpose of this methodology, only activities for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The indicator is expressed in MW of generator nameplate capacity (installed) of RE that reached financial closure, disaggregated by technology type and geographical location (by country where the AE is operating, if more than one).</p> <p>The following means of verification for financial closure (non-exhaustive) are provided for the quantification of the new installed RE capacity:</p> <ul style="list-style-type: none"> • Signed financial agreements with counterparts • Contracts (e.g. EPC, civil works, etc.) • Proof of financial resources allocated/disbursed by the AE to RE projects. <p>Additional information that AEs can provide is a comparison of the total MW of RE vs. the total MW of generation capacity supported by the AE (RE + fossil fuel) to provide a normalized indication of performance over time.</p>

Category	Field	Description
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Total MW, absolute value per year, disaggregated by technology and by financial instrument (e.g. grants, equity, loans, guarantees, etc.)</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 2. Total investment in renewable energy and energy efficiency projects

Type (mitigation/adaptation): Mitigation

Key area: Energy

Category	Field	Description
Basic information	Indicator	Total investment (USD) into renewable energy (RE) and energy efficiency (EE) projects; fraction of total AE investment portfolio in power generation activities allocated to RE and EE projects
	Sector	Energy
	Subsector	RE generation and EE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator (disaggregated for EE and RE activities).¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Output
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in mitigation projects?</p> <p>The indicator measures the performance of the AE with regard to the total volume of financial resources invested in EE and RE, through different financial instruments, over the accreditation period, and the share of such investments compared to the overall portfolio of project investments</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		<p>related to power generation. The indicator does not aim at quantifying the mitigation results achieved by the EE and RE investments of the AE.</p> <p>Where applicable, the AE can provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger additional investments in EE and RE technologies beyond its direct financial interventions. Direct and indirect impacts should be clearly differentiated.</p>
<p>Determination of the indicator</p>	<p>Methodology for the determination of the indicator</p>	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of RE: power and/or useful heat generation through the use of renewable sources, i.e. hydro, solar, wind, geothermal, bioenergy and tidal/waves.</p> <p>Definition of EE (REN21, 2019)³: The measure that accounts for delivering more services for the same energy input, or the same amount of services for less energy input. Conceptually, this is the reduction of losses from the conversion of primary source fuels through final energy use, as well as other active or passive measures to reduce energy demand without diminishing the quality of energy services delivered. Energy efficiency is technology-specific and distinct from energy conservation, which pertains to behavioural change. Both energy efficiency and energy conservation can contribute to energy demand reduction. For the purpose of this methodology, both energy efficiency and energy conservation are considered under EE.</p> <p>The indicator is expressed in USD already allocated to EE and RE projects, i.e. EE and RE projects for which financial closure has been reached in each observed year. The indicator shall be disaggregated by activity type (RE and EE) and the type of financial instrument used (loans, equity, grants, guarantees, etc.).</p> <p>The indicator shall be disaggregated per RE technology and per type of EE measure. For the latter, homogeneous categories can be used.</p>

³ REN21 (2019): Renewables 2019 Global Status Report. REN21 Secretariat, Paris, available at <https://www.ren21.net/wp-content/uploads/2019/05/gsr_2019_full_report_en.pdf>.

Category	Field	Description
		<p>For the purpose of this methodology, only activities for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The following sources (non-exhaustive) can be used for the quantification of indicator:</p> <ul style="list-style-type: none"> • Signed financial agreements with counterparts • Signed contracts (e.g. EPC, civil works, support for training activities, etc.) • Proof of financial resources allocated/disbursed by the AE to RE and EE projects. <p>The AE shall compare this indicator against the total volume of financial resources invested by the AE over the accreditation period. This comparison will quantify the fraction of total investment over the identified period that the AE allocated to EE and RE compared to the total investments made. Data shall be disaggregated by financial instrument for both EE and RE investments</p>
	Measurement units	<p>The unit in which the indicator results should be presented</p> <p>USD, absolute value per year, disaggregated by EE and RE and by financial instrument. The AE shall also provide the total volume of power generation investments in its portfolio (USD, absolute value per year), disaggregated by technology.</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 3. Total hectares targeted by nature-based solution activities

Type (mitigation/adaptation): Cross-cutting

Key area: Multiple

Category	Field	Description
Basic information	Indicator	Total hectares (ha) targeted by nature-based solution (NbS) activities
	Sector	Multiple, to be identified by the accredited entity (AE) ¹
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.² Reporting on SDGs is voluntary.³
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in mitigation projects?</p> <p>The indicator defines the level of support to activities that aim at the implementation of NbS (estimated through the total ha where NbS are implemented through the direct support of the AE). The indicator shall cover all activities that result in NbS for which financial closure has been reached.</p>

¹ The International Union for Conservation of Nature (IUCN) identifies as the main areas for NbS: food security, climate change, water security, human health, disaster risk, and social and economic development.

² SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

³ Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		Where applicable, AE can provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger additional investments in NbS beyond its direct interventions. Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of NbS: actions to protect, sustainably manage and restore natural or modified ecosystems, and that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits.⁴</p> <p>The indicator is expressed in ha where NbS are implemented as a direct result of the financial support from the AE. The indicator shall be disaggregated by main categories of NbS; homogeneous categories can be used. The indicator can quantify the support provided by the AE to the implementation of NbS, but it cannot measure the effectiveness of the NbS activities supported.</p> <p>For the purpose of this methodology, only projects for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The following sources can be used to quantify the indicator (non-exhaustive):</p> <ul style="list-style-type: none"> • Signed financial agreements/contracts with counterparts • Surveys and direct communications with involved stakeholders, i.e. local communities and institutions to prove commencement of the activity • Actual measurements and official data issued by government institutions <p>The AE shall describe clearly the type of NbS it supports and also the type of financial instrument (e.g. loan, equity, grants, etc.) that is supporting the NbS-related activities. It shall also describe what</p>

⁴ IUCN (n.d.): Nature-based Solutions, available at <<https://www.iucn.org/commissions/commission-ecosystem-management/our-work/nature-based-solutions>>, accessed on 20 April 2020.

Category	Field	Description
		<p>type of benefit the supported activities are expected to deliver. Where possible, quantification of these results can be provided as well.</p> <p>AEs can compare total area where NbS are implemented through its direct support with to the total area in the country/region where NbS are being implemented independently from the AE interventions.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Total ha, absolute value per year, where NbS are implemented, disaggregated by NbS type</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 4. Total USD invested to protect biodiversity and enhance natural capital

Type (mitigation/adaptation): Adaptation

Key area: Multiple

Category	Field	Description
Basic information	Indicator	Total USD invested to protect biodiversity and enhance natural capital
	Sector	Multiple, to be identified by the accredited entity (AE)
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Output
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in adaptation projects?</p> <p>The indicator measures the extent to which the AE has invested in activities that contribute to protecting biodiversity and/or to enhancing natural capital by measuring the total USD that are invested by the AE. For the purpose of this methodology, only resources for which financial closure has been reached will be considered.</p> <p>Where applicable, the AE can provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger additional investments in biodiversity</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		protection and/or enhancement of natural capital beyond its direct interventions. Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of biodiversity: variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.³</p> <p>Definition of natural capital: natural assets in their role of providing natural resource inputs and environmental services for economic production. Natural capital is generally considered to comprise three principal categories: natural resource stocks, land and ecosystems.⁴</p> <p>The indicator is expressed in USD invested in activities that have the objective to protect biodiversity and/or to enhance natural capital (implemented through the direct support of the AE). The investments are disaggregated by sector and geographical location (by country where the AE is operating, if more than one). The AE shall disaggregate the indicator also by financial instrument used (e.g. loans, grants, guarantees, etc.).</p> <p>Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The following sources can be used to quantify the indicator:</p> <ul style="list-style-type: none"> • Documents proving the financial closure or disbursement of financial resources • Surveys and direct communications with involved stakeholders, i.e. local communities and institutions to prove commencement of the activity (e.g. training records) • Proof of commencement of work under the activities supported

³ Convention of Biological Diversity (n.d.): Article 2. Use of Terms available at <<https://www.cbd.int/convention/articles/?a=cbd-02>>.

⁴ OECD (2005): Glossary of statistical terms available at <<https://stats.oecd.org/glossary/detail.asp?ID=1730>>.

Category	Field	Description
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Absolute volume of USD per year, disaggregated by sector and by country</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 5. Total USD invested to enhance infrastructure, assets and community resilience

Type (mitigation/adaptation): Adaptation

Key area: Multiple

Category	Field	Description
Basic information	Indicator	Total USD invested to enhance infrastructure and community resilience
	Sector	Multiple, to be identified by the accredited entity (AE)
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator. ¹ Reporting on SDGs is voluntary. ²
	Indicator type: impact/output/outcome	Output
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in adaptation projects?</p> <p>The indicator measures the extent to which the AE has invested in enhancing the resilience of infrastructure and/or communities.</p> <p>Where applicable, the AE can provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger additional investments to enhance the resilience of infrastructure and/or communities beyond its direct interventions. Direct and indirect impacts should be clearly differentiated.</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of resilience: the capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.³</p> <p>Definition of infrastructure: the physical structures that economies need to function and support social and economic development (i.e. transportation networks, houses, schools, ports and airports, government buildings, power production and distribution systems, irrigation systems, flood management and waste disposal systems, etc.)</p> <p>Definition of assets: any physical resource with economic value that is expected to provide a future economic benefit and contribute to social and economic development. It can be owned or controlled by an individual, a corporation or a country.</p> <p>Definition of community: a group of people living within the boundaries of a geographical entity, located at the intersection of household and regional levels.⁴</p> <p>The indicator is expressed in USD invested/allocated to activities that have the objective to enhance the resilience of infrastructure and/or communities (implemented through the direct support of the AE). The investments are disaggregated by sector and geographical location (by country where the AE is operating, if more than one). Disaggregation by type of interventions/type of infrastructure made more resilient shall be provided.</p> <p>For the purpose of this methodology, only resources for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst</p>

³ Intergovernmental Panel on Climate Change (2014): Climate Change 2014. Annex II Glossary. Cambridge Press, New York.

⁴ Shaikh M. and Md Saidul I. (2016) Community Capitals as Community Resilience to Climate Change: Conceptual Connections. International Journal of Environmental Research and Public Health. 2016 Dec; 13(12): 1211. Published online 6 December 2016, available at <<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5201352/>>.

Category	Field	Description
		<p>counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The following sources can be used to quantify the indicator:</p> <ul style="list-style-type: none"> • Documents proving the financial closure or disbursement of financial resources • Surveys and direct communications with involved stakeholders, i.e. local communities and institutions to prove commencement of the activity • Proof of commencement of work under the activities supported <p>Additional information that AEs can provide is a comparison of the total USD invested by the AE in the geographical area (i.e. country/region) for the enhancement of infrastructures' resilience vs. the total value of the infrastructure in the same geographical area to provide a better understanding of the transformational impact of the AE.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>USD, absolute value per year, disaggregated by sector</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 6. Hectares receiving investment for improved forest management

Type (mitigation/adaptation): Mitigation

Key area: Forestry

Category	Field	Description
Basic information	Indicator	Hectares (ha) receiving investment for improved forest management
	Sector	Forestry
	Subsector	Several, to be identified by the accredited entity (AE)
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in mitigation projects?</p> <p>The indicator measures the AE contribution to the improvement of forest management practices, quantifying the total hectares that received financial support to improve forest management.</p> <p>Where applicable, the AE may provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger additional investments in activities to improve forest management beyond its direct interventions. Direct and indirect impacts should be clearly differentiated.</p>

¹ SDGs targets and indicators are available at <>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of improved forest management: all forest management activities which result in increased carbon stocks within forests and/or reduce greenhouse gas emissions from forestry activities when compared to business-as-usual forestry practices.³</p> <p>The indicator is expressed in ha of forest that received financial support from the AE, disaggregated by type of practice and geographical location (by country where the AE is operating, if more than one). Only projects that reached financial closure should be considered for the quantification.</p> <p>Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The following sources (non-exhaustive) can be used for the quantification of the hectares that received financial support to improve forest management practices:</p> <ul style="list-style-type: none"> • Signed financial agreements/contracts with counterparts • Proof of financial resources allocated/disbursed by the AE to such projects • Surveys, direct measurements • Interviews with local/national stakeholders, including communities living in the target areas <p>Additional information that AEs can provide is a comparison of the total ha of forest in one area (nation/region) vs. the total ha of forest that improves management practices supported by the AE to provide a better understanding of the transformational impact of the AE.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Total ha, absolute value per year, disaggregated by type of practice</p>

³ Carbon finance lexicon (2012), available at <<https://rainforests.mongabay.com/carbon-lexicon/Improved-Forest-Management.html>>.

Category	Field	Description
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 7. Total investment in green transport and mobility activities

Type (mitigation/adaptation): Mitigation

Key area: Transport

Category	Field	Description
Basic information	Indicator	Total investment (USD) into green/sustainable transport projects
	Sector	Transport
	Subsector	Road, rail, maritime and air transport
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Output
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the accredited entity (AE) investing in mitigation projects?</p> <p>The indicator measures the performance of the AE with regard to the total volume of financial resources invested in [green/sustainable] transport, through different financial instruments, over the accreditation period. The indicator does not aim at quantifying the mitigation results achieved by transport investments of the AE.</p> <p>Where applicable, the AE can provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger additional investments in transport and</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		mobility beyond its direct financial interventions. Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of green transport: activities that reduce greenhouse gas and other pollutant emissions associated with transport systems while providing at least the same level of mobility services. Transport can refer to road, air or water transport, for both passengers and goods.</p> <p>Where possible, the indicator shall be disaggregated by activity type (e.g. public transport, low emission vehicles, fuel efficiency, modal switch, etc.) and the type of financial instrument used (loans, equity, grants, guarantees, etc.).</p> <p>For the purpose of this methodology, only activities for which financial closure has been reached will be considered. Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>The following sources (non-exhaustive) can be used for the quantification of the indicator:</p> <ul style="list-style-type: none"> • Signed financial agreements with counterparts • Signed contracts (e.g. civil works, support for training activities, etc.) • Proof of financial resources allocated/disbursed by the AE to transport projects <p>The AE can compare this indicator against the total volume of financial resources invested over the accreditation period on other transport project (i.e. [non-green/non-sustainable] transport projects). This comparison will quantify the fraction of total investment over the identified period that the AE allocated to [green/sustainable] transport projects compared to the total investments for [non-green/non-sustainable] transport projects.</p>
	Measurement units	The unit in which the indicator results should be presented

Category	Field	Description
		USD, absolute value per year, disaggregated by financial instrument. The AE can provide also the total volume of transport related investments in its portfolio (USD, absolute value per year).
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 8. Hectares receiving financial support for climate-resilient agriculture management practices

Type (mitigation/adaptation): Adaptation

Key area: Agriculture

Category	Field	Description
Basic information	Indicator	Hectares receiving financial support for climate-resilient agriculture management practices
	Sector	Agriculture
	Subsector	Multiple, to be identified by the accredited entity (AE) (e.g. livestock, agro-forestry, fisheries and aquaculture)
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in adaptation projects?</p> <p>The indicator measures the extent to which the AE contributes to enhancing the resilience of the agriculture sector, measuring the total hectares that received financial support to implement climate-resilient agriculture management practices. It contributes to measuring the overall implementation of climate- resilient management practices in the agriculture sector through AE support.</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		Where applicable, the AE may provide details on the methodology used for the identification of the indirect effects of their activities and that can leverage additional financial support in activities related to climate-resilient agriculture management practices beyond its direct interventions. Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of climate-resilient agriculture: aims at enhancing the resilience of agricultural systems and the social systems that depend on these; it mainly focuses on food security and to increase resilience along agriculture value chain.³ The final result is to enhance the resilience of agricultural production to climate variability and resilience to extreme weather events.</p> <p>The indicator is expressed in hectares (ha) of land that received financial support from the AE, disaggregated by type of practice and geographical location where the projects are implemented (by country/region where the AE is operating, if more than one). Only activities that reached financial closure should be considered for the quantification of the indicator.</p> <p>The AE shall provide a description of the activities supported, clearly identifying the climate resilience component and how the supported activities enhance it. Only projects that have an explicit intention to support and enhance climate-resilient agriculture shall be considered.</p> <p>The hectares that received financial support from the AE shall be calculated based on (non-exhaustive list):</p> <ul style="list-style-type: none"> • Official project documents • Surveys and/or actual measurements • Official communication with stakeholders involved, including local communities and local/national institutions.

³ FAO (2018): Climate-Resilient Agriculture in South Asia: An analytical framework and insights from practice, available at <https://reliefweb.int/sites/reliefweb.int/files/resources/OPM_Agriculture_Pr2Final_WEB.pdf>.

Category	Field	Description
		<p>Financial support is defined as the provision of resources to allow the implementation of a certain activity. The provision of resources may occur through different financial instruments: grants, loans, guarantees, equity, etc. The AE shall identify the type of financial instrument(s) used to provide support to climate-resilient agriculture and also describe the type of activity supported (clusters can be used to group similar activities).</p> <p>Financial closure is defined as the signature of financial agreements amongst counterparts. Thus, signature of contracts or proof of allocation/disbursement of financial resources can be used to demonstrate the financial closure.</p> <p>Additional information that AEs can provide is a comparison of the total hectares of land-based implementation of climate-resilient agriculture management practices (or the total agricultural area including traditional agriculture) vs. the total hectares of land on which such practices were implemented with support of the AE at national/regional level, to provide a better understanding of the transformational impact of the AE.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Total hectares, absolute value per year, disaggregated by type of practice or sub-sector</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 9. Changes in economic loss

Type (mitigation/adaptation): Adaptation

Key area: Multiple

Category	Field	Description
Basic information	Indicator	Changes in economic loss
	Sector	Multiple, to be identified by the accredited entity (AE)
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator. ¹ Reporting on SDGs is voluntary. ²
	Indicator type: impact/output/outcome	Impact
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in adaptation projects?</p> <p>The indicator aims at identifying the infrastructure assets (e.g. property, production facilities, equipment, buildings and other forms of infrastructure) that are impacted by climate variability in the project area that have been protected through the project activity and quantifying the total change in the economic losses (i.e. the avoided economic damages) due to those expected adverse impacts.</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		Where applicable, the AE can provide details on the methodology used for the identification of the indirect effects of their activities and that reduce the economic losses beyond its direct interventions. Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of infrastructure: the physical structures that economies use to function and support social and economic development (e.g. transportation systems, housing, schools, ports and airports, government buildings, power production facilities and distribution systems, irrigation systems, flood management, and waste disposal systems).</p> <p>Definition of assets: any physical resource with economic value that is expected to provide a future economic benefit and contribute to social and economic development; it can be owned or controlled by an individual, a corporation or a government entity.</p> <p>The indicator is expressed in USD and indicates avoided losses due to actions implemented through the direct support of the AE. The value in USD is disaggregated by type of asset for which economic losses changed and geographical location (by country where the AE is operating, if more than one). The AE shall clarify the causal relationship between the intervention and the reduction of losses.</p> <p>The following sources can be used to quantify the economic losses (non-exhaustive):</p> <ul style="list-style-type: none"> • Review of official statistics in targeted areas/countries on income changes • Estimation by experts or official documents that demonstrate an economic loss due to climate change • Communications with stakeholders, including public and private stakeholders <p>Additional information that AEs can provide is a comparison between the avoided losses due to the direct support of the AE vs. the actual losses in the project area due to climate variability to understand better the transformational impact of the AE.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Total value in USD, absolute value per year, disaggregated by type of asset and by country</p>

Category	Field	Description
	Measurement frequency	Defines the frequency of the measurement for the calculation of the indicator The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.
Data sources	Data sources references	Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.

Table 10. Extent of adoption of climate resilient technologies/practices

Type (mitigation/adaptation): Adaptation

Key area: Multiple

Category	Field	Description
Basic information	Indicator	Extent of adoption of climate resilient technologies/practices
	Sector	Multiple, to be identified by the accredited entity (AE)
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in adaptation projects?</p> <p>The indicator measures the extent to which the AE has contributed to the adoption of climate resilient technologies and/or practices in the defined geographical area, identifying the type and number of climate-resilient technologies (e.g. cooling systems) and /or practices (e.g. agro-pastoral practices, water management) that are deployed due to the support of the AE interventions.</p> <p>Where applicable, the AE can provide details on the methodology used for the identification of the indirect effects of their activities and that can trigger the adoption of climate resilient technologies</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		and/or practices beyond its direct financial interventions. Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of resilience: The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.³</p> <p>Definition of climate-resilient technologies and practices: technological solutions, tools, practices, and behavioural changes that contribute to the enhancement of climate resilience.</p> <p>The indicator is expressed in number of technologies and/or practices that have been adopted in a certain area (country/region) through the direct support of the AE. The number of technologies and/or practices are disaggregated by type and geographical location (by country where the AE is operating, if more than one).</p> <p>The following sources (non-exhaustive) can be used for the quantification of the adopted technologies and/or practices:</p> <ul style="list-style-type: none"> • Surveys, semi-structured interviews with relevant stakeholders • Proof of financial resources allocated/dispensed by the AE to projects (e.g. purchase documents of specific technologies) • Records of capacity-building/training events
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Absolute number of technologies and/or practices per year</p>

³ IPCC (2012): Glossary of Terms, available at <https://archive.ipcc.ch/pdf/special-reports/srex/SREX-Annex_Glossary.pdf>.

Category	Field	Description
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>

Table 11. Area of ecosystems/natural assets that have been made more resilient to climate change

Type (mitigation/adaptation): Adaptation

Key area: Multiple

Category	Field	Description
Basic information	Indicator	Hectares (ha) of ecosystems/natural assets that have been made more resilient to climate change
	Sector	Multiple, to be identified by the accredited entity (AE)
	Subsector	Multiple, to be identified by the AE
	Contribution to the Sustainable Development Goals (SDGs) indicators	Identification of the SDGs indicator(s) relevant to the indicator.¹ Reporting on SDGs is voluntary.²
	Indicator type: impact/output/outcome	Outcome
Proposed indicator	Purpose of the indicator	<p>Clarifies the main objective of the determination of the indicator.</p> <p>Helps to answer the question: Is the AE investing in adaptation projects?</p> <p>The indicator measures the degree of support from the AE to activities that aim at enhancing the climate resilience of ecosystems and/or natural assets through the quantification of the total area that have enhanced its resilience.</p> <p>Where applicable, the AE can provide details on the methodology used for the identification of the indirect effects of their activities which contribute to in enhancing the climate resilience of ecosystems</p>

¹ SDGs targets and indicators are available at <<https://sustainabledevelopment.un.org/sdgs>>.

² Guidance on SDG reporting can be found in the “E-Handbook on Sustainable Development Goals Indicators”, available at <<https://unstats.un.org/wiki/display/SDGeHandbook>>.

Category	Field	Description
		and/or natural assets beyond its direct financial interventions. Direct and indirect impacts should be clearly differentiated.
Determination of the indicator	Methodology for the determination of the indicator	<p>Describes the practical application of the methodology for the determination of the indicator and clarifies the specific definition used. It will also describe the mathematical formula (if any) and assumption used. It also provides a definition of the key variables used for the determination of the indicator.</p> <p>Definition of resilience: The capacity of social, economic and environmental systems to cope with a hazardous event, trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.³</p> <p>Definition of ecosystem: dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit.⁴</p> <p>Definition of natural asset: assets of the natural environment. These consist of biological assets (produced or wild), land and water areas with their ecosystems, subsoil assets and air.⁵</p> <p>The indicator is expressed in hectares (ha) of ecosystems and/or natural assets that have improved their resilience to climate variability due to the project activity. The hectares are disaggregated by type of ecosystem and/or natural assets and geographical location (by country/region where the AE is operating, if more than one). Improvement of assets shall be demonstrated utilizing results of assessments such as technical or environmental or social assessments.</p> <p>The following sources (non-exhaustive) can be used for quantifying the area of ecosystems/natural assets made more resilient:</p> <ul style="list-style-type: none"> • Official project documents • Surveys and/or actual measurements

³ Intergovernmental Panel on Climate Change (2014): Climate change 2014. Annex II Glossary. Cambridge Press, New York.

⁴ Convention of Biological Diversity (n.d.): Article 2. Use of Terms available at <<https://www.cbd.int/convention/articles/?a=cbd-02>>.

⁵ OECD (2005): Glossary of statistical terms available at <<https://stats.oecd.org/glossary/detail.asp?ID=1730>>.

Category	Field	Description
		<ul style="list-style-type: none"> Official communication with stakeholders involved, including local communities and local/national institutions. <p>Additional information that AEs can provide is a comparison of the total area that enhanced its resilience through the direct support of the AE vs. the total geographical area (i.e. country/region) to provide a better understanding of the transformational impact of the AE in the geographical area.</p>
	Measurement unit	<p>The unit in which the indicator results should be presented</p> <p>Total ha, absolute value per year, disaggregated by type of ecosystem and/or type of natural asset</p>
	Measurement frequency	<p>Defines the frequency of the measurement for the calculation of the indicator</p> <p>The indicator shall be calculated on a yearly basis and over the accreditation period (i.e. 4.5 years from the signature of the accreditation master agreement) to allow for an evaluation of the trend of the indicator over time.</p>
Data sources	Data sources references	<p>Description of the sources used for all data and information used for the determination of the indicator. Full reference shall be provided to allow unequivocal identification of the sources and ensure transparency of the assumptions and data used for the determination of the indicator.</p>