



## **Ministry of Climate Change, Environment and Energy**

# **Recommendations Report on Institutional Arrangements Outlining the Responsibilities of Ministries and Agencies to Deliver the Necessary Data and Information to Track Progress and Developing Required Mandates for Data Sharing Procedures and Outlining Reporting Responsibilities.**

Consultancy Services to Track Support for NDC Implementation

## **CBIT Maldives**

Capacity Strengthening for Improved Transparency of Climate Change Mitigation and Adaptation Actions in the Maldives Project



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**Ministry of Climate Change, Environment and Energy**  
Male', Republic of Maldives

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the Maldives Project (CBIT Maldives)



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## Glossary of Acronyms and Abbreviations

<i>ADB</i>	<i>Asian Development Bank</i>
<i>BTR</i>	<i>Biennial Transparency Report</i>
<i>BUR</i>	<i>Biennial Update Report</i>
<i>CBIT</i>	<i>Capacity Building Initiative for Transparency</i>
<i>CCD</i>	<i>Climate Change Department</i>
<i>CSO</i>	<i>Civil Society Organization</i>
<i>GCF</i>	<i>Green Climate Fund</i>
<i>LGA</i>	<i>Local Government Authority</i>
<i>MCCEE</i>	<i>Ministry of Climate Change, Environment and Energy</i>
<i>MDBs</i>	<i>Multilateral Development Banks</i>
<i>MFA</i>	<i>Ministry of Foreign Affairs</i>
<i>MoEDT</i>	<i>Ministry of Economic Development and Trade</i>
<i>MoFP</i>	<i>Ministry of Finance and Planning</i>
<i>MoT</i>	<i>Ministry of Tourism</i>
<i>MoUs</i>	<i>Memorandum of Understandings</i>
<i>MoYEIA</i>	<i>Ministry of Youth, Empowerment, Information and Art</i>
<i>MPGs</i>	<i>Modalities, Procedures and Guidelines</i>
<i>MRV</i>	<i>Monitoring, Reporting and Verification</i>
<i>NBS</i>	<i>National Bureau of Statistics</i>
<i>NC</i>	<i>National Communication</i>
<i>NDC</i>	<i>Nationally Determined Contributions</i>
<i>NGO</i>	<i>Non-Governmental Organisations</i>
<i>NPI</i>	<i>New Policy Initiative</i>
<i>OECD</i>	<i>Organisation for Economic Cooperation and Development</i>
<i>PMUs</i>	<i>Project Management Units</i>
<i>PSIP</i>	<i>Public Finance Investment Programme</i>
<i>QA</i>	<i>Quality Assurance</i>
<i>QC</i>	<i>Quality Control</i>
<i>SIDS</i>	<i>Small Island Developing States</i>
<i>SOEs</i>	<i>State Owned Enterprises</i>
<i>TOR</i>	<i>Terms of Reference</i>
<i>UNEP</i>	<i>UN Environment Programmes</i>
<i>UNFCCC</i>	<i>United Nations Framework Convention on Climate Change</i>

# 1 Overview

The aim of this report is to offer a set of comprehensive recommendations aimed at enhancing various institutional aspects, specifically to address the gaps identified in the first deliverable of this project. These recommendations focus on optimizing the existing processes for gathering, compiling, and reporting climate finance data. The report also aims to provide guidance on data collection and classification methods, which can be shared with various organizations involved in these processes.

To provide context, the report first revisits the key gaps identified in the initial report and provides an overall summary of those. These gaps serve as the foundation for the proposed improvements. In Section 3, the report dives into the five aspects of institutional arrangements that influence the effectiveness of climate finance data reporting. These five areas discussed in the initial report are: organizational mandates, data flows, expertise, systems and tools, and stakeholder engagement. For each of these aspects, this report outlines the key gaps identified in the initial analysis and presents targeted recommendations to address them.

The report highlights several recommendations to improve climate finance tracking, including proposed organizational structures, legal mandates, and agreements to define stakeholder roles and responsibilities. It also suggests providing detailed guidance for sectoral ministries in classifying climate relevant expenditure and outlines necessary resources, training, and technical capacity to ensure robust tracking and reporting. As highlighted in the initial report, the recommendations are designed to help strengthen and institutionalise the current climate finance tracking mechanisms, as opposed to suggesting new mechanisms and tools.

## 2 Summary of Gap Analysis

The initial deliverable on this project was a stocktaking report which reviewed the current situation of the institutional arrangements and flow of information for climate financial reporting in the Maldives. Relevant national documents and publications were reviewed, and a consultation interview was held with representatives from the Ministry of Climate Change, Environment and Energy (MCCEE), in order to get a full picture. A gap analysis was then performed for national reporting around climate finance.

The report reviewed institutional arrangements in the Maldives, from the perspective of five different aspects:

1. **Organisational mandates** - including roles, responsibilities, laws and commitments.
2. **Data flows** - how data is categorised, shared, compiled and reported.
3. **Expertise** - national expertise on the process in terms of personnel.
4. **Systems and tools** - used in data collection, manipulation, reporting and storage.
5. **Stakeholder engagement** - effective communication of the data.

For each of these, the current situation in the country was outlined, in terms of existing arrangements and ongoing processes, and a list of gaps and needs provided based on the information gathered for this report. A review was also performed of the institutional arrangements and budget tagging systems in other Small Island Developing States (SIDS) and developing countries, including some cross-country analyses of what has worked globally.

The findings from this initial report were used to inform the direction of recommendations necessary in the current work. Some of the most critical gaps identified were:

- **Absence of systematic data collection, verification and archiving:** Although climate finance data is available across various entities, no central system exists for its collection, verification and archiving, nor is there a formalized mechanism or process to achieve this.
- **Limited functionality of the existing climate finance tag:** The existing climate finance tag for New Policy Initiative (NPI) applications during the budget cycle, and subsequent Public Finance Investment Programme (PSIP) tracking is promising but lacks sufficient detail and guidance, which limits its accuracy and effectiveness in tracking finance. Moreover, coordination between MCCEE and the MoF in overseeing the use of this tag is weak. Currently, MCCEE has no role in verifying the climate-related claims made by line ministries using this tag. Hence, there is a need for detailed guidance for the MoFP and other sectoral agencies to effectively distinguish and classify what constitutes climate finance, as well as improved cross-coordination between MCCEE and the MoFP.
- **Inadequate tracking of specific expenditures:** Due to the lack of formal processes, certain expenditures are not recorded, including:
  - Technical assistance in third-party programs
  - Municipal climate spending (those implemented through revenue generated by councils independently)
  - Contributions from NGOs
  - Private sector investments



- Donor projects implemented directly through support from UN agencies

As such, there is a need to explore existing avenues within current reporting mechanisms for these expenditures and build upon them, providing the necessary guidance, tools, and training to integrate them into the national mechanisms.

- **Undefined roles and responsibilities:** The roles and responsibilities of key stakeholders—such as ministries, government departments, the private sector, and civil society—are only partially defined, with no clear guidance for sub-national governments or academia. These roles are not anchored in legal mandates or formal agreements. Current working groups, which define roles for data collection in particular, are temporarily established for specific reporting periods, with no engagements beyond those periods. As a result, they are not formalized through legal frameworks or well-defined mandates.
- **Significant shortage of human resources:** Significant staff shortages within the Climate Finance Unit in CCD, leads to ad hoc, project-based management that disrupts continuity and retention of knowledge.

These and further points were outlined for the five different aspects of institutional arrangements listed. This report will equally include sections for each of these aspects and suggest recommendations for improvements in the compilation and reporting process, in connection to each of the gaps identified.

### 3 Institutional arrangements recommendations

The following sections build upon the gaps identified in the initial report submitted as part of this consultancy, which provided a detailed overview of the current climate finance tracking landscape in the Maldives. For ease of reference, each section begins with a brief description of the key gaps highlighted in the earlier report, followed by recommendations that directly address these gaps.

#### 3.1 Organisational mandates

##### *Key gaps identified*

- 1. Undefined roles and responsibilities:** The roles and responsibilities of key stakeholders—such as ministries, government departments, the private sector, and civil society—are only partially defined, with no clear guidance for sub-national governments or academia.
- 2. Ad-Hoc Technical Working Groups:** Technical Working groups are not identified on a regular basis, unless for the preparation of consolidated reporting documents to the UNFCCC. The roles and responsibilities of these working groups and the stakeholders involved are also not formalised.
- 3. Lack of comprehensive legal regulations and guidance to govern the reporting of climate finance data:** As of now, a legal mandate is only identified for the Climate Change Department (CCD) at MCCEE, which follows its mandate to carry out the obligations of all climate change related international treaties and activities related to organisations that the Maldives is party to. However, the recently enacted Climate Emergency Act, now serves as the overarching legal framework for climate action. This Act thus gives MCCEE the legal authority to devise relevant regulations and guidelines to support the systematic reporting of climate data including the flow of climate finance.

##### *Recommendations*

As highlighted above, currently the roles and responsibilities for key stakeholders — such as ministries, government departments, the private sector, and civil society—are only partially defined, with no clear guidance for sub-national governments or academia. While the institutional setup and organisational structure for national climate reporting has evolved over the years, it still remains ad-hoc based, where temporary PMUs are set up for the period of reporting, to supplement the shortage of staff in the Climate Finance Unit at CCD. Ad-hoc working groups that consist of stakeholders from all relevant sectors are created to provide technical inputs and support to the reports.

In order to ensure systematic reporting and tracking of climate finance flows, it is recommended that formal and permanent technical working groups are established, with clear organizational mandates, with defined roles and responsibilities for the working group as well as its stakeholders. Organisational mandates will include the agreements and terms of reference that ensure organisations and individuals can work together to monitor progress on climate finance flows, its alignment with national climate policies and agendas and the Paris Agreement. The mandates should be flexible and sustainable to facilitate reporting and allow for continued improvements.

The organisations involved might include government ministries, agencies, academic/research institutions, local self-government, private organisations, and consultants. Along with organisational mandates, national climate laws can be used to define and formalise overarching organisational

structures and agreements. As the newly enacted Climate Emergency Act gives the legal authority for MCCEE to institutionalise the reporting of climate actions to meet its reporting obligation under the UNFCCC and in accordance with the Paris Agreement, a regulation specific to the reporting of climate finance flows under this act, would be essential to ensure systematic and long-term reporting of climate finance flows.

***Recommendation 3.1.1: Create an organisational structure with clearly defined roles and responsibilities***

MCCEE may create a consolidated organisational structure for all stakeholders involved in the collection, collation and verification of climate finance data, with appropriate mandates defined. In many cases these will involve the collection and provision of climate finance related data to MCCEE, the content, format and regularity of which will be specified in an MoU/data sharing agreement. The following Table 1 outlines the recommended mandates, roles and responsibilities for all key stakeholders who will contribute to the process of tracking finance. The identified stakeholders and mandates in Table 1 reflects contributions to working groups on finance tracking for state and non-state actors which is expanded in the next recommendation (Recommendation 3.1.2).

*Table 1 Stakeholder roles and responsibilities in climate finance reporting*

Key Stakeholders	Organization Mandate	Mandate/Responsibilities in tracking finance
<b>Ministry of Climate Change, Environment and Energy</b>	Focal ministry for climate change in the Maldives and the coordinating agency on all reporting obligations to the UNFCCC	<ul style="list-style-type: none"> <li>• Lead and coordinate the state actor and non-state actor working groups</li> <li>• Initiate regular meetings and communication with key stakeholders</li> <li>• Provide training and technical guidance on climate finance classification in tracking flows</li> <li>• Undertake climate finance reporting to UNFCCC and ensure consistency with international climate obligations and the Paris Agreement.</li> <li>• Oversee systematic updating of finance data</li> </ul>
<b>Ministry of Finance and Planning</b>	Primary financial institution of the country; responsible for overseeing national budgeting and the management of domestic and external financial resources. Plays a key role in the allocation of financial resources and ensures the effective execution of the national budgeting process. Also manages financial data related to climate-	<ul style="list-style-type: none"> <li>• Lead and coordinate the state actor working group alongside MCCEE</li> <li>• Support integration of classification and tagging guidance to formal budget processes and ensure systematic collation and provision of finance data</li> <li>• Provide financial data on climate relevant PSIP and international donor funded projects.</li> </ul>

	<p>relevant development projects and provides critical information on development planning and budgeting processes, supporting sustainable economic growth and climate resilience.</p>	<ul style="list-style-type: none"> <li>• Act as a repository of maintaining all financial support received directly to the government (domestic funding, bilateral and multilateral funding as well as those through MDBs).</li> </ul>
<b>Sectoral Ministries</b>	<p>Ministries of:</p> <ul style="list-style-type: none"> <li>• Agriculture and Animal Welfare</li> <li>• Construction, Housing and Infrastructure</li> <li>• Health</li> <li>• Economic Development and Trade</li> <li>• Fisheries and Ocean Resources</li> <li>• Tourism</li> <li>• Transport and Civil Aviation</li> <li>• National Disaster Management Authority</li> </ul> <p>Departments and agencies within MCCEE (included as applicable):</p> <ul style="list-style-type: none"> <li>• Energy Department, MCCEE</li> <li>• Waste and Pollution Control Department, MCCEE</li> <li>• Water and Sanitation Department, MCCEE</li> <li>• Environmental Management and Conservation Department, MCCEE</li> <li>• Environmental Protection Agency</li> <li>• Maldives Meteorological Services</li> <li>• Utilities Regulatory Authority</li> <li>• Baa Atoll Biosphere Reserve Office</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting agencies in the state actors working group</li> <li>• Provide financial data on relevant mitigation, adaptation and cross-cutting projects (this requires knowledge of proper classification as to what is climate finance, and as to mitigation/adaptation/cross-cutting measures)</li> <li>• Verify relevant data provided from other sources (such as MoFP)</li> </ul>
<b>Ministry of Tourism (MoT)</b>	<p>The designated policymaking institution responsible for the development of the tourism sector in the Maldives. Oversees the strategic planning and implementation of policies to support sustainable growth within the sector.</p>	<ul style="list-style-type: none"> <li>• Act as the liaison between MCCEE and relevant tourism facilities in coordinating the provision of relevant data on climate related investments and innovations.</li> <li>• Potential to play a lead role in the non-state actor working group, alongside MCCEE &amp; Ministry of</li> </ul>

		Youth Empowerment, Information and Art (MoYEIA)
<b>Private Sector Representatives</b>	Contribute to the non-state actors working group. Could include interested businesses and State-Owned Enterprises (SOEs).	<ul style="list-style-type: none"> <li>• Provide data on private sector funding for climate projects, including green investments, sustainable practices, and climate-related technologies.</li> <li>• Private sector stakeholders may include interested tourism facilities, SOEs and businesses.</li> </ul>
<b>Ministry of Youth, Empowerment, Information and Art</b>	Responsible for overseeing NGOs in the Maldives	<ul style="list-style-type: none"> <li>• Oversee climate finance flows coming through non-state actors, particularly NGOs</li> <li>• Coordinate non-state actor working group, alongside MCCEE &amp; private sector stakeholders</li> <li>• Provide data on funding received by NGOs involved in climate change and environmental programs.</li> </ul>
<b>Civil Society Representatives, NGOs, SOEs and Academia</b>	Contribute to the non-state actors working group	<ul style="list-style-type: none"> <li>• Provide data on climate-related projects funded by NGOs and other non-state actors.</li> <li>• Assist in the verification of climate finance data in the absence of government oversight.</li> </ul>
<b>Ministry of Cities, Local Government and Public Works</b>	Newly created ministry, overseeing local governance, administration and public works- Parent organization for the Local Government Authority (LGA) – a state institute established under the Decentralisation Act to regulate, oversee and develop the local governance system of the Maldives	<ul style="list-style-type: none"> <li>• Play liaison role between MCCEE and local governments, in identifying ways to track municipal spending that councils implement through their own revenues/independently</li> <li>• Support local governments in integrating such climate finance reporting and compliance into existing reporting mechanisms</li> </ul>
<b>Ministry of Economic Development (MoEDT)</b>	The mandate of the Ministry includes, amongst other things, policy development and implementation on trade, investment, and SME's and economic diversification	<ul style="list-style-type: none"> <li>• Oversee private sector.</li> <li>• Could be a potential key stakeholder for tracking private sector investments in climate change through their annual reporting, including investments by SME's or businesses conducted by NGOs and local councils independently.</li> </ul>

<b>Ministry of Foreign Affairs (MFA)</b>	Responsible for overseeing the country's foreign diplomacy, including managing bilateral and multilateral relationships and agreements, as well as oversight of embassies and consulates.	<ul style="list-style-type: none"> <li>• Potential to provide data on bilateral/multilateral sources of finances including those committed through relevant foreign embassies and consulates to MCCEE through MoU</li> <li>• Could also play a role in tracking donor projects implemented directly by UN agencies.</li> </ul>
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***Recommendation 3.1.2: Establish two technical working groups (state actors and non-state actors) based on the above organisational structure***

It is recommended that two permanent technical working groups are set-up with a mandate to oversee and regularly track and update information of climate finance flows in the country. The first will cover international and domestic funding for state actors, while the second will cover funding coming through non-state actors such as the private sector and NGOs. The climate finance MRV officer within the CCD (see next recommendation 3.1.3) will play a key steering role in both groups.

The first working group, covering funding for state actors, should be co-led by MCCEE (as the focal ministry for all climate related mandates) and the MoFP (as the focal ministry and main repository of all domestic and international climate finance in the country). It is recommended that this is co-led by both ministries to ensure close collaboration and coordination between the ministries which currently is lacking. In tracking of municipal spending (those implemented by local councils independently), the focal ministry that oversees local governments – currently the Ministry of Cities, Local Government and Public Works could play an oversight role. Other line ministries as outlined in Table 1 and Figure 1 will play a supplementary and supporting role in the provision and verification of sectoral data within the working group. Figure 1 provides the suggested governance structure for the state actor working group.

The second working group would be co-led by MCCEE, the MoYEIA and MoT. Oversight of climate finance flows coming through non-state actors such as NGOs must rest with the focal ministry responsible for overseeing NGO activities, which is the MoYEIA. Oversight of climate finance flows through the tourist resorts could rest with the MoT, that could allow tracking of private climate finance coming through tourist resorts. MoEDT could also be a potential key stakeholder in the tracking of private sector financing, including those that are implemented by local councils independently (through the revenue they generate themselves) through the required annual reporting all businesses to the MoEDT. Figure 1 provides the suggested governance structure for the non-state actor working group.

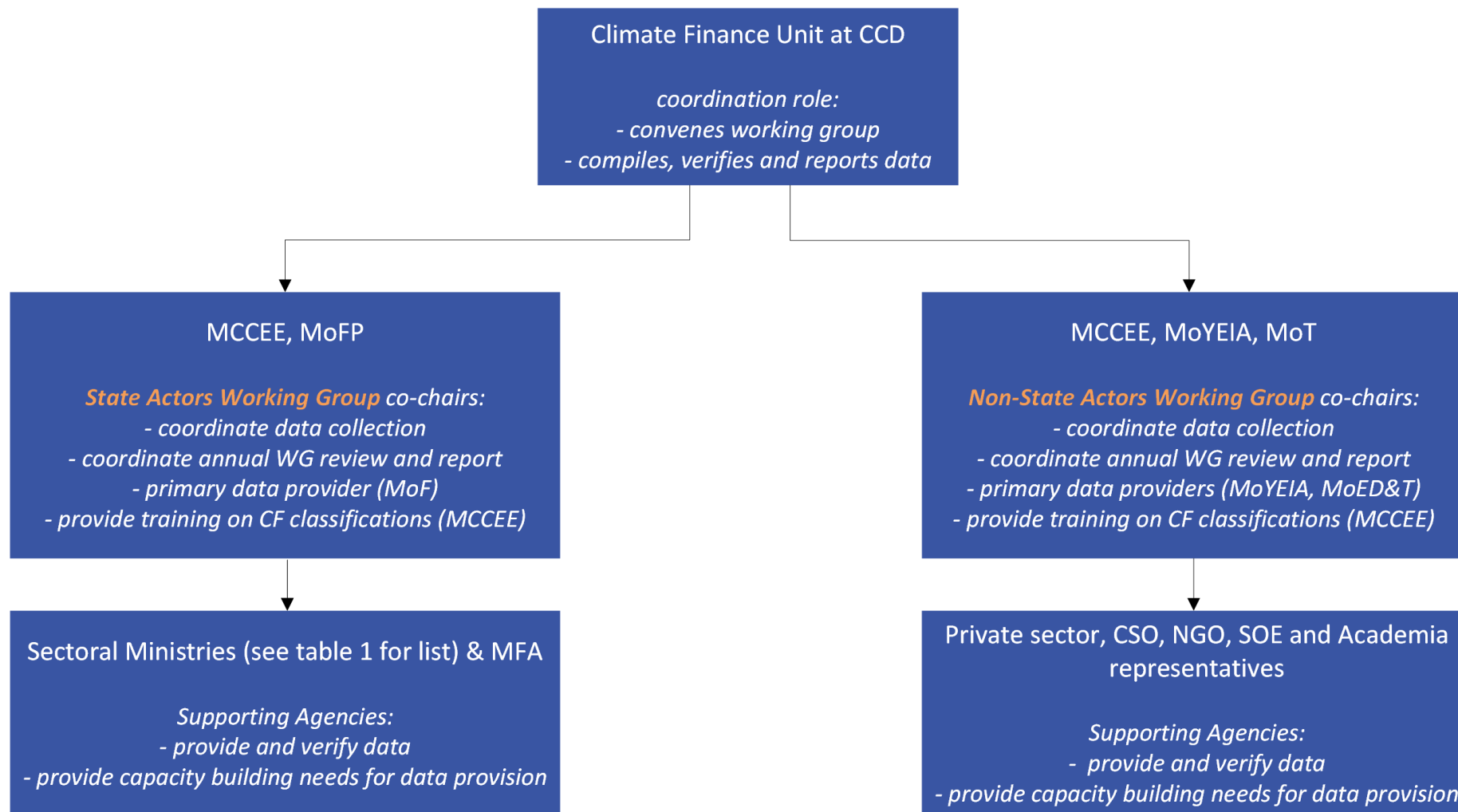


Figure 1 Structure for climate finance tracking working groups and coordination

### **Working Group Coordination and Secretariat established at MCCEE:**

- It is recommended that a permanent Climate Finance and MRV staff is recruited and placed within CCD to oversee the secretariat of the two working groups (see Recommendation 3.13 below for details of this position)
- The overall responsibility would be to provide administrative support to the working groups, including coordination, communication, and data management.

### **Oversight Mechanisms:**

- It is recommended that the working groups meet quarterly (or as needed and agreed) to review and update progress on climate finance tracking, verification, and reporting.
- The groups may produce an annual report that consolidates data on climate finance flows and highlights gaps or areas of improvement.
- The working groups will ensure that the climate finance tracking and reporting process is transparent, with public access to relevant reports and data.
- Annual reviews of the working groups' progress will be conducted by the co-chairs, with the ability to recommend improvements in data collection, reporting, or governance.

### ***Recommendation 3.1.3: Sufficiently resource the Climate Finance Unit at CCD in MCCEE***

The significant shortage of staffs and expertise within the climate finance unit at CCD, necessitates the need to outsource reporting tasks and obligations to national or internal experts in order to address gaps that CCD cannot fill independently. This reliance on external resources results in ad hoc, project-based data collection, disrupts continuity and knowledge retention. The team at the Climate Finance unit should collectively be capable of regularly gathering and processing data in order to produce the agreed outputs in a timely manner. This means there needs to be continuity, and therefore there needs to be effective recruitment, retention and succession procedures in place that motivate the long-term and active involvement of experts in the reporting process.

It is recommended that at least one dedicated staff responsible for the MRV of climate finance is recruited, trained and sufficiently resourced in the climate finance unit. Clear terms of reference must be defined for this position, whose responsibility would be to establish the working groups (as stated in the above recommendations), convene regular meetings of the working group and ensure regular provision, collation and verification of climate finance data. Funding must be allocated for this position. Having a dedicated position within the Climate Finance Unit at CCD for the MRV of climate finance, would ensure retention of institutional knowledge, allow systematic and regular collection and oversight of climate finance flows and ensure sustainability of reporting.

**Purpose of the Role:** The Climate Finance MRV Officer will be responsible for overseeing the systematic collection, verification, and reporting of climate finance data. This role will establish and manage a climate finance working group, ensuring continuity, knowledge retention, and the sustainable tracking of climate finance flows aligned with national climate goals. The MRV Officer will act as a central point of coordination within the MCCEE for all climate finance-related reporting matters.



Suggested key responsibilities below:

**1. Establishment and Leadership of Working Group:**

- a. Establish and lead a working group dedicated to the monitoring, reporting, and verification of climate finance.
- b. Convene regular meetings of the working group, ensuring active participation from relevant stakeholders across government and partner organizations.
- c. Develop and implement strategies for the continued strengthening of the MRV systems for climate finance.

**2. Data Collection, Collation, and Verification:**

- a. Ensure the regular collection, verification, and collation of climate finance data from all relevant national and international sources.
- b. Maintain a comprehensive database of climate finance flows, including both public and private sources, and relevant financial instruments.
- c. Ensure data quality, accuracy, consistency, and timeliness in line with national climate reporting requirements and international best practices.

**3. Reporting and Analysis:**

- a. Prepare and submit periodic reports on climate finance flows, aligning with national climate strategies and international obligations (e.g., UNFCCC reporting).
- b. Analyse climate finance trends to provide insights into funding gaps, opportunities, and alignment with national climate priorities.
- c. Provide technical advice and guidance on climate finance tracking, ensuring the integration of this information into national climate action plans and strategies.

**4. Capacity Building and Training:**

- a. Provide technical support and training to relevant stakeholders on the methodologies and tools for climate finance MRV.
- b. Ensure the capacity of MCCEE staff and relevant stakeholders to effectively track and report on climate finance.

**5. Institutional Knowledge Management:**

- a. Ensure the retention and transfer of knowledge regarding climate finance MRV practices, processes, and tools within the Ministry.
- b. Develop and maintain documentation on climate finance MRV systems, processes, and methodologies for future reference and use.

**6. Stakeholder Engagement:**

- a. Foster relationships with relevant national, regional, and international stakeholders involved in climate finance, ensuring alignment and collaboration.
- b. Support the integration of climate finance data into broader national development and climate adaptation strategies.

***Recommendation 3.1.4: Formalise roles and responsibilities with the necessary agreements, arrangements and resources***

It is recommended that the above defined roles and responsibilities are formalised through a legal regulation under the Climate Emergency Act, which may include the following stipulations:

- Develop Terms of Reference for MRV of Finance Working Groups, co-chairs of the working groups, oversight ministries and other supporting agencies and entities which must include specifics of working arrangements, frequency of meetings, chain of command and data supply mandates
- Develop a sustainable flow of resources to support ongoing development and management of the MRV of finance and tracking of flows by assessing the resource requirements for the working group and key stakeholder organisations and draft needs assessments. Develop an implementation plan to secure those resources.
  - o The working group necessary to support the tracking of climate finance needs to be sufficiently resourced to perform the range of thematic technical data gathering, analysis and reporting and the managerial activities required including:
    - set up and maintenance of new organizational relationships
    - securing data flows for long term use
    - recruitment, training, and retention of expertise
    - implementation of systems and tools to support expert teams
    - gathering, reviewing and compiling data
    - development and delivery of new outputs
    - stakeholder engagement and communications

## 3.2 Data flows

### *Key gaps identified*

1. **Absence of systematic data collection, verification and archiving:** Although climate finance data is currently available across various entities, mostly through the MoF, there is no formal system in place to institutionalise its collection, verification and archiving.
2. **Lack of guidance to sectoral ministries and stakeholders on what constitutes as climate finance:** With lack of an internationally agreed definition of climate finance, Maldives faces challenges in accurately determining what expenditure maybe reported as climate finance. As a result, this is not well classified and the required guidance on what may be classified as climate finance is missing.
3. **Inadequate tracking of specific expenditures:** Due to the lack of formal finance-tracking processes, certain expenditures are not recorded, including:
  - o Technical assistance in third-party programs
  - o Municipal climate spending (those implemented by councils through their own budget/revenue generated)
  - o Contributions from NGOs
  - o Private sector investments
  - o Donor projects implemented directly through support from UN agencies

4. **Inadequate tracking of co-financing:** Currently a lot of the co-financing, particularly in kind-contributions relating to the costs of staffs and overhead expenses go unrecorded.

### Recommendations

As listed above, several challenges exist in ensuring consistent and effective flow of data. A robust MRV system must be designed to ensure that data is consistently available for reporting purposes while also allowing for continuous improvement. This system should not only facilitate the accurate collection and reporting of climate finance data but also provide mechanisms for identifying gaps and enhancing data quality over time. By doing so, it will help ensure that the climate finance tracking process remains transparent, reliable, and adaptable to evolving needs.

#### ***Recommendation 3.2.1 Assess potential entry points for currently untracked expenditures, incorporate and formalise climate finance components into those existing reporting mechanisms***

As stated above there is a range of expenditure that is currently not tracked due to lack of formal processes in doing so. As an initial step in exploring avenues to do so, it is recommended that a thorough consultation with relevant key stakeholders for those expenditures (as identified in Table 1) be conducted to identify what reporting obligations exist for those and where practical, explore how those could be amended to incorporate tracking of climate finance. Potential entry points to do so are summarised in below Figure 2.

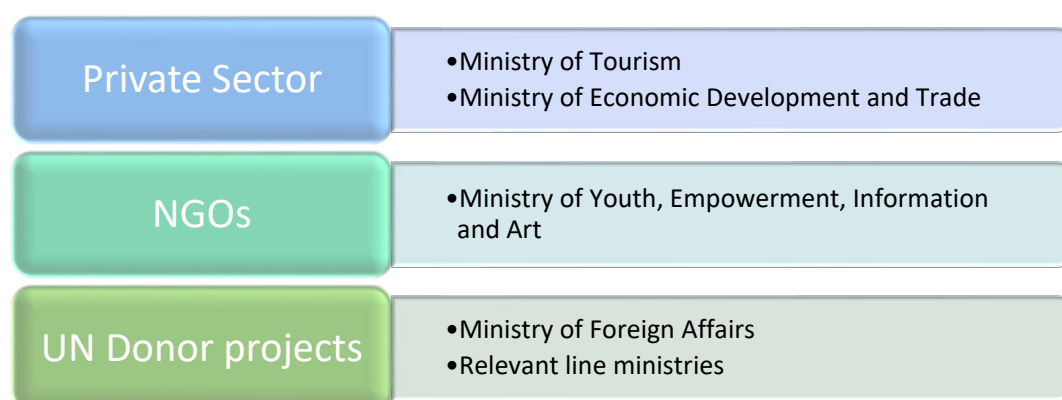


Figure 2 Potential avenues to formalize tracking of finance

Once identified, it is recommended that they are formalised through MoUs and agreements to ensure a consistent flow of information.

**Recommendation 3.2.2 Provide the necessary guidance, tools and training to integrate climate finance data collection into existing national mechanisms**

Once the potential entry points for tracking public and private finance are identified, the necessary guidance, tools and training must be provided, tailored to fit the different levels of stakeholders involved in the process. This guidance must include a clear classification of what constitutes as climate finance.

While there is no internationally agreed definition of climate finance, the assessment of current good practices in defining and classifying climate finance in other similar SIDS and developing countries, shows that most countries use objective-based definitions, based on Rio-markers (See Box 1) in defining climate finance. Objective based definitions distinguish climate-relevant activities based on their intended impact. Many countries also use taxonomies—either indicative or prescriptive lists of climate-relevant activities—to complement their classification or definition of climate finance. Indicative taxonomies are not exhaustive; activities not specified on the list may still be tagged as relevant if they meet the standardised relevance criteria or align with policy goals. This aligns with the Organisation for Economic Cooperation and Development (OECD) Rio marker guidance, which includes a supportive but non-exhaustive list of activities (provided in Appendix 5.2). At the same time, it is also important to have clarity on what instruments (i.e. concessional loans, equities, grants etc) are counted towards climate finance. According to the BTR, Maldives considers concessional loans, grants and other instruments such as equity and guarantees as sources of climate finance.

Based on the above understanding of climate adaptation and mitigation, the following classifications<sup>1</sup> of Climate Finance may be considered, in order to have an operational definition provided as guidance, by also ensuring that they align with the UNFCCC processes and decisions.

***Climate finance encompasses local, national, or international funding from public, private, and alternative sources, in addition to Overseas Development Assistance (ODA), aimed at supporting actions that mitigate and adapt to climate change, in alignment with the UNFCCC. The goal is to reduce emissions, enhance greenhouse gas (GHG) sinks, decrease vulnerability, and enhance the resilience of human and ecological systems to the adverse impacts of climate change, as described by the UNFCCC's Standing Committee on Finance (SCF).***

<sup>1</sup> Adopted based on information presented in Cabo Verde's First Biennial Update Report to the UNFCCC: <https://unfccc.int/documents/638907>

*Box 1: RIO Markers Definition of climate adaptation and mitigation*

**Climate Change Mitigation:** The activity is marked as climate change mitigation, if it contributes to the objective of stabilizing greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit greenhouse gas emissions or enhance greenhouse gas sequestration.

Specifically, a climate change mitigation activity contributes to:

1. The mitigation of climate change by limiting anthropogenic emissions of greenhouse gas, including gases regulated by the Montreal Protocol; or
2. The protection and/or enhancement of greenhouse gas sinks and reservoirs; or
3. The integration of climate change concerns with the recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; or
4. Developing countries' efforts to meet their obligations under the Convention.

**Climate Change Adaptation:** The activity is marked as climate change adaptation if it intends 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.

An activity is eligible for the climate change adaptation marker if:

1. The climate change adaptation objective is explicitly indicated in the activity documentation; and
2. The activity contains specific measures targeting the definition above.

Source: Organisation for Economic Cooperation and Development Rio Markers for Climate Handbook <http://oe.cd/RioMarkers>

An indicative list of activities that counts as climate finance that fits within this broader definition of climate finance must be finalised, with the starting points being the OECD Rio marker guidance, together with the list of activities which is already used when reporting the financing of climate projects, based on consultations with key stakeholders (See Appendix 5.2). These indicative lists must be sector specific and be devised in close collaboration with sectoral experts and include all potential climate relevant activities that could be counted as either climate adaptation, mitigation or cross-cutting activities. These lists must also closely align with the NDC of the country which identifies priority mitigation and adaptation actions for the country. Appendix 5.2 includes the current list of activities used by MCCFE in the classification of climate relevant activities and the 2024 indicative list of activities provided by OECD RIO markers.

It is recommended that, alongside providing guidance and tools for classifying climate finance, regular training sessions be organized for sectoral ministries and relevant stakeholders. A 'help desk' or online platform with tools and training materials should also be developed to institutionalize the process and ensure easy access to resources, helping to build the necessary capacity and expertise. The level of guidance and training should be tailored to the specific needs of different stakeholders (i.e the level of training and guidance for MoFP may differ to other supporting agencies).

***Recommendation 3.2.3 Create guidance for comprehensively collecting and collating information on in-kind support***

Information of this type, such as overhead costs and staffing costs, often goes unrecorded in project documents. It is recommended that the following guidance may be provided to line ministries when collecting data to help them report on co-financing values more accurately.

- Identify the type of in-kind support, for example:
  - Staffing costs (salaries for personnel working on the project, benefits, allowances and bonuses, etc.)
  - Overhead costs (Rent, utilities and office space used for the project, IT and communications infrastructure, office supplies and equipment, Insurances, taxes and other general project expenses)
- Create a standardised reporting template to collect this in-kind contribution, to ensure uniformity in report. This template may include the following elements (Name of the project, Type of in-kind support [salary, office space, utilities], Value of contribution, Timeframe of Contributions, Justification of the contribution).
- Create a guidance document on how to calculate staff costs and overhead costs based on the information collected. Suggested estimation methods are detailed in Box 2.

### Box 2: Co-financing Estimation Methods

#### Staff costs Calculation:

- Identify staff numbers involved in the project (including both full time and part time)
- Track time allocated to the project by each staff (Full time = 8 hrs per day). This could be based on timesheets if available or be estimated based on work plans and percentage of time allocated to project tasks
- Calculate in-kind staff costs based on the time spent and the salary rates of each individual:

$$\text{In-Kind Staff Cost} = \left( \frac{\text{Project Hours}}{\text{Total Working Hours in Period}} \right) \times \text{Staff Member's Salary and Benefits}$$

#### Overhead costs Calculation:

- Allocate overhead costs based on usage.
  - o Space and utilities: if the project occupies a certain portion of the office space, allocate a proportion of the rent and utilities (This could be an estimate; ½, ¼ or ¾)
  - o IT: Allocate a share of IT expenses (e.g., internet or software licenses) based on the percentage of time the project uses those resources

$$\text{Office Space Cost} = \left( \frac{\text{Space Used by Project}}{\text{Total Space Available}} \right) \times \text{Total Rent and Utility Costs}$$

- Document overhead costs accurately and validate them
  - o Collect invoices, receipts, and contracts for all overhead costs.
  - o Document how costs are allocated to the project, ensuring a clear rationale is provided
  - o These could be used to cross check verify the costs
  - o Compare the reported in-kind contributions against the project's original budget to ensure consistency and alignment with co-financing expectations.

### **Recommendation 3.2.4 Establish data sharing MoUs with relevant key stakeholders in the working groups**

It is recommended that MoUs for data sharing be established and signed by the key members of the working group. This will formalize the data sharing process and ensure a consistent provision of data. These MoUs should include:

- The types of data to be provided (e.g., funding amounts, project details, sectoral focus, location of actions).
- The frequency at which the data should be provided (e.g., quarterly, annually).

- The format and standardization of the data to ensure consistency and comparability across different entities.

### 3.3 Expertise

#### *Key gaps identified*

1. **Significant staff shortages:** staff shortages within the Climate Finance Unit in CCD, leads to ad hoc, project-based management that disrupts continuity and retention of knowledge.
2. **Limited expertise within key ministries,** particularly the MoF, in identifying and classifying climate finance projects, makes the process slow and inefficient.
3. **Frequent reliance on consultants and international climate finance experts** for technical support highlights the need for building and retaining in-country expertise. High turnover and consultancy-based arrangements result in a loss of expertise and institutional knowledge.

#### *Recommendations*

Building and retaining the technical capacity and expertise within the relevant organisations is critical to ensure sustainability of the MRV of finance data. The technical capacity of experts refers to both the knowledge and the time available of in country experts. Currently, expertise relating to climate finance is based around specific project work carried out by limited national experts, and mostly with support from international experts. There are therefore gaps in in-country expertise in compiling climate finance data and analysing them.

#### ***Recommendation 3.3.1 Conduct a detailed training needs assessment***

Conduct a detailed training needs assessment to identify specific capacity gaps within sectors. This assessment should involve consultations with various ministries and sector experts to evaluate their existing knowledge of climate finance, data collection methods, and reporting requirements. It should also assess the technical skills needed in each sector, such as understanding climate finance mechanisms, classification systems, and data analysis techniques. This process will allow ministries to pinpoint areas where expertise is lacking and inform the design of targeted, sector-specific training programmes.

#### ***Recommendation 3.3.2 Build technical capacity within line ministries***

Enhanced technical capacity is needed to regularly collect, compile and report data on climate support. Ministries need to be equipped with both the tools and the technical know-how to handle climate finance data on an ongoing basis. This includes training on climate finance classification systems as discussed in Recommendation 3.2.2, as well as practical, hands-on exercises in applying these classifications to sector-specific projects and programmes. Ongoing support through resources like online materials, mentorship, and refresher courses will help ensure that staff remain up to date with evolving reporting standards and methodologies.

Once a climate finance classification system and list of activities constituting climate finance has been finalised based on stakeholder consultation, as recommended in the previous section, guidance



documents in line with these decisions should be circulated to line ministries, and continual capacity building provided to individuals who will be tasked with classifying projects as climate finance or not. It is recommended that the staff at the Climate Finance Unit at CCD, particularly the member of staff dedicated to MRV of climate finance (as per the recommendation under organisation mandates) is trained to train others, which includes both understanding the technical aspects of climate finance classification and developing training materials that are accessible to a wide range of stakeholders. By building internal capacity, the role of the MRV officer ensures that expertise remains within the CCD and the line ministries, even as personnel may change over time. This reduces the reliance on external consultants, which can be costly and less sustainable.

***Recommendation 3.3.3 Develop staff retention policies to reduce loss of expertise within line ministries***

One of the main challenges in retaining technical expertise is the high turnover of staff, which disrupts institutional memory and weakens climate finance reporting efforts. To address this, ministries should assess the factors contributing to turnover, such as low salaries, limited career advancement opportunities, or insufficient recognition of the importance of climate finance work. In response, ministries can implement retention strategies such as competitive salary packages, performance-based bonuses, and professional development opportunities like scholarships or specialized training.

***Recommendation 3.3.4 Develop centralised learning hubs to build institutional memory***

A centralized hub could serve as a knowledge repository, providing ministries with easy access to training materials, case studies, templates, and best practices related to climate finance tracking. This hub could include online modules and self-paced learning resources. The centralization of knowledge would help preserve critical expertise within ministries and support staff continuity. Moreover, mechanisms for knowledge transfer between departing and incoming staff should be put in place to minimize knowledge loss. By fostering a culture of continuous learning and knowledge sharing, ministries can build a robust system for the long-term management of climate finance data. This learning hub can be linked to a climate finance data storing platform if developed (See Recommendation 3.4.1).

***Recommendation 3.3.5 Recruit, train and sufficiently resource a National Climate Finance MRV officer within the Climate Finance Unit and CCD***

As highlighted above in the organisation mandates section, having a dedicated staff within the climate finance unit in CCD to oversee the flow of climate finance, and coordinate with line ministries is critical to build and retain expertise in country and reduce dependency on international experts. National expertise is required to gather, archive, analyse and report information needed by decision makers and the public. The MRV team needs sufficient capacity and expertise to perform its functions of gathering and analysing data, producing reports, and fully engaging with stakeholders. Maldives needs to establish a list of technical roles and responsibilities and associated terms of reference (see above recommendations on organisation mandates).

### ***Recommendation 3.3.6 Ensure that the technical team/working group is sufficiently resourced***

The technical working group recommended in the organisational mandates section above should be sufficiently resourced to perform the range of thematic technical data gathering, analysis and reporting and the managerial activities required including:

- set up and maintenance of new organizational relationships
- securing data flows for long term use
- recruitment, training, and retention of expertise
- implementation of systems and tools to support expert teams
- gathering, reviewing and compiling data
- development and delivery of new outputs
- stakeholder engagement and communications

## **3.4 Systems and tools**

### ***Key gaps identified***

1. **Absence of systematic data collection, verification and archiving:** Although climate finance data is available across various entities, no central system exists for its collection, verification and archiving. This creates accessibility challenges as well as challenges in cross-referencing data and quality control.
2. **The current climate finance tag in the national budgeting tool (*Bandeyri Portal*) is rudimentary and lacks guidelines** or detailed criteria to classify what constitutes as climate finance, limiting its usefulness for accurate climate finance tracking.
3. **Coordination between MCCEE and the MoFP in overseeing the use of this tag is weak,** and MCCEE has currently no role in the verification of what line ministries label as climate related using this tag.

### ***Recommendations***

To ensure effective management and tracking of climate finance data, systems and tools must be strengthened to manage the climate finance data flows as described above. This includes developing standardized templates for data collection, creating and maintaining relevant classifications for climate finance tracking, and utilizing data analysis tools to assess and interpret financial data. In addition, robust QA/QC processes are essential to ensure the accuracy and reliability of the data.

### ***Recommendation 3.4.1 Create a central data platform or repository***

Create a central repository, which would be used to systematically store all climate finance datasets, which may take the form of an area of the MoFP's internal budgeting tool, to which MCCEE is given access to, so that at any time they are able to access the most recent information available. Permissions could be set up so that specific identified individuals are the ones who are able to view and download this information, and these permissions would be specific to this area of the MoFP tool. Other line ministries would contribute their information, either through granting access to data providers to share data on the platform directly, or by periodically updating the data files internally at

MoFP. The formats in which data are stored should be as close as possible to the tabular formats used for reporting on climate finance under the BTR and Paris Agreement. For example, the platform could host two interlinked tables, the first on sources of climate funding (for ex. GCF, ADB, bilateral country sources, etc.) and the second on climate action programmes and projects, each containing data fields which are based on the reporting table requirements. In this case individual entries are made which eventually enumerate all sources in the country. Alternatively, spreadsheet template files, which are standardised and based on the BTR reporting data fields, which will allow for easy combination at the stage of reporting, can be stored on the platform by a single person or group within the MoFP.

This platform should allow the systematic tracking and archiving of data, which will ease reporting. Additional functionality can at some point be added, to include the visualisation and analysis of financial flows, the monitoring of performance indicators, the automatic generation of reports, and so on. This central data platform on climate finance could also form part of a wider climate change data MRV system, and finance information linked with NDC tracking. It could provide a centralised coordination hub for managing stakeholder information, engagement activities, datasets, quality assurance (QA/QC) procedures, document archiving, data storage, and continuous system improvements.

***Recommendation 3.4.2 Strengthen cross-coordination between MCCEE and the MoF in the tracking of climate finance***

It is recommended under the organisation mandates section that the technical working group on state actors be co-led by MCCEE and the MoFP to address ongoing challenges in cross-coordination between the Ministries. By leveraging the expertise of both ministries, the group can address technical challenges and promote a more integrated approach to climate finance tracking. Regular meetings and joint reporting mechanisms should be established to support continuous coordination. Implementing recommendation 3.4.1 will also work towards strengthening this coordination, as up to date information will be shared instantly between ministries, and the tool can include functionality to allow easy communication between users.

***Recommendation 3.4.3 Further develop the existing climate finance tagging feature in the national budgeting tool and provide the required guidance for that***

The tag should be clearly defined, and clear guidance must be provided to MoFP and all sectoral ministries involved in the budgeting process to be able to classify what activities or projects qualify as climate finance. This is complimentary to the earlier recommendation 3.2.2, on having a clear classification of climate finance alongside a comprehensive list of qualifying activities. This list, to be included in the annual budget circular, will provide ministries and agencies with a clear reference point to determine what is considered climate-relevant, ensuring consistent tagging across sectors. Many countries with established climate finance tagging systems already use such reference lists, and adopting this approach will promote uniformity and help mitigate any confusion or discrepancies in the classification process.

***Recommendation 3.4.4 MCCEE should play an active role in verifying climate finance tags***

To strengthen the accuracy and reliability of the tagging process, it is recommended that the MCCEE should play an active role in verifying climate finance tags. Since sectoral ministries are responsible for tagging climate finance activities in the budgeting process each year, there is a risk that some agencies may lack the technical expertise required to accurately tag climate-relevant activities, leading to superficial or incorrect tagging. Therefore, it is critical that technical experts from MCCEE, ideally the Climate Finance MRV officer (recommended in the section on organisational mandates) is involved in the process. A practical approach could involve attaching a simple form to the annual budget circular, which requires ministries to provide supporting information on the climate relevance of their tagged activities. This form could include details such as climate-related objectives and expected outcomes. CCD within the MCCEE could review these forms and recommend adjustments or improvements based on their evaluation, ensuring consistency and accuracy in climate finance reporting.

***Recommendation 3.4.5 Create standardised data collection templates that can be shared with stakeholders to guide the process***

It is recommended that standardized data collection templates are developed to streamline the process and ensure consistency in the data received. The existing template currently in use could be revised to more effectively align with the data requirements outlined in the MPGs of the Paris Agreement. By making these adjustments, the accuracy and relevance of the data being gathered may be enhanced. These templates can then be sent to all supporting agencies in the working group, and the standardised nature of the information provided means it can be easily combined into one table for reporting. The exact format of such a template would have to be decided through consultation, but an example of a proposed version of the revised template, including one table for support needed and another for support provided, is given in Appendix 5.3. This template would need to be provided in conjunction with the new guidance on classifying finance as climate-related. The data received would continue to provide valuable validation to that received directly from MoFP, at least in an interim before a central data store is fully operational. If a point is reached where data is comprehensive and validated fully through a central platform, then this step can be dispensed with at that point

## 3.5 Stakeholder engagement

### *Key gaps identified*

1. **Undefined roles and responsibilities to ensure stakeholder engagement and transparency of data reported:** The roles and responsibilities of key stakeholders—such as ministries, government departments, the private sector, and civil society—are only partially defined, with no clear guidance for sub-national governments or academia, or for ministry officials on how to engage with them. Furthermore, there are no explicit mandates or protocols in place to guarantee that the data used in the reporting process is easily accessible to the public. This gap in defined roles and responsibilities undermines the effectiveness of stakeholder involvement and the transparency of the reporting system.
2. **Lack of access to raw datasets used in the analysis of climate finance for the public:** A gap in accessible, user-friendly data formats that enable easy public access and facilitate research and evidence-based policy making

### *Recommendations*

Stakeholder engagement is required for collecting data and using the Climate finance data flows for evidence-based decision making. Stakeholders can be informed of the benefits of their involvement in ensuring efficient outputs for publications (BUR, NC, NDC). Stakeholders can include:

- the public/education sector
- national and local government
- private sector
- NGOs
- other decision makers

A wide range of stakeholders can be engaged through consultations, briefings, data visualization and the regular publication of indicators. These processes and tools need to be developed internally with national government (e.g. MCCCE).

#### ***Recommendation 3.5.1 Formalise roles and responsibilities for engagement with different stakeholders through legal means***

The work of maintaining relationships with individuals from different organisations, and ensuring they have the oversight or detailed view of the information they need to contribute to the process of attracting finance, reporting on finance provided and needed and implementing climate actions, should be formalised in the roles of individuals within the working group. As suggested in the recommendation within the first section, this could become part of the job description of an individual hired into a climate finance MRV role within the climate finance unit (Recommendation 3.1.3). Furthermore, these responsibilities should be legally defined and backed by formal mandates to ensure accountability, continuity, and clarity in the process of stakeholder engagement.

***Recommendation 3.5.2 MCCEE to establish a separate, user-friendly webpage on its official website specifically dedicated to climate finance data***

This webpage would serve as a central hub where stakeholders, including researchers, policymakers, and advocacy groups, can access, download, and interact with climate finance datasets. The site should feature tools that allow users to filter, analyse, and visualise key climate finance flows, providing a comprehensive view of how funds are allocated and spent across sectors and regions. To enhance accessibility and transparency, the webpage should be regularly updated with the latest data and include interactive and visual elements such as graphs, charts, and maps to help users better understand trends, gaps, and impacts in climate finance. The National Bureau of Statistics (NBS) provides a useful model of more accessible data on the various national statistics they collect - datasets used for their annual analyses are openly accessible and downloadable to the public through the [NBS yearbook](#), providing a useful reference for transparency in data dissemination - which could be replicated to make data on climate finance more transparent and accessible too. By offering these resources, the webpage will support more informed decision-making and foster greater public engagement with climate finance issues.

## 4 Conclusion

This report has outlined a series of recommendations across five key institutional aspects:

1. **Organisational Mandates** – roles, responsibilities, legal frameworks, and commitments.
2. **Data Flows** – categorisation, sharing, compilation, and reporting of data.
3. **Expertise** – national expertise and personnel capacity in the process.
4. **Systems and Tools** – infrastructure for data collection, manipulation, reporting, and storage.
5. **Stakeholder Engagement** – effective communication of data to relevant parties.

Addressing the critical gaps and overarching needs identified, the following key recommendations have been proposed:

- Establish technical working groups, one for state actors and one for non-state actors, with clearly defined roles, responsibilities, and mandates for each stakeholder involved.
- Formalise the working groups and their mandates through legal instruments.
- Develop and sign data-sharing agreements or MoUs with key stakeholders to ensure the consistent and secure flow of data.
- Appoint and fully resource the climate finance unit at climate change department in MCCEE, with a dedicated climate finance MRV officer. This officer would oversee and coordinate the working groups regularly and manage the overall coordination of finance tracking efforts.
- Analyse potential entry points for climate finance expenditures that are currently not tracked and explore ways in which climate finance components maybe integrated into those existing mechanisms, especially for the tracking of non-state actor financing.
- Further develop and provide the necessary guidance to fully operationalise the existing climate finance tag for tracking PSIP projects (domestic climate finance), including a clear classification of climate relevant expenditure, in line with international standards and norms.
- Build and sustain technical expertise within line ministries on the classification and tracking of climate finance, through continuous training, support, and guidance.

Additionally, several other recommendations have been proposed to further strengthen climate finance tracking and reporting in the Maldives. These suggestions will inform upcoming deliverables, including the development of legal regulations and guidelines for public finance tagging and tracking through non-state actors. In the process, these recommendations will be validated and refined in collaboration with key stakeholders to ensure their relevance, practicality, and long-term sustainability within the national context.

## 5 Appendices

### 5.1 Key documents, inputs and research for the analysis

The following Table 2 are the main documents which were reviewed for research purposes for elaboration of this report.

*Table 2 Key documents reviewed*

Document	Relevant content
Maldives First Biennial Transparency Report (BTR) (2024)	Description of legal structure, institutional arrangements and current arranges for tracking climate finance
Maldives' Capacity Building Initiative for Transparency (CBIT) CEO Endorsement Document	Baseline and barriers to existing transparency framework for tracking information of support received. A list of ongoing projects for enhancing tracking of finance. List of stakeholders involved in MRV of finance. Summary of key MRV system gaps adapted from the BUR1. Summary of barriers for MRV of finance from 2018 UNEP DTU study.
Update of Nationally Determined Contribution of Maldives (2020)	NDC target, and key contributing strategies, plans and actions.
Maldives' First Biennial Update Report (2019)	Existing institutional arrangements in tracking climate finance, list of stakeholders involved, existing gaps and needs in tracking support received, gap analysis of MRV system, recommendations for enhanced MRV system.
Climate Emergency Act (2021)	Stipulations for monitoring domestic and international climate funds: Designation of roles and responsibilities such as the Special Envoy for Climate Change and the Climate Change Directorate. National Action Plan on Climate Change and reporting. Description of the Environment and Climate Change Funds.
Maldives' Initial Biennial Transparency Report Project Implementation Plan (2023)	Description of ongoing initiatives. List of key stakeholders. Synergies with CBIT project.
Maldives Climate Change Policy Framework (2015)	List of guiding legislation, national development plans, policies and strategies. Description of policy strategic framework.
UNEP DTU: Initial Proposal of A National System for MRV Of Mitigation Actions for Maldives (2018)	Sectoral descriptions of institutional arrangements and lists of key stakeholders. Legal, Institutional, procedural, and data barriers and gaps. Next steps and key tasks for establishing IA. Draft TORs of key institutions and roles. Recommendations. Surveys and responses. Example cooperative agreements.



Saint Lucia's First Biennial Update Report to the UNFCCC (2021)	Reviewed information presented on the domestic MRV, institutional arrangements for tracking of climate finance reported
Climate Change Budget Tagging: A Review of International Experience (2021), EFI Insight-Governance. Washington, DC: World Bank.	Reviewed current practices in climate budget tagging across a range of developing country examples.
Technical Assistance Report: Seychelles Developing a Framework for Climate Budget Tagging (2024)	Reviewed proposed methodology and institutional arrangements for Climate budget tagging
Guidelines for Implementing Climate Budget Tagging in Azerbaijan (2023)	Reviewed proposed methodology and institutional arrangements for Climate budget tagging including the proposed recommendations
Cabo Verde's First Biennial Update Report to the UNFCCC (2024)	Reviewed information presented on the domestic MRV, institutional arrangements for tracking of climate finance reported
Organisation for Economic Cooperation and Development Rio Markers for Climate Handbook <a href="http://oe.cd/RioMarkers">http://oe.cd/RioMarkers</a>	Reference point for Rio Markers indicators and definitions

## 5.2 Indicative list of activities that maybe classified as climate relevant

The following tables present the current lists of activities used by MCCEE in classifying eligible initiatives for climate mitigation or adaptation. Additionally, the indicative lists provided by the OECD Rio markers (available at [OECD Rio markers indicative tables 2024](#)) can serve as a valuable resource for refining and updating these lists. By carefully reviewing these markers, activities that are more relevant to the national context can be identified and incorporated into the existing lists.

*Table 3 List of Activities Eligible for Classification as Climate Mitigation Finance*

Category	Eligible Activities
<b>Renewable Energy</b>	Solar Power
	Wind Power
	Biomass or bio gas power (only if ne emissions reductions, including carbon pool balance, can be demonstrated)
	Ocean Power (wave, tidal, ocean currents, salt gradient)
	Solar water heating and other thermal applications of solar power in all sectors
	New, expanded and improved transmission systems (lines, substations)
	Renewable Energy Power Plant retrofits
	Storage Systems (battery, mechanical, pumped storage)
	New Information and communication technology, smart grid and mini-grid
<b>Low-Carbon and Efficient Energy Generation</b>	Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability,
	Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG intensive fuel type
	Conversion of existing fossil fuel-based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling
<b>Energy Efficiency</b>	Industrial energy efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery
	More efficient facility replacement of an older facility (old facility retired)
	Energy efficiency improvement in lighting, appliances and equipment
	Retrofit of existing buildings: architectural or building changes that enable reduction of energy consumption
	Energy Efficiency improvement in utilities and public services through the installation of more efficient lightning or equipment
	Utility heat loss reduction and/or increased waste heat recovery

	Improvement in utility scale energy efficiency through efficient energy use, and loss reduction
	Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)
	Use of highly efficient architectural designs, energy efficient appliances and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating scheme
	Energy audits to energy end-users, including industries, buildings, and transport systems
<b>Agriculture and Land-Use</b>	Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes
	Agricultural projects that improve existing carbon pools (e.g. rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peat land restoration, etc.)
	Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems
<b>Non- Energy GHG Reductions</b>	Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential
	Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage
<b>Waste and Wastewater</b>	Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduces methane emissions (only if net GHG emission reductions can be demonstrated)
	Waste to energy projects
	Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net emission reductions can be demonstrated)
<b>Transport</b>	Urban mass transit
	Non-motorized transport (bicycles and pedestrian mobility)
	Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars
	Transport demand management measures dedicated to reduce GHG emissions (e.g. speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)

	Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)
<b>Low Carbon Technologies</b>	Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors
	Research and development of renewable energy or energy efficiency technologies
<b>Cross Cutting</b>	National, sectoral or territorial mitigation policies/planning/action plan/planning/institutions
	Energy sector policies and regulations leading to climate change mitigation or mainstreaming of climate action (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)
	Systems for monitoring the emissions of greenhouse gases
	Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution)
	Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research
	Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action
	Carbon markets and finance (purchase, sale, trading, financing and other\technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as Clean Development Mechanism, Joint Implementation, Assigned Amount Units, as well as well-established voluntary carbon standards like the Verified Carbon Standard or the Gold Standard.
<b>Miscellaneous</b>	Any other activity if agreed by MEE may be added to the Joint Typology of Mitigation Activities when the results of ex ante GHG accounting (undertaken according to commonly agreed methodologies) show emission reductions that are higher than a commonly agreed threshold and is consistent with a pathway towards low greenhouse gas emissions development.

Table 4 List of Activities which would be Eligible for Classification as Climate Adaptation Finance

Category	Activities
<b>Water and Wastewater Systems</b>	Well fields relocated away from floodplains, raised well heads
	Integrated Water Resource Management (includes ground water protection, rainwater harvesting and storage, storm water management)
	Improved catchment management planning and regulation of water abstraction
<b>Crop Production and Food Production</b>	Investments in research and development of crops that are more resilient to climate extremes and change (eg: Hydroponics, Auto-pot)
	Sustainable Poultry Farming
	Crop Insurance Schemes
	Enhanced Food Storage Capacity (Distribution, Purchase, Installation)
	Food Tasting/Safety
	Capacity Building and Awareness Programmes for Farmers on sustainable and climate resilient farming and food production techniques
<b>Other Agricultural and Ecological Resources</b>	Supplemental irrigation, multi-cropping systems, drip irrigation, levelling and other approaches and technologies that reduce risk of large crop failures
	Improved forest fire management and pest/ disease outbreak management
	Increased production of fodder crops to supplement rangeland foraging
	Coral Reef Monitoring/ Valuation/ Restoration
	Establishment of core protected areas and buffer zones for sustainable use of biodiversity and water to meet livelihood needs
<b>Fisheries</b>	Improved fish finding and harvesting/ handling
	Alternatives to natural breeding (aquaculture/mariculture) to reduce the economic/social impacts of changing tuna abundance
	Research/ information on fisheries and climate change
	New and alternative species and breeding/handling methods for live bait
	Integrated Reef Fisheries Management
<b>Tourism</b>	Introduction of Climate Proof Technologies
	Risk Management/ Insurance Schemes
	Community Based Adaptation
<b>Industry, Extractive Industries,</b>	Design of climate-resilient equipment, such as more stable cranes for harbours in cyclone zones

<b>Manufacturing and Trade</b>	Improved refrigeration or other changes in food processing and/or distribution that address more extreme heat
	Establishment of alternative trade routes in case of disruption of main route
	Increased search for resources and offshore drilling outside hurricane seasons or zones
	Improved design and construction of tailings
<b>Coastal and Riverine Infrastructure (including built flood protection infrastructure)</b>	Physical/natural reinforcement of coastline and/or additional coastal structures/vegetation
<b>Energy, Transport and other Built Environment and Infrastructure</b>	More robust building regulations and improved enforcement
	Use of revised codes for infrastructure design that consider increased frequency/severity of extreme events
	Improved solid waste management and collection, increased capacity and other changes in drainage systems
	Diversification of tourist attractions to encompass inland or low-risk areas
	Completion of a climate risk assessment prior to location of landfill sites
	Investment in thermal power generators with minimal cooling water requirements
	Optimization of hydro-infrastructure design subject to due diligence based on climate and hydrological models
	Land Reclamation
	Population Consolidation Efforts
	Airport Facilitation/ Maintenance
	Investment in embedded renewable generation to reduce distribution requirements
<b>Information and Communications Technology (ICT)</b>	Identification of sites at greatest risk and enhancement of resilience of those sites and/or services
	Investments in weather and climate services that can reach the end users efficiently
<b>Financial Services</b>	Creation of infrastructure and “hubs” that would support improved business continuity during and after extreme weather events
	Changes in structuring of index-based insurance products

<b>Institutional Capacity Support or Technical Assistance</b>	Provision of finance to small and medium enterprises providing relevant services, e.g. engineering of adaptation solutions or insurance
	Technical capacity building for training the trainers in any of the above mentioned areas
	Early Warning Systems and enhanced capacity of Weather Forecasting Systems
<b>Cross Cutting</b>	Monitoring of changes in disease outbreaks and development of a national response plan
	Institutional reforms and strengthening to include climate aspects in policies and regulations in flexible manner
	Integration of climate change scenarios into disaster risk plans and preparedness

5.3 Example data collection templates

Table 5 Provisional data collection template for support provided

Program/ Project Title & Description (Budget Code)	Time Period	Implementing entity	Supporting entity	Financial Instrument	Climate specific support received (MVR)			Total budget allocated for reporting period (2023-2024)	Status	Type of support	Sector (& sub- sector)	Contribution to technology development and transfer & technology type	Contributio n to Capacity building	Transparency related
					Total	of which Grant- equivalent <sup>1</sup>	of which Co-finance							
Free text (Number)	Start year to end year	Free text	Free text	Choose from: <ul style="list-style-type: none"><li>• Grant</li><li>• Concessional loan</li><li>• Non- concessional loan</li><li>• Equity</li><li>• Guarantee</li><li>• Insurance</li><li>• Other (specify)</li></ul>	Number	Number	Number	Number	Committed/ Ongoing/ Received	Adaptation/ Mitigation/ Cross-cutting	Choose from: <ul style="list-style-type: none"><li>• Energy</li><li>• Transport</li><li>• Industry</li><li>• Agriculture</li><li>• Forestry</li><li>• Water and sanitation</li><li>• Cross-cutting</li><li>• Other (specify)</li></ul> Free text for sub- sector if provided	Yes/No  If Yes, free text for technology type	Yes/No	Yes/No

<sup>1</sup> To calculate a grant equivalent, subtract the present value of all future repayments on loan component from the total received amount



Table 6 Provisional data collection template for support needed

Program/ Project Title & Description	Expected Time Period	Expected Financial Instrument	Estimated Amount (MVR)	Type of support	Sector	Sub-sector	Contribution to technology development and transfer & technology type	Contribution to Capacity building	Transparency related	Included in national strategy/NDC?
Free text	Start year to end year	Choose from: <ul style="list-style-type: none"><li>• Grant</li><li>• Concessional loan</li><li>• Non-concessional loan</li><li>• Equity</li><li>• Guarantee</li><li>• Insurance</li><li>• Other (specify)</li></ul>	Number	Adaptation/ Mitigation/ Cross-cutting	Choose from: <ul style="list-style-type: none"><li>• Energy</li><li>• Transport</li><li>• Industry</li><li>• Agriculture</li><li>• Forestry</li><li>• Water and sanitation</li><li>• Cross-cutting</li><li>• Other (specify)</li></ul>	Free text	Yes/No  If Yes, free text for technology type	Yes/No	Yes/No	Yes/No