

Climate-related development finance in 2013

Improving the statistical picture

External development finance plays a key role to support developing countries in their transition to a low-carbon, climate-resilient and sustainable development pathway. Delivery of such finance occurs through technical assistance to strengthen enabling environments and build capacity in developing countries, and through direct support to adaptation and mitigation activities.

Financing climate change and development in an integrated manner can maximise climate and development results, targeting both climate and sustainable development goals.

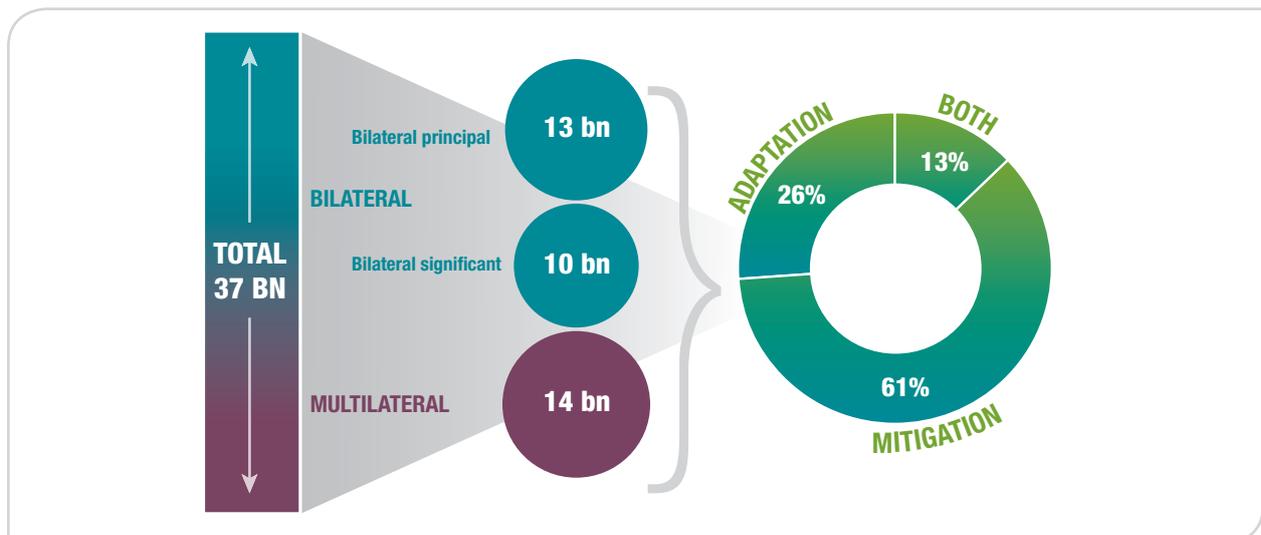
Climate change and development are intrinsically linked

Total bilateral and multilateral climate-related external development finance to developing countries reached USD 37 billion in 2013 (as recorded in OECD DAC statistics).

Of which USD 23.0 billion (61%) addresses mitigation only, USD 9.6 billion (26%) adaptation only, and USD 4.8 billion (13%) consists of activities designed to address both adaptation and mitigation.

CHART 1. Climate-related development finance in 2013

Commitments, USD billion



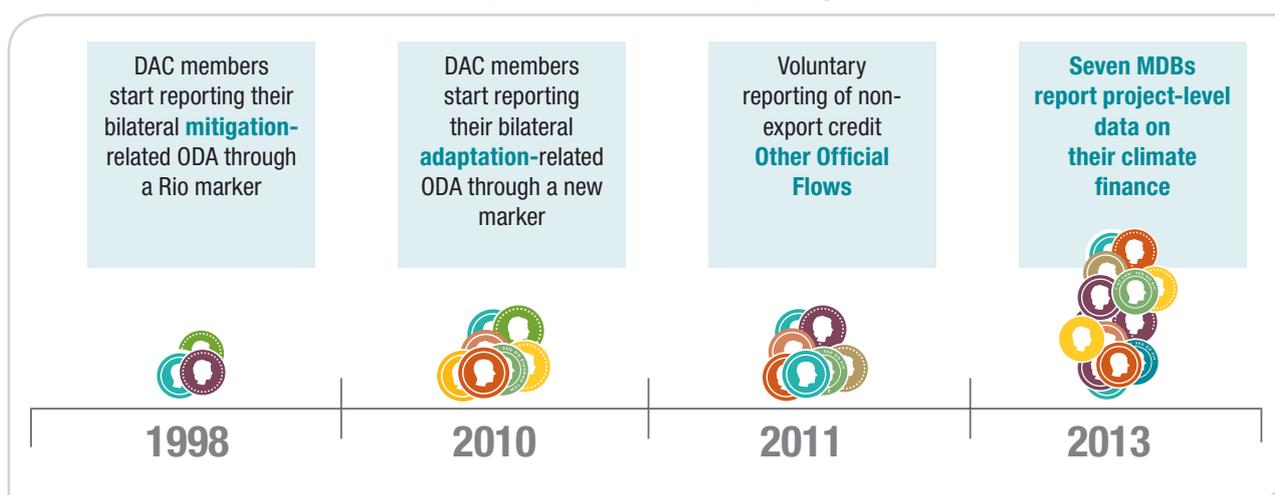
Note: Aggregate figures reflect bilateral ODA and OOF flows from members of the OECD DAC and the UAE, identified as targeting climate change as either a principal or significant objective based on the “Rio markers”, and climate-related multilateral flows from seven MDBs and the GEF.

- **For the first time, the OECD’s Development Assistance Committee (DAC) statistics capture an integrated picture of both bilateral and multilateral climate-related external development finance flows.** This increases transparency through the collection and publication of detailed activity-level information. In addition, this provides an improved recipient-level perspective, avoids double-counting and supports consistency and robustness through the use of a statistical system with standardised definitions and bases of measurement.
- **Financing climate change is broader than the USD 100 billion goal:** accounting for climate-related development finance is broader than what is reported as climate finance in National Communications and Biennial Reports to the UNFCCC. Many OECD DAC members, when reporting towards their quantified UNFCCC goals, draw on their climate-related development finance, as reported to the DAC, but only count a share of this (see box page 8 for further details).

Building an integrated and comprehensive picture of climate-related development finance

The OECD DAC is committed to improving the coverage and transparency of information on climate-related development finance flows. Significant improvements can be noted over the last decade: DAC members have been reporting bilateral mitigation-related Official Development Assistance (ODA) flows since 1998, with mandatory reporting since 2007; since 2010, mandatory reporting of bilateral adaptation-related ODA flows; and since 2011 some members have begun reporting on bilateral non-concessional climate-related flows (Other Official Flows, OOF).

CHART 2: Improvements in data reporting over time



For the first time the DAC presents integrated statistics for 2013 reconciling bilateral and multilateral finance to provide near complete coverage of external climate-related development finance flows (i.e. official/public finance). This integration helps to ensure there is no double-counting and to provide consistent accounting (e.g. across the same range of recipient partner countries).

In collaboration with the multilateral development banks (MDBs), the OECD publishes project-level reporting of multilateral climate finance flows in 2013 from seven MDBs: the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the European Investment Bank; the Inter-American Development Bank; the International Finance Corporation and the World Bank – and in addition, statistics from the Global Environment Facility.

Some data gaps remain, including no reporting of bilateral “Rio marked” ODA from one DAC member, partial reporting of bilateral “Rio marked” OOF to date (limited to four members), and project-level reporting not yet occurring from a number of climate-specific multilateral funds, including the Climate Investment Funds, Adaptation Fund and a range of UN agencies.

Improving transparency through activity-level data

The DAC Creditor Reporting System (CRS) is a statistical open-access database that makes information publicly available on external development finance flows. For 2013, it captures details on climate-related flows for:

- Over 6,000 bilateral activities (composed of a large number of low-volume activities, average size USD 3 million),
- Over 1,000 multilateral activities (of average size USD 30 million)
- The OECD DAC and its members are actively committed to further improving the quality, coverage, and use of these statistics, and an ambitious programme of work in collaboration with a range of partners is underway (see page 11).

Visit the [online data visualisation portal](http://oe.cd/RioMarkers) to interact with the data!
<http://oe.cd/RioMarkers>

How much external development finance is flowing towards climate change objectives?

<p>Bilateral climate-related ODA commitments reached USD 22 billion in 2013</p>	<p>Total bilateral climate-related Official Development Assistance commitments by members of the OECD's DAC increased at a steady pace over the past decade and reached USD 21.9 billion in 2013, representing 17% of total bilateral official development assistance.</p> <p>The level of ODA targeting climate change adaptation and/or mitigation as a <i>principal</i> objective is USD 12.4 billion (57%) in 2013, reflecting projects that primarily focus on climate change and representing what can be considered a “lower bound” of climate-related ODA. For the remaining 43% (USD 9.5 billion), climate change considerations are a <i>significant</i> objective, indicating the mainstreaming of climate objectives into development co-operation portfolios.</p> <p><i>These statistics are based on DAC members' “Rio marker” reporting (see page 7).</i></p>
<p>Bilateral OOF commitments targeting climate-activities and renewables reached USD 1 billion in 2013</p>	<p>Partial data on climate-related Other Official Flows (OOF) show that non-concessional finance can be significant, reaching USD 682 million in 2013, driven largely by the reporting by France's Agence Française de Développement (AFD).</p> <p>In addition, a further USD 330 million supports renewable energy activities (and is not climate-marked). Adding this, and ensuring that there is no double counting with what is already reported as climate-related, brings estimated climate-related OOF to USD 1.0 billion in 2013, representing 6% of total reported bilateral other official flows.</p> <p><i>These statistics are based on voluntary “Rio marker” reporting (see page 7).</i></p>
<p>Multilateral climate-related finance reached USD 14 billion in 2013</p>	<p>Total concessional and non-concessional climate finance by MDBs to ODA-eligible developing countries captured in DAC statistics amounted to USD 13.5 billion in 2013, representing approximately 19% of their total flows.</p> <p>For other multilateral institutions active in the field of climate, the coverage of DAC statistics is improving regularly. To date, we capture the Global Environment Facility (GEF) and its two climate funds (GEF Least Developed Country fund, GEF Special Climate Change Fund).</p>

TABLE 1. Climate-related multilateral flows in 2013¹
Commitments, USD million

	CLIMATE-RELATED FINANCE
African Development Bank	1,029
Asian Development Bank ²	1,140
European Bank for Reconstruction and Development	1,633
European Investment Bank	2,045
Inter-American Development Bank	1,122
International Finance Corporation	2,348
World Bank	4,172
Total MDBs	13,489
Global Environment Facility	806
Total multilateral flows	14,295

Notes: 1) These statistics are based on MDBs' reporting to the OECD DAC and may differ from data published by MDBs in their joint report (MBD Joint Reporting, 2014) owing to different coverage of countries (DAC statistics only cover countries on the DAC List of ODA recipients, and exclude all EU countries and the Russian Federation). More detail is provided online at <http://oe.cd/RioMarkers>.
2) Only covering data from the Asian Development Fund, to date.

How much development finance is flowing to mitigation and adaptation?

Total bilateral and multilateral climate-related development finance data recorded in DAC Statistics reached USD 37 billion in 2013, of which 61% addresses mitigation only, 26% adaptation only, and 13% consists of activities designed to address both adaptation and mitigation. Targeting adaptation and mitigation simultaneously reflects the multiple co-benefits from jointly mainstreaming both objectives into development efforts, provided programmes are well designed.

More bilateral development finance than multilateral finance is recorded as targeting climate change adaptation objectives (see charts 3 and 4). However within the bilateral ODA portfolio adaptation projects are usually marked as *significant* (66%), taking the form of climate-resilient projects which often address other development objectives as a primary focus. In comparison, bilateral mitigation projects are mainly marked as *principal* (67%), reflecting the primary focus on Greenhouse Gas (GHG) emission reductions for large-volume projects (see Table 2).

CHART 3: Bilateral climate-related flows in 2013
Commitments

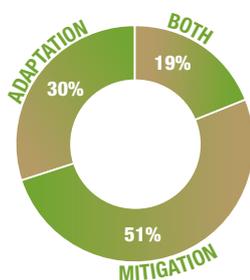
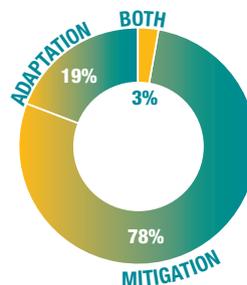


CHART 4: Multilateral climate-related flows in 2013
Commitments



More similarities than differences when integrating bilateral and multilateral climate-related data into a single system

Within the DAC statistical system, bilateral commitments are “Rio marked” to identify if they target climate change as a principal or significant objective, whilst commitment data collected from the MDBs is based on their joint approach which identifies the climate-component within a project, consistent with their 2013 Joint Report (MDB Joint Reporting, 2014).

The two methodologies have similarities (e.g. similar definitions for mitigation and adaptation, and application of the method at the level of commitments), but also differ on some aspects reflecting in part the different composition of the bilateral and multilateral portfolios; bilateral development co-operation portfolios typically encompass a multitude of small projects, especially for capacity building and technical assistance, whilst MDBs tend to finance larger-volume projects, making a component approach more feasible and appropriate (OECD, 2013). Differences are most apparent with climate-proofed infrastructure projects, where the MDB approach measures the incremental or proportional cost of adaptation within a project, whilst the Rio marker approach often applies a significant marker to the full value of the project.

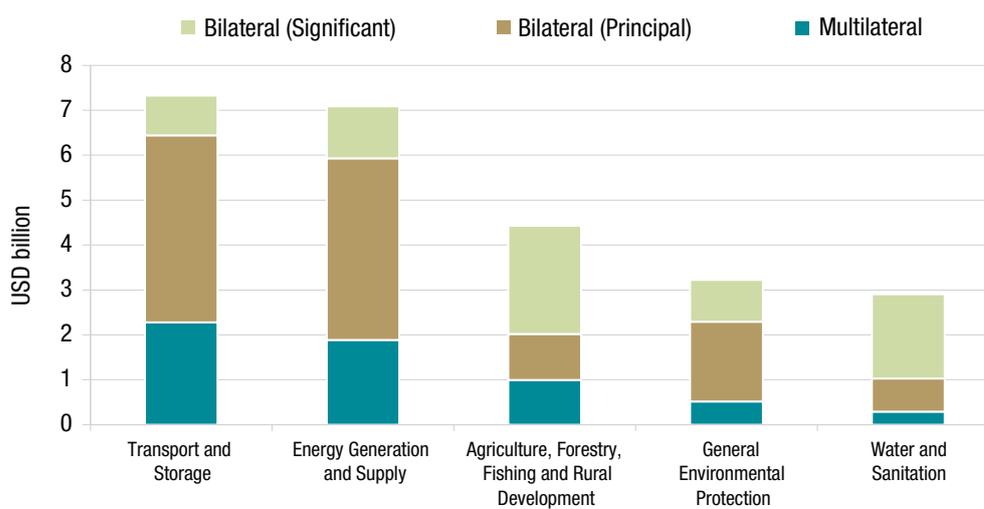
The OECD and MDBs are working together to better understand the implications of different approaches in order to improve comparability, reconciliation and tracking of climate-related development finance flows globally.



Which sectors are targeted by climate-related development finance?

Key economic infrastructure sectors - energy, transport and water – receive over two-thirds of climate-related development finance. This is driven by large volume mitigation projects in the energy and transport sectors in general, and by large volume adaptation projects in the water sector, in particular within the bilateral portfolio. General environmental protection and agriculture sectors are also important, more so for adaptation and across the bilateral portfolio.

CHART 5. Top 5 sectors receiving climate-related development finance in 2013^{1,2}
Commitments, USD billion



Notes: 1) Owing to some non-standard data collection of multilateral flows, 18% of the total portfolio cannot currently be allocated to a sector. These data are not reflected in the estimated percentages above. 2) General Environmental Protection includes support to environmental research, education, policy and administration management.

These statistics are based on activity-level data reported to the OECD DAC Creditor Reporting System as of November 2014, based on the “Rio markers” and the Joint MDB’s Approach.

Detailed activity-level data are publically available online: <http://oe.cd/RioMarkers>.

What about mobilised private finance?

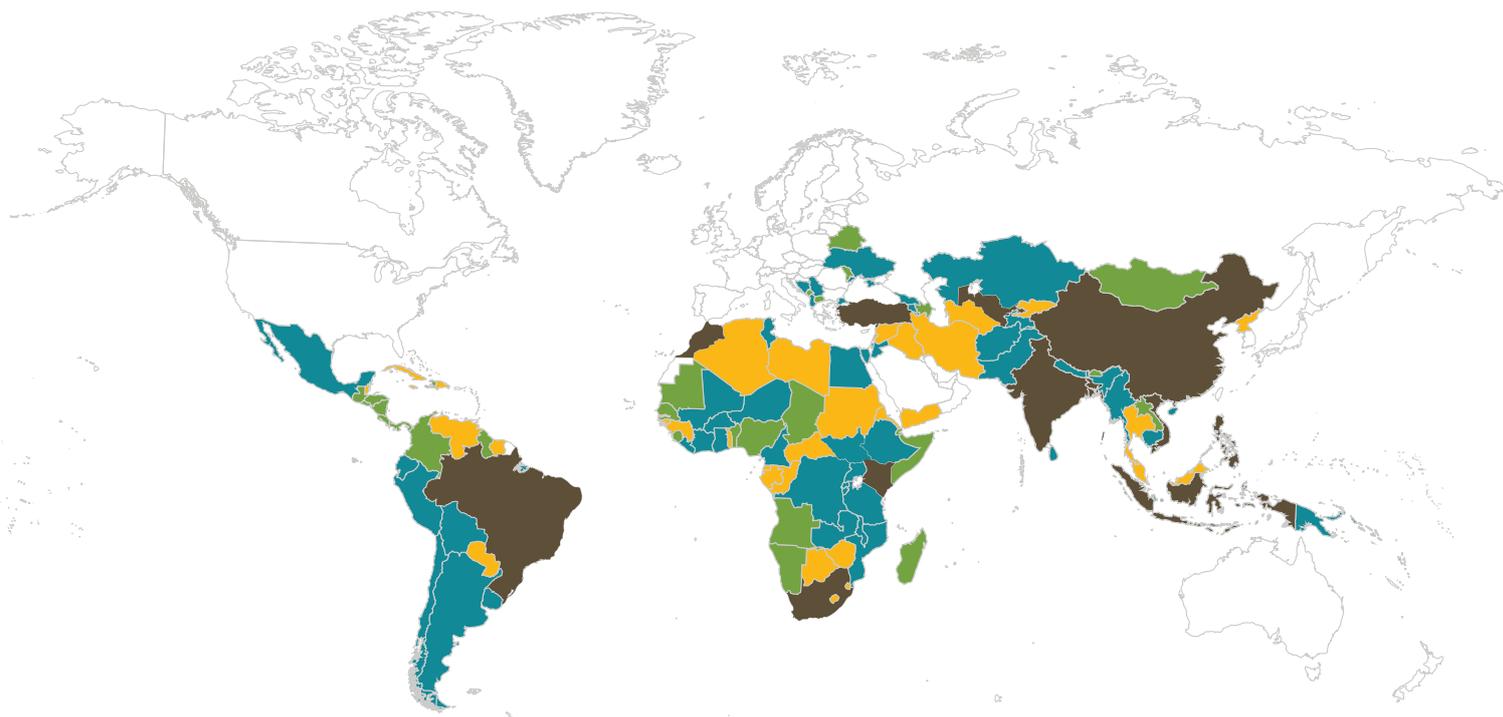
An OECD DAC survey estimating the amount of resources mobilised for developmental purposes found that long-term guarantees from DAC members and international financial institutions mobilised USD 15 billion in 3 years, of which **approximately USD 2 billion were marked as having a climate change objective** (Mirabile et al, 2013).

In collaboration with bilateral and multilateral development agencies, the DAC has developed a methodology for collecting data on private finance mobilised through official actions (including guarantees, syndicated loans and shares in collective investment funds to date), and will trial data collection in 2015 (see page 11 on future work). Findings from this work programme are contributing to the *Research Collaborative on Tracking Private Climate Finance*.

Where is climate-related development finance going?

The Asian region is the largest recipient of climate-related development finance flows (40%), in particular of mitigation-related finance – reflecting the high GHG emission reduction opportunities in these rapidly growing economies (e.g. India, Bangladesh and China). Africa is the second largest region (30%), largely driven by development finance to countries in the sub-Saharan region (notably South Africa, Kenya and Cote d'Ivoire), and significant commitments to Morocco and Egypt.

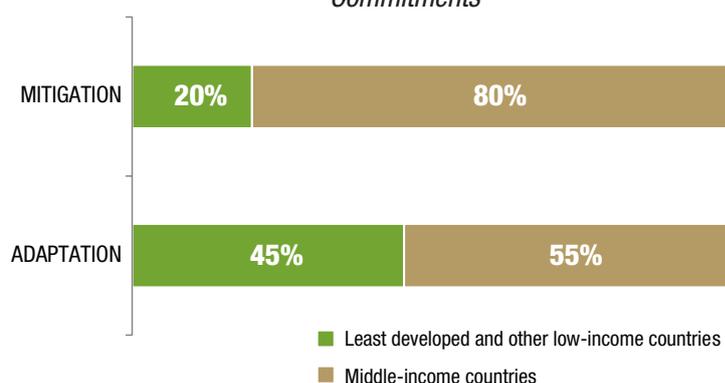
CHART 6: Climate-related development finance by recipient in 2013
Commitments, USD million 2013



Note: This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The allocation of funding differs for mitigation and adaptation projects: Middle-income countries are the largest recipient group of mitigation-related development finance (80%), whilst for adaptation a higher share is allocated to least developed and other low-income countries (45%).

CHART 7: Climate-related development finance by objective and income group in 2013
Commitments



DAC members' bilateral and multilateral climate-related Official Development Assistance (ODA) in 2013

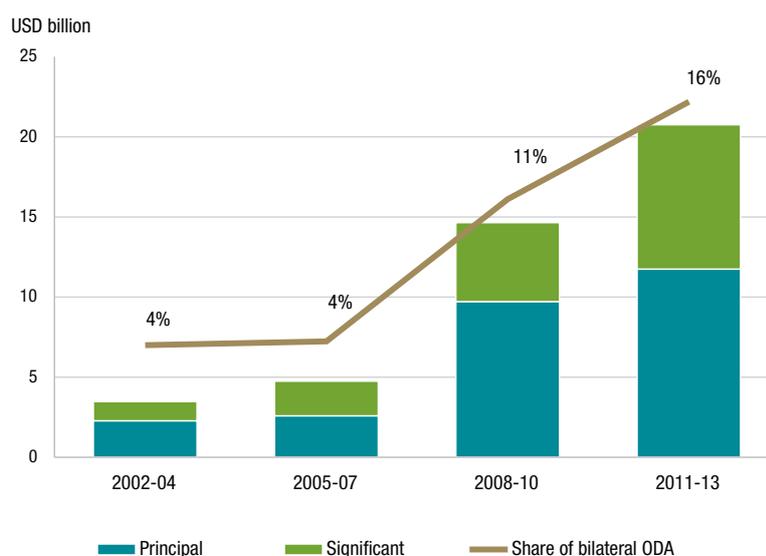
BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE FROM OECD DAC MEMBERS

Total bilateral climate-related Official Development Assistance commitments by members of the OECD's DAC increased at a steady pace over the past decade and reached **USD 21.9 billion in 2013, representing 17% of total bilateral official development assistance.**

This represents an “upper bound”, reflecting the full value of activities which target climate change as a *principal* and *significant* objective. Of this total, USD 12.4 billion (57%) targets climate change adaptation and/or mitigation as a *principal* objective only, reflecting projects that primarily focus on climate change and representing what can be considered a “lower bound” of climate-related ODA.

A key feature of the Rio marker system is that it recognises that finance may target more than one policy objective and allows multiple objectives - including climate change adaptation and mitigation - to be tracked simultaneously. While it is useful to monitor multiple objectives and often impracticable to completely separate them, care must be taken to avoid double counting when compiling and reporting the total ODA to climate change. For example, within the total, bilateral mitigation-related ODA, as an “upper-bound”, is estimated at USD 15.3 billion, and total climate change adaptation-related ODA at USD 10.8 billion, allowing for the “overlap”, which amounts to USD 4.2 billion, the net total for bilateral climate-related aid is USD 21.9 billion in 2013 (i.e. USD 15.3 + 10.8 - 4.2) (see Table 2).

CHART 8. Trend in bilateral climate-related ODA, 3-year annual averages
2002-13, bilateral commitments, USD billion, constant 2012 prices



Notes: Chart 8 presents a trend based on averages over three years, so as to smooth fluctuations from large multi-year projects programmed and committed in a given year, such as observed in 2010. The adaptation marker was introduced only in 2010, and data on total climate-related aid for earlier years mainly relates to mitigation and is therefore under-estimated.

Bilateral Other Official Flows from OECD DAC members

Rio markers are also applicable to non-export credit other official flows (i.e. non-concessional developmental finance such as loans provided at market rates). Development finance institutions report these flows to the OECD DAC and have started to apply climate markers to these. Although reporting to date is incomplete, partial figures from Canada, France, Germany and Sweden show that non-concessional climate-related flows can be significant; total climate-related other official flows are reported as USD 682 million, of which 97% targets climate adaptation and/or mitigation as a *principal* objective. These flows largely reflect activities reported by France's AFD (USD 573 million). Reporting for 2013 is lower than over 2010-12, where total climate-related other official flows over 2010-12 averaged USD 843 million per year.

TABLE 2. Climate-related ODA by DAC members in 2013
Bilateral commitments, USD million

	Climate change mitigation-related aid		Climate change adaptation-related aid		Overlap (for reference)	Total bilateral climate-related aid, netting out the overlap (a+b+c+d-e)	of which, lower bound i.e. activities marked principal
	Principal objective (a)	Significant objective (b)	Principal objective (c)	Significant objective (d)	Aid marked both mitigation & adaptation (e)		
DAC MEMBERS							
Australia	107.1	213.3	119.9	323.4	(277.0)	486.7	177.4
Austria	32.4	38.7	11.7	34.9	(30.7)	87.0	39.4
Belgium	8.9	143.3	54.3	150.1	(98.3)	258.3	62.3
Canada	84.7	117.3	32.1	138.0	(128.1)	244.0	113.9
Czech Republic	1.3	1.0	1.3	2.5	(0.3)	5.7	2.6
Denmark	224.4	169.2	228.7	139.8	(356.2)	405.9	179.9
EU Institutions	276.2	1,651.7	394.8	1,564.5	(1,136.8)	2,750.4	529.4
Finland	30.7	53.9	13.4	58.6	(46.2)	110.4	43.2
France	1,510.0	118.3	484.5	1.9	(117.2)	1,997.6	1,879.4
Germany	1,617.9	1,080.8	437.9	1,369.8	(515.3)	3,991.1	2,055.7
Greece	0.0	0.5	0.0	0.5	(0.5)	0.5	0.0
Iceland	3.9	1.3	0.8	8.4	(4.5)	10.0	3.3
Ireland	4.6	44.7	23.8	43.8	(44.0)	72.9	26.5
Italy	21.4	56.9	12.4	42.4	(44.9)	88.2	25.0
Japan	4,806.8	470.8	773.0	1,450.4	(234.9)	7,266.2	5,418.3
Korea	37.7	42.1	181.0	52.7	(61.9)	251.4	187.4
Luxembourg	1.9	16.6	2.2	24.8	(17.3)	28.2	3.0
Netherlands	93.4	127.0	112.3	573.1	(168.6)	737.1	194.0
New Zealand	0.0	22.5	0.0	10.0	(3.6)	28.9	0.0
Norway	514.5	232.5	177.5	242.2	(181.0)	985.5	635.1
Poland	0.2	1.3	0.2	1.9	(1.6)	2.1	0.2
Portugal	20.7	0.9	0.1	0.8	(0.6)	21.9	20.8
Slovak Republic	0.0	0.7	0.0	0.3	(0.0)	1.0	0.0
Slovenia	0.3	0.3	0.0	1.1	(0.0)	1.7	0.3
Spain	15.9	27.9	4.1	148.3	(26.2)	170.1	19.3
Sweden	59.0	4,19.3	95.8	421.9	(399.8)	596.2	103.8
Switzerland	71.4	177.4	90.4	366.1	(158.8)	546.6	143.7
United Kingdom	458.5	111.5	190.9	219.8	(201.9)	778.8	534.4
United States ¹	N/K	N/K	N/K	N/K	(N/K)	N/K	N/K
Total DAC	10,003.8	5,341.8	3,442.9	7,391.9	(4,256.1)	21,924.4	12,398.2
NON-DAC PROVIDERS							
United Arab Emirates ²	170.0	140.0	150.0	114.0	(0.0)	574.0	320.0

Notes: 1) Data for the United States (US) are currently being revised following the development of a new data screening process designed to significantly improve the application of the Rio markers. The process, however, has not been fully implemented as of the time of this publication. The US aims to provide the DAC with 2010-2013 data based on this new screening process as soon as this information becomes available. 2) The United Arab Emirates (UAE) is a participant to the DAC; climate-related development assistance from UAE totaled USD 574 million in 2013.

The Rio markers are descriptive rather than strictly quantitative. They allow for an approximate quantification of financial flows targeting the objectives of the Rio conventions.

The figures presented in Table 2 may not be identical to the figures presented by Parties in their National Communications or Biennial Reports to the UNFCCC, where reporting is often based on, but may not be directly comparable to Rio marker data. In particular different methodologies are applied by parties to account only for a certain share of finance targeting climate change marked as a *significant* objective. These shares range across members from 0-100% and there is no common reporting standard and limited transparency. In this flyer, the OECD uses the share of 100% for the climate-related development finance marked as *significant* to report on the “upper bound” and 0% to report on the “lower bound” of total climate finance flows. Data presented in Table 2 are also based on “commitments”, not “disbursements”. (For further analysis of these differences, please see Ockenden and Gaveau, 2014, *forthcoming*).

Commitments vs. Disbursements in DAC Statistics

Commitments measure firm obligations, expressed in writing and backed by the necessary funds, undertaken by a government or official agency in agreement with development co-operation partners. Financial commitments give an indication about future flows, which permits monitoring in terms of allocation of resources to specific purposes and recipient countries.

Disbursements are the release of funds to, or the purchase of goods or services for a recipient. Disbursements show actual payments in each year and thus indicate the state of execution of activities.

Commitments provide a good indicator of providers' current allocation practices, while disbursements would better describe development finance flows from a recipient's point of view; disbursements reflect past decisions on multi-year commitments disbursed in tranches overtime.

To date, climate-related disbursement data are not yet complete in DAC statistics, but the DAC is working with its members to improve reporting; 16 members have already confirmed the completeness of their disbursement data.

A BROADER MEASURE OF PROVIDER EFFORT: ESTIMATING DAC MEMBERS MULTILATERAL CLIMATE-RELATED DEVELOPMENT FINANCE

Inflows to multilaterals are counted in DAC statistics on climate-related flows as follows:

- i) contributions from providers channelled through multilateral organisations and earmarked for climate purposes are included in bilateral figures, where they are Rio-marked,
- ii) contributions to multilateral climate funds (e.g. CIFs, GEF LDCF and SCCF) are counted in their totality as multilateral contributions for climate purposes,
- iii) core contributions to agencies partly active in the climate field are included in multilateral aid but not Rio-marked, since this would raise comparability issues with different donors scoring contributions to the same multilateral institution differently. Instead, "imputed multilateral contributions" are calculated and attributed back to donors.

"Imputed multilateral contributions" can present a broader measure of provider effort beyond bilateral commitments. This is done by estimating, per international organisation, the climate-related share within their portfolio and attributing this back to DAC members, based on a pro-rata share of their core multilateral ODA disbursements in a given year.

The climate-related share of DAC members' multilateral contributions to ODA-eligible international organisations is estimated at **USD 3.4 billion**, based on core contributions to the African Development Fund, Asian Development Fund, Inter-American Development Bank Special Fund, International Development Association, Global Environment Facility and its climate funds, the Climate Investment Funds, the UNFCCC, the Adaptation Fund and the Montreal Protocol.

TABLE 3. Imputed multilateral contributions of climate-related ODA by DAC members in 2013

IMPUTED MULTILATERAL CONTRIBUTIONS													
<i>Members' contributions (disbursements) to international organisations multiplied by the share of outflows targeting climate change, USD million</i>													
	AfDF (36%)	AsDF (30%)	IADB Sp. Fund (7.5%)	IDA (13%)	GEF (55%)	GEF LDC fund (100%)	GEF special climate change fund (100%)	Climate Investment Funds		UNFCCC (100%)	Adap-tation Fund (100%)	Montreal Protocol (100%)	Total imputed multilateral climate change-related aid
								Clean Tech-nology Fund (100%)	Strategic Climate Fund (100%)				
Australia	..	29.0	..	14.3	10.5	..	..	..	..	0.2	..	3.1	57.1
Austria	18.2	3.2	..	22.8	7.8	2.0	..	..	..	0.1	0.7	1.4	56.1
Belgium	15.8	2.5	..	20.6	12.4	15.9	15.9	..	..	0.2	..	1.8	85.1
Canada	37.9	..	0.1	55.7	29.2	..	..	..	..	0.4	..	5.2	128.5
Czech Republic	..	..	..	0.7	..	..	..	..	..	0.1	..	0.5	1.3
Denmark	17.9	..	..	9.5	9.8	..	..	..	..	..	..	1.2	38.5
EU Institutions	..	..	..	0.1	..	..	..	..	..	..	..	..	0.1
Finland	16.2	2.1	..	11.2	10.0	7.5	2.5	..	..	0.1	..	0.9	50.4
France	87.7	9.2	0.2	..	..	45.1	..	..	..	1.1	..	10.0	153.2
Germany	87.7	22.8	..	109.5	63.3	39.8	26.0	..	..	2.1	39.8	13.0	404.1
Greece	..	..	..	..	..	0.0	..	..	..	0.3	..	..	0.3
Iceland	..	..	..	0.2	..	0.2	..	..	..	0.1	..	..	0.4
Ireland	2.4	..	..	5.0	1.0	..	..	..	..	0.1	..	..	8.5
Italy	50.0	15.9	..	42.2	11.4	..	..	..	..	..	..	..	119.5
Japan	47.3	120.7	1.7	144.9	68.2	..	..	..	..	2.1	..	21.3	406.2
Korea	11.0	12.7	..	15.7	..	..	..	..	..	0.8	..	0.1	40.3
Luxembourg	..	..	..	2.6	0.7	..	..	..	..	..	..	..	3.3
Netherlands	..	..	..	31.6	13.9	..	..	..	..	..	..	..	45.5
New Zealand	..	2.6	..	4.1	2.2	..	..	..	..	..	..	0.5	9.4
Norway	30.6	3.3	..	20.5	9.9	3.7	2.6	..	27.2	3.2	..	1.4	102.6
Poland	..	..	..	0.3	..	..	..	..	..	4.3	..	..	4.6
Portugal	0.5	..	..	..	..	..	..	..	..	..	..	..	0.5
Slovak Republic	..	..	..	0.2	..	..	..	..	..	..	..	0.3	0.5
Slovenia	..	..	..	0.3	0.5	..	..	..	..	0.0	..	0.2	1.0
Spain	..	..	..	..	..	..	..	..	..	0.5	..	10.3	10.8
Sweden	4.2	24.7	..	49.2	..	17.7	..	..	..	..	15.4	1.8	112.9
Switzerland	20.5	3.9	..	27.8	16.9	1.1	1.3	..	..	0.2	10.8	1.9	84.4
United Kingdom	109.5	23.5	..	226.0	45.1	78.2	..	358.0	20.3	..	..	..	860.6
United States	58.8	22.0	8.0	175.6	68.7	25.0	10.0	175.3	47.4	6.6	..	25.7	623.0
Total	616.3	297.9	10.0	990.9	381.7	236.2	58.4	533.3	94.9	22.3	66.6	100.6	3,409.0

Notes: The imputed multilateral contributions presented above are a measure of donors' "inflows" to multilateral organisations. These are estimated based on members' disbursed multilateral contributions to these organisations (inflows), multiplied by the share of the multilateral organisation's "outflows" targeting climate change mitigation and/or adaptation (or in the case of specific climate funds, e.g. the CIFs, these are estimated at 100%). These imputed shares reflect only the estimated climate-related share of multilateral ODA contributions by DAC members in 2013. As such, these estimates do not aggregate to MDBs total outflows, as shown in Table 1 (including non-concessional flows) nor do they attribute on the basis of donors' shares in MDBs capital. See <http://oe.cd/RioMarkers> and <http://www.oecd.org/dac/stats/oecdmethodologyforcalculatingimputedmultilateraloda.htm> for details on the methodology.



OECD DAC RIO MARKERS

Since 1998 the DAC has monitored development finance targeting the objectives of the Rio Conventions. Data are reported by members of the OECD DAC, collected through the "Creditor Reporting System" and identified as using "Rio markers", where providers are requested to indicate for each development finance activity whether or not it targets environmental objectives. There are four Rio markers, covering: biodiversity, desertification, climate change mitigation, and climate change adaptation.

A scoring system of three values is used, in which official development finance activities reported to the DAC CRS are screened and "marked" as either (i) targeting the conventions as a "principal" objective or (ii) as a "significant" objective, or (iii) not targeting the objective. These markers indicate donors' policy objectives in relation to each development finance activity. Activities marked as having a "principal" objective would not have been funded but for that objective; activities marked "significant" have other prime objectives but have been formulated or adjusted to help meet the relevant environmental concerns.

The markers provide an indication of the degree of mainstreaming of environmental considerations into development co-operation portfolios. In marking the full value of development finance activities the markers are considered descriptive rather than strictly quantitative, but allow for an approximate quantification of development finance flows that target the Rio convention objectives. In marker data presentations the figures for flows targeting objectives as principal or significant can be shown separately and the sum referred to as the "total" or "upper bound" of environmental-related development finance.

Climate change mitigation is defined as activities that contribute to the objective of stabilisation of 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 is defined as activities that aim to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience. This encompasses a range of activities from information and knowledge generation, to capacity development, planning and the implementation of climate change adaptation actions.

The Rio markers are applicable to Official Development Assistance (ODA) where reporting is mandatory, for the mitigation marker from 2007 flows, and for the adaptation marker since 2010. Reporting is voluntary on Other Official Flows (OOF) (i.e. non-concessional developmental flows, excluding export credits) starting from 2010.

For more information, see the *Handbook on OECD-DAC Climate Markers* (2011), available online.

Future developments on climate-related development finance statistics @ the OECD-DAC

- Improving the quality and coverage of data on bilateral flows (including fine tuning the Rio marker definitions and guidance), and increasing data collection from multilateral providers.
- Improving data and understanding from a recipient perspective (e.g. disbursements, activity –level information).
- Advancing collaboration between the OECD DAC, Multilateral Development Banks and other international financial institutions to reconcile methodological approaches and improve comparability.
- Improving coverage and quality of data beyond ODA, as part of broader OECD DAC work (e.g. on official export credits, private philanthropy and private investments). This includes developing methodologies and introducing systematic data collection on amounts mobilised from the private sector through public actions (e.g. loan guarantees), in collaboration with the *Research Collaborative on Tracking Private Climate Finance*.

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VISIT OUR WEBSITE FOR:

- The interactive data visualisation portal
- Access to activity-level data
- Three minute video introducing the Rio markers
- Statistical flyers
- Statistical definitions and user guides
- Information on the Task Team to improve the Rio Markers and development finance statistics

<http://oe.cd/RioMarkers>

