

# Tracking aid in support of climate change mitigation and adaptation in developing countries



## Background

Since 1998 the DAC has monitored aid targeting the objectives of the Rio Conventions through its Creditor Reporting System (CRS) using the so-called “Rio markers”. The **Rio marker on climate change mitigation** was established by the DAC Secretariat in close collaboration with the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) to track aid flows in support of developing countries’ efforts to implement the Convention.

Since the 13<sup>th</sup> Conference of Parties (COP) to the UNFCCC in Bali in 2007, adaptation has been recognised as one of the key factors for strengthened future responses to climate change. The DAC has therefore developed a new policy marker to track ODA in support of **climate change adaptation**. This will allow a comprehensive presentation of aid that supports developing countries’ efforts to address climate change. DAC members will assess their new aid activities approved since 1 January 2010 against the adaptation marker.

## What markers can and cannot do

Markers indicate donors’ policy objectives in relation to each aid activity. Activities marked as having a “principal” climate objective (mitigation or adaptation) would not have been funded but for that objective; activities marked “significant” have been formulated or adjusted to help meet the objective.

It is important to note that there is no internationally agreed methodology for tracking the exact share of aid activity expenditure that contributes to climate change adaptation or mitigation. This is particularly true for adaptation given its intricate linkages with development. Absent such a methodology, the markers allow an approximate quantification of the amount of aid that targets climate change concerns, but not the exact amount of aid specifically directed to helping developing countries mitigate or adapt to climate change.

When analysing policy marker data, it is necessary to verify the coverage of donors’ reporting. Donors are requested to screen each aid activity reported to the CRS, though data gaps still exist for some donors.

At the 15<sup>th</sup> COP in Copenhagen in 2009, developed countries agreed to provide “new and additional resources” for adaptation and mitigation “approaching USD 30 billion for the period 2010-12”. Copenhagen participants are yet to spell out what is meant by “new and additional”, or specify whether qualifying projects would need to have climate action as their principal, or only a significant objective (see side box). However, it is clear that current aid flows that target climate in some way already approach the target level of around USD 10 billion annually.

## Definitions



### Aid in support of Climate Change Mitigation

**Climate change mitigation-related aid** 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” (Article 2 of the UNFCCC).



### Aid in support of Climate Change Adaptation

**Climate change adaptation-related aid** 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”.

*Data shown overleaf refer only to aid in support of climate change mitigation. Data on aid in support of climate change adaptation will become available in 2011.*

## Statistical overview

### Aid in support of Climate Change Mitigation – marker-based statistics

Table 1 shows that members of the OECD's Development Assistance Committee (DAC) provided USD 8.5 billion in bilateral Official Development Assistance (ODA) in 2008 to help developing countries reduce their own emissions, enhance greenhouse gas sinks or integrate climate change concerns in their development objectives. This represented about 8 percent of total ODA that year. The largest donors were Japan (USD 3 billion), Germany (USD 2 billion) and France (USD 0.8 billion).

**Table 1. Climate change mitigation-related aid by DAC members**

2006-08, annual commitments, USD million, constant 2008 prices

	2006	2007	2008	Annual average 2006-08		
	USD million	USD million	USD million	USD million	% of total ODA	Total number of marked activities
Australia	25.8	76.4	89.2	63.8	1.4	241
Austria	29.1	10.3	31.5	23.6	1.8	230
Belgium	27.6	52.0	77.6	52.4	2.9	262
Canada	47.3	44.1	41.5	44.3	1.2	227
Denmark	113.0	208.7	203.6	175.1	11.2	300
Finland	..	42.2	141.1	91.7	10.0	147
France	395.2	519.4	808.5	574.4	6.0	146
Germany	1301.8	853.7	2057.4	1404.3	11.1	1113
Greece	1.2	13.1	5.4	6.6	2.1	216
Ireland	..	30.7	20.0	25.4	2.7	190
Italy	16.7	25.6	72.5	38.3	1.6	347
Japan	1557.9	1502.1	3084.0	2048.0	11.4	703
Luxembourg	..	..	..	..	..	..
Netherlands	273.7	179.0	299.5	250.7	4.5	447
New Zealand	14.6	2.7	2.5	6.6	1.8	57
Norway	52.9	111.9	199.5	121.4	3.2	280
Portugal	1.0	0.5	0.4	0.6	0.2	31
Spain	38.6	100.1	306.2	148.3	3.2	841
Sweden	25.3	7.2	21.8	18.1	0.7	90
Switzerland	23.8	36.6	14.1	24.9	1.5	180
United Kingdom	60.4	47.8	292.2	133.5	1.7	94
United States	..	..	..	..	..	..
EU institutions	576.8	344.9	777.4	566.4	2.9	811
<b>Total</b>	<b>4582.6</b>	<b>4209.2</b>	<b>8545.9</b>	<b>5818.3</b>	<b>6.1</b>	<b>6953</b>

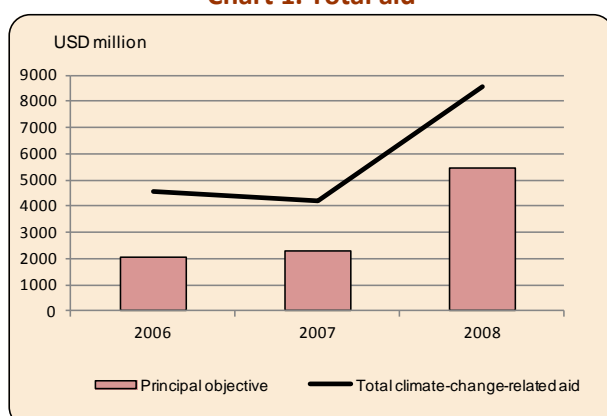
Notes: (i) Coverage: The United States does not report on the climate change mitigation marker, and DAC totals shown in Table 1 are therefore partial; Finland and Ireland did not report in 2006, so the three last columns relate to 2007-08. ii) Korea became a DAC member on 1 January 2010, and its data will be integrated in future overviews.

Chart 1 differentiates between principal and significant objectives. Chart 2 presents the sectoral breakdown of aid activities members reported as targeting the objective of climate change mitigation. In value terms, close to 80% of mitigation-related aid was reported in the sectors of Energy, General Environmental Protection, Transport and Storage, Water and Forestry.

### Climate change mitigation-related aid

2006-08, commitments, USD million, constant 2008 prices

**Chart 1. Total aid**



**Chart 2. Aid by sector**

