

OECD Development Assistance Committee Tracks Aid in Support of Climate Change Mitigation and Adaptation

Information note – December 2009

Key elements of the Copenhagen COP15 will be the volume of and arrangements for mobilising finance to assist developing countries to adapt to the impact of climate change and to contribute to their mitigation efforts. The OECD collects statistics on bilateral Official Development Assistance (ODA) through its Creditor Reporting System (CRS). This system allows the tracking of aid flows in support of developing countries' efforts to implement the United Nations Framework Convention on Climate Change (UNFCCC).

Aid in Support of Climate Change Mitigation

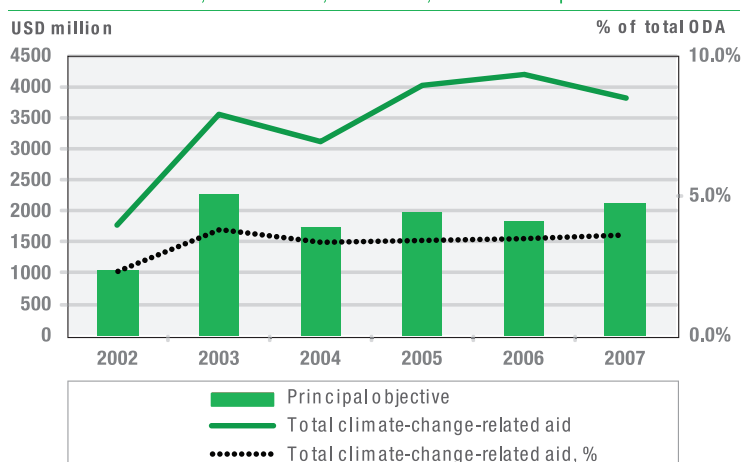
OECD data show that members of the OECD's Development Assistance Committee (DAC) provided USD **3.8 billion in bilateral official development assistance (ODA) in 2007** to help developing countries reduce their own emissions. This represents about **4 percent of total bilateral ODA that year**. The largest donors were Japan (USD 1.3 billion), Germany (USD 0.8 billion) and France (USD 0.5 billion). This funding contributes to greenhouse gas reduction in developing countries' energy, transport, water and forestry sectors.

These data are based on the “**Rio marker**” on climate change mitigation, established by the DAC, which has been elaborated in collaboration with the UNFCCC-Secretariat. It focuses on the ultimate objective of the convention, which is **climate change mitigation**. Accordingly, climate-change-related aid is defined as comprising 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.” Every aid activity reported to the CRS should be screened and marked as either (i) targeting the Conventions as “principal objective” or “significant objective”, or (ii) “not targeting the objective”.

Chart 1 shows recent trends in targeting climate change mitigation. It differentiates between aid with climate change mitigation as a “principal objective” and “total climate change-related aid”, which includes those having mitigation as a “significant” objective.

Please note when interpreting the data: Figures shown relate to DAC members' bilateral aid, and do not include multilateral contributions to GEF, UNEP and other organisations active in the field of climate change mitigation.

Chart 1: Climate-change-related aid
2002-07, commitments, USD million, constant 2007 prices



Aid in Support of Climate Change Adaptation

On Wednesday 9 December 2009, Members of the OECD Development Assistance Committee (DAC) approved a similar policy marker to track official development assistance (ODA) in support of **climate change adaptation**.

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”*. It encompasses a range of activities, from information and knowledge generation to capacity development, planning, and the implementation of climate change adaptation actions.

DAC members will assess their new aid activities against the **climate change adaptation marker** as from 1 January 2010, identifying which aid projects have climate change adaptation as either their “principal”, or a “significant” objective. As in the case of the climate change mitigation marker, data will be based on donors’ reporting of the policy objectives of each activity and does not represent an exact quantification of aid towards climate change adaptation.

The marker will complement the existing DAC marker on climate change mitigation, and thus allow presentation of a full picture of all aid in support of developing countries’ efforts to address climate change.

It was agreed that if decisions are taken at COP15 or its follow-up that require changes to the new marker, these will be accommodated.

What Markers Can and Cannot Do

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

However, 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. Until such a methodology exists, the markers will 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.

For more general information on OECD work on development co-operation and climate change please visit:

www.oecd.org/dac/environment/climatechange

For more information on measuring aid in support of the objectives of the Rio conventions please visit:

www.oecd.org/dac/stats/rioconventions