



Aid Targeting the Objectives of the Rio Conventions 1998-2000

**A contribution by the DAC Secretariat for the information of participants at the
World Summit for Sustainable Development in Johannesburg
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This paper contains data on financial resources extended to developing countries with the purpose of assisting them in the implementation of the three Rio Conventions:

- Framework Convention on Climate Change;
- Convention to Combat Desertification; and
- Convention on Biological Diversity.

It presents the results of a special study, undertaken by the DAC Secretariat in collaboration with the DAC Working Party on Statistics¹ and its network of statistical correspondents, the DAC Working Party on Development Co-operation and Environment and the Convention secretariats, covering Official Development Assistance in 1998-2000. For further information, contact the DAC Secretariat by sending e-mail to dac.contact@oecd.org.

¹ The Working Party on Statistics is a subsidiary body of the DAC. Its mandate includes, among other things, proposing improvements in the statistical reporting, ensuring the fullest possible comparability of reporting and promoting the wide use of the data in international institutions, developing countries and DAC Member countries.

Background

Developed countries that have signed the three Rio Conventions have committed themselves to assist developing countries in the implementation of these Conventions and to report on the measures they have undertaken, including the provision of financial resources, to the respective Conferences of Parties. The reporting takes place through so-called national communications. These describe individual donors' policies and programmes, but lack of standardisation in the reporting makes it difficult to aggregate data or compare them across countries. The Convention secretariats have requested the DAC to examine whether the relevant financial data could be obtained through donors' regular reporting to the Creditor Reporting System (CRS). (See brief description of reporting on the purpose of aid in DAC statistics in Box below.) Following a pilot study undertaken on 1998 flows, the DAC organised a special data collection on aid flows in 1998-2000. This report presents its results.

Data coverage

The data cover bilateral and multilateral official development assistance (ODA) commitments¹ targeting the objectives of the Rio Conventions in 1998-2000.

Twenty out of 23 DAC Members (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States) contributed to the study. No data were received from Italy, Luxembourg and the European Commission.

Countries that provided data for the study accounted for 97% of total bilateral ODA commitments by DAC bilateral donors in 1998-2000. The study can therefore be considered quite comprehensive. However, a number of countries noted they had not been able to examine their entire bilateral aid programme.²

Guidance for data analysis

The data are the best estimates of aid that DAC Members allocate in support of the Rio Conventions. They relate to all activities marked as targeting the Conventions either as "principal objective" or "significant objective". As the proportion of an activity targeting the Conventions can be very variable, they can only ever be approximative. Furthermore, an activity can target the objectives of the three Conventions at the same time. Thus data on climate change, desertification and biodiversity related aid should **not** be added up as this would result in double counting.

¹ Data for Belgium, Ireland, Japan (TC) and Spain are on a disbursement basis.

² Data for **Germany** relate to activities by KfW and GTZ. Data for **Japan** cover general grant aid, technical co-operation by JICA and yen loans. Data for **Portugal** relate to activities by the Ministry of Finance.

For technical reasons, data reported only in aggregate form have not been included in the analysis. Data for **Denmark** exclude commitments by DANCED (USD 41.2 million in 1998-2000). Data for **France** cover the commitments by the Agence française de développement, the NATEXIS Bank and the Ministry of Foreign Affairs but exclude other ministries and the Fonds français pour l'environnement mondial FFEM. (The average commitment by FFEM in 1998-2000 for biodiversity and climate change combined was USD 11 million per year, which does not, however, adequately cover the volume of the activities. Following the "incremental cost" principle of the Conventions, FFEM finances on the average 20-40% of the total costs of projects, the main funding coming from other French or local sources.) Data for the **Netherlands** cover activities financed from the development co-operation budget, but exclude other ministries, NGO activities and the volunteer programme. (For the latter two, annual average commitments in support of the Rio Conventions were estimated to be USD 42 million and USD 3 million respectively.)

The charts and tables generally present data as three-year averages. Using average data evens out the “lumpiness” of commitments and thereby increases the statistical significance of the data analysis. Data for only three years are not sufficient to establish trends in aid flows in support of the Conventions; five years of data are required for that.

The data show both the value and the number of activities reported. Analyses that only draw on financial data may inadequately reflect the real level of donors’ efforts, since capital-intensive investment projects in infrastructure sectors (energy, transport) will dominate the data, hiding smaller-scale labour-intensive seminars, training courses, research projects and consultancies in general environmental protection. Figures in US dollars are also “skewed” in the sense that they reflect first and foremost the programmes of the large donors which occasionally finance projects over USD 100 million.

In brief

The study showed that DAC Members annually allocate approximately USD 2.7 billion for climate-change-related aid, USD 700 million for desertification-related aid and USD 1 billion for biodiversity-related aid. Taking into account aid in support of the Conventions extended through multilateral agencies (approximately USD 450 million per year) and the fact that bilateral aid activities have been reported as targeting more than one Convention, DAC Members’ total commitments for activities that target the Rio Conventions (at least significantly) are of the order of USD 4 billion per year. However, the data do not permit making any statements on whether these commitments were “new and additional” as stipulated by all three Conventions.

No data were received on activities by ministries and agencies outside the normal DAC reporting network despite specific requests. Since reporting of ODA-eligible commitments in the CRS is complete, it seems likely that the bulk of aid in support of the Rio Conventions is extended by aid agencies. Otherwise supplementary data from other agencies would have been readily available at least for some donors.

Reporting on the purpose of aid in DAC statistics

The DAC collects data on aid flows through two reporting systems: the annual aggregate DAC statistics and the activity-specific Creditor Reporting System (CRS). The DAC statistics provide an overall picture of the geographical or purpose distribution of aid and of the relative importance of each recipient country, region or purpose in the total. The CRS permits examination of the geographical and purpose breakdown simultaneously. Both DAC and CRS data are collected in a standard electronic format and the techniques for disseminating the information are well advanced. (See <http://www.oecd.org/dac/stats>.)

Reporting on the purpose of aid entails classification by sector and by policy objective. The sector code identifies “the specific area of the recipient’s economic or social structure which the transfer is intended to foster”. In DAC reporting (as well as in most donors’ internal reporting systems), each activity can be assigned only one sector code. For activities cutting across several sectors, either a multisector code or the code corresponding to the largest component of the activity is used. Reporting on the policy objectives of aid - environmental sustainability, gender equality, reduction of poverty, and participatory development/good governance - is based on a marking system with three values: “principal objective”, “significant objective”, and “not targeted to the policy objective”. Each activity can have more than one policy objective.

Statistics on “aid to environment” are derived from both policy marker and sectoral data. The environmental sustainability marker identifies activities that are “intended to produce an improvement in the physical and/or biological environment of the recipient country, area or target group concerned” or “include specific action to integrate environmental concerns with a range of development objectives through institution building and/or capacity development”. Environment is also identified as a sector of destination. The sector classification includes a multisector/cross-cutting category for “general environmental protection” to distinguish multisectoral environmental conservation programmes and activities such as environmental policy and administration or environmental education, training and research.

A large majority of **activities targeting the objectives of the Rio Conventions** fall under the definition of aid to environment. The “Rio markers” permit their specific identification.

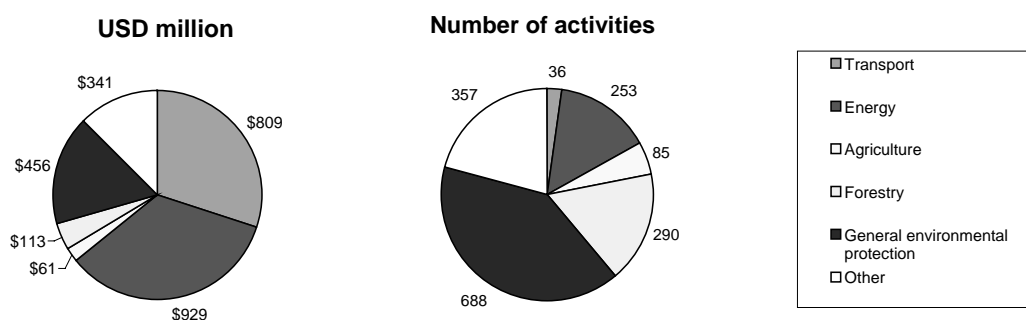
1. Aid targeting the objectives of the United Nations Framework Convention on Climate Change (UNFCCC)

Climate-change-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.

Nineteen DAC Members reported a total of 5124 individual “climate-change-related aid” activities in 1998-2000. The total value committed in the three years amounted to USD 8.1 billion.

Chart 1.1 presents the sectoral breakdown of aid activities Members reported as targeting the objectives of the UNFCCC. In value terms, close to 90% of climate-change-related aid was reported in the sectors of transport, energy, agriculture, forestry and general environmental protection. The sectoral breakdown based on the number of projects reported shows that energy, forestry and general environmental protection were the main activity areas, whereas transport projects were few in number and financed by only a few donors. The general environmental protection category included a large number of relatively small technical co-operation interventions.

Chart 1.1 Climate-change-related aid by sector, commitments, 1998-2000 average



Climate-change-related aid in energy, forestry, general environmental protection and, to a lesser extent, transport represented a significant share of total aid in these sectors (44%, 48%, 43% and 21% respectively). In all other sectors (including agriculture, rural development, water supply, industry) the share was small.

Table 1.1 below gives an overview of the data received. It shows, for each donor separately, the total value of climate-change-related aid reported in 1998-2000 and an annual average over the three years. Japan, Germany and the United States accounted for 87% by value of the total. The share of climate-change-related aid in total bilateral ODA was largest for Germany (followed by Japan, Finland and Norway). In addition, the Netherlands and the United Kingdom reported a relatively large number of activities. Other Members’ data seem to indicate little emphasis on climate change in bilateral ODA programmes. All in all, climate-change-related aid represented 7.2% of Members’ total bilateral ODA commitments in 1998-2000.

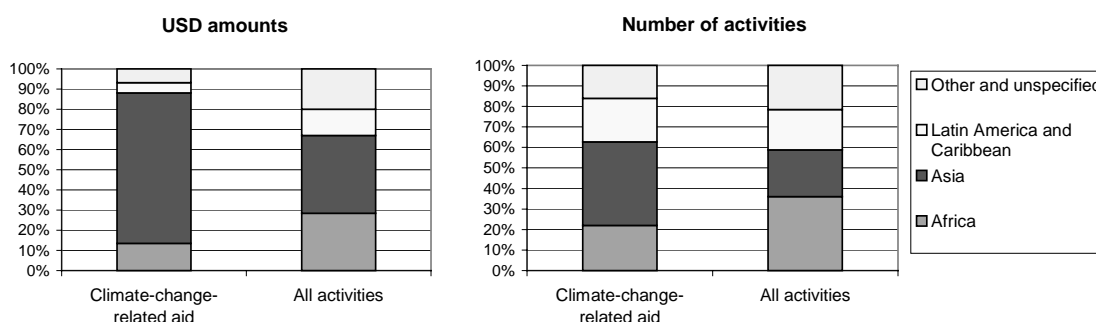
Chart 1.2 shows that, in value terms, three-quarters of reported climate-change-related activities were for Asia. Examination of the number of activities reveals that interventions are fairly evenly distributed between Africa, Asia and Latin America. Also, a large number of small-value activities are global in nature (i.e. not targeted to any particular recipient, and reported under “developing countries, unspecified”).

Table 1.1 Climate-change-related aid by DAC donor, commitments 1998-2000

	1998	1999	2000	Annual average 1998-2000		
	USD million	USD million	USD million	USD million	% of total bilateral ODA	Number of marked activities
Australia	9.7	14.6	13.5	12.6	1.6%	22
Austria	0.9	..	3.5	1.5	0.4%	8
Belgium	6.1	1.7	4.6	4.1	0.8%	35
Canada	23.2	9.9	21.8	18.3	1.7%	11
Denmark	18.2	0.6	3.6	7.5	1.1%	2
Finland	38.3	16.7	14.4	23.1	11.3%	20
France	64.1	9.5	13.5	29.0	1.1%	13
Germany	490.7	846.9	224.4	520.7	17.0%	65
Ireland	0.0	0.0	0.1	0.0	0.1%	1
Japan	1372.9	1782.5	1750.2	1635.2	15.7%	846
Netherlands	45.8	37.9	61.6	48.4	2.3%	101
New Zealand	0.8	0.2	0.2	0.4	0.4%	6
Norway	62.0	71.2	41.9	58.4	6.6%	138
Portugal	0.0	0.0	11.5	3.8	1.9%	0
Spain	2.0	11.6	24.8	12.8	1.3%	61
Sweden	28.5	18.2	13.4	20.1	2.1%	25
Switzerland	4.3	4.8	4.6	4.5	0.7%	9
United Kingdom	105.6	204.5	49.1	119.7	3.4%	94
United States	171.0	223.6	167.8	187.5	2.3%	251
Total	2444.2	3254.3	2424.6	2707.7	7.2%	1708

Note: For **Denmark** and **France**, see footnote 3 on data coverage. The data for the **United Kingdom** represent its “overall climate change commitment” estimated in an internal study that assessed the “climate contribution” of each activity on a percentage scale. Due to the different methodological approach, these data are not entirely comparable with those of other DAC Members.

Chart 1.2 Climate-change-related aid by region, commitments, 1998-2000 average



2. Aid targeting the objectives of the United Nations Convention to Combat Desertification (UNCCD)

Desertification-related aid is defined as activities that combat desertification or mitigate the effects of drought in arid, semi arid and dry sub-humid areas through prevention and/or reduction of land degradation, rehabilitation of partly degraded land, or reclamation of desertified land.

Eighteen DAC Members reported a total of 2814 individual “desertification-related aid” activities in 1998-2000. The total value committed in the three years amounted to USD 2.2 billion.

Chart 2.1 presents the sectoral breakdown of aid activities Members reported as targeting the objectives of the UNCCD. It shows that, in value terms, desertification-related aid is fairly evenly distributed between the sectors of water supply, agriculture, forestry, general environmental protection and rural development. The data based on the number of activities reported confirm that over 90% of desertification-related activities are undertaken in these sectors. Most donors reported activities in all these sectors, whereas in other sectors activities were reported by one or two donors only.

Desertification-related aid represented a high share of total aid in forestry (42%), but general environmental protection, agriculture and water supply can also be considered as significant (11%, 9% and 7% respectively).

Chart 2.1 Desertification-related aid by sector, commitments, 1998-2000 average

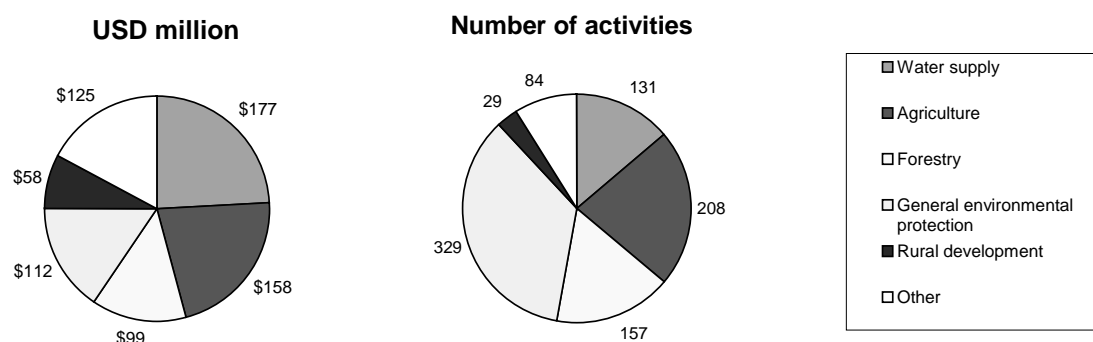


Table 2.1 gives an overview of the data received. It shows, for each donor separately, the total value of desertification-related aid per year and an annual average over the three years. Germany, the Netherlands and Japan accounted for 70% by value of the total, whereas the share of desertification-related aid in total bilateral ODA was largest for Germany (followed by Ireland, Finland, Norway and the Netherlands). In addition, Belgium and Spain reported a relatively large number of activities. Other Members’ data seem to indicate little emphasis on desertification in bilateral ODA programmes. All in all, desertification-related aid represented 2% of Members’ bilateral ODA in 1998-2000.

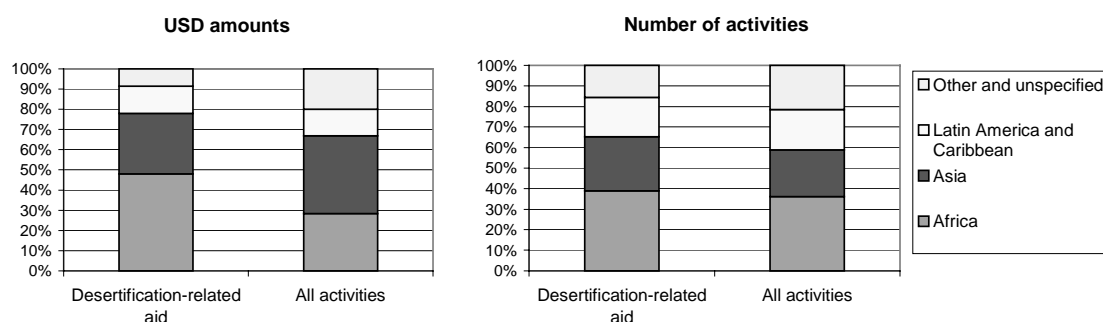
The geographical breakdown of desertification-related aid in Chart 2.2 shows that, in value terms, one-half of total desertification-related aid reported by Members was for Africa. In comparison, Africa’s share of total bilateral ODA was 30%. The data therefore indicate that aid targeting the objectives of the UNCCD is focused on Africa (while not neglecting the other regions) as the Convention envisaged. The data could be further analysed to identify the major recipient countries or to calculate aggregates for “affected countries” or “affected least developed countries”.

Table 2.1 Desertification-related aid by DAC donor, commitments 1998-2000

	1998	1999	2000	Annual average 1998-2000		
	USD million	USD million	USD million	USD million	% of total bilateral ODA	Number of marked activities
Australia	3.0	2.6	16.3	7.3	0.9%	6
Austria	2.2	..	1.4	1.2	0.3%	4
Belgium	8.8	6.2	10.5	8.5	1.7%	74
Canada	11.6	2.7	25.8	13.4	1.2%	8
Denmark	14.2	0.0	0.4	4.9	0.7%	1
Finland	29.4	10.3	10.8	16.8	8.2%	24
France	48.6	9.5	10.7	22.9	0.9%	13
Germany	496.5	298.9	189.0	328.1	10.7%	56
Ireland	2.7	3.6	6.9	4.4	9.5%	35
Japan	45.1	57.4	88.1	63.5	0.6%	267
Netherlands	180.5	104.2	75.4	120.1	5.6%	179
New Zealand	0.4	0.1	0.1	0.2	0.2%	3
Norway	50.5	68.4	45.9	54.9	6.2%	152
Spain	0.4	11.8	24.7	12.3	1.2%	62
Sweden	22.4	20.3	6.4	16.3	1.7%	9
Switzerland	18.0	33.1	17.8	22.9	3.4%	24
United Kingdom	12.2	44.0	12.6	22.9	0.7%	14
United States	6.7	6.7	11.4	8.3	0.1%	7
Total	953.3	679.8	554.1	729.0	2.0%	938

Note: For Denmark and France, see footnote 3 on data coverage.

Chart 2.2 Desertification-related aid by region, commitments, 1998-2000 average



In the case of the desertification Convention, activities directly and explicitly relating to the realisation of national, sub-regional or regional action programmes were defined to qualify for the “principal objective” score. It appears that Members did not make this distinction in scoring. The descriptive information of the 943 activities reported with score 2 makes no specific reference to action programmes. This may be due to the fact that only very limited information can be provided through project titles/descriptions but, even so, this seems to be an unexpected result as national action programmes are defined as the priority implementation mechanism of the UNCCD.

3. Aid targeting the objectives of the United Nations Convention on Biological Diversity (UNCBD)

Biodiversity-related aid is defined as activities that promote at least one of the three objectives of the Convention: the conservation of biodiversity, sustainable use of its components (ecosystems, species or genetic resources), or fair and equitable sharing of the benefits of the utilisation of genetic resources.

Nineteen DAC Members reported a total of 5439 individual “biodiversity-related aid” activities in 1998-2000. The total value committed over the three years amounted to USD 3 billion.

Chart 3.1 presents the sectoral breakdown of aid activities Members reported as targeting the objectives of the UNCBD. It shows that, in value terms, biodiversity-related aid is mainly extended within the sectors of water supply, agriculture, forestry, fishing and general environmental protection which add up to over 90% of the total. The sectoral breakdown based on the number of activities reported shows that almost one-half were in general environmental protection and that forestry and agriculture combined represented more than one-third of the total. The concentration of activities under the general environmental protection category is due to the fact that it covers, by definition, a large share of the biodiversity conservation measures specified in the Convention (e.g. natural reserves and actions in the surrounding areas and other measures to protect endangered or vulnerable species and their habitats). Biodiversity-related aid in other sectors is more closely linked to other implementation measures including “sustainable use of components of biodiversity”.

All donors reported activities in general environmental protection and most donors also in water supply, agriculture, forestry and fishing. Biodiversity-related activities were also reported in a broad range of other sectors. Biodiversity-related aid represented a significant share of aid activities in forestry (65%), general environmental protection (32%), fishing (26%) and, to a lesser extent, water supply (9%) and agriculture (7%).

Chart 3.1 Biodiversity-related aid by sector, commitments, 1998-2000 average

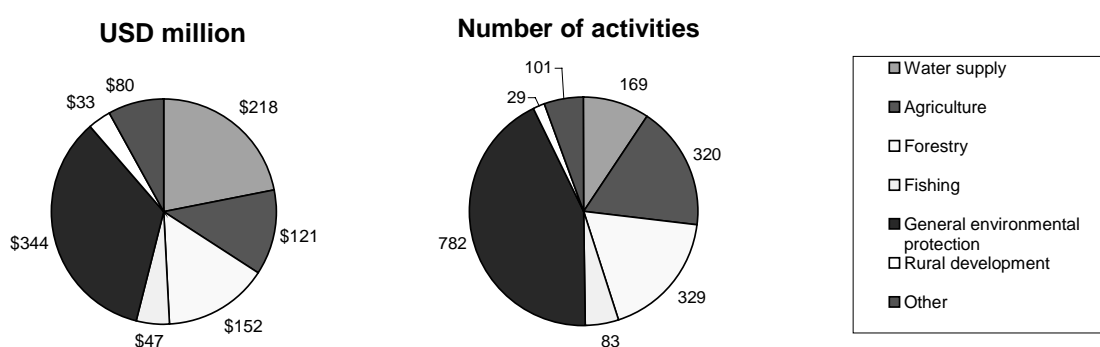


Table 3.1 gives an overview of the data received. It shows, for each donor separately, the total value of biodiversity-related aid reported in 1998-2000 and an annual average over three years. Germany, the Netherlands and Japan accounted for 57% by value of the total, whereas the share of biodiversity-related aid in total bilateral ODA was largest for Finland (followed by Norway, Germany and the Netherlands). In addition, Belgium, the United States and Spain reported a relatively large number of activities. Other Members’ data seem to indicate little emphasis on biodiversity in bilateral ODA programmes. All in all, biodiversity-related aid represented less than 3% of Members’ bilateral ODA in 1998-2000.

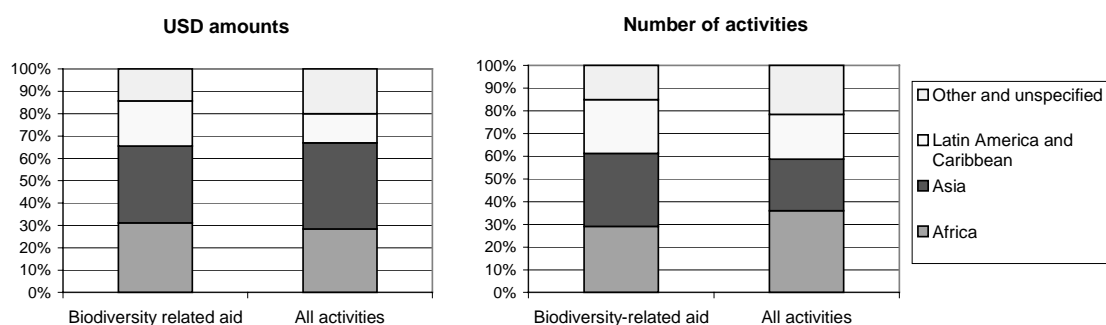
Table 3.1 Biodiversity-related aid by DAC donor, commitments 1998-2000

	1998	1999	2000	Annual average 1998-2000		
	USD million	USD million	USD million	USD million	% of total bilateral ODA	Number of marked activities
Australia	8.4	29.3	26.0	21.3	2.7%	30
Austria	1.8	..	4.1	2.0	0.5%	10
Belgium	20.7	14.5	23.4	19.5	3.9%	161
Canada	26.9	7.4	11.7	15.3	1.4%	12
Denmark	36.1	38.1	15.4	29.8	4.5%	11
Finland	29.2	21.7	23.8	24.9	12.1%	33
France	102.0	20.1	11.9	44.7	1.7%	36
Germany	250.9	310.0	266.0	275.6	9.0%	71
Ireland	1.1	0.9	4.7	2.2	4.9%	11
Japan	163.7	125.1	143.6	144.1	1.4%	644
Netherlands	203.1	133.8	103.9	146.9	6.9%	236
New Zealand	0.8	0.8	0.6	0.8	0.8%	8
Norway	76.0	116.6	80.9	91.2	10.3%	231
Portugal	0.0	0.0	0.0	0.0	0.0%	0
Spain	5.3	12.2	25.9	14.5	1.4%	86
Sweden	52.1	46.0	16.8	38.3	3.9%	32
Switzerland	26.6	12.2	8.9	15.9	2.4%	20
United Kingdom	22.0	38.8	10.9	23.9	0.7%	25
United States	65.9	99.8	86.8	84.2	1.0%	155
Total	1092.4	1027.3	865.5	995.1	2.7%	1813

Note: For Denmark and France, see footnote 3 on data coverage.

Chart 3.2 below presents the geographical breakdown of biodiversity-related aid. In value terms and calculated on the basis of the number of activities reported, biodiversity-related aid seems to be fairly evenly distributed between Africa, Asia and Latin America.

Chart 3.2 Biodiversity-related aid by region, commitments, 1998-2000 average



4. Multilateral aid in support of the implementation of the Rio Conventions

Table 4.1 below presents the data on Members' contributions to the Global Environmental Facility (GEF - relates inter alia to the Conventions on biodiversity and climate change; 75% of contributions reportable as ODA) and the Montreal Protocol (relates indirectly to climate change; 100% ODA eligible) in 1998-2000 as reported in the DAC Questionnaire, and amounts extended to the Global Mechanism of the UNCCD. In addition, Members were requested to indicate if they were aware of any other multilateral organisations that should be covered. Sweden and the Netherlands marked core contributions to a number of agricultural research institutions (USD 19 million and USD 16 million respectively).

Table 4.1 Multilateral ODA commitments related to Rio Conventions 1998-2000, USD million

	Global Environment Facility			Montreal Protocol			Global Mechanism	TOTAL 1998-2000
	1998	1999	2000	1998	1999	2000	Total 1998-2000	
Australia	20.4	-	13.4	2.7	2.7	2.5		41.7
Austria	0.9	6.7	2.9	1.9	1.7	1.4		15.5
Belgium	8.6	-	7.1	1.9	1.9	1.6		21.0
Canada	7.7	7.0	17.0	4.3	4.7	4.5		45.0
Denmark	-	5.2	9.0	1.3	1.3	2.9		19.7
Finland	4.8	1.5	1.3	1.2	1.4	0.9		11.0
France	-	-	45.5	11.1	12.5	9.5		78.5
Germany	83.0	79.5	34.4	6.3	15.1	14.6	0.1	232.9
Greece	1.0	0.9	0.8	0.7	0.0	0.6		4.0
Ireland	0.6	1.3	1.0	0.4	0.4	0.4		4.1
Italy	17.3	-	3.6	9.6	9.6	9.1		49.0
Japan	-	107.0	113.1	28.4	28.4	33.5		310.4
Luxembourg				0.1	0.1	0.1		0.4
Netherlands	76.3	-	-	2.9	2.9	10.5		92.6
New Zealand	0.4	0.4	-	0.4	0.4	0.4		1.9
Norway	6.1	10.9	6.5	0.9	1.0	0.7	0.1	26.2
Portugal	1.0	1.0	0.9	0.5	0.5	0.6	0.1	4.5
Spain	3.1	3.0	-	4.6	4.5	4.5		19.6
Sweden	6.3	1.2	2.9	2.5	1.9	1.3	0.7	16.9
Switzerland	5.5	4.1	5.0	2.3	2.3	1.9	0.2	21.2
United Kingdom	13.5	10.0	19.6	13.7	9.7	4.9		71.4
United States	35.6	125.6	26.9	28.0	34.5	26.9		277.5
TOTAL	291.8	365.3	310.6	125.6	137.4	133.1	1.2	1364.9

Note: Data *in italics* have been provided by UNEP.

Multilateral ODA commitments relevant to the Rio Conventions amounted to USD 1.4 billion in 1998-2000 i.e. some USD 450 million per year. While these data should be taken into account when presenting statistics on Members' total aid in support of the Conventions, it might be observed that multilateral aid does not reflect donors' policy priorities in the same way as bilateral aid. In the short and medium terms, DAC Members' core contributions to the multilateral agencies of which they are Members reflect their national income (i.e. each Member pays a share of these agencies' budgets in relation to its GNI) rather than their policy priorities.