

OECD DAC Statistics

Aid to Climate Change Adaptation

These statistics are based on DAC members' reporting on Rio markers to the CRS. Summary statistics for mitigation- and total climate-related aid are presented in two separate flyers. These and detailed project-by-project data are available at www.oecd.org/dac/stats/rioconventions.htm. 2012 data will be published towards the end of 2013.

- **Total bilateral adaptation-related aid commitments** by members of the OECD's Development Assistance Committee (DAC) reached **USD 8.8 billion** per year in 2010-2011, representing 6.7% of total official development assistance (ODA).
- **Of total adaptation-related aid commitments, 30% (USD 2.7bn) explicitly targets adaptation as a *principal* objective**, whilst 70% (USD 6.1bn) targets adaptation as a *significant* objective, indicating that adaptation is mainstreamed into activities that were primarily motivated by other development objectives. In contrast, over 70% of mitigation-related aid went to activities where mitigation was the *principal* objective.
- **Total climate-related aid** per year over 2010-2011 reaches **USD 21.2 billion**; 58% targets mitigation only, 24% targets adaptation only, and 18% targets mitigation and adaptation together.
- Adaptation-related aid is **concentrated in a few sectors and activity types**: environment-related capacity-building; water; agriculture, forestry, fishing and rural development; disaster risk reduction and response.
- **Least developed countries and other low-income countries** receive 25% of total adaptation-related aid, where more than half goes to LDCs in Sub-Saharan Africa. In contrast 14% of mitigation aid goes to LDCs and other LICs.
- **Grants** comprise **69% of all adaptation-related aid commitments**, in contrast to mitigation-related aid commitments, of which 58% are loans.

Since 1998 the DAC has monitored aid targeting the objectives of the Rio Conventions through its Creditor Reporting System (CRS) using the "Rio markers". Every aid activity reported to the CRS should be screened and marked as either (i) targeting the Conventions as a "*principal* objective" or a "*significant* objective", or (ii) not targeting the objective. There are four Rio markers, covering: biodiversity, desertification, climate change mitigation, and climate change adaptation. The adaptation marker was introduced in 2010. 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 other prime objectives but have been formulated or adjusted to help meet climate concerns. The markers allow an approximate quantification of aid flows that target climate objectives. In marker data presentations the figures for *principal* and *significant* objectives are shown separately and the sum referred to as the "estimate" or "upper bound" of climate-change-related aid. **With only two years of adaptation data, caution should be taken in discerning trends.**

How much bilateral aid is going towards climate change adaptation?

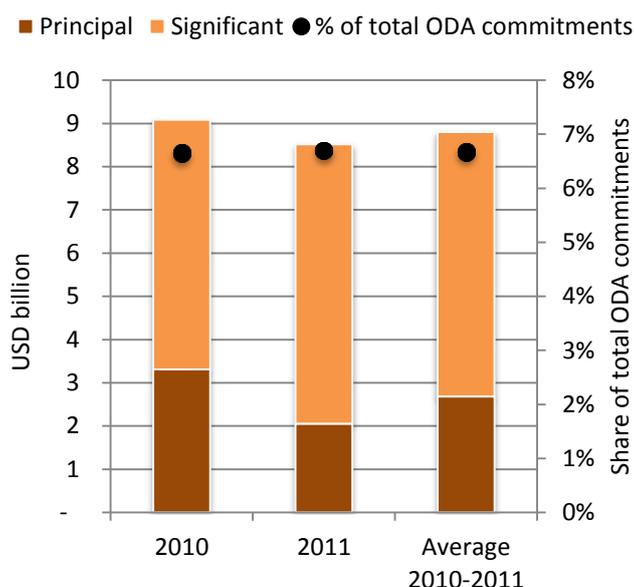
Total adaptation-related aid commitments reached USD 8.8bn on average per year in bilateral ODA in 2010-2011, representing 6.7% of total ODA commitments (Chart 1). Of this, aid targeting adaptation as a *principal* objective reached USD 2.7bn and as a *significant* objective reached USD 6.1bn. The total reflects *principal* plus *significant* bilateral ODA to adaptation.

In total, 70% of adaptation-related aid in this period is targeting adaptation as a *significant* objective, reflecting that adaptation is increasingly mainstreamed within ongoing development co-operation activities that are at risk to climate change.

Over half of adaptation-related activities target multiple environmental objectives; an average of 43% of adaptation ODA also targets climate change mitigation, 31% targets biodiversity, and 19% targets desertification objectives.

Adaptation represents about 42% of total climate aid (including the portion that contributes to both mitigation and adaptation).

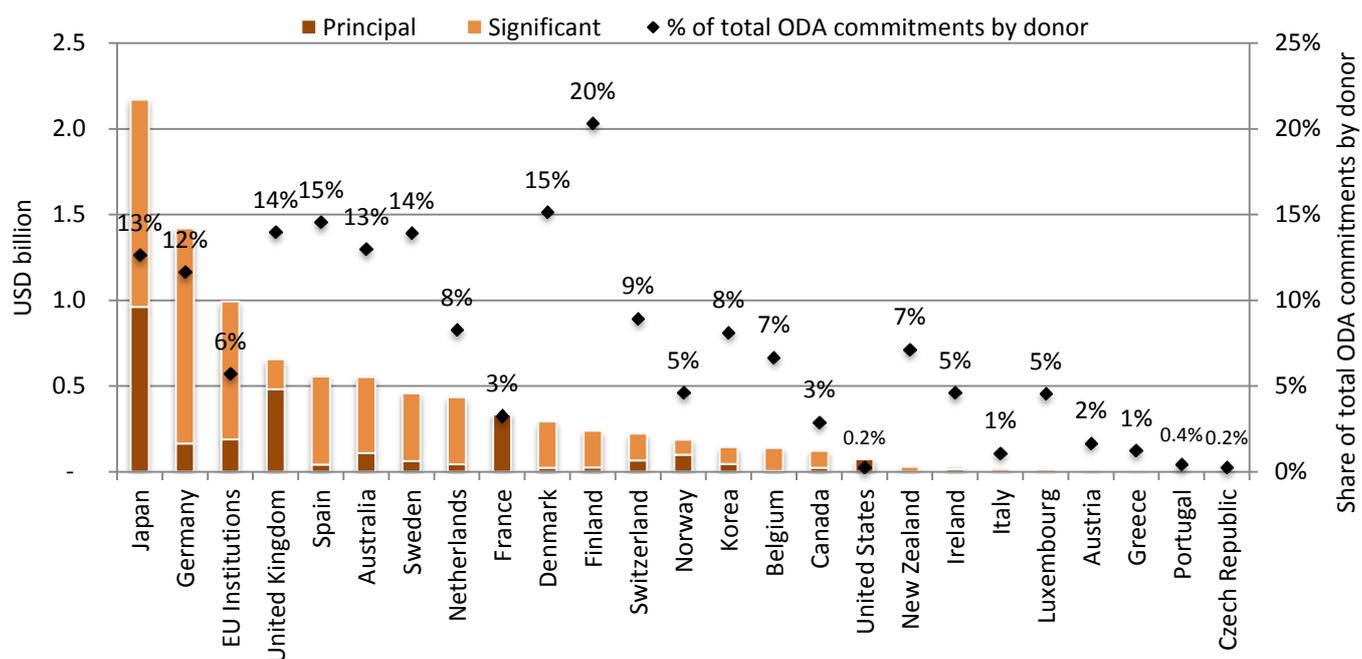
Chart 1. Total adaptation-related aid 2010-11, bilateral commitments, USD billion, constant 2011 prices



Bilateral adaptation-related aid commitments by DAC members

Almost three-quarters of total adaptation-related aid in 2010-11 is provided by just five DAC members (Japan, Germany, EU Institutions, United Kingdom, and Australia) (Chart 2). In absolute terms, Japan, Germany and the EU Institutions report the largest aid commitments to climate change adaptation over 2010-2011, whilst the United Kingdom and France commit the largest amount of aid targeting adaptation as a *principal* objective after Japan for that same period. These countries have committed more than twice the *principal* adaptation ODA of all other donors combined. Adaptation-related aid as a proportion of a donor's total aid portfolio gives an indication of the priority donors are giving to climate change adaptation. By this measure, Finland stands out in dedicating about 20% of its total ODA commitments to adaptation.

Chart 2. Adaptation-related aid by DAC member*
Average 2010-2011, bilateral commitments, USD billion, constant 2011 prices

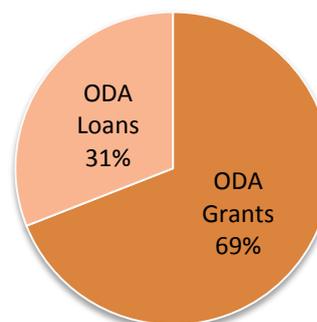


*Note: For the United States the chart is based on 2011 data only.

This analysis draws on the DAC CRS database which contains detail of over 3,800 climate adaptation-related ODA activities per year. Whilst the median activity size is a little over USD 0.1 million, a small number of very large activities (above USD 100 million) dominate and account for about 30% of total adaptation-related aid commitments within the database.

The majority of bilateral adaptation-related aid is committed through grants (about 69%), whilst almost a third is composed of loans (Chart 3). This is similar to general ODA trends, and in contrast to mitigation-related aid, for which ODA loans are more prevalent (58%). This pattern relates to the focus of adaptation-related aid on least developed countries and other low-income countries (LDCs and LICs, 25% of total), and the relatively lower focus on middle-income countries (MICs, 42%) as compared to mitigation-related aid, where MICs receive a larger share (65%) (Chart 7).

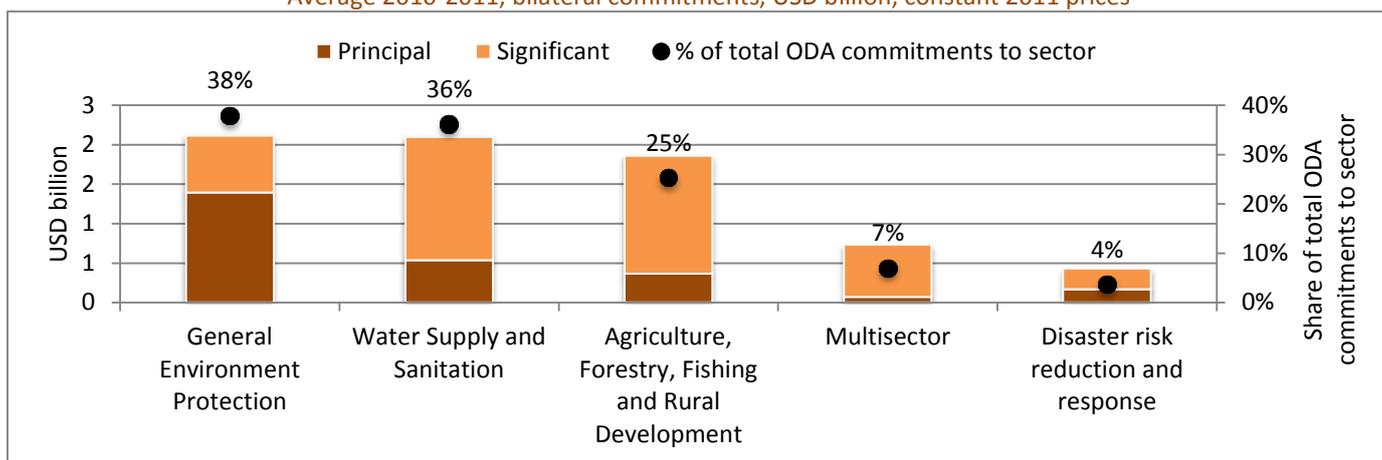
Chart 3. Aid instruments
2010-2011, bilateral commitments



Which sectors are targeted by bilateral adaptation-related aid commitments?

General environment protection¹; water; agriculture and rural development (including forestry and fishing); multi-sector projects²; and disaster risk reduction and response activities together receive 82% of total bilateral adaptation-related aid over 2010-11 (Chart 4). General environment protection receives the largest share of adaptation-related aid and is where adaptation is the most mainstreamed, with 38% of bilateral aid to the sector focusing on adaptation. This illustrates the importance countries and donors are placing on adaptation-related policy formulation, research and education, and capacity-building. The emphasis on capacity-building is reinforced by sector-specific adaptation aid flowing to policy, management, research and education in key economic infrastructure sectors, e.g. water and energy, and to the natural resource sectors including agriculture, forestry and fishing. The focus upon agriculture, forestry and fishing reflects their importance for the livelihoods of the majority of people living in developing countries, and that these sectors are at significant risk from climate change.

Chart 4. Top 5 sectors receiving 82% of adaptation-related aid^{1,2}
Average 2010-2011, bilateral commitments, USD billion, constant 2011 prices



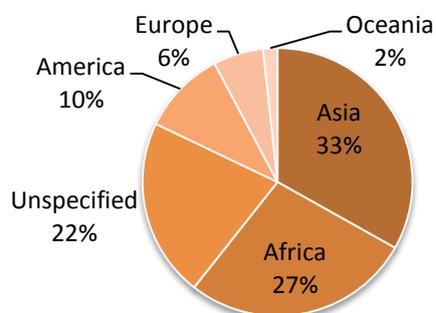
¹: General Environmental Protection includes support to environmental research, education, policy and administration management. ²: Multi-sector projects include urban development and management, and multi-sector education, training and research.

Aid to cross-sector urban adaptation issues appears notable in the adaptation aid portfolio. From a review and project screening of every adaptation-related activity in the CRS database, **almost one-fifth of adaptation-related commitments have been assessed to explicitly target urban areas.** Of this, over 70% is assessed as hard infrastructure, predominantly water supply and sanitation, whilst 10% targets capacity-building and policy development for infrastructure.

Other sectors, where adaptation to climate change could be important, but are yet to receive substantial adaptation-related aid commitments include transport infrastructure, tourism and health.

Where is bilateral adaptation-related aid flowing to?

Chart 5. Geographic regions receiving adaptation-related aid
2010-2011, bilateral commitments



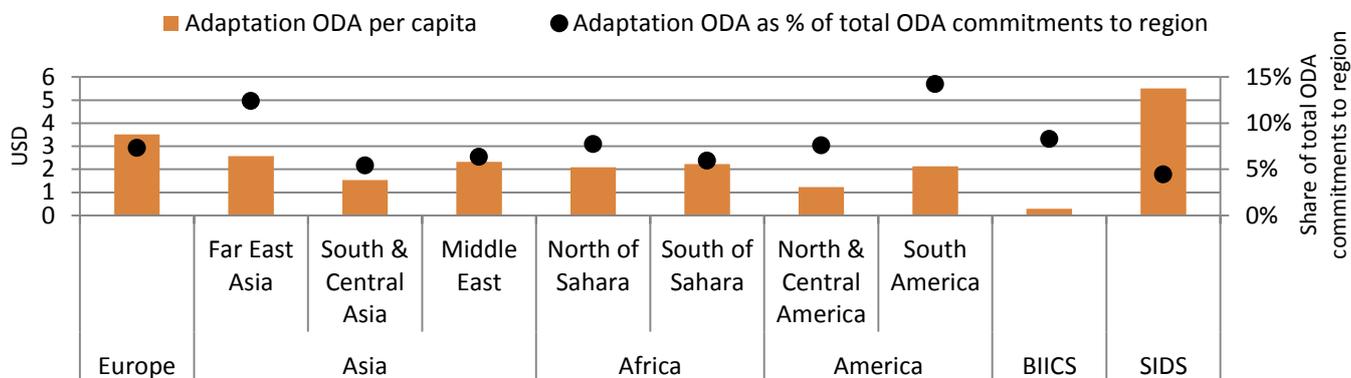
In **absolute terms**, over half of adaptation-related aid is concentrated in the large continents of **Asia** and **Africa**. Asia is the greatest recipient, driven by the fact that Japan, which primarily focuses its aid activities in the Asian continent, is a key provider of adaptation-related aid.

At the country level, the top ten recipients currently are **Vietnam, Indonesia, Kenya, Iraq, India, Bangladesh, Ethiopia, Peru, Pakistan** and **China**. Together these countries receive slightly under 30% of total adaptation-related aid.

Almost a quarter of all bilateral adaptation-related aid is not specifically targeting a country or region directly; instead, this money flows to specific funds and programmes managed by international organisations, which in turn channel aid to specific countries, or to international NGOs and research institutions working on adaptation issues in partnership with developing countries.

Looking at adaptation ODA in **relative terms**, however, tells a different story. **Per capita**, it is Small Island Developing States (SIDS) and Eastern European countries that receive the most adaptation-related aid. Additionally, adaptation appears to be a **high relative priority in South America and Far East Asia**, with almost 15% and 13% of total ODA commitments to the region, respectively, related to adaptation.

Chart 6. Sub-regional breakdown of adaptation aid per capita
Average 2010-2011, bilateral commitments, USD per capita, constant 2011 prices



Note: SIDS (as defined by the UN) and BIICS (Brazil, India, Indonesia, China, and South Africa) have been taken out of their respective regions to form these specific groups. For example, Brazil is not also included in the South America figures, and the Maldives is not included in the "South & Central Asia" figures.

Small Island Developing States (SIDS) seem to be an important target for adaptation-related aid.

It appears that adaptation to climate change is a high priority within the development planning and policy of many SIDS, with adaptation accounting for up to 36% of total bilateral ODA received in the 2010-11 period.

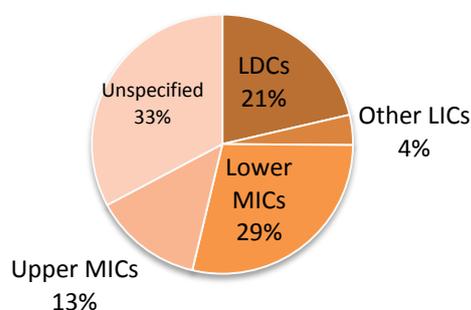
Additionally, whilst not large recipients in absolute terms, SIDS in the Pacific make up all of the top ten recipients of adaptation-related aid per capita, receiving at least 20 times more than the average across other recipient countries. This is in line with patterns for total ODA.

Table 1. Top 10 recipients, adaptation-related aid as a % of total ODA received

Average 2010-2011, bilateral commitments, USD per capita, constant 2011 prices

Country	Adaptation ODA as % of total ODA
Suriname	36%
Costa Rica	34%
Gabon	32%
Cook Islands	32%
Peru	25%
Niue	25%
Maldives	23%
Bolivia	22%
Jamaica	21%
Kiribati and Samoa	20%
Average across all ODA: 6.7%	

Chart 7. Income groups receiving adaptation-related aid
2010-2011, bilateral commitments



By income group, middle-income countries receive the most adaptation-related aid in absolute terms. However, low-income countries (LDC plus other LIC) still receive a higher share of total adaptation-related aid (25%) compared to their share of total mitigation-related aid (14%). Furthermore, **adaptation-related ODA received per capita is highest in LDCs**, who receive an average of USD 2.2 per capita in adaptation ODA per year in 2010-2011. Lower MICs receive USD 1.0 per capita and Upper MICs receive USD 0.5 per capita. However, **Upper MICs on average receive the most adaptation ODA as a share of total ODA commitments to these countries.**

An activity should be classified as adaptation-related (*score principal or significant*) if it intends 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. For more information, please see the Handbook on the OECD-DAC Climate Markers (2011), available at www.oecd.org/dac/stats/rioconventions.htm.