

OECD DAC Statistics

Climate-related Aid

These statistics are based on DAC members' reporting on Rio markers to the CRS. See methodology box on last page.

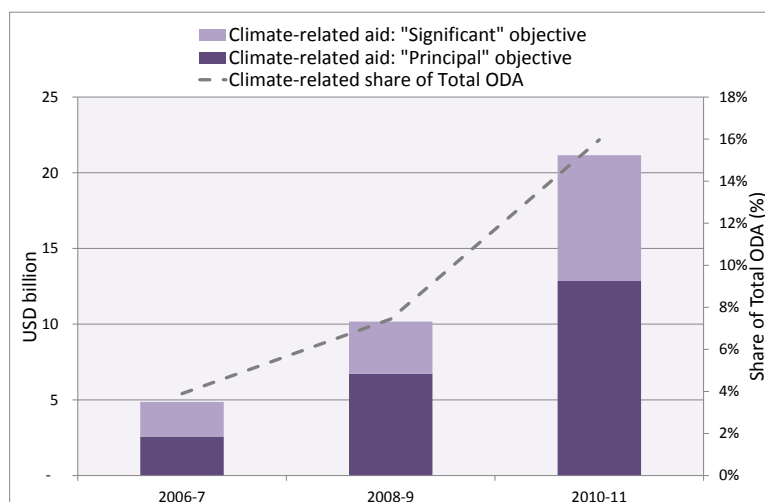
This version contains updates on 2011 data previously published; 2012 data will be published towards the end of 2013. Summary statistics for mitigation- and adaptation-related aid are presented in two separate flyers. These and detailed project-by-project data are available at www.oecd.org/dac/stats/rioconventions.htm.

- Total bilateral climate change-related aid by members of the OECD's Development Assistance Committee (DAC) increased at a steady pace over the past six years, and reached **USD 21.2 billion** per year in 2010-11, representing **16% of total official development assistance**. For 61% of the climate-related activities (**USD 12.8 billion**), mitigation or adaptation was the *principal* objective; for the remainder (**USD 8.4 billion**) it was a *significant* objective.
- Of the total climate change-related aid, **58% addresses mitigation concerns only, 24% adaptation concerns only, and 18% consists of activities designed to address both**.
- **Mitigation projects are mainly marked as principal (72%)**, reflecting the primary focus on GHG emission reductions for large-volume projects, while **adaptation projects are usually marked as significant (70%)**, as climate-resilient sectoral projects often address other development objectives as a primary focus.
- Climate-related projects are concentrated in a few sectors: **energy** (mitigation), **general environment protection** (both mitigation and adaptation), **transport** (mitigation), **water** (both) and **agriculture and rural development** (both).
- The geographical allocation of funding differs for mitigation and adaptation projects with a higher share allocated to **middle-income countries** for mitigation (65%) than for adaptation (42%), and a lower share to **least developed countries and other low-income countries** (mitigation: 14%, adaptation: 25%).

How much bilateral aid is going towards climate change mitigation and/or adaptation?

Chart 1. Trends in climate-related aid, two-year averages

2006-11, bilateral commitments, USD billion, constant 2011 prices



Total bilateral climate change-related aid by members of the OECD's Development Assistance Committee (DAC) increased at a steady pace over the period 2006-11, from USD 4.9 billion in 2006-07 to **USD 21.2 billion per year in 2010-11**, representing **16% of total official development assistance**.

For 61% of the climate-related activities (**USD 12.8 billion**), mitigation and/or adaptation was the *principal* objective; for the remainder (**USD 8.4 billion**) it was a *significant* objective.

Chart 2. Mitigation-related aid, two-year averages

2006-11, bilateral commitments, USD billion, constant 2011 prices

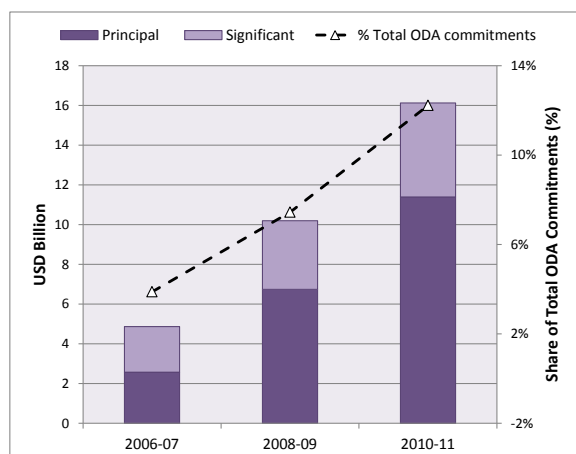
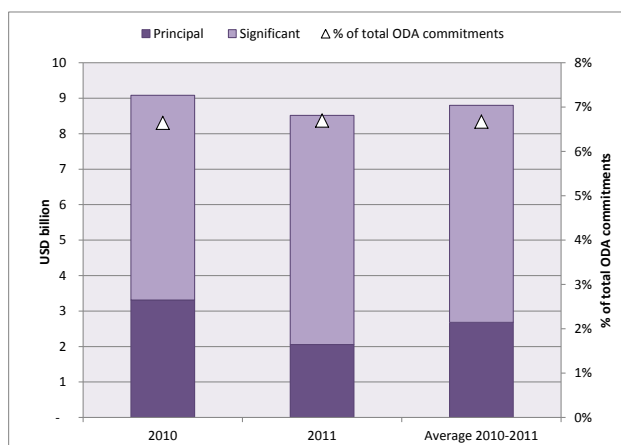


Chart 3. Adaptation-related aid

2010-11, bilateral commitments, USD billion, constant 2011 prices



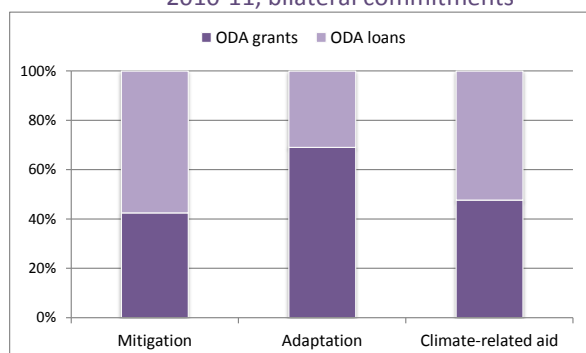
Bilateral **climate change mitigation-related aid** reached **USD 16.1 billion** per year over 2010-11, rising over three-fold since 2006. Bilateral **climate change adaptation-related aid** reached **USD 8.8 billion** per year over 2010-11. **Adaptation projects are usually marked as significant (about 70%)**, reflecting the mainstreaming of adaptation within on-going development co-operation activities that are at risk to climate change and illustrating the effort to deliver climate-resilience through projects designed to address other development objectives at sector level. **Mitigation projects are mainly marked as principal (72%)**, reflecting the primary focus on GHG emission reductions for large volume projects and indicating that aid to climate mitigation is not only increasing, but also becoming more targeted.

How is climate-related aid financed channelled? What financial instruments are used?

Donors channel about 16% of their bilateral climate-related aid through earmarked contributions to multilateral organisations, e.g. through the Climate Investment Funds (see note 2 under Table 1), the UN-REDD programme (Reducing Emissions from Deforestation and forest Degradation), the World Bank Forest Carbon Partnership, or through FAO projects targeting the impact of climate change for food security. Non-governmental organisations (NGOs) are also important delivery channels – in particular for adaptation, delivering about 15% of adaptation-related aid, whilst for mitigation-related aid this represents 5%.

Chart 4. Climate-related aid by instrument

2010-11, bilateral commitments



The **mitigation-related aid portfolio comprised a majority of loans (58%)** over 2010-11 while **for adaptation it comprised a majority of grants (69%)**. The difference in the mix of instruments reflects differences in the nature of mitigation vs. adaptation projects: the data for mitigation are dominated by fewer large volume infrastructure projects in middle-income countries while the data for adaptation cover numerous smaller technical co-operation activities, including a *significant* share in least developed countries and other low-income countries.

Climate-related aid commitments by DAC member

Total Bilateral climate change mitigation-related aid is estimated at **USD 13.3 billion** in 2011, and total **climate change adaptation-related aid** at **USD 8.5 billion**. This is an “upper-bound” estimate that adds to activities marked “*principal*” the full value of those marked “*significant*”. In certain cases, the same activity is tagged as both mitigation and adaptation-related. This overlap amounts to about USD 3.7 billion (see Table 1 and Charts 5-6). Allowing for the overlap, the net total for bilateral climate-related aid is **USD 18.1 billion** in 2011 (i.e. 13.3+8.5-3.7).

Finance for climate change mitigation and adaptation also flows through the multilateral system. While earmarked contributions channeled through multilateral organisations (“multi-bi” contributions) are included in bilateral figures, core contributions are included in multilateral aid and not marked against Rio markers; instead, “imputed multilateral contributions” are calculated. The total of DAC members’ contributions to specific multilateral climate funds plus the climate-related share of DAC members’ core contributions to multilateral organisations was **USD 3.4 billion in 2011** based on data received to date. The DAC Secretariat is working on the climate change markers with multilateral development banks and other agencies to complete these data and provide an aggregated view of the bilateral and multilateral flows targeting climate concerns.

Table 1. Climate-related aid by DAC members in 2011

USD million, current prices

	Bilateral contributions					Imputed multilateral contributions							
	Marker-based statistics, commitments, USD million					Members' contributions (disbursements) to international organisations multiplied by the share of outflows targeting climate change, USD million							
	Climate change mitigation-related aid		Climate change adaptation-related aid		for reference	Total bilateral climate-related aid, netting out the overlap (a+b+c+d-e)	GEF (32%)	IDA (30%)	Montreal Protocol (100%)	GEF LDC fund (100%)	GEF special climate change fund (100%)	UNFCCC (100%)	Total imputed multilateral climate change-related aid
Principal objective (a)	Significant objective (b)	Principal objective (c)	Significant objective (d)	aid marked both mitigation and adaptation (e)									
Australia	66.8	208.8	96.7	480.0	227.7	624.6	4.2	51.1	3.3	0.0	0.0	0.6	59.2
Austria	16.7	16.9	6.1	8.9	6.4	42.2	9.5	47.9	1.4	0.0	0.0	0.1	58.8
Belgium	20.9	144.0	6.4	129.3	51.9	248.7	7.6	53.1	1.7	13.9	13.9	0.2	90.3
Canada	351.5	41.8	39.3	183.0	31.3	584.2	17.7	116.6	5.0	0.0	0.0	0.6	139.9
Czech Republic	0.0	0.0	0.0	0.3	0.0	0.3	0.0	1.8	0.4	0.0	0.0	0.0	2.3
Denmark	72.9	188.7	36.2	160.6	174.8	283.7	6.0	26.4	1.1	0.0	0.0	0.0	33.4
EU Institutions	273.8	1078.3	257.7	1000.3	871.2	1739.0	0.0	0.0	0.0	0.0	0.0	2.5	2.5
Finland	19.8	201.6	32.9	224.2	116.3	362.2	6.7	21.3	0.8	2.2	1.3	0.0	32.3
France	1594.4	23.5	204.9	0.8	71.3	1752.4	28.5	176.7	9.3	0.0	0.1	1.1	215.7
Germany	1501.0	1648.3	259.9	2004.0	814.1	4599.1	38.6	417.4	5.1	69.5	36.2	6.2	572.9
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iceland	..	..	..	..	..	..	0.0	0.6	0.0	0.0	0.0	0.0	0.6
Ireland	50.8	0.0	32.1	0.0	17.4	65.4	0.0	7.5	0.7	0.0	2.0	2.9	13.1
Italy	51.5	33.6	4.1	21.5	14.5	96.2	8.4	48.8	0.0	0.0	0.0	0.0	57.2
Japan	3190.4	171.9	664.3	1239.1	565.7	4699.8	101.1	409.5	26.9	0.0	0.0	2.7	540.2
Korea	3.8	64.0	4.6	26.5	7.5	91.5	0.7	23.4	0.1	0.0	0.0	0.5	24.7
Luxembourg	0.4	6.4	0.8	20.8	6.4	22.0	0.5	5.4	0.0	0.0	0.0	0.0	5.8
Netherlands	90.0	59.8	4.2	120.0	42.9	231.0	17.9	140.7	3.4	0.0	0.0	0.0	161.9
New Zealand	8.9	11.1	1.7	21.5	8.0	35.3	0.6	4.5	0.4	0.0	0.0	1.5	7.1
Norway	402.1	324.1	123.1	74.4	127.2	796.6	6.1	45.9	1.2	9.5	2.7	3.6	68.8
Portugal	5.6	18.7	0.2	1.5	1.3	24.7	0.0	6.3	0.9	0.0	0.0	0.1	7.3
Spain	7.1	90.6	13.1	148.7	88.8	170.7	0.0	82.2	0.0	0.0	0.0	0.3	82.5
Sweden	44.6	271.5	72.6	335.6	290.7	433.4	0.0	102.8	1.7	28.5	0.0	0.0	133.0
Switzerland	49.1	191.5	58.3	169.4	54.5	413.8	10.5	82.2	2.4	0.0	0.0	0.2	95.4
United Kingdom	251.1	78.8	64.5	88.6	95.3	387.8	53.9	512.6	0.0	0.0	0.0	0.0	566.5
United States	322.6	0.0	73.0	0.0	0.0	395.6	28.7	369.8	35.2	0.0	0.0	10.0	443.7
Total	8395.8	4874.2	2056.6	6459.0	3685.3	18100.2	347.0	2754.3	100.9	123.6	56.1	33.2	3415.0

Notes: **1)** For imputed multilateral contributions, the share of the multilateral organisation’s outflows targeted at climate change mitigation and/or adaptation is applied to members’ contributions to these organisations. For the World Bank, the share is based on their preliminary reporting to the CRS on their climate change co-benefits and may need to be revised upon final reporting. For GEF, the share is based on data available at www.gefonline.org (climate change focal area and prorated portion of multifocal area).

2) Donors’ contributions to the Climate Investment Funds are included in bilateral aid up to 2011 flows and in multilateral aid as from 2012 flows.

Non-aid flows

Rio markers are applicable to ODA and to non-export credit other official flows (i.e. non-concessional developmental flows). Development finance institutions have started reporting on climate markers to the CRS for these flows. Although reporting to date is incomplete, results from France and Germany alone show that non-concessional climate-related flows can be significant with the annual average total for 2010-11 at USD 645 million (USD 477 million for AFD in France, and USD 166 million for KfW in Germany).

Targeting multiple objectives

A key feature of the marker methodology is that one activity can be reported as addressing several policy objectives at the same time, resulting in some overlap in aggregates calculated for individual policy objectives. It is useful to monitor multiple objectives and often impracticable to completely separate them but care must be taken to avoid double counting when compiling and reporting the total aid to climate change mitigation and adaptation. Overlaps reflect the multiple co-benefits from mainstreaming climate change mitigation and adaptation strategies and programmes into development efforts, for example in the forestry, land use and

agriculture areas. The impact of development finance can be greater when targeting multiple objectives, provided programmes are well designed.

Charts 5 and 6 illustrate the overlaps between mitigation and adaptation objectives. Of the total climate-related aid, 58% addresses mitigation concerns only, 24% adaptation concerns only, and 18% addresses both. There are also overlaps with other environment objectives – biodiversity and desertification – that can be identified based on CRS data (see http://www.oecd.org/dac/stats/DCR%20Ch%203_EN.pdf).

Chart 5. Climate-related aid activities: share targeting mitigation, adaptation or both

Annual averages 2010-11, bilateral commitments, USD billion, constant 2011 prices

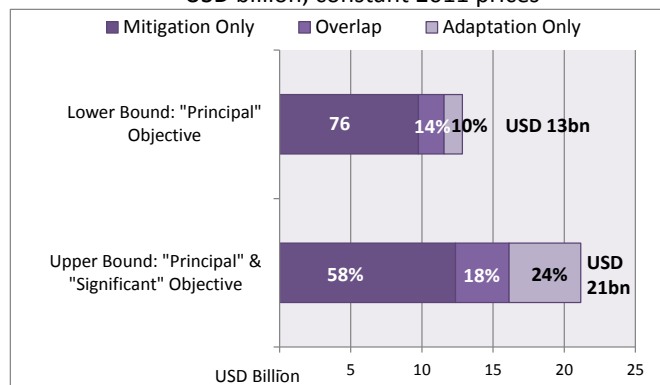
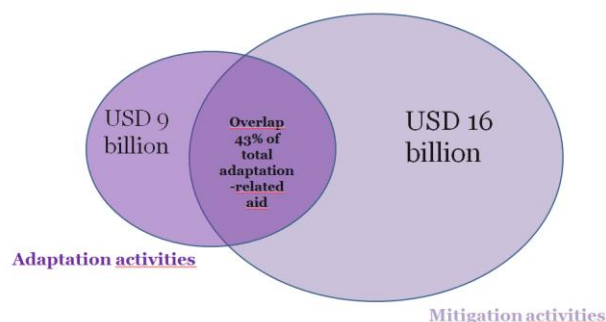


Chart 6. Illustration of the overlap between adaptation and mitigation objectives

Annual averages 2010-11, bilateral commitments, USD billion, constant 2011 prices



Out of the total adaptation-related aid, 43% of activities also address mitigation objectives. The overlap is higher in the general environment protection, forestry and water sectors.

Box: Rio marker methodology

Background

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.

For the longer term, developed countries committed to "a goal of mobilising jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries" through a "wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance". The DAC helps monitor the implementation of these commitments by making available aggregate statistics on climate change-related aid as illustrated in this note. Information on the underlying projects can be accessed in the DAC's online database.

Definitions

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.

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