

# Climate-related official development assistance: A snapshot

## Findings

- In 2020, members of the OECD Development Assistance Committee (DAC) allocated a record-high 33.4% of their bilateral official development assistance (ODA) to climate objectives.
- For the first time, adaptation-related ODA surpasses mitigation-related ODA.
- Of all climate-related activities funded by bilateral ODA, 39% had *adaptation* objectives, 37% had *mitigation* objectives and 24% pursued *both*.
- Over one-third of climate-related ODA supports climate action as a *principal* objective, and the remainder has it as a *significant* (secondary) objective.
- Asia is the main recipient (41% of the total), followed by Africa (25%).

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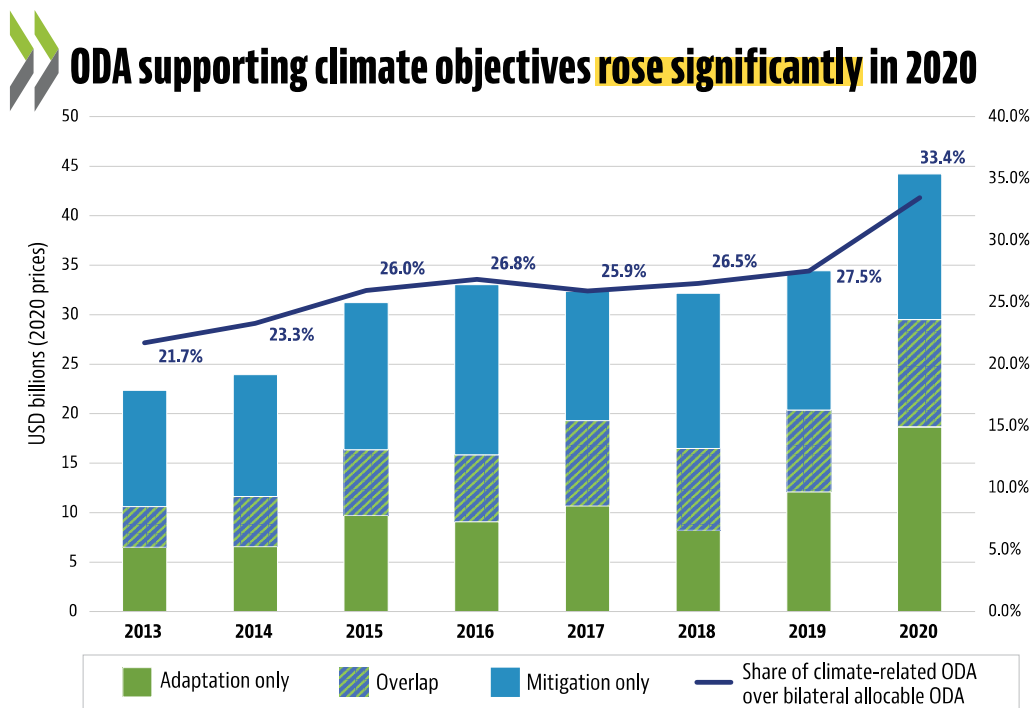
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## Defining official development assistance (ODA) for climate

This snapshot presents data on bilateral ODA with climate change objectives from Development Assistance Committee (DAC) members. Bilateral climate-related ODA supports activities that pursue climate change *adaptation* or *mitigation* objectives, or *both*. The OECD has been collecting and publishing data on these activities since the early 2000s, using the “Rio markers” methodology, which differentiates between development co-operation activities pursuing climate change adaptation or mitigation as *principal* (primary) objectives from those that pursue them as *significant* (secondary) objectives.

More broadly, climate-related development finance – for which the OECD also collects and publishes data annually – includes other (non-ODA) bilateral flows, multilateral development finance, philanthropic support and private finance mobilised by official interventions.

## Trends in bilateral climate-related ODA

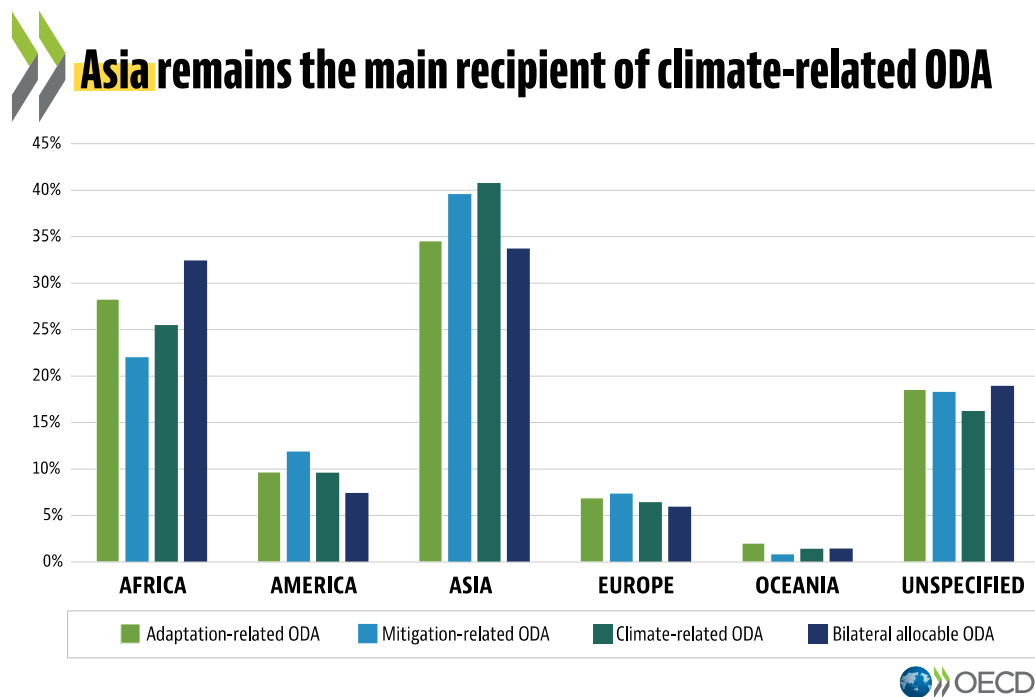


The substantial increase in ODA with climate objectives – USD 44 billion in 2020 – reflects the rise in activities marked for adaptation only (from 10% to 14% of total ODA) and, to a minor extent, that of activities pursuing both mitigation and adaptation (7% to 8%). Mitigation-only activities remain stable (11%). As a result, adaptation-related ODA surpassed mitigation-related ODA for the first time.

This growth mostly stems from Japan more than doubling its climate-related commitments and France increasing them by about 40%.

Over 30% of bilateral ODA from DAC members pursued climate objectives in 2019-20, one-third as a principal objective and two-thirds as significant objectives.

## Who receives bilateral climate-related ODA?

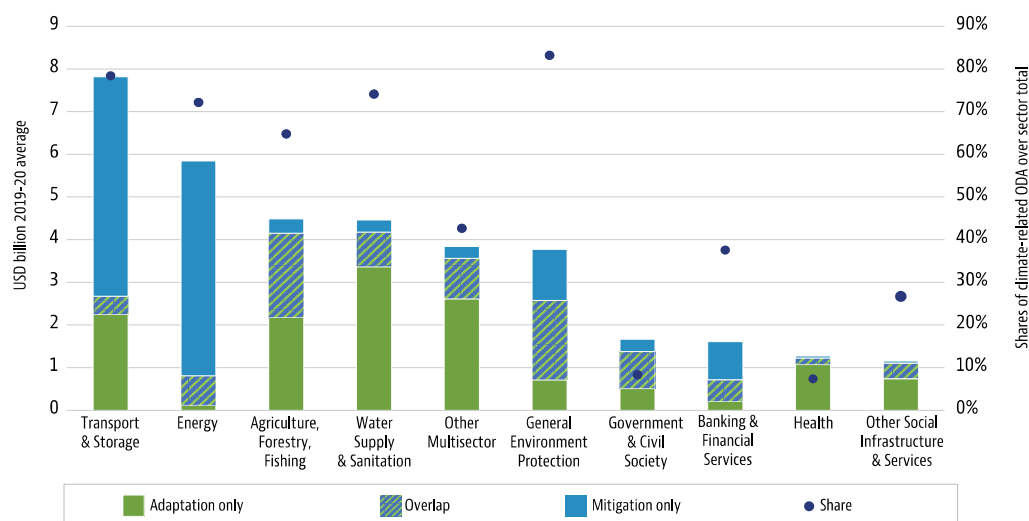


In 2019-20, Asia absorbed 41% of total bilateral ODA related to climate and a similar share of that related to mitigation specifically (40%). By contrast, Africa received only 25%, much less than its share in global bilateral ODA (32%), with adaptation the main focus.

## Which sectors does bilateral climate-related ODA target?

Support for mitigation dominates in sectors with more potential for greenhouse gas emission abatement, such as transport and energy. Support for adaptation focuses more on those closely linked to the ecosystem, such as agriculture, forestry and fishing, or water supply and sanitation. Some sectors, such as general environment protection, are mostly supported by activities that pursue both.

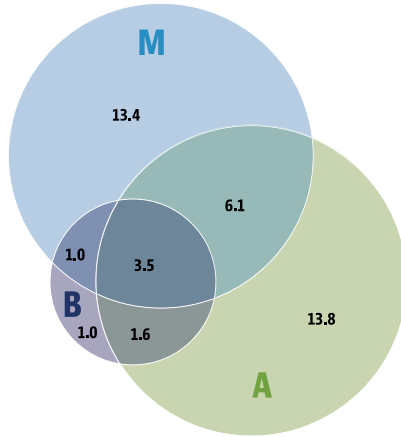
## More than half of bilateral ODA in transport, energy or agriculture has climate objectives



## Does ODA for climate also support biodiversity?

In 2019-20, 15% of the climate-related ODA from DAC members also pursued biodiversity-related objectives. In addition, 85% of biodiversity-related ODA also pursued climate-change adaptation, mitigation, or both.

### Official development assistance supports multiple environmental objectives



**A** = Adaptation  
**M** = Mitigation  
**B** = Biodiversity

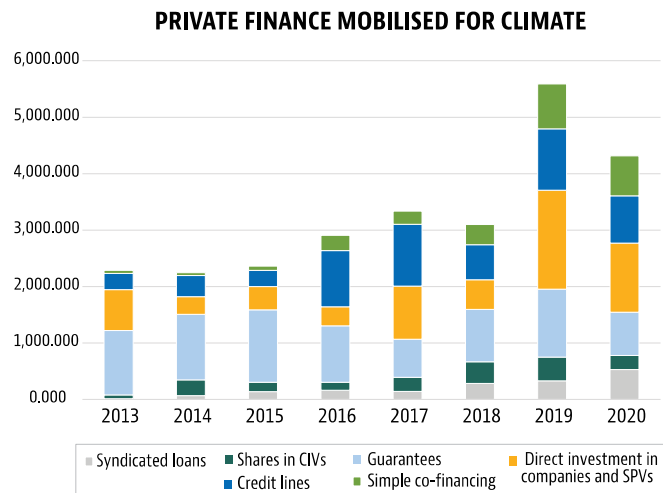
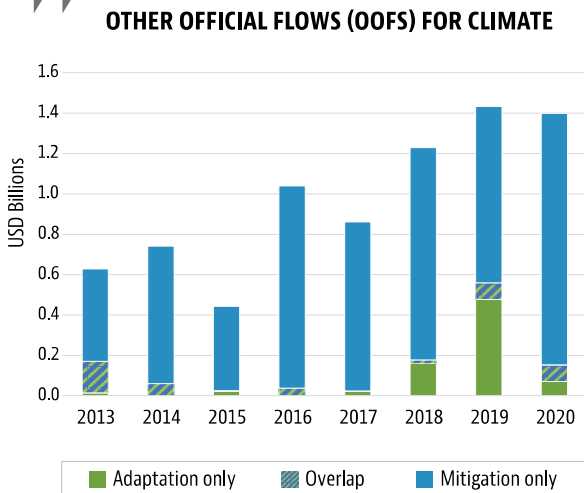
Numbers represent USD billion commitments, 2019-20 average



## DAC members' other finance for climate action

Beyond ODA, DAC members mobilise more financial resources for climate objectives, such as other official flows (OOFs) – loans that do not meet the ODA definition, e.g. in terms of concessionality. They represented around USD 1.4 billion per year in 2019-20, mostly for mitigation activities.

### DAC members' finance for climate action includes more than ODA



## What counts as climate-related official development assistance?

To report on their bilateral climate-related official development assistance, DAC members have been using the Rio markers methodology since the early 2000s, as have a number of other bilateral and multilateral providers. By contrast, multilateral development banks (MDBs), which also report data to the OECD, have been using the *climate components* methodology. The two methodologies have different scopes and accounting methods, but their definitions of climate-change mitigation and adaptation are closely related.

### **Reporting with the Rio markers**

The Rio marker methodology indicates the incorporation of climate considerations into development co-operation portfolios. ODA identified with the Rio markers is commonly referred to as *climate-related ODA*.

The Rio markers methodology has a three-tier scoring system:

- Principal (2): when the objective (climate-change mitigation or adaptation) is explicitly stated as fundamental in the design of, or the motivation for, the activity.
- Significant (1): when the objective (climate-change mitigation or adaptation) is explicitly stated but it is not the fundamental driver or motivation for undertaking it.
- Not targeted (0): meaning that the activity was examined but found not to target the objective (climate-change mitigation or adaptation) in any significant way.

The Rio markers apply to activities as a whole, i.e. the score given applies to all components of an activity, some of which may be more climate-related than others. For this reason, the markers are considered descriptive rather than strictly quantitative: they allow for an approximate quantification of development finance that targets the climate objectives, mitigation, adaptation or both.

Rio markers may be reported on *allocable* ODA, a subset of ODA that excludes some activities that, according to DAC rules, are not eligible for climate reporting, such as debt relief or administrative costs. The data used in this snapshot also excludes activities related to coal.

### **Reporting on climate components**

The climate components methodology identifies the components of a project that directly contribute to or promote adaptation and/or mitigation. It is a quantitative measure expressed in USD. The components are calculated in accordance with the *joint MDB methodology for tracking climate mitigation finance* and the *joint MDB methodology for tracking climate adaptation finance*. The data used above do not include multilateral climate finance.

### **How do Rio marker data link with the “USD 100 billion” goal?**

Initially spelt out at COP15 of the UNFCCC in Copenhagen in 2009, the annual goal for developed countries to provide and mobilise USD 100 billion per year for climate action in developing countries was to be met in 2020 and is now to be sustained until 2025.

The OECD publishes [aggregate trends](#) of annual climate finance provided and mobilised by developed countries for developing countries in support of the USD 100 billion goal, according to the modalities for the accounting of financial resources provided and mobilised through public interventions agreed by all countries at COP24.

The methodology to calculate the climate finance figures in support of the USD 100 billion goal does not use bilateral Rio markers data submitted to the OECD, but instead uses bilateral climate finance data reported directly to the UNFCCC.

## Data on finance for climate action on oecd.org

In addition to ODA from DAC members, the OECD collects, publishes and regularly updates a wide range of climate-related development finance data.

Data, visualisation tools and methodological resources are available at the following links:

CLIMATE-RELATED DEVELOPMENT FINANCE

<https://oe.cd/development-climate>

RIO MARKERS DATABASE

<https://stats.oecd.org/Index.aspx?DataSetCode=RIOMARKERS>

PRIVATE FINANCE MOBILISED

[https://stats.oecd.org/Index.aspx?DataSetCode=DV\\_DCD\\_MOBILISATION](https://stats.oecd.org/Index.aspx?DataSetCode=DV_DCD_MOBILISATION)