

# Climate-related official development assistance in 2021: A snapshot

## Findings

- In 2021, 27.6% of allocable bilateral official development assistance (ODA) pursued climate objectives, a drop in comparison to 2020, back to the mild growth trend observed over 2015-19.
- Over one-third of climate-related ODA supported climate action as a *principal* objective in 2021 (USD 14 billion, similar to 2020). Activities that supported climate action as a *significant* objective totalled USD 23 billion.
- Of all climate-related ODA activities in 2020-21, 42% addressed adaptation, 33% mitigation and 24% both objectives.
- The share of climate-related activities in bilateral ODA varies across regions: 26% of commitments to Africa were climate-related in 2020-21, against 40% in Latin America and the Caribbean, 39% in Asia and 37% in Oceania.

This Snapshot provides the latest data reported by the members of the OECD Development Assistance Committee (DAC) on the climate-related objectives of their bilateral official development assistance (ODA) through the Rio markers (see methodological section on Page 5).

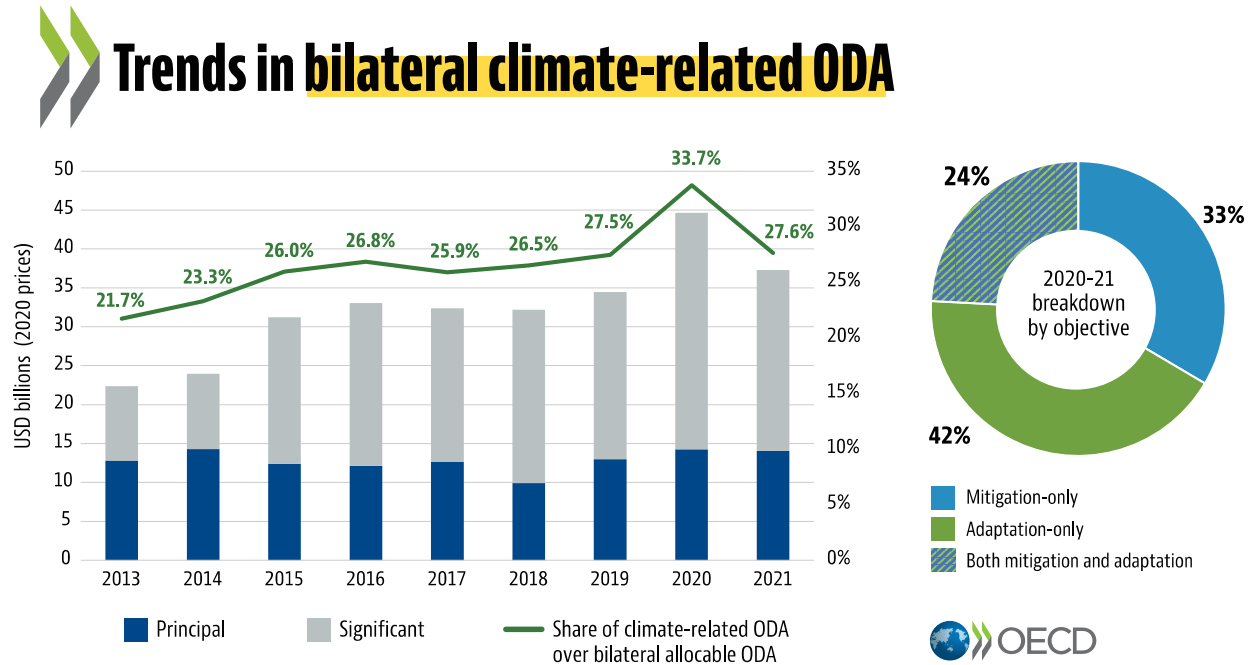
### Additional resources are available at:

- [Climate-related development finance](#)
- [RIO Markers Database](#)
- [Private Finance Mobilised](#)

**For more information, comments, questions and inquiries, contact:** [dac.contact@oecd.org](mailto:dac.contact@oecd.org)

## Bilateral climate-related ODA, 2013-21

In 2021, 27.6% of bilateral allocable ODA from DAC members pursued climate objectives: a decrease from the 2020 peak, back to the levels recorded between 2015 and 2019.



Activities with a *principal* climate objective remained stable between 2020 and 2021, at USD 14 billion (in 2020 prices) in both years. Activities with climate change as a *significant* objective totalled over USD 23 billion in 2021, a considerable drop from 2020 (USD 30 billion) but it is in line with the values recorded in 2015-19. The 2020 peak value owes mostly to a few large activities reported that year by a few DAC members.

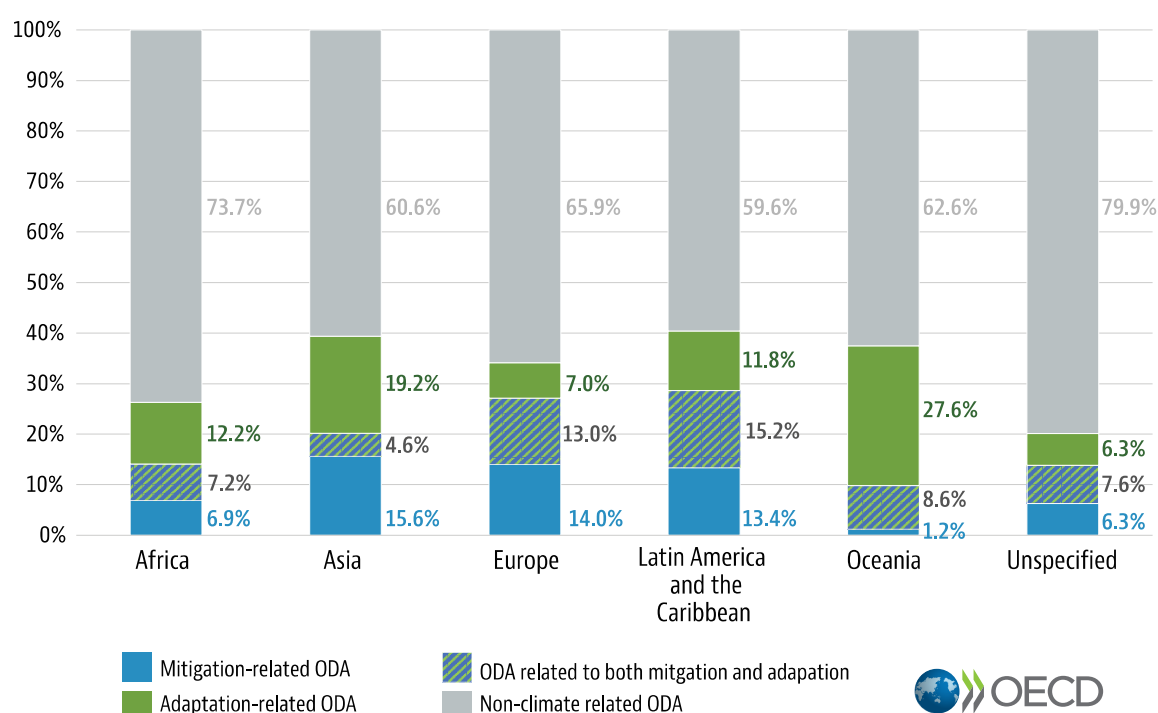
Of all climate-related activities in 2020-21, 42% addressed *adaptation*, 33% *mitigation* and 24% *both* objectives. Considering activities in support of adaptation (including those addressing *both* mitigation and adaptation objectives), in 79% of the cases (in value terms) adaptation is pursued as a significant objective, while in the remaining 21% it is the principal objective. For activities in support of mitigation (including activities supporting both adaptation and mitigation simultaneously), mitigation was the significant objective in 59% of the cases (in value terms) and the principal objective in the remaining 41%.

## Bilateral climate-related ODA by region, 2020-21

In 2020-21 the share of climate-related commitments to African countries (26%) was considerably less than for other regions, where climate-related ODA always surpassed one-third of the total commitments: 40% in Latin America and the Caribbean, 39% in Asia and 37% in Oceania.

Oceania had the largest share of *adaptation*-related commitments: 36% of all the ODA it received (28% for adaptation only, 9% for both objectives). Conversely, the regions with the largest shares of *mitigation* commitments were Latin America and the Caribbean at 29% (13% for mitigation only and 15% for both) and Europe at 27% (14% for mitigation only and 13% for both). The region with the largest share of activities with *mitigation-only* commitments is Asia, at almost 16%.

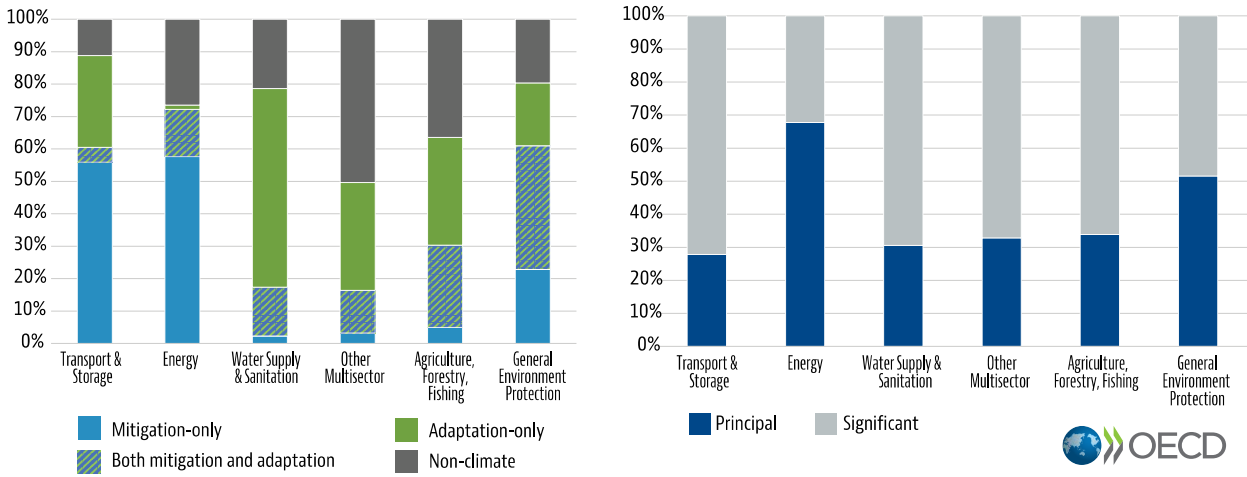
## Regional allocation of bilateral climate-related ODA



### Bilateral climate-related ODA by sector, 2020-21

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 nature, 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* adaptation and mitigation.

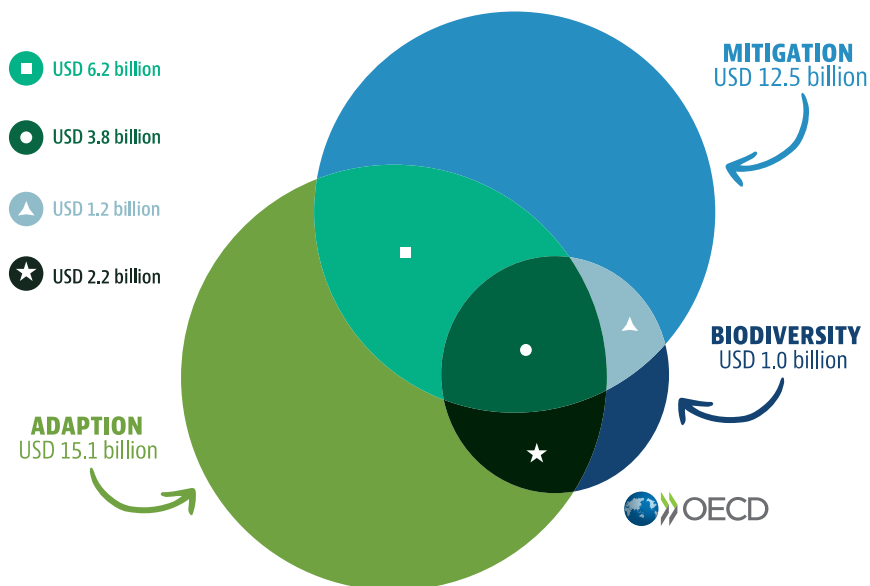
## Which sectors does bilateral climate-related ODA target?



### Does ODA for climate also support biodiversity?

Bilateral ODA activities may support climate change and biodiversity simultaneously. In 2020-21, 88% of biodiversity-related ODA also pursued climate-change adaptation, mitigation, or both, while 18% of the climate-related ODA from DAC members also pursued biodiversity-related objectives.

## Does ODA for climate also support biodiversity?

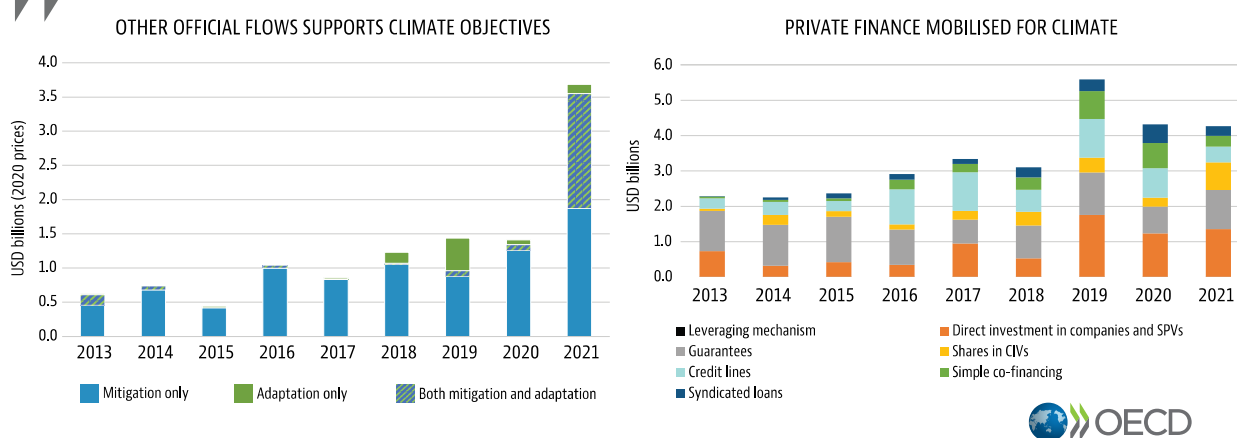


## DAC members' other finance for climate action

Beyond ODA, DAC members extend other 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. Climate-related OOFs reached USD 3.7 billion in 2021, more than double the value recorded in 2020, due to a few large commitments that year. OOFs are recorded mostly for mitigation activities until 2020, while in 2021 activities supporting both adaptation and mitigation reached 46% of the total.

In 2021, DAC countries mobilised USD 4.3 billion in private finance for climate with their development finance, a level comparable to 2020.

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



Note (right panel): The figures and the chart on private finance mobilised do not include European Union institutions, due to data availability issues at the time of publication.

## Defining official development assistance (ODA) for climate

The OECD has been collecting and publishing data on *official development assistance in support of the objectives of the Rio conventions on biodiversity, climate change and desertification* since the early 2000s, using the “Rio markers” methodology.

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. 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. Rio markers are also used to report on Other Official Flows (OOFs) on a voluntary basis.

### **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. Multilateral climate-related development finance data is available at the links provided below.

### **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. For an overview of the methodological differences between climate finance and climate-related development finance see: *OECD (2022), “Annex C”, in Climate Finance Provided and Mobilised by Developed Countries in 2016-2020: Insights from Disaggregated Analysis*, OECD Publishing, Paris, <https://doi.org/10.1787/286dae5d-en>.