

Climate-related Official Development Assistance (ODA): A snapshot

Findings

- In 2018-19, 27% of bilateral official development assistance (ODA) from the members of the OECD Development Assistance Committee (DAC) had *climate objectives*.
- Of all climate-related activities funded by bilateral ODA, 45% had *mitigation* objectives, 25% had *adaptation* objectives, and 30% pursued *both*.
- One-third supports climate action as a *principal* objective. The other two-thirds have it as a *significant* (secondary) objective.
- Asia is the main recipient (40% of the total), followed by Africa (26%).

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Please cite this paper OECD (2022) "Climate-related Official Development Assistance: A snapshot", OECD, Paris.

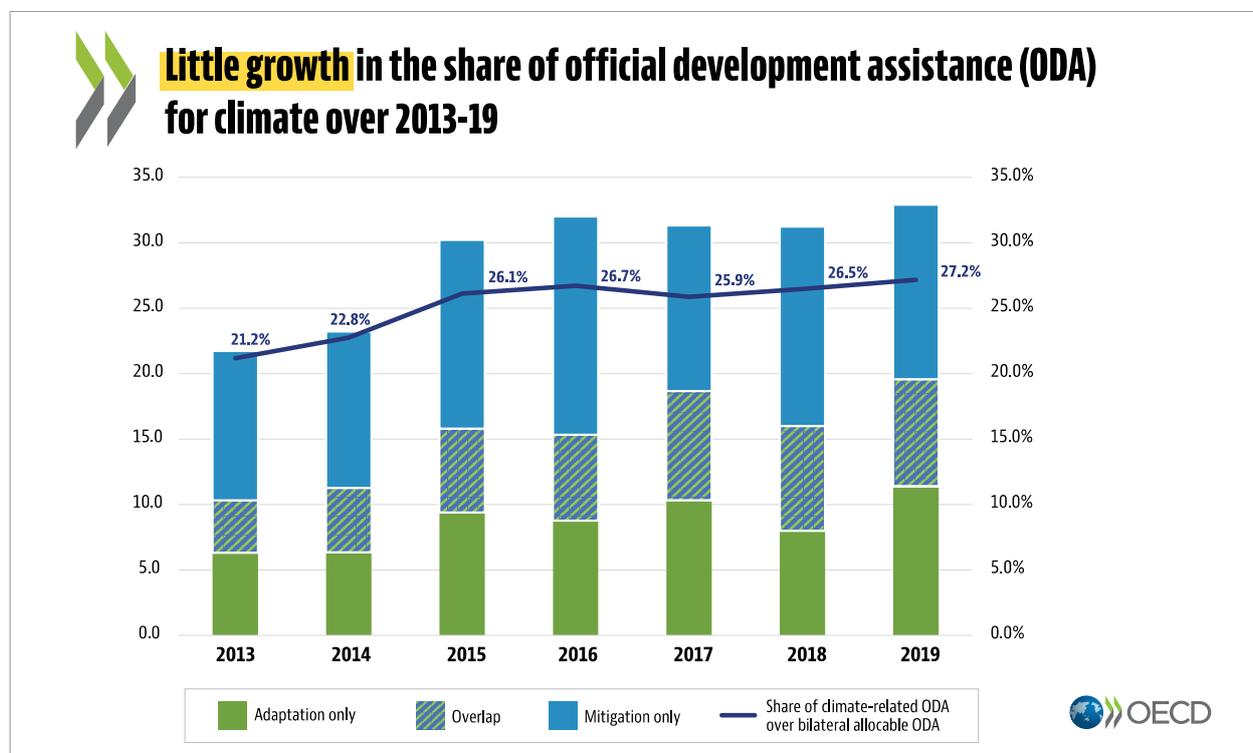
This document is also available in the OECD document database under document code DCD(2022)4.

Defining Official Development Assistance (ODA) for climate

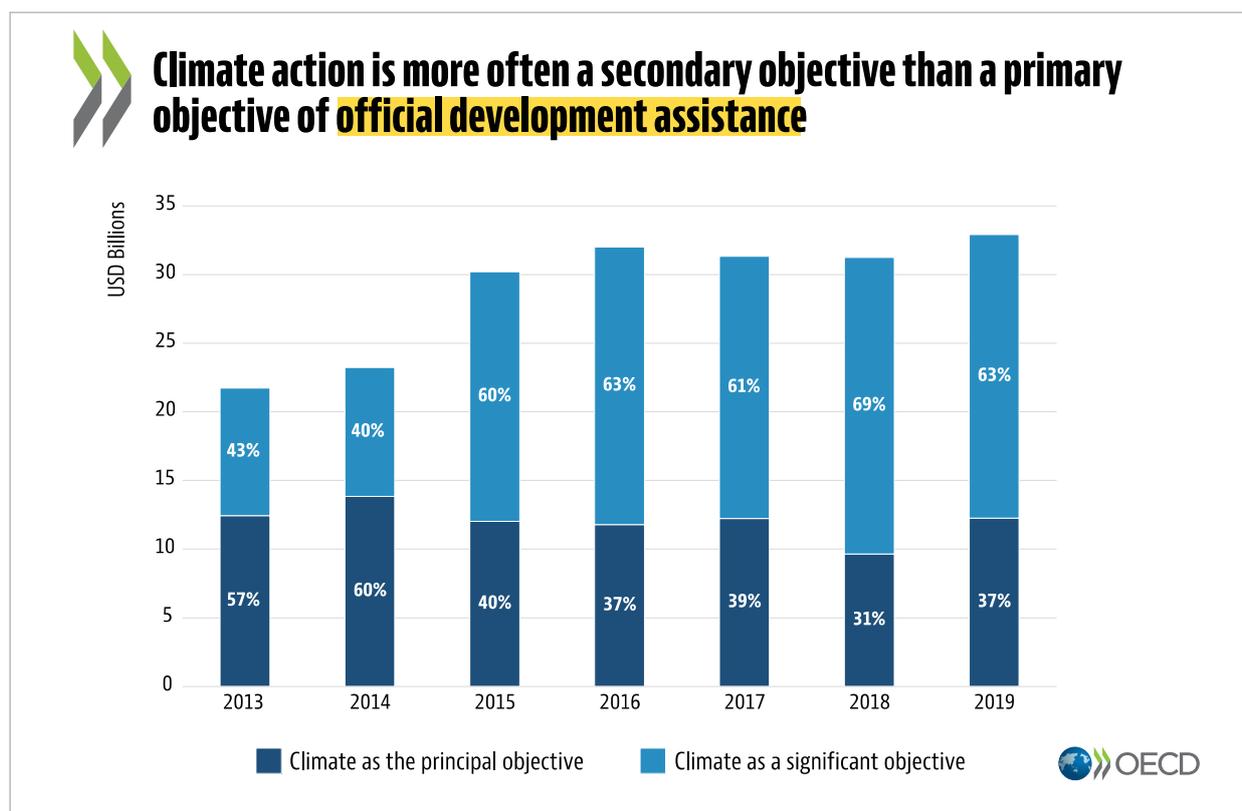
This snapshot presents data on bilateral ODA with climate change objectives from DAC members. Bilateral climate-related ODA supports activities that pursue climate change *adaptation* or *mitigation* objectives, or *both*. The OECD has been collecting and publishing data on these activities since the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

The larger category of 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

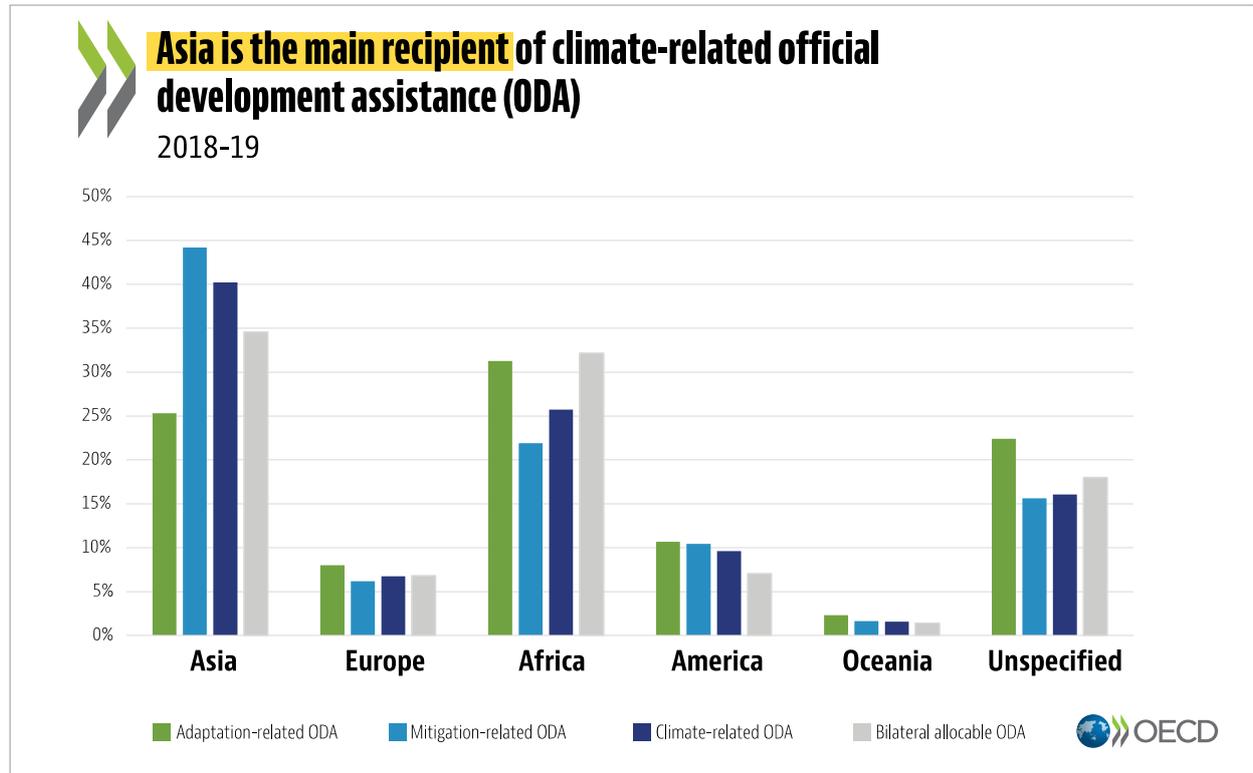


Of all bilateral ODA in 2019, 27.2% had climate objectives (USD 33 billion), a slight increase from previous years. Over 2018-19, 45% of those climate-related funds had mitigation objectives, 25% had adaptation objectives, and 30% pursued both, a stable distribution since 2015.



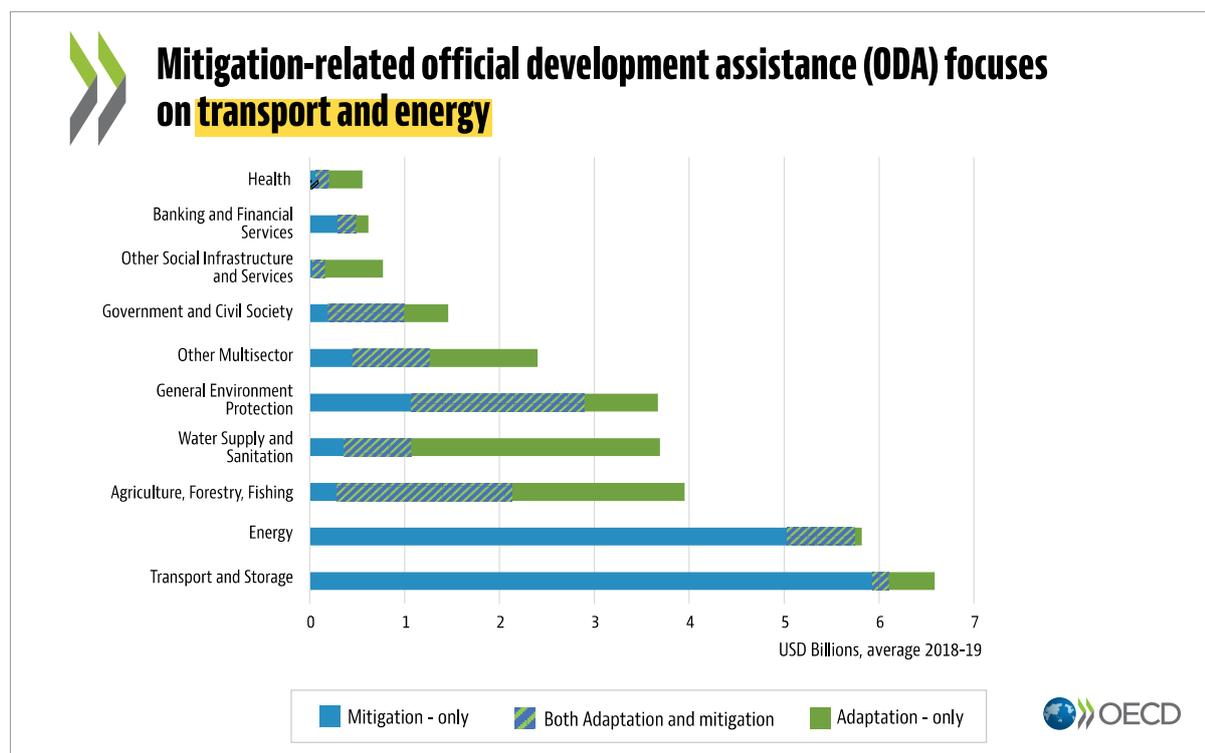
One-third of climate-related ODA supports adaptation or mitigation as the *principal* (primary) objective of the activity (34%, average 2018-19). Two-thirds include them as *significant* (secondary) objectives, i.e. adaptation or mitigation considerations are included in broader projects with multiple development objectives. This is often referred to as climate change alignment, or mainstreaming. The share of climate-related ODA marked *significant* has been growing moderately since 2015. This is particularly true for climate change adaptation-related ODA, which is more often marked *significant* than mitigation-related ODA (73% and 61% respectively 2018-19, not shown in the chart).

Who receives bilateral climate-related ODA?



In 2018-19, Asia absorbed 40% of total bilateral ODA related to climate, and an even greater share of that related to mitigation specifically (46%). By contrast, Africa received only 26%, 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 (GHG) 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, and water supply and sanitation.

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 Climate Components and Rio markers methodologies have different scopes and accounting methods but the definitions of climate change mitigation and adaptation included in the two methodologies are closely related.

Reporting with the Rio Markers

The Rio Marker methodology indicates the incorporation of climate considerations into development cooperation 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 sectors 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. The OECD makes MDB data available online at the activity level, alongside Rio markers data (see below).

How does Rio markers 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 due to have been met in 2020, and is to be sustained to 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 with the modalities for the accounting of financial resources provided and mobilised through public interventions agreed by all countries at the 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.

More 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, including:

- Other Official Flows (OOFs) from DAC members: bilateral activities which are non-concessional or non-developmental.
- Bilateral flows from non-DAC providers: both concessional (ODA-like) and non-concessional or non-developmental (OOF-like)
- Philanthropic foundations: concessional flows from private philanthropic foundations.
- Multilateral development finance from institutions that have implemented the Rio markers methodology (including some UN agencies)
- Climate Components of the activities reported by Multilateral Development Banks (MDBs) and other multilateral institutions using the MDBs joint methodology.

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

OVERVIEW	https://oe.cd/development-climate
DATABASE	https://stats.oecd.org
DATA VISUALISATIONS	https://www.oecd.org/dac/environment-development/rioconventions.htm