



# The status of public finance related to bilateral finance:

## OECD DAC Statistics on Adaptation-related Official Development Assistance

Saturday 21 June, 2014

Second Forum of the UNFCCC Standing Committee on Finance

“Mobilizing Adaptation Finance”

Stephanie Ockenden  
OECD Development Co-operation Directorate



# Today's presentation...

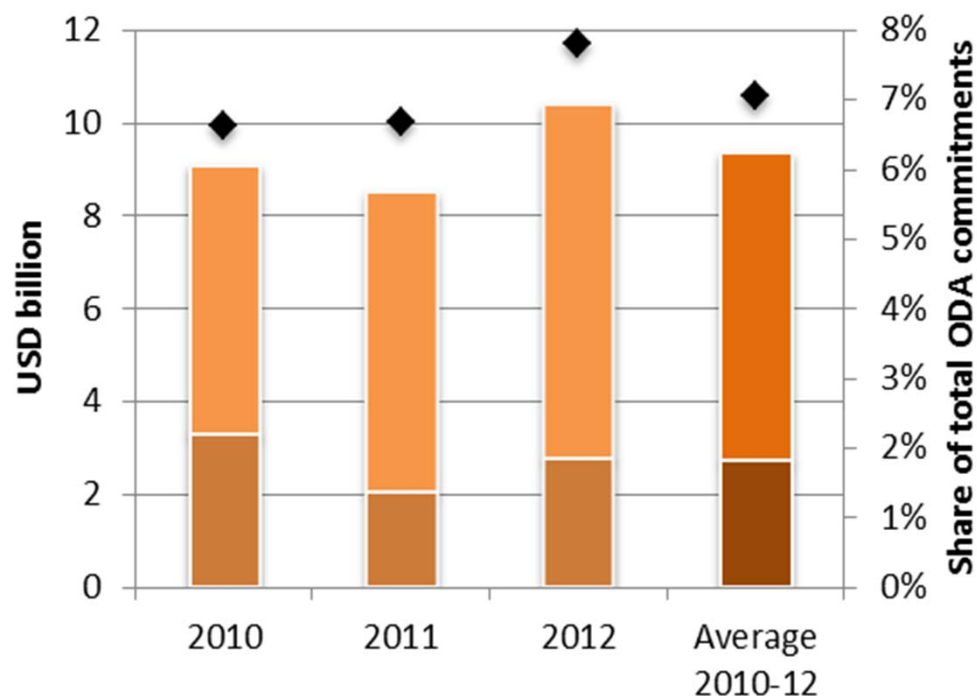
- Magnitudes of adaption-related development finance
- Patterns and trends in bilateral adaptation-related aid
- Access to activity-level bilateral aid data
- Partnership for Climate Finance and Development

# Official Development Assistance to Climate Change Adaptation

## Total adaptation-related aid

2010-12, bilateral commitments, USD billion, constant 2011 prices, annual and 3-year annual average

■ Principal ■ Significant ◆ % of total ODA commitments



- Total bilateral adaptation-related aid commitments by OECD DAC members  
= **USD 9 billion** p.a. 2010-12  
= 7% of bilateral ODA commitments
- 71% targets adaptation as a *significant* objective, reflecting **mainstreaming**
- Climate-related aid ≠ UNFCCC Climate Finance
- Rio markers are descriptive, **allow for an approximate quantification of financial flows**

Source: OECD DAC Statistics, March 2014

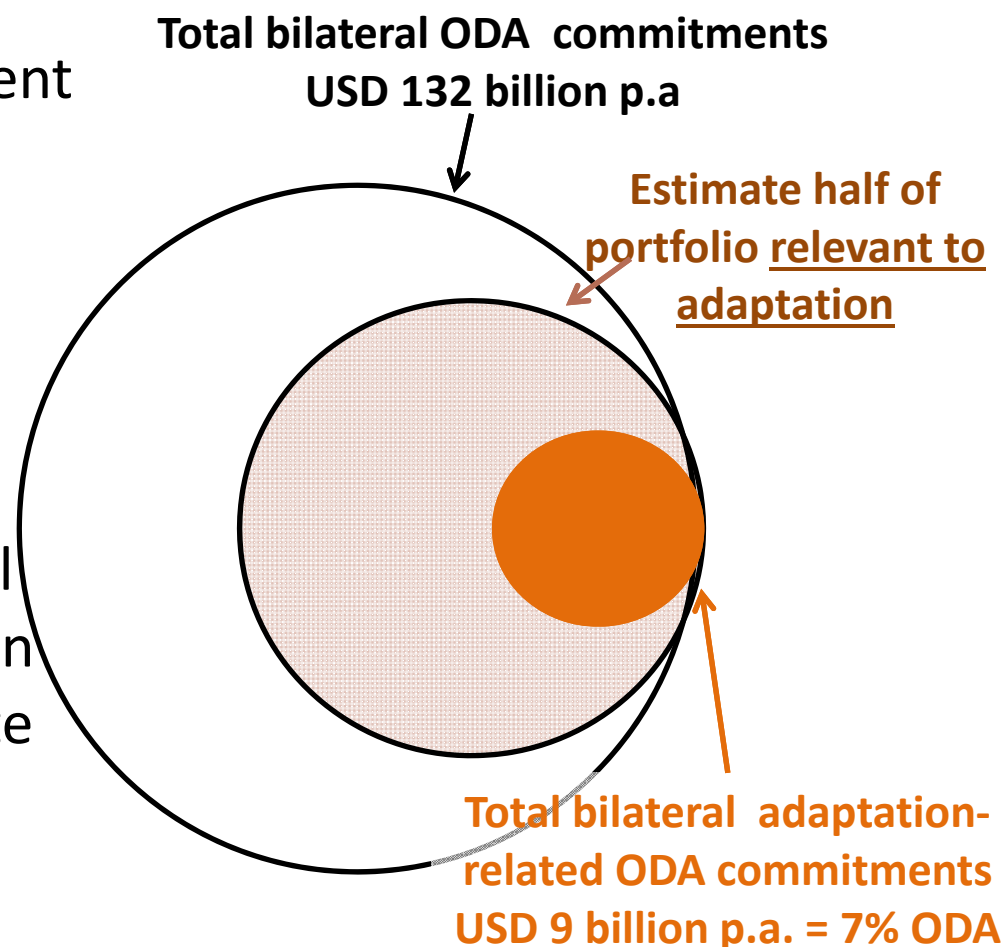
Note: The US is working to review its data collection methodology and will supply updated data in the coming months.

**RIOMARKERS**

 **OECD**  
BETTER POLICIES FOR BETTER LIVES

# Climate change adaptation & external financing for development

- Climate change and development inextricably linked
- Vehicle for climate finance:
  - *Official*
  - *Development*
  - *Assistance*
- Changing landscape of external development finance – focus on most in need & crowd in private
- Learn lessons from Aid Effectiveness

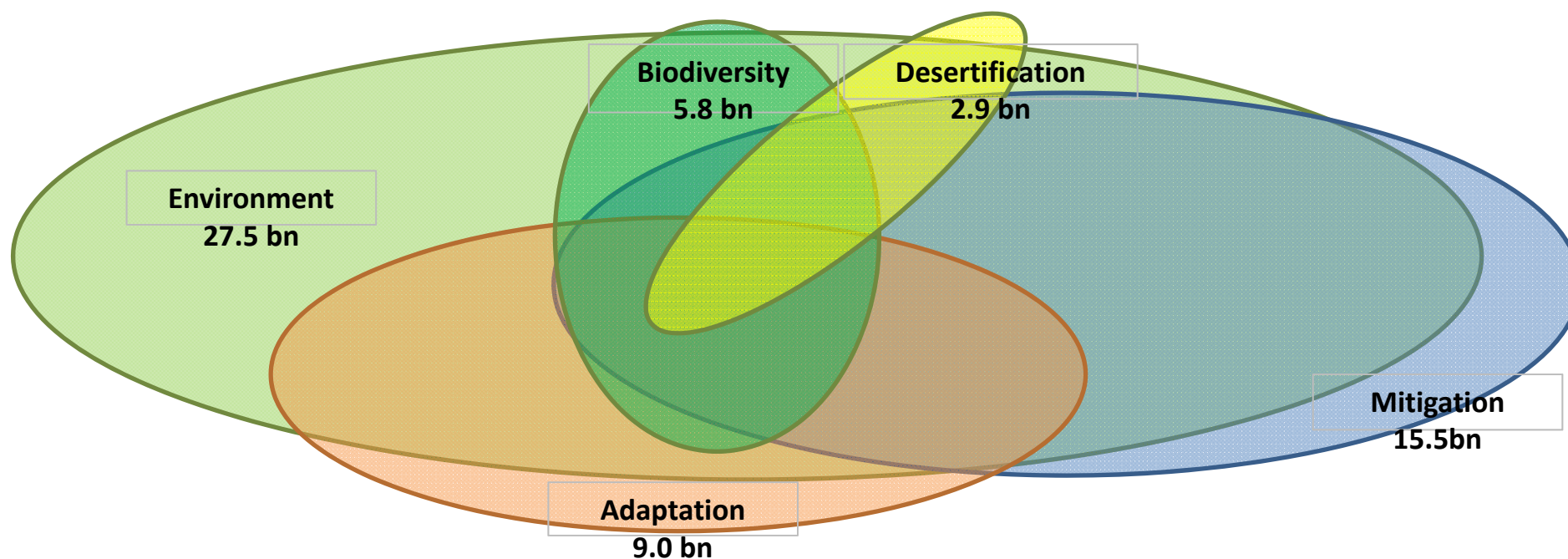


Source:  
OECD DAC Statistics, June 2014, Annual Averages, bilateral Commitments, 2010-12.

# Adaptation-related development finance often targets multiple environmental objectives

## Illustration of the overlap between adaptation and other environmental objectives

Average 2010-12, bilateral commitments, USD billion, constant 2012 prices



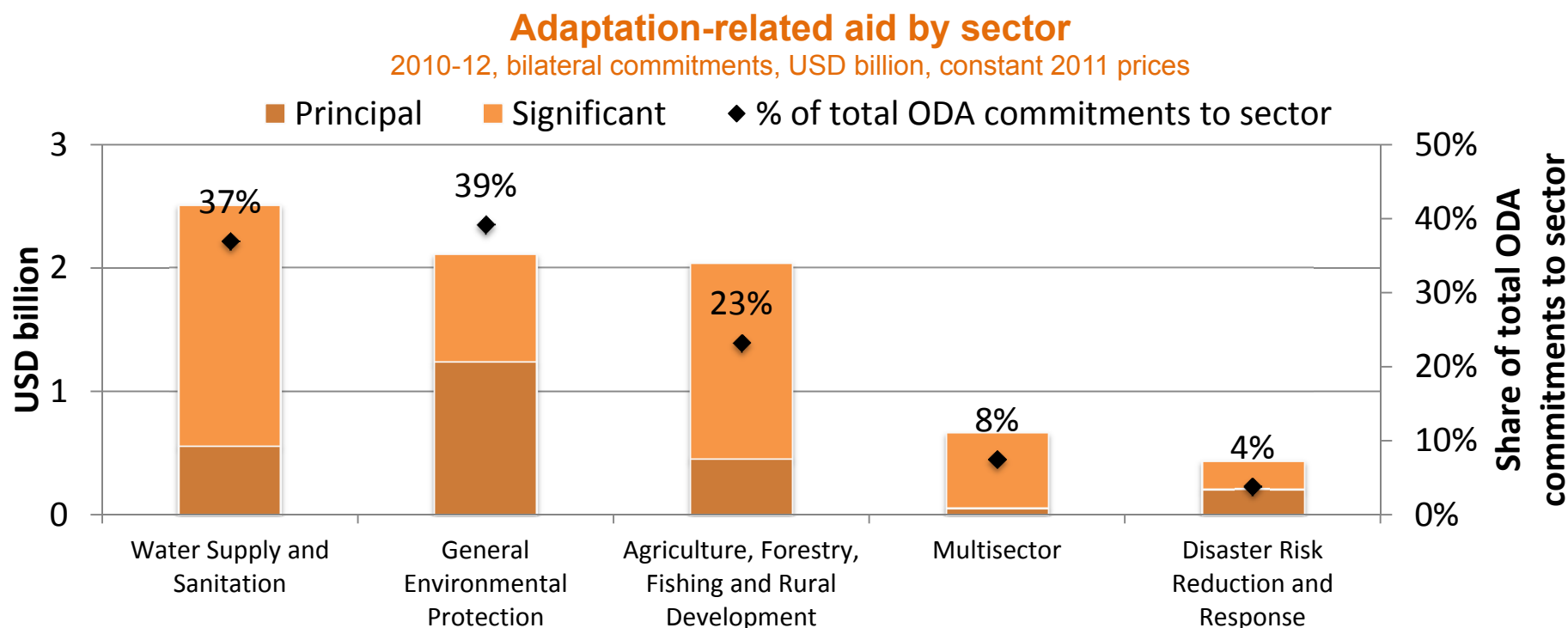
- **DAC statistical system identifies multiple objectives, measures overlaps and avoids double counting.**

Source:  
OECD DAC Statistics, June 2014

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# Adaptation-related aid is concentrated in a few sectors and activity types...

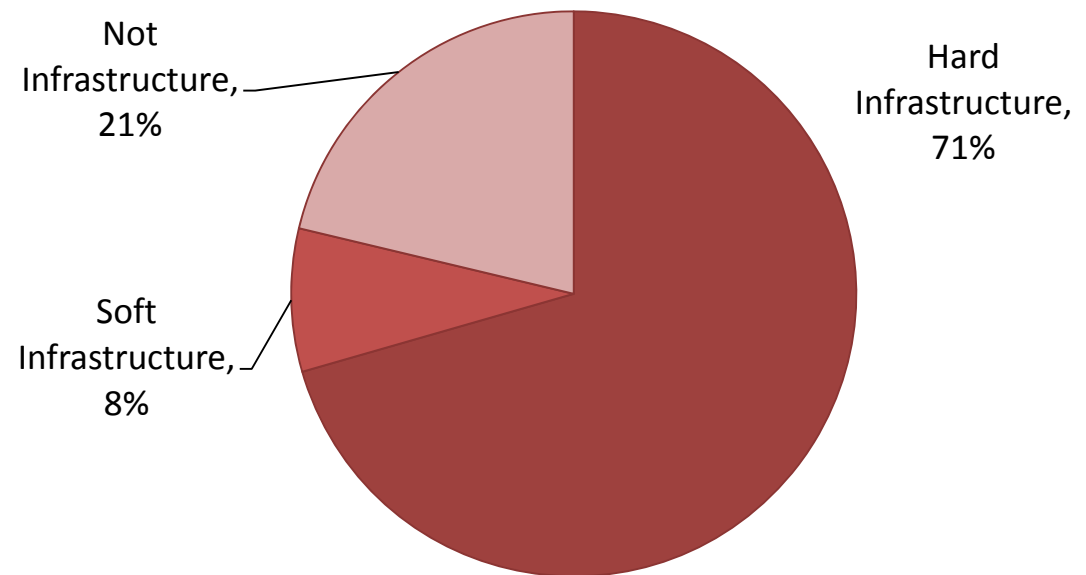


- Five sectors receive **83% of adaptation-related aid**
- Approximately 30% to **capacity-building activities** - importance countries and donors place on adaptation-related policy formulation, research and education.

# Around one fifth of adaptation-related bilateral aid is to urban areas

- Of this, over 70% is assessed as hard infrastructure, predominantly water supply and sanitation
- Hard infrastructure projects dominate owing to the large volume nature of the activities (whist they account for 20%-30% of activities)
- The top donors of urban hard infrastructure aid: Japan, Germany, France & Korea

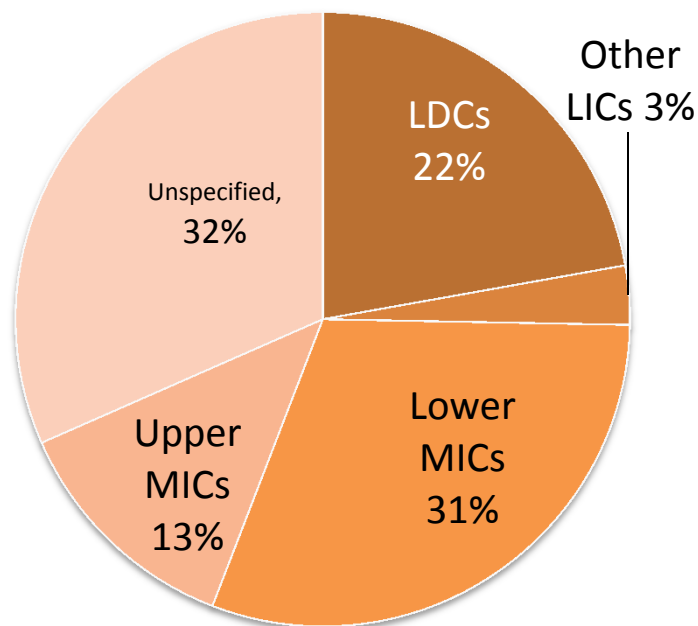
**Adaptation-related Aid in Urban areas**  
2010-11, bilateral commitments, USD billion



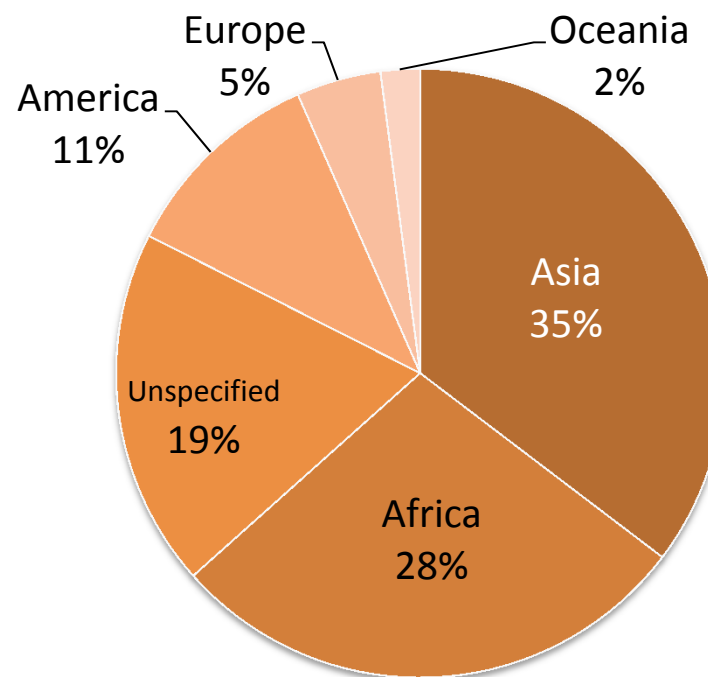


# LDCs and other low-income countries receive 25% of total adaptation-related aid....

Income groups receiving adaptation-related aid 2010-12, bilateral commitments



Geographic regions receiving adaptation-related aid 2010-12, bilateral commitments



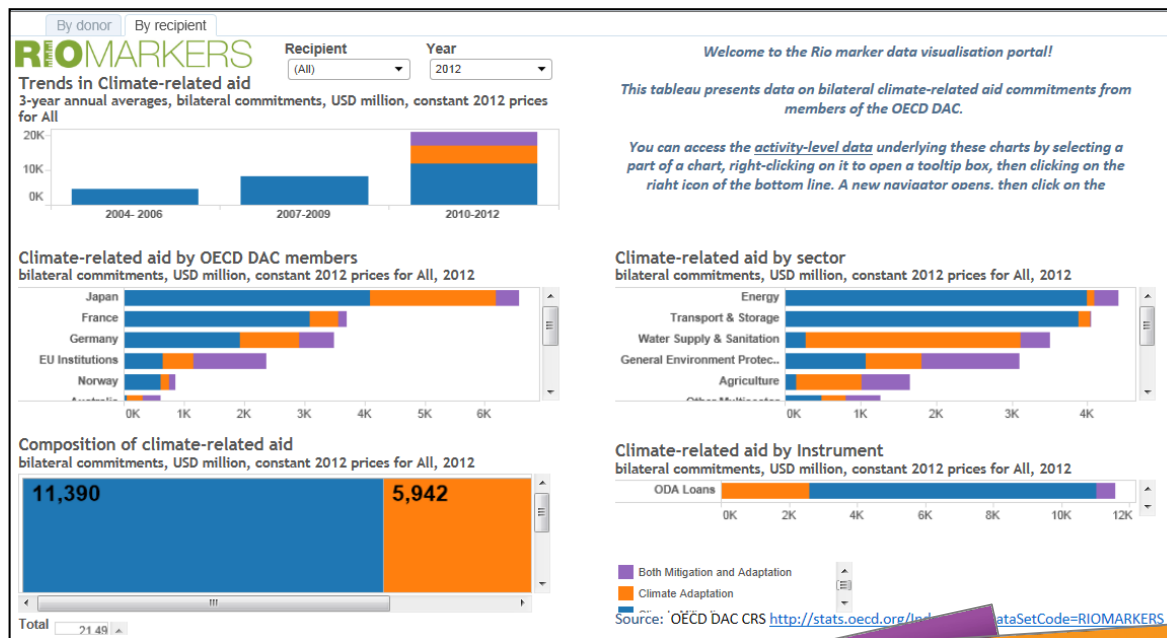
- **Grants** comprise **69%** of all adaptation-related aid commitments

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# Access 1,000s of activity-level aid data through the new data visualisation tool

Visit: <http://www.oecd.org/dac/stats/rioconventions.htm>



## Data on bilateral climate-related aid commitments from members of the OECD DAC

- Trends and composition in climate-related aid
- By provider, recipient, by sector, and instrument
- Access to activity level data

- 3-minute introduction video
- Latest statistical flyers
- Definitions & additional guidelines
- Details of events



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- **Emerged in Busan 2011** – *linked to Global Partnership on Effective Development Co-operation*
- Promotes effective deployment of climate finance at country-level
- Brings together climate change, finance and development co-operation communities
- Works at the country, regional and global levels.
- Seeks to improve how climate finance is accessed, managed and used.

[www.oecd.org/development/environment-development/climate-partnership.htm](http://www.oecd.org/development/environment-development/climate-partnership.htm)



**Thank you!**

## **For more information**

OECD DAC CRS Rio marker statistics and analysis: [www.oecd.org/dac/stats/rioconventions.htm](http://www.oecd.org/dac/stats/rioconventions.htm)

OECD Work on Adaptation:

<http://www.oecd.org/dac/environment-development/climate-change-development.htm>

<http://www.oecd.org/env/cc/adaptation.htm>

**THE** RIOMARKERS

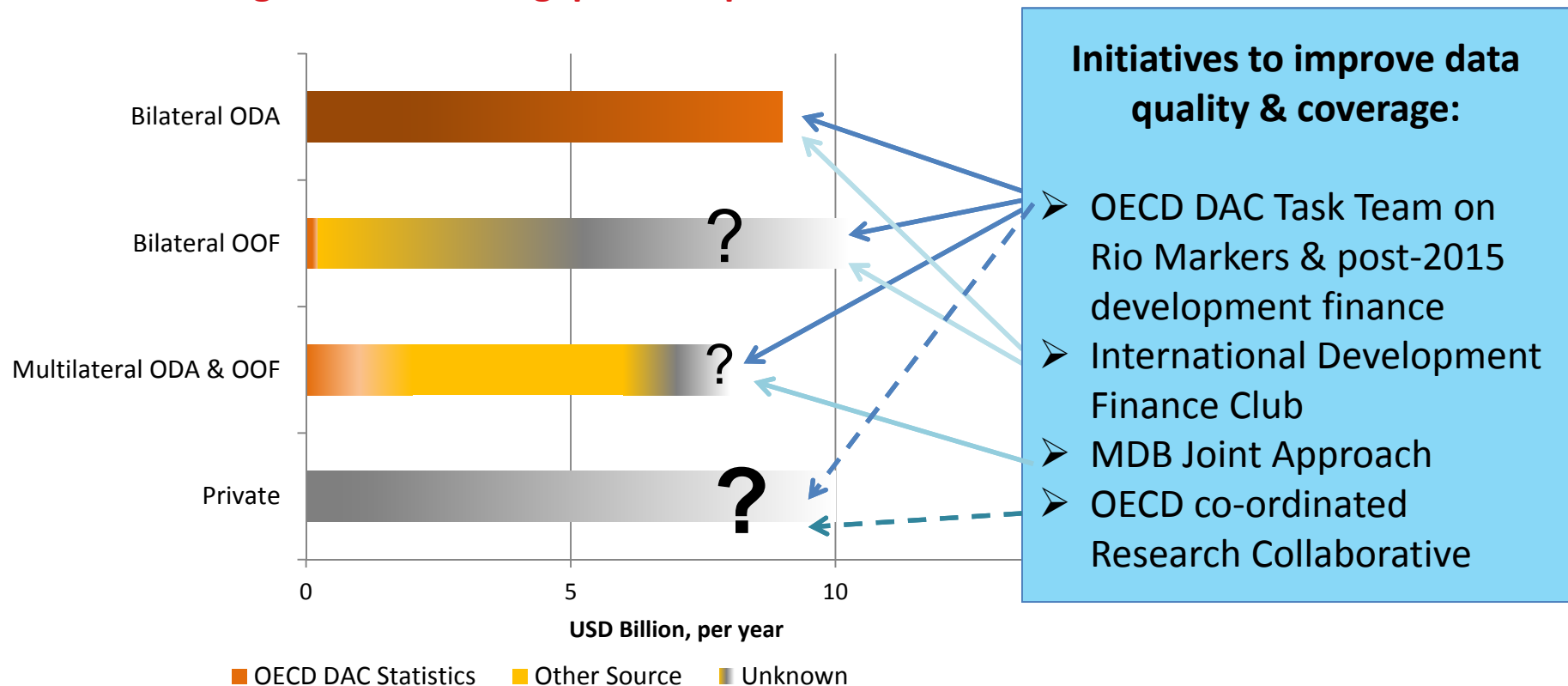


**Additional slides for further information...**

**THE** **RIOMARKERS**

# We have only a partial picture of the total landscape of external development finance for adaptation...

## Illustration of magnitudes & data gaps in adaptation-related finance



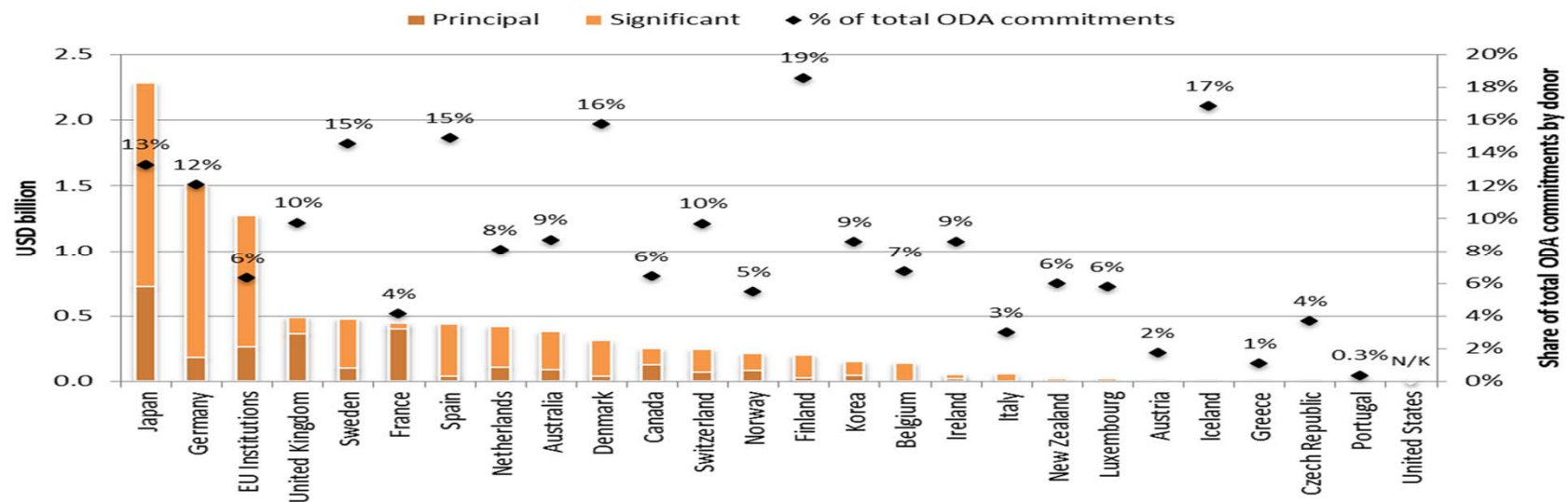
Source:  
 OECD DAC Statistics, March 2014  
 MDB Joint Approach, December 2013



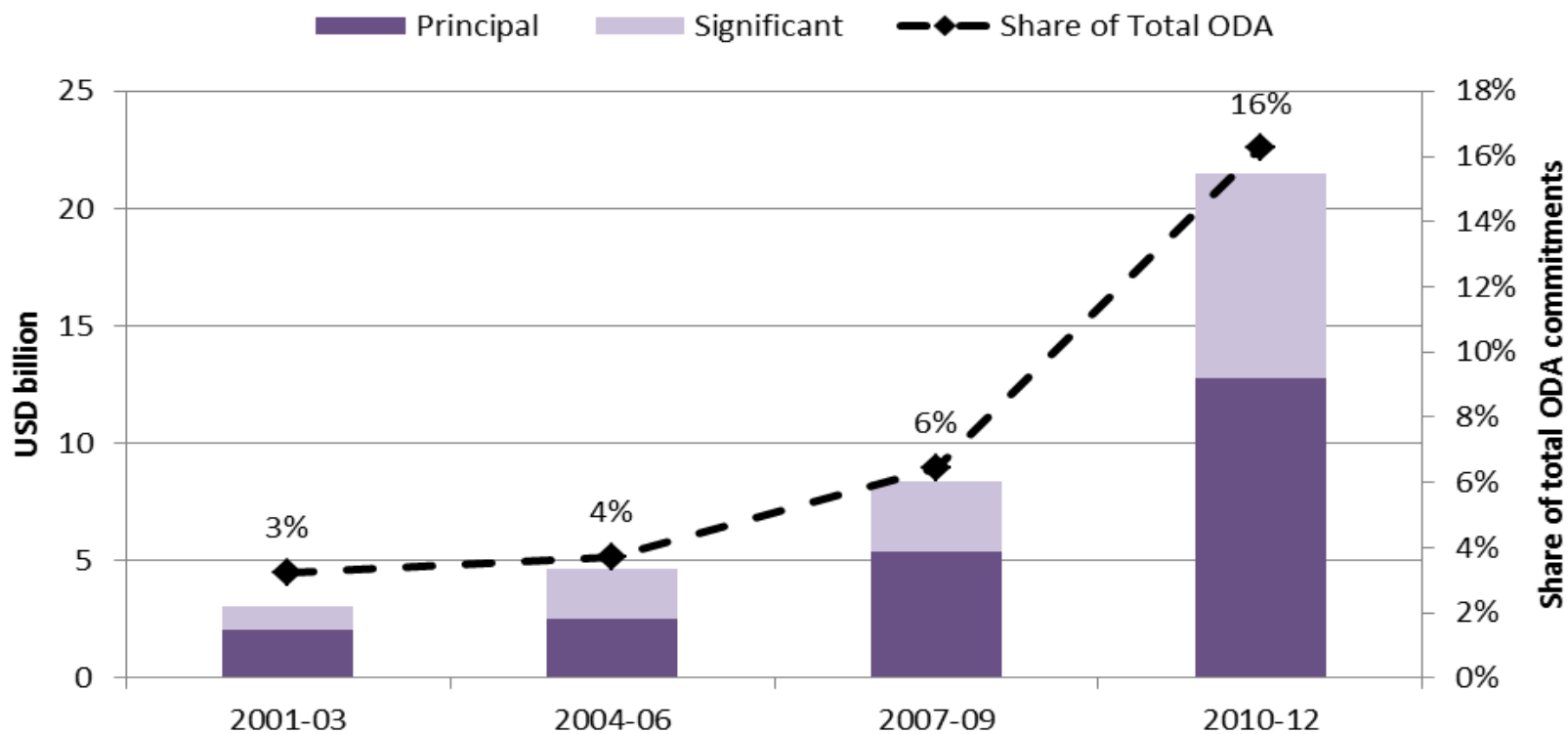
# Who are the main providers?

- Over 50% of bilateral adaptation-related ODA in 2010-12 was committed by three DAC members: **Japan, Germany and EU Institutions**.
- France and the UK commit the most amounts of aid targeting adaptation as a *principal* objective after Japan.
- Grants** comprise **69%** of all adaptation-related aid commitments

**Adaptation-related aid by DAC member\***  
Average 2010-12, bilateral commitments, USD billion, constant 2011 prices



## Trends in climate-related aid, 3-year annual averages 2001-12, bilateral commitments, USD billion, constant 2011 prices



OECD DAC Statistics, May 2014

- Total bilateral climate change-related aid by members of the OECD DAC reached USD **21.5 billion** on average per year in 2010-12, representing **16% of total ODA**.
- For 59% of climate-related activities (USD 12.8 billion) mitigation and/or adaptation was the *principal* objective; for the remainder (USD 8.7 billion) it was a *significant* objective.

The Rio markers are descriptive rather than quantitative. They allow for an approximate quantification of financial flows targeting the objectives of the Rio conventions.

# OECD Development Assistance Committee

## RIOMARKERS

### Definitions & Methodologies

- Definitions for climate change adaptation and mitigation
- Eligibility criteria
- Activity level
- Track policy objectives targeting climate change as a *principal or significant* objective, or not at all...
- Allow for an approximate quantification of finance flows

### DAC Statistical Framework

- Standardised definitions and classifications
- Quality controls and reviews
- Activity-level aid data publically available online
- Part of the modernisation and post-2015 reforms of development finance

## Recently revived the Joint ENVIRONET-WP-STAT Task Team on the Improvement of Rio markers, environment and development finance statistics

### Goal:

DAC methodologies and data remain a point of reference on Official Development Assistance & Other Official Flows\* targeting environmental objectives

### Areas for improvement :

- **Quality** - the application of Rio markers and data
- **Coverage** - reconciliation of “green ” multilateral finance flows
- **Communication** - including user access and training workshops
- **Use** - supporting transparency and harmonisation in reporting

### Next meeting:

Training Workshop & “mini-meeting” in September

*Ref: Terms of reference and scope of work for a Joint ENVIRONET and WP-STAT Task Team on Improvement of Rio markers, environment and development finance statistics.*

\*non-export credit