

# CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.4/6  
March 3, 2010

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Joint Meeting of the CTF and SCF Trust Fund Committees  
Manila, Philippines  
March 16, 2010

**UPDATE ON DISTINGUISHING AND TRACKING CIF CONTRIBUTIONS AS NEW AND ADDITIONAL  
ODA RESOURCES**

**Decision by Joint Meeting of the CTF and SCF Trust Fund Committees**

The joint meeting takes note of the information provided in document CTF-SCF/TFC.4/6 *Update on Distinguishing and Tracking CIF Contributions as new and additional ODA Resources* and invites the World Bank to keep the joint meeting apprised of any further work carried out by OECD, UNFCCC or the World Bank to define and track climate financing.

## Introduction

1. At its meeting in October 2009, the CTF Trust Fund Committee reviewed document CTF/TFC.4/7, *Clean Technology Fund – Distinguishing and Tracking Contributions as new and additional ODA Resources*, and recommended that the Administrative Unit, in collaboration with the UNFCCC and OECD, keep under review work carried out to define and track climate financing and to determine how systems developed in those fora may be applied to the CTF results framework. The CTF Trust Fund Committee requested the Administrative Unit to resubmit the report, with available updates, for further consideration at the next joint meeting of the CTF and SCF Trust Fund Committees. This document provides a progress report on work by OECD/DAC, UNFCCC Secretariat, and the World Bank.

## OECD/DAC

2. Since 1998, OECD/DAC has monitored aid targeting the objectives of the Rio Conventions through its “Creditor Reporting System” (CRS) and the so-called “Rio Markers.” The Rio Marker for climate change (until recently focusing on mitigation) identifies aid activities that contribute to the objectives of the UNFCCC and provides an estimate of corresponding funding. After a trial period during 2005–07, the OECD/DAC Working Party on Statistics approved the inclusion of the Rio Markers as permanent items of the CRS data collection system.

3. On 9 December 2009, the DAC discussed the proposed working definition for a climate change adaptation policy marker and formally endorsed the proposal submitted by the Secretariat [DCD/DAC (2009)49]. This proposal is based on the results of the work of the Joint ENVIRONET-WP-STAT Task Team on the Rio Markers.  
[http://www.oecd.org/document/7/0,3343,en\\_2649\\_34421\\_44252935\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/7/0,3343,en_2649_34421_44252935_1_1_1_1,00.html) .

4. Accordingly, the marker (attached as Annex 1) will be applied to new aid commitments from January 2010 onwards. It was also agreed that there would be opportunities to revisit the marker and consider changes to the definition as follows:

- (a) If decisions are taken at COP-15 or its follow-up that require changes to the working definitions, these will be accommodated.
- (b) The definition should be assessed and, if deemed necessary, revised after the first round of data collection (i.e. in 2012, based on 2011 submissions of data on 2010 activities).

5. As noted in the report to the CTF Trust Fund Committee in October 2009, the OECD Rio Marker is the most advanced initiative to measure, report and verify financial and investment flows across a range of countries and sectors. The universal and consistent application of Rio Markers by all OECD countries could provide the basis for tracking contributions to the CIF as new and additional ODA.

## **UNFCCC Secretariat**

6. The UNFCCC Secretariat is currently not conducting any work on these issues as it has not been formally requested by Parties to the inter-governmental process to proceed. However, the Secretariat is working on adding data to the UNFCCC portal which presents information regarding the funding provided by Annex-I Parties and financial needs of non-Annex I Parties, based on the national communications of these Parties.

## **World Bank**

7. The World Bank has prepared a draft paper—"Monitoring and reporting on financial flows related to climate change" — with inputs by OECD, DAC, and the UNFCCC Secretariat. The paper provides a comprehensive picture of various types of flows, with the focus on the relationship between public climate finance and official development assistance (ODA). The paper concludes that there is a need for increasingly reliable and transparent reporting to demonstrate that new climate finance flows and instruments are not introduced at the expense of those targeting other objectives. Furthermore, it is important to ensure that the overall size of financial transfers to developing countries grows in order to meet their immediate needs for achieving the MDGs along a long-term sustainable development path. As part of its follow up to the Strategic Framework for Development and Climate Change, the World Bank will keep under review work carried out under UNFCCC and OECD to define and track climate financing, provide a platform for consultations and exchange of views between contributors and recipients, and contribute to the development of better systems.

## **Next steps**

8. A CIF Results Framework has been developed, in which "new and additional resources that supplement existing ODA flows" is a result that will be monitored at the CIF level. Information concerning leveraging public and private sector financing/investments within individual projects and programs will need to be provided by the MDBs. The next step is to establish the data sources and methodology, as well as institutional responsibility, for measuring and reporting on this indicator as part of the overall CIF Results Framework. The CIF Administrative Unit will work with OECD/DAC, the UNFCCC Secretariat and World Bank to establish the necessary protocols and processes

**Annex: Aid targeting the objectives of the Framework Convention on Climate Change**

<b>CLIMATE CHANGE ADAPTATION</b>	
<p><b>DEFINITION</b>  <b>An activity should be classified as adaptation-related (score Principal or Significant), if:</b></p>           <p><b>CRITERIA FOR ELIGIBILITY</b>  <b>An activity is eligible for the climate change adaptation marker if:</b></p>           <p><b>EXAMPLES OF TYPICAL ACTIVITIES</b></p> <p>The list is not exhaustive. The activities may be scored against the objective only if the above criteria for eligibility are fulfilled.</p>    <p><b>1) Examples of typical enabling activities for adaptation</b></p> <p>Environmental policy and administrative management (sector 41010)</p>	<p>It intends 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.</p> <p>This encompasses a range of activities from information and knowledge generation, to capacity development, planning and the implementation of climate change adaptation actions.</p> <p>(a) climate change adaptation objective is explicitly indicated in the activity documentation; <b>and</b>            (b) the activity contains specific measures targeting the definition above.</p> <p>Carrying out a climate change adaptation analysis, either separately or as an integral part of agencies’ standard procedures, facilitates this approach.</p>    <p>Supporting the integration of climate change adaptation into national and international policy, plans and programmes;</p> <p>Improving regulations and legislation to provide incentives to adapt;</p>

<p><b>2) Examples of typical sectoral activities</b></p> <p>Health (Sector 120)</p> <p>Water and sanitation (Sector 140)</p> <p>Agriculture (Sector 311)</p> <p>Forestry (Sector 312)</p> <p>Fishing (Sector 313)</p> <p>Flood prevention/control (Sector 41050 - under General Environmental Protection)</p> <p>Disaster prevention and preparedness (Sector 740)</p>	<p>Implementing measures to control malaria in areas threatened by increased incidence of diseases due to climate change;</p> <p>Promoting water conservation in areas where enhanced water stress due to climate change is anticipated;</p> <p>Promoting heat and drought resistant crops and water saving irrigation methods to withstand climate change;</p> <p>Promoting a diverse mix of forest management practices and species to provide a buffer against uncertainties of climate change;</p> <p>Promoting changes in fishing practices to adapt to changes in stocks and target species. Introducing flexibility in the gear that is used, the species that are fished, the fishing areas to be managed, and the allocations that are harvested;</p> <p>Implementing measures for flood prevention and management such as watershed management, reforestation or wetland restoration;</p> <p>Developing emergency prevention and preparedness measures including insurance schemes to cope with potential climatic disasters;</p> <p>Implementing measures to respond to glacial lake outburst flood risk, such as the creation or improvement of early warning systems and widening or deepening of glacial lake outlet channels.</p>
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