ACTIVITIES THAT QUALIFY FOR RIO MARKERS IN WATER, SANITATION AND HYGIENE (WASH)

The NDICI Global Europe Regulation established a target to dedicate at least 30% of the EU budget to support climate objectives in the period 2021-2027. It also specifies that the NDICI Global Europe will contribute to the ambition of providing 7.5% of annual spending in 2024 and 10% in 2026 and 2027 towards biodiversity objectives.

The President of the European Commission, in her 2021 State of the Union speech, pledged an additional four billion euro towards climate goals. A pledge was also made to double the EU's external funding for biodiversity, compared to 2014-2020, in particular for the most vulnerable countries.

These renewed targets significantly raise the EU ambition on climate and biodiversity finance to partner countries, reflecting the urgency called upon by the scientific community to address the climate and biodiversity crises and the ambition of the European Green Deal.

Four 'Rio markers' were developed by the OECD Development Assistance Committee (DAC) to identify the contribution of actions to the objectives of UN Rio Conventions (two markers related to the Framework Convention on Climate Change, one to the Convention on Biological Diversity and one to the Convention to Combat Desertification and Land Degradation). The Rio markers are used by DG INTPA to keep track of financial contributions to the Rio themes. In line with a methodology adopted by the OECD DAC, there are three possible scores (0, 1 and 2) for Rio markers. DG INTPA assesses that a certain percentage of an action's budget can be considered to contribute to a Rio theme, based on the score of the corresponding Rio marker, as follows:

if Biodiversity, Desertification or Climate Change

IS NOT TARGETED	RM=0	0% BUDGET
IS A SIGNIFICANT OBJECTIVE	RM=1	40% BUDGET
IS A PRINCIPAL OBJECTIVE	RM=2	100% BUDGET

The scoring must be carried out in accordance with the corresponding OECD DAC directives.[1]
An activity can be marked as "principal" when the objective (biodiversity, combating desertification, climate change mitigation, climate change adaptation) is explicitly stated as fundamental in the design of, or the motivation for, the activity. To be marked "significant", the objective must be explicitly stated but is not a fundamental driver or motivation for undertaking and designing the activity.

[1] OECD DAC (2018) Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire. Annexes – modules D and E (Annex 18 – Rio markers). DCD/DAC/STAT(2018)9/ADD2/FINAL.

Biodiversity

An activity should be classified as biodiversity-related if it promotes at least one of the three objectives of the Convention on Biological Diversity: (1) the conservation of biodiversity; (2) sustainable use of its components (ecosystems, species or genetic resources); or (3) fair and equitable sharing of the benefits of the utilisation of genetic resources.

Eligibility criteria are as follows:

The activity contributes to:

a) Protection or enhancement of ecosystems, species or genetic resources through in-situ or ex-situ conservation, or remedying existing environmental damage; **or**

b) Integration of biodiversity and ecosystem services concerns within recipient countries' development objectives and economic decision-making, through institution building, capacity development, strengthening the regulatory and policy framework, or research; **or**

c) Developing countries' efforts to meet their obligations under the Convention.

The activity will be scored '**principal objective**' (i.e. RM2) if it directly and explicitly aims to achieve one or more of the above three criteria.

Typical water, sanitation and hygiene (WASH) activities that can qualify for the Biodiversity Rio marker[2] include:

- Water resource protection and rehabilitation, for both surface and groundwater;
- Watershed management aimed at protecting ecosystem services and the biodiversity that depends on them;
- The definition or implementation of Integrated Water Resources Management agreements that take into account quality of ecosystems;
- Protection and sustainable management of biodiversity-rich ecosystems such as mangroves, wetlands, etc.;
- Flood management along rivers
- Nature-based solutions that use natural ecosystem processes to address issues traditionally solved by hard (or grey) infrastructure - sometimes in combination with grey infrastructure. Examples include water treatment and storage, flooding and erosion buffer zones (e.g., mangrove areas, artificial lakes), sand nourishment for coastal protection, trapping of sediments, soil stabilisation, etc.
- Planning, developing or protecting urban blue areas, including rivers and ponds, leading to an increase in biodiversity;
- Drainage systems contributing to stronger soil and plant health;
- Investments allowing to reduce water pollution (e.g., in agriculture, in industries, in urban contexts, in transport infrasture);
- Water resource management actions aimed at restoring degraded natural areas or reducing pressure on or risks for biodiversity hotspots (e.g. seasonal breeding, protected areas, flyways of migratory birds, corridors for large wildlife) by e.g.:
    - waste water treatment facilities
    - development of water supply systems that protect the biodiversity of the affected ecosystems through sustainable management of water resources

Combating Desertification

An activity should be classified as desertification-related if it aims at combating desertification or mitigating the effects of drought in arid, semi-arid and dry sub-humid areas through prevention and/or reduction of land degradation, rehabilitation of partly degraded land, or reclamation of desertified land.

Eligibility criteria are as follows:

The activity contributes to:

a) Protecting or enhancing dryland ecosystems or remedying existing environmental damage; **or**

b) Integrating desertification concerns in recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; **or**

c) Developing countries' efforts to meet their obligations under the United Nations Convention to Combat Desertification.

The activity will be scored '**principal objective**' (i.e. RM2) if it directly and explicitly aims to achieve one or more of the above criteria, including in the context of the realisation of national, sub-regional or regional action programmes.

[2] OECD (2019). Indicative Table for the Rio marker for Biodiversity. DCD/DAC/STAT(2018)26/final.

Typical water, sanitation and hygiene (WASH) activities that can qualify for the Desertification Rio marker include:

- Rehabilitation of water resources with a view to halting or reversing desertification or land degradation;
- Development and implementation of methods for conserving water, vegetation or soil in dry to sub-humid areas;
- Preparation of strategies and action programmes to combat desertification and mitigate the effects of drought;
- Development of drought/floods early warning systems, strengthening of drought/floods preparedness and management;
- Drainage infrastructure and (green) barriers aimed at reducing salinization (and restoring productivity of salinized agricultural lands);
- Development and transfer of environmentally sound traditional and local technologies, knowledge, know-how and practices to combat desertification, e.g. methods of conserving water in dry areas.

Climate Change Mitigation

An activity should be classified as climate change mitigation-related if it contributes to the objective of stabilising green-house gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions or enhance GHG sequestration.

Eligibility criteria are the following:

The activity contributes to:
a) The mitigation of climate change by limiting anthropogenic emissions of GHGs, including gases regulated by the Montreal Protocol; **or**
b) The protection and/or enhancement of GHG sinks and reservoirs; **or**
c) The integration of climate change concerns with the recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; **or**
d) Developing countries' efforts to meet their obligations under the United Nations Framework Convention on Climate Change.

The activity will be scored '**principal objective**' (i.e. RM2) if it directly and explicitly aims to achieve one or more of the above four criteria.

See below the table with examples of activities that qualify for a climate change mitigation marker.

Climate Change Adaptation

An activity should be classified as climate change adaptation-related if it intends to reduce the vulnerability of human or natural systems to the current and expected impacts of climate change, including climate variability, by maintaining or increasing resilience, through increased ability to adapt to, or absorb, climate change stresses, shocks and variability and/or by helping reduce exposure to them.

This encompasses a range of activities from information and knowledge generation to capacity development, planning and the implementation of climate change adaptation actions.

Eligibility criteria are the following:

An activity is eligible for the climate change adaptation marker if:
a) The climate change adaptation objective is explicitly indicated in the activity documentation; and
b) The activity contains specific measures targeting the definition above.

To guide scoring, a three-step approach is recommended as a 'best practice', in particular to justify a Rio Marker 2 score:

- **Setting out the context of risks, vulnerabilities and impacts related to climate variability and climate change:** for a project to be considered as one that contributed to adaptation to climate change, the context of climate vulnerability should be set out clearly using a robust evidence base. This could take a variety of forms, including use of material from existing analyses and reports, or original, bespoke climate vulnerability assessment analysis carried out as part of the preparation of a project.

- **Stating the intent to address the identified risks, vulnerabilities and impacts in project documentation:** the project should set out how it intends to address the context- and location-specific climate change vulner-abilities, as set out in existing analyses, reports or the project's climate vulnerability assessment.
- **Demonstrating a clear and direct link between the identified risks, vulnerabilities and impacts and the specific project activities:** the project should explicitly address risk and vulnerabilities under current and future climate change scenarios as identified in the project documentation.

WATER, SANITATION AND HYGIENE (WASH)

SUB-SECTOR/ CRS PURPOSE CODE

140 Water and sanitation
14010 Water sector policy and administrative management
14020 Water supply and sanitation: large systems
14021 Water supply: large systems
14030 Basic drinking water supply and basic sanitation
14031 Basic drinking water supply
14081 Education and training in water supply and sanitation

MITIGATION
0, 1 or 2

ADAPTATION
1, 2 or 0

RATIONALE FOR SCORING

Mitigation

Activities in this sector can be scored against the mitigation marker if the provision of water and/or sanitation, for example through the installation of new piping or pumping equipment, aims or helps to achieve significant energy savings, as these processes are often associated to high energy use.

Adaptation

Activities can be scored against this marker if they aim or help to address the expected changes or fluctuations in water supply as a consequence of climate change. Drinking water and sanitation infrastructure can be vulnerable to disruption or destruction caused by flooding.

In regions that face or are projected to face impacts/fluctuations in water availability and sanitation services due to climate change (e.g. water shortages due to drought or flooding, suboptimal functioning of sanitation facilities during floods), the following types of investments can score against adaptation:

- investments in improving the climate resilience of the water supply and sanitation services,
- investments in increasing storage to ensure access where climate change is expected to increase water stress and shortages.

If the causal relationship is weak (e.g., a climate risk assessment shows that water supply is not affected by climate change in a region), the adaptation marker should not be assigned.

Mitigation and adaptation

Installation of systems that enable significant energy savings compared to older systems may qualify against both mitigation and adaptation markers as resource-efficient systems reduce emissions while building resilience.

EXAMPLES OF QUALIFYING ACTIVITIES

Mitigation

- Energy-efficient water pumping systems, and/or pumping systems powered by renewable energies (mitigation score 1).

Adaptation

Promoting water conservation in areas subject to increased water stress due to climate change (adaptation score 2). Otherwise it can score 1 if the project is designed to take into account climate change impacts.

- Improving the climate resilience of the water supply and increasing storage to ensure access where climate change adaptation is a main objective (adaptation score 2), or is part of broader initiatives to supply clean drinking water, which will also increase the resilience of the population to the effects of climate change (adaptation score 1).
- Measures to design and deliver water and sanitation services which reduce vulnerability to floods of affected water and sanitation infrastructure (adaptation score 1 or 2).

SUB-SECTOR/ CRS PURPOSE CODE

14022

Sanitation-large systems

14032

Basic sanitation

MITIGATION

0, 1 or 2 1, 2 or 0

ADAPTATION

0, 1 or 2 1, 2 or 0

RATIONALE FOR SCORING

Mitigation

Activities that are designed to save a significant amount of energy (e.g., if energy efficient pumps are employed) and/or to avoid methane gas emissions may justify a mitigation score 1. If energy use/energy efficiency is the central focus of the activity, mitigation score 2 may be justified.

Adaptation

Wastewater management systems protect existing water resources and human health in the face of climate change. In regions at risk of increased water scarcity due to climate change, such measures, if they provide significant positive effects for ground and/or surface water protection, can also be considered having a climate change adaptation objective (adaptation score 1 or 2), particularly if treated waste water is recycled.

EXAMPLES OF QUALIFYING ACTIVITIES

Mitigation

- Introduction of energy-efficient pumps in the sewage system of a city (mitigation score 1).

Adaptation

- Treatment of water resources with the introduction of recycled water (adaptation score 2)
- Wastewater management systems, or systems designed to protect the quality and quantity of existing water resources in the face of climate change, e.g. through the recycling of wastewater:
  - If the design explicitly takes into account climate change risk (adaptation score 2);
  - If it does not, but builds additional resilience, in the face of multiple hazards including climate change (adaptation score 1).

SUB-SECTOR/ CRS PURPOSE CODE

14050

Waste management /disposal

MITIGATION

2, 1 or 0

ADAPTATION

1 or 0

RATIONALE FOR SCORING

Mitigation

Activities that promote modern waste-to-energy with waste collection/ recycling (especially separation of biogenic waste) and recovery/use of methane gas can result in significant GHG reductions and therefore justify the application of the mitigation marker (mitigation score 2). If the methane gas is only flared the activity would score 1 and 0 if not captured, as there are no emissions reductions involved.

Adaptation

Effective waste management systems that protect water resources or fragile ecosystems and strengthen their resilience to the impacts of climate change can score against adaptation.

EXAMPLES OF QUALIFYING ACTIVITIES

Mitigation

- Biogas production and reuse of energy produced by wastewater facilities (mitigation score 2).

Adaptation

- Project to reduce risks of urban flooding of water systems due to climate change and causing contamination though sewage overflow (adaptation score 1).
- Protect lagoons, which are highly vulnerable to climate change, from salt-water intrusion and contamination (adaptation score 1).

SUB-SECTOR/ CRS PURPOSE CODE

14015
Water resources conservation (incl. data collection)

MITIGATION
1, 0 or 2

ADAPTATION
1, 2 or 0

RATIONALE FOR SCORING

Mitigation
Water resources conservation involving the efficient use of energy or including forest preservation or other activities that provide terrestrial carbon uptake benefits contribute to mitigation and can therefore score 1. However, when the activity's main purpose is mitigation, it is recommended to reclassify it to the environment protection sector (category 410).

Adaptation
Water resources conservation is particularly important for climate-resilience, especially if an assessment of climate change risks include water shortages or high fluctuations in available water resources. In this specific case, adaptation score 2 may be appropriate, otherwise adaptation is considered as a secondary objective (adaptation score 1).
Data collection measures that are carried out with the aim of contributing to the monitoring and detecting the meteorological and hydrological impacts of climate change and providing an evidence base for climate change risk assessment can be scored as 1 with the adaptation marker or even 2 if main objective.

EXAMPLES OF QUALIFYING ACTIVITIES

Mitigation
- Protection and/or rehabilitation of water bodies, swamps and wetlands as CO2 storage (mitigation score 1 or even 2 possible), related studies or research, e.g. limnology.

Adaptation
- Developing or enhancing systems for monitoring drinking water, in areas affected by higher temperatures, floods and rising sea level as a consequence of climate change (adaptation score 1 or 2).

Mitigation and adaptation
- Water basin management involving forest protection / reforestation for the purpose of reducing the severity of floods while increasing carbon uptake (mitigation score 1, adaptation score 2 if main objective).

SUB-SECTOR/ CRS PURPOSE CODE

321
Industry - All purpose codes in category

MITIGATION
-

ADAPTATION
0 or 1

RATIONALE FOR SCORING

EXAMPLES OF QUALIFYING ACTIVITIES

Inclusive and sustainable industries can be marked as mitigation or adaptation.

Adaptation
- Switching to less water consuming production technologies reduces vulnerability against water shortage (adaptation score 1).

SUB-SECTOR/ CRS PURPOSE CODE	MITIGATION	ADAPTATION
74010 **Disaster prevention and preparedness**	**-**	**1, 2 or 0**

RATIONALE FOR SCORING

Adaptation

Activities that aim at reducing the vulnerability (or strengthening the resilience) of the population, the economy, and its infrastructure against the short-term negative consequences of climate change related disasters can score 1 or 2 against the adaptation marker, depending on the purpose of the activity (adaptation score 1 is appropriate if the measure is not directly aimed at adapting to climate change, but still significantly contributes to it). Climate risk management which consists in preventing and dealing with long-term loss and damage resulting from climate change (e.g., impacts of sea level rise) qualifies for adaptation score 2.

EXAMPLES OF QUALIFYING ACTIVITIES

Adaptation

- Developing emergency prevention and preparedness measures including insurance schemes to cope with potential climatic disasters such as floods or landslides (adaptation score 2).
- Support to Civil Protection Team to improve their information on climate change impacts through the use of satellite-based maps in the preparation of event scenarios and rescue plans after the heavy monsoon rains that caused floods (adaptation score 1).
- Developing emergency preparedness plans and disaster risk reduction strategies in order to protect key infrastructure assets from the impacts of climate change (specifically relating to floods, sea-level rise, etc.); this includes setting up early warning systems, addressing governance issues and promoting awareness (adaptation score 2).
- Social protection for climate disasters: e.g. as part of a pre-disaster preparedness programme which seeks to build resilience to potential future climate related disasters, having a social protection scheme in place to enable emergency cash transfers to happen when a flood/storm strikes – means poorest people don't need to sell down their assets in the immediate aftermath of a disaster (adaptation score 1 or 2 if main objective).