QUICK TIPS

ACTIVITIES THAT QUALIFY FOR RIO MARKERS IN DIGITALISATION

The NDICI Global Europe Regulation established a target to dedicate at least 30% of the instrument's 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 activities in Digitalisation that can qualify for the Biodiversity Rio marker[2] include:

- Digitalisation actions aimed at reducing pressure and/or improving conservation status of important biodiversity areas such as protected reserves, biodiversity hotspots or areas providing important ecosystem services, for example by means of:
    - Remote sensing and tracking technologies for monitoring of biodiversity status in terrestrial and marine environments, or for tracing of illegal activities such as logging, land clearing, fishing, burning, oil spills, etc.
    - Citizen science activities making use of phone-based smart apps to monitor biodiversity status (e.g. species diversity, breeding success, etc.) and/or report on localised problems or illegal activities such as pollution, waste dumping, poaching, logging, etc.
    - Training and institutional development activities related to all of the above, including development of biodiversity-related policies and legislation needed to make more effective use of digital technologies for conservation and sustainable use of biodiversity, including the equitable sharing of benefits derived from sustainable use of biodiversity.

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.

Typical activities in Digitalisation that can qualify for the Desertification Rio marker include:

- Digitalisation actions aimed at preventing and reducing soil degradation processes and/or improving soil and water conservation, for example by means of:

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

- Remote sensing technologies for monitoring of land cover, soil quality, hydrological cycle and erosion processes in terrestrial environments, or for tracing of illegal activities such as land clearing, burning, water abstraction, over-irrigation, etc.
- Citizen science activities making use of phone-based smart apps to monitor quality and productivity of soil and water (e.g. seasonal crop status, harvest data, etc.) and/or report on localised issues such as local soil erosion, soil salinity development, rain- and groundwater measurement, etc.
- Training and institutional development activities related to all of the above, including development of policies and legislation needed to make more effective use of digital technologies for soil and water conservation and anti-desertification measures.

Climate Change Mitigation

Digitalisation depends on electricity and thus may contribute to GHG emissions, depending on how electricity is being generated. Reversely, digital solutions can contribute to a smarter use of energy and resources and may thus contribute to a more carbon neutral society in virtually all sectors. Since it is impossible to define all potential activities where digitalisation may play a role, the following broadly defined activities are considered to qualify for a Climate Mitigation Rio marker:

- Introduction of digital solutions aimed at energy savings, provided that (i) the energy savings significantly outweigh the additional energy consumption of the solution, or (ii) the activity is accompanied by the introduction or increase of clean electricity production, equal or greater than the energy consumption of the digital solution. For example, smart grids, climate control in buildings, or digital for shared mobility solutions, etc.
- Introduction of digital solutions aimed at reduction of GHG emissions other than CO2 (e.g. prevention of methane emissions in livestock farming, water table management in peatlands).
- Improvement of the meteorological radar system in order to improve the information on changes to land-use, land cover, forestry, water, etc.
- Training and institutional development activities related to all of the above, including development of policies and legislation needed to make more effective use of digital technologies for the reduction of GHG emissions.

Climate Change Adaptation

Our entire society and consequently all sectors have to adapt to and become more resilient against the consequences of climate change. Digitalisation can play a role in this in many different forms. It is therefore impossible to define all potential activities where digitalisation may play a role[3]. The following broadly defined activities are considered to qualify for a Climate adaptation Rio marker:

- Digital solutions that provide better insight on climate change, and climate risks, vulnerability and impacts.
- Digital solutions that make users and society better prepared for climate change events, e.g. by early warning systems for hurricanes, floods, wildfires, etc.
- Introduction of digital solutions that increase the resilience of its end users against the consequences of climate change, such as smart water conservation and distribution solutions in areas becoming dryer, weather forecast apps for small farmers, etc.
- Improvement of the meteorological radar system in order to improve the information on changes to land-use, land cover, forestry, water, etc.
- Training and institutional development activities related to all of the above, including development of policies and legislation needed to make more effective use of digital technologies for the enhanced resilience and adaptation against climate change.

[3] The OECD DAC Rio Markers for Climate: Handbook gives an extensive overview of activities that qualify for Rio markers on Climate Mitigation and Climate Adaptation. If digitalisation actions are an essential part of these activities, they can qualify for a Rio marker.