



Greening EU Cooperation

Session 12: Rio markers

Indicating and tracking contributions



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Indicating contributions

- NDICI-GE Regulation (Art. 41.8)

“An annual estimate of the overall spending related to climate action, desertification and biodiversity shall be made on the basis of the indicative programming documents adopted...”

- Estimated contributions must be made for each Action
- Consistency between MIPs, AAPs and Action Documents

Rio markers



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What are Rio markers and how to apply them

Tutorial video



What are Rio markers?

Created by the OECD DAC to keep track of development aid to implementation of the Rio Conventions (on biodiversity, combating desertification and climate change)

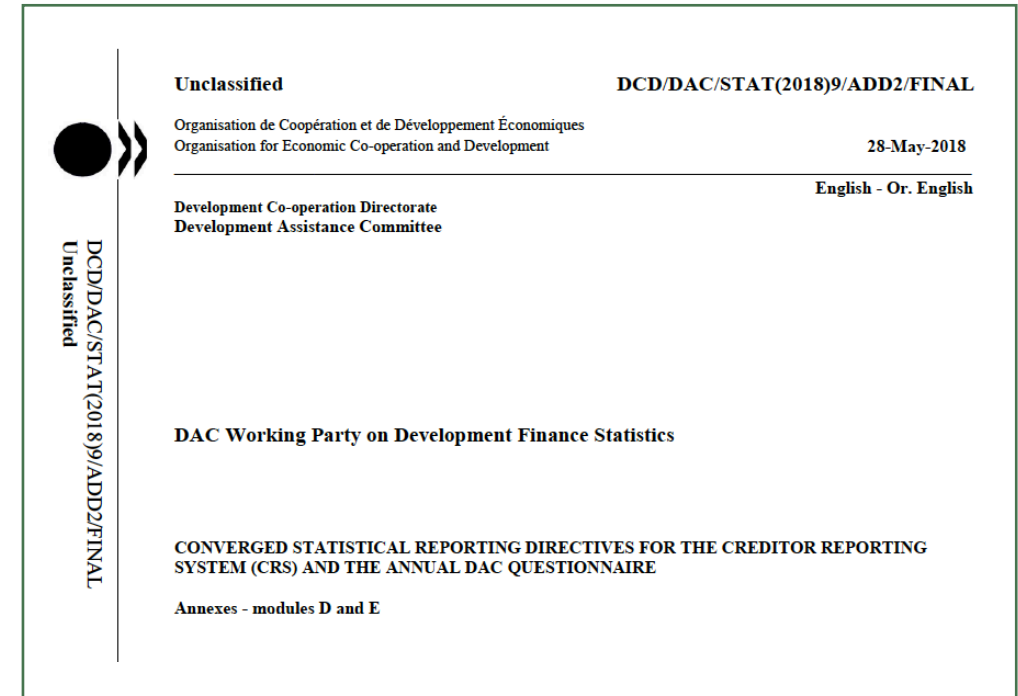


Guidance on scoring Policy and Rio markers

OECD DAC Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire. Annexes – modules D and E.

[DCD/DAC/STAT\(2023\)9/ADD2/FINAL](#)

- Annex 19: Policy markers (Aid to Environment and DRR)
- Annex 20: Rio markers



Possible scores

“Principal” objective (RM2)

(Rio) objective is **fundamental** to the design/ motivation of the action, i.e. *one of the principal reasons for undertaking the action*


**Note: there can be more than one Principal Objective for an action*

”Significant” objective (RM1)

Rio theme is not the main motivation, but the action helps meet environmental/Rio concerns. Still, the (Rio) objective must be explicitly stated

Not targeted (RM0)

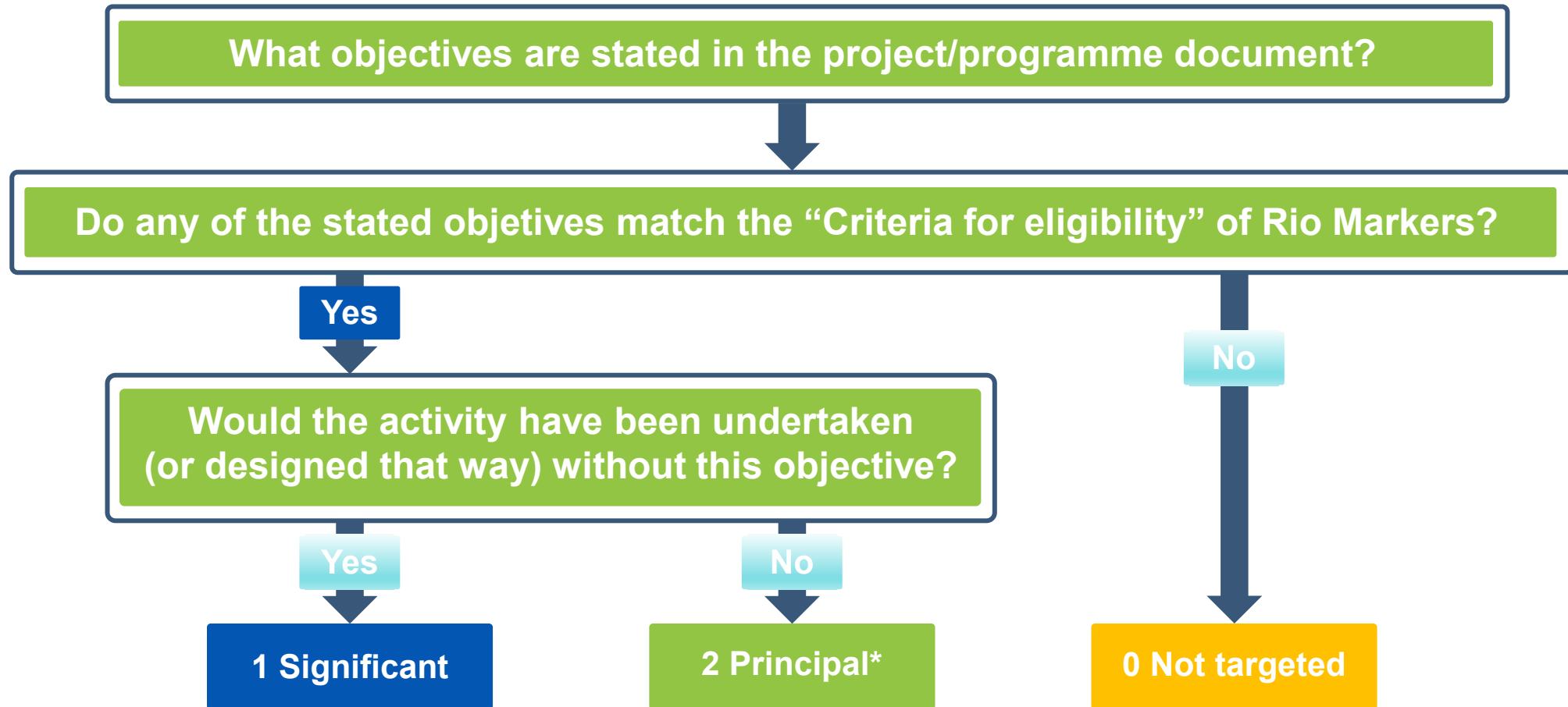
Avoiding adverse impact does not justify a marker



**if Biodiversity,
Desertification
or Climate change**

IS NOT TARGETED	RM=0
IS A SIGNIFICANT OBJECTIVE	RM=1
IS A PRINCIPAL OBJECTIVE	RM=2

Decision tree for scoring an activity



What is required to secure a Rio marker?

“To facilitate transparency and in light of public scrutiny of the Rio marker data, it is important that (...) the **relation between the activity and the objective** (e.g. climate change mitigation, climate change adaptation, other) is **clearly communicated and made explicit**”

OECD DAC guidance



Translating marker scores into financial contributions



NDICI-GE Regulation (Art. 41.8)

“...The funding allocated under the Instrument shall be subject to an annual tracking system based on the methodology of the OECD, namely the ‘environmental markers’ and ‘Rio markers’, without excluding the use of more precise methodologies when these are available, integrated into the existing methodology for performance management of Union programmes, to quantify the expenditure related to environmental management and protection, climate action, desertification and biodiversity at the level of the action plans and measures referred to in Article 23 and recorded within evaluations and annual reports”



At what level are contributions measured?

Contributions are measured at the level of commitments for purposes of reporting to the OECD DAC



Level 1: Commitments

Level 2: Contracts

Level 3: Payments



by EU convention



**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



Avoiding double counting

- Contributions to CC mitigation and adaptation reported separately
- If an action contributes to both in equal measure, a 'cross-cutting' category may be used
- Only the highest score was considered for purposes of calculating contributions to 'climate action'



Calculating CC financial contributions using cross-cutting category

	Mitigation	Adaptation	Cross-cutting	Total
2M & 0A	100%	0%	0%	100%
1M & 0A	40%	0%	0%	40%
0M & 2A	0%	100%	0%	100%
0M & 1A	0%	40%	0%	40%
2M & 1A	100%	0%	0%	100%
1M & 2A	0%	100%	0%	100%
2M & 2A	0%	0%	100%	100%
1M & 1A	0%	0%	40%	40%



Other considerations

- The four Rio markers are not mutually exclusive
- General Budget Support (A01) and Development Awareness (H01) actions cannot be Rio marked
- GBS (A01) contributions are reported internally based on the targeted SDGs
- Administrative expenditure transactions are excluded
- Transition to DG BUDG Coefficients as of next MFF – to coexist with Rio markers



Use of Rio markers for investments



Rio markings and investments



- For purposes of calculating EU contributions, marker scores of corresponding Action Documents (i.e. contributions to investment facilities) are used
- The lead FI does its own scoring at the project level, normally using a more granular approach
- Discussions ongoing on the application of Rio markers to Guarantees
- Consistency between contributions at Decision level and individual projects needs to be verified



Quality control of markers and reporting



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Quality Control entry points

- **Continual checks** - Greening Facility validates markers as part of action design, also pre-TAM in case of investments
- Control of claims to contributions made in MIPs, AAPs and Action Documents
- **Annual quality review** based on R2 extraction



Reporting



- Reporting by EC to UNFCCC, CBD, UNCCD
- Annual reporting by EC to OECD DAC CRS



Guidance and support

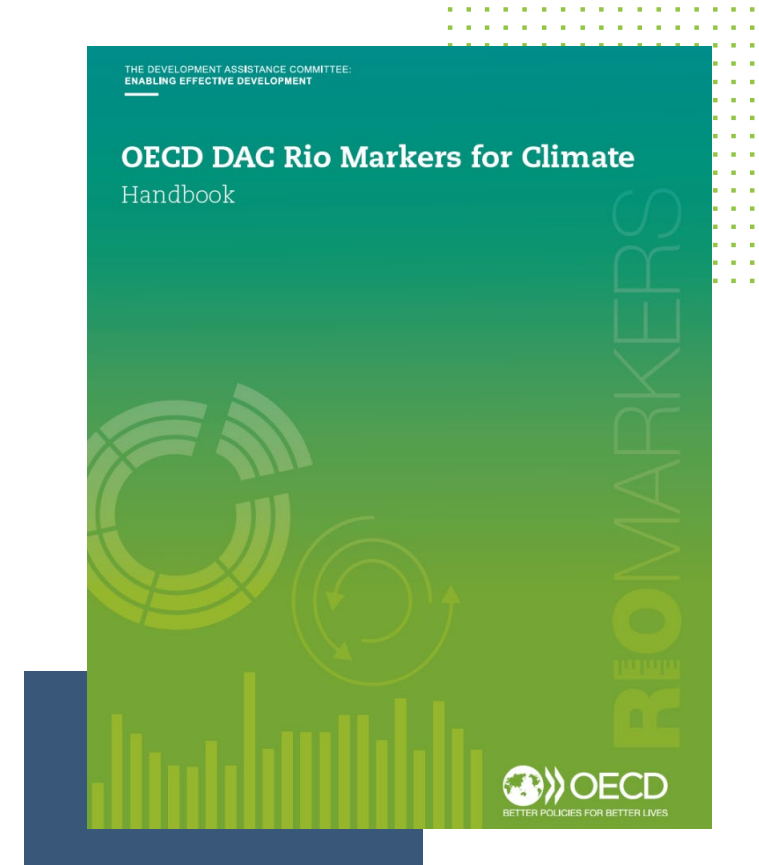


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Guidance on the climate and biodiversity markers

- OECD DAC Rio markers for Climate Handbook
 - Includes Indicative table to guide Rio marking by sector/sub-sector (revised 2024)
- Biodiversity Indicative tables (under revision in 2025)
 - OECD DAC –
DCD/DAC/STAT(2018)26/FINAL



Quick Tips for the integration of environment and climate change (by sector)

Include an annex on indicative activities that qualify for a marker in different sectors

Currently available for:

- Agriculture & Food Systems
- Digitalisation
- Disaster Risk Reduction
- Education
- Energy
- Private sector development / Trade
- Sustainable Infrastructure
- Transport & Mobility
- Urban development
- Water Resources Management
- Water & Sanitation



ACTIVITIES THAT QUALIFY FOR RIO MARKERS IN THE SUSTAINABLE TRANSPORT AND MOBILITY SECTOR

The EU has committed to spend at least 20 % of its budget for 2014-2020 on climate related actions. As regards biodiversity, in 2012 the Union endorsed the Hyderabad objective to 'double total biodiversity-related international financial resource flows to developing countries' by 2015 – and up to 2020 – against a baseline value of € 167 million per year. These commitments are expected to be stepped up in the upcoming Neighbourhood, Development and International Cooperation Instrument (NDICI) to at least 25 % for climate action. Four 'Rio markers' were developed to assess 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 DEVCO to keep track of financial contributions to the Rio themes. In line with a methodology adopted by the OECD Development Assistance Committee (DAC), there are three possible scores (0, 1 and 2) for Rio markers. DG DEVCO 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:

Marker	Score	Budget
IF Biodiversity, Desertification or Climate Change	RM=0	0% BUDGET
IS NOT TARGETED	RM=1	40% BUDGET
IS A SIGNIFICANT OBJECTIVE	RM=2	100% 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 Directive for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire: Annexes – modules D and E (Annex 18 – Rio markers). DCSDACSTAT2018/FA02/FINAL.



Resources on Rio markings

- Available in capacity4dev and from the Greening Facility



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Scoring of the Rio markers and the policy markers for Aid to Environment and Disaster Risk Reduction

Compilation of guidance material

The European Commission uses OECD DAC policy markers and Rio markers to keep track of development assistance to a number of policy areas, as well as to calculate financial contributions. Each marker receives a score between 0 and 2, depending on whether the policy area is 'not targeted' by the action, is a 'significant objective' or a 'principal objective'. Scoring of the markers is based on eligibility criteria defined by the OECD DAC. The Environment & Climate Change Mainstreaming Facility has also prepared guidance material useful to correctly score the policy markers for Aid to Environment and Disaster Risk Reduction, as well as the four Rio markers: Biological Diversity, Combating Desertification, Climate Change Mitigation and Climate Change Adaptation.

1. [Tutorial video on Rio markers](#)
2. [OECD DAC Converged Statistical Reporting Directives for the Creditor Reporting System \(CRS\) and the Annual DAC Questionnaire, Annexes – modules D and E](#)
This document presents the criteria for the scoring of policy markers (Annex 18) and Rio markers (Annex 19). It is complemented by the document [Revision of the Reporting Directive: sections relating to the approved SDG focus field and changes to policy markers and type of aid](#), which defines the criteria for the scoring of the DRR marker.
3. **OECD DAC guidance on the use of Rio markers:**
 - [Rio Markers for Climate Handbook](#). This document presents the scoring system for the climate markers and includes an Indicative Table to guide Rio marking by sector/sub-sector.
 - [Indicative Table for the Rio marker for Biodiversity](#). This document provides a table with activities under different sectors that would typically qualify for a biodiversity Rio marker.
4. [Guidance note on the scoring of the DRR marker in the context of COVID-related actions](#)
This note provides criteria for the correct use of the DRR marker for COVID-response actions in DG INTPA and DG NEAR.
5. [Quick Tips](#)
These documents present practical guidance for the "greening" of a number of sectors. Each of the Quick Tips documents is accompanied by a guidance on activities that typically qualify for a Rio marker in that specific sector. These tables draw largely from the OECD DAC guidance, but provide further elements, especially in relation to the marker on desertification.



Definitions and eligibility criteria





Definition CC mitigation

The activity contributes to the objective of **stabilisation of greenhouse 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 to enhance GHG removal by sinks, in line with the goals of the Paris Agreement.



Eligibility criteria CC mitigation

The activity contributes to:

- Mitigation of climate change by limiting anthropogenic emissions of GHGs, including gases regulated by the Montreal Protocol; **or**
- Protection and/or enhancement of GHG sinks and reservoirs; **or**
- Integration of climate change concerns with the recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, technology transfer or research; **or**
- Developing countries' efforts to meet their obligations under the Convention and the Paris Agreement, namely the implementation and enhancement of mitigation actions.



Definition CC adaptation

The activity 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 the 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 implementation of climate change adaptation actions.



Eligibility criteria CC adaptation

- The climate change adaptation objective is explicitly indicated in the activity documentation; **and**
- The activity contains specific measures targeting the definition above.
- Carrying out an assessment of vulnerability to climate variability and change, either separately or as an integral part of the agencies' standard procedures, facilitates this approach.



Best practice CC adaptation

Set of **Best practice**: a three-step approach:

1. Set out the **context** of risks, vulnerabilities and impacts related to climate variability and climate change, using a robust evidence base (existing analyses and reports, CVA analysis, or other);
2. State the **intent** to address the identified risks, vulnerabilities and impacts in project documentation (how to address the above);
3. Demonstrate a clear and direct link between the identified risks, vulnerabilities and impacts and the specific project **activities**.

Climate as a 'principal objective' (RM2)

- Climate change should be a **starting point** when identifying an Action, and one of the principal reasons for designing and formulating it!
- **Countries' relevant climate documents** (i.e. NDCs, NAPs, Climate Investment Plans, etc.) are important to support a RM2. *Does the action offer opportunities to contribute to their implementation?* If so, design the Action accordingly.
- If you truly mean to target climate as a 'principal objective'...
 - be explicit about it! The Action Document needs to explicitly state contributions to CCM and/or CCA and their direct benefits
 - an outside reader should clearly **understand what the climate context is, the challenges faced and how the Action will help address them!**
 - include relevant **CCM and/or CCA indicators** in the logical framework!
- **Synergies** between CCM and/or CCA with Biodiversity and other important Green transition objectives offer many opportunities to secure CC contributions!

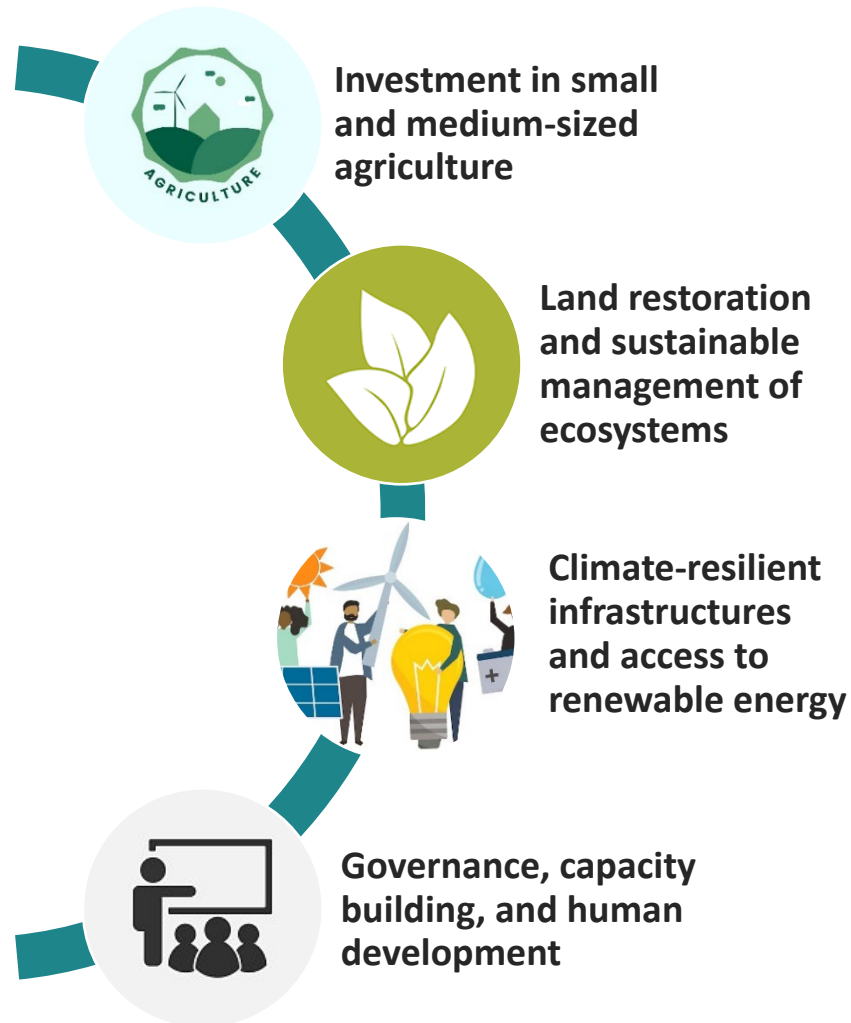


How to secure a Rio marker 2 for climate?

- Climate change is a **main motivation** for the action. Indirect benefits or partial contributions are insufficient to justify a RM2 (e.g. the Action would not have been funded - or designed that way - without the CC objective)
- For adaptation, explaining the **vulnerability context** and how the action will help address it at the **Impact** and/or **Outcome levels**, with outputs and activities that respond to the identified vulnerabilities, is necessary.
- The Rio markers for CC are **applied to the whole of the action**. If only one component addresses climate-relevant activities, it is usually not enough to secure a RM2.
- Supporting **nature-based solutions** provides **multiple opportunities to tackle the impacts of climate change**, contributing to green development pathways.



Examples of potential climate RM2 Actions



- *Support to climate-smart agriculture*
- *Agro-ecology and Agroforestry*
- *Deforestation-free products exports*
- *Transition to sustainable food systems*
- *Integrated Water and Natural Resources Management*
- *Support to landscape management practices*
- *Sustainable livestock management*
- *Public transport with an objective to reduce GHG emissions (subway, light rail, Bus Rapid Transit, trams, etc.)*
- *Renewable rural energy*
- *Clean cooking solutions*
- *Flood and drought prevention*
- *Green social protection and safety net schemes*
- *TVET and climate in school's curricula, research and post-graduate studies earmarked for CC subjects*
- *Climate resilience of Displacement Affected Communities (e.g. addressing root causes of conflict and migration)*
- *Climate change preparedness of the health sector*





Biological diversity definition

- The activity promotes at least one of the three objectives of the Convention:
- the conservation of biodiversity,
- sustainable use of its components (ecosystems, species or genetic resources),
- or fair and equitable benefit-sharing of the utilisation of genetic resources.



Biological diversity eligibility criteria

The activity contributes to:

- Protecting/enhancing ecosystems, species or genetic resources through in-situ or ex-situ conservation, or remedying existing environmental damage; or
- Integration of biodiversity and ecosystem services concerns within recipient countries' development objectives and economic decision making (institution building, capacity development, strengthening of the regulatory and policy framework, or research; or
- Developing countries' efforts to meet their obligations under the Convention.



Combating desertification definition

The activity 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.



Combating desertification eligibility criteria

The activity contributes to:

- **Protecting or enhancing** dryland ecosystems or **remediating** existing environmental damage; **or**
- **Integration of desertification concerns** with recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; **or**
- **Developing countries' efforts** to meet their obligations under the Convention.

Some particular cases to be mindful of

- **Road construction**, even if it shortens routes, new roads generate more traffic, so RM0. Unless also promoting climate-friendly transport (e.g. cycling and bus lanes)
- **Hydropower** (storage or run-of-the-river) only if net emission reductions can be demonstrated
- **Electricity transmission**, when it integrates renewable sources to the grid, or energy efficiency measures in grid retrofitting
- **Agriculture** activities score for biodiversity only if they show contributions to biodiversity objectives

