

EU Results Framework Indicator methodology note

1. Indicator name
Amount and share of the EU funded international cooperation and development assistance contributing to (a) protecting biodiversity; (b) climate change (adaptation and mitigation); (c) combating desertification; and (d) protecting the environment (Aid to Env)
2. Technical Definition
<p>This indicator includes four parts and is intended to report on the share of EU funded international cooperation and development assistance allocated to (a) protecting biodiversity, (b) adapting to and mitigating climate change, (c) combating desertification; and (d) protecting the environment</p> <p>The four parts of the indicator will be based on the so-called Rio markers and the aid to environment policy marker that pre-dates the Rio Markers. These markers are used as part of the reporting to the Creditor Reporting System (CRS) database of OECD's Development Aid Committee (DAC). They are already integrated into European Commission's own statistical system, e.g. Directorate General for International Cooperation and Development (DG DEVCO) uses the DAC form in CRIS for this reporting.</p> <p>The aid to environment marker captures operations targeting environmental management or protection as a principal objective (marker 2) or as a significant objective (marker 1). The Rio markers capture more specifically activities that have biodiversity, climate change (adaptation and mitigation respectively) or combating desertification as a principal objective (Rio marker 2) and broader activities in which biodiversity, climate change or desertification concerns are integrated as a significant objective (Rio marker 1).</p> <p>Further, an activity can have more than one principal or significant policy objective (i.e. it can be marked for several Rio and policy markers, either as principal objectives, significant objectives or a combination of both. As a convention, the score for the aid to environment policy marker cannot be lower than the highest Rio marker score. OECD DAC provides detailed guidelines with definitions and eligibility criteria for applying the markers¹.</p> <p>These markers are policy markers and were not originally intended for accurate quantification of financial flows to support to policy goals. The EU has adopted the following approach to “translate” the aid to the environment and Rio-marked data into estimated quantified finance flows:</p> <ul style="list-style-type: none"> • If climate change mitigation or adaptation, biodiversity, combating desertification or aid to the environment is marked as a principal objective for an action, 100% of the support is considered and reported as financing in these areas; • If climate change mitigation or adaptation, biodiversity, combating desertification or aid to the environment is marked as a significant objective for an action, then 40% of the support is considered and reported as financing in these areas;

¹ Annexes 17 (policy markers) and 18 (Rio markers) of OECD DAC Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire. Annexes – modules D and E, DCD/DAC(2016)3/ADD2/FINAL of 14 April 2016. In the case of the Rio markers for climate change, examples of qualifying activities can be found in For example, OECD DAC Rio Markers for Climate Handbook.

- For climate finance flows only: To avoid double counting of activities that have been Rio marked for both adaptation and mitigation, any activity can only count as 100%, 40% or 0%. If an activity is marked for both mitigation and adaptation, only the highest marking will count in calculating the total financial contribution of the activity to climate finance.

This approach has been used for reporting to UNFCCC in the context of the 5th and 6th National Communications and 1st Biennial Report. It has also been used for reporting to CBD in the context of the 5th National Report. It is also the system used for internal reporting on the 20% target to DG Budget.

3. Rationale (including which policy priority, and how is this indicator linked to that policy priority)

The mainstreaming of environmental concerns is embedded in Article 11 of the Treaty on the Functioning of the European Union. This Treaty provision is reflected in EU policy for development cooperation, including the Agenda for Change (2011) and the 2017 European Consensus on Development (notably under Planet - Protecting the environment and tackling climate change) .

The political commitments are complemented by the budget targets for climate change (20%) relevant financing for the 2014-2020 Multiannual Financial Framework, as well as by the resource mobilisation target decided under the Convention on Biological Diversity in Hyderabad. They are further enforced by the 2011 EU Biodiversity Strategy to 2020, to “double total biodiversity-related international financial resource flows to developing countries, in particular least developed countries and small island developing States, as well as countries with economies in transition, using average annual biodiversity funding for the years 2006-2010 as a baseline, by 2015, and at least maintain this level until 2020” .

The 2030 Agenda includes several goals on protecting the environment and combating climate change. These are Sustainable Development Goal (SDG) 13 to take urgent action to combat climate change and its impacts; SDG 14 on conserve and sustainably use the oceans, seas, and marine resources for sustainable development; and SDG 15 on protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. Environment and climate change aspects are also explicitly referred to and fundamental to the achievement of other SDGs.

The aid to environment policy marker and the Rio markers on climate change adaptation and mitigation, biodiversity and combating desertification are good overall proxy indicators for the mainstreaming of environment and climate change as cross-cutting concerns into the overall portfolio and for the more specific budget targets.

4. Data calculation (including any assumptions made)

Yearly international cooperation and development commitments under financial instruments managed by DG DEVCO will be reported in EUR based on financial data extracted from internal systems (e.g. CRIS).

(a) Share of the EU funded international cooperation and development assistance contributing to protect biodiversity

Step 1- For a given year, all Decisions (Commitment Level 1 displaying commitment date - defined as VISA ORDO - between 1st January and 31st December) under financial instruments managed by DG

DEVCO² that are Rio marked for biodiversity relevance are extracted. This extract should include information on the amount committed, DAC sector codes, benefitting zone and country, project title, decision number, decision year, status, delegation in charge, domain, main channel and detailed channel, type of flow and type of aid.

Step 2 – For each decision the biodiversity relevant amount will be estimated using the Commission conversion co-efficient mentioned above in section 2 (40% of RM1 and 100% of RM2).

Step 3 –The financial value of EU funded international cooperation and development contributing to protecting biodiversity will be calculated by summing up commitments across Decisions by country, region and other relevant categories (as needed).

Step 4 –*The share of EU funded international cooperation and development contributing to protect biodiversity* will be calculated by dividing the above financial value of commitments with the total of commitments in the year to be reported (all Commitment Level 1 displaying commitment date - defined as VISA ORDO - between 1st January and 31st December).

(b) Share of the EU funded international cooperation and development cooperation assistance contributing to climate change

The calculation process for climate change will be similar to the process for biodiversity but based on the Rio markers for climate adaptation and mitigation.

Only steps 1 and 2 will differ slightly from the biodiversity approach as there are two climate change markers.

Step 1 - For a given year, all new Decisions (Decision level 1) that are Rio marked for climate change adaptation and/or mitigation are extracted. This extraction includes information on the amount committed, DAC sector codes, benefitting zone and country, project title, decision number, decision year, status, delegation in charge, domain, main channel and detailed channel, type of flow and type of aid.

Step 2 - For each Decision the climate relevant amount will be estimated using the Commission conversion co-efficient mentioned above in section 2 (40% of RM1 and 100% of RM2) applied to the highest marker only (mitigation or adaption).

To avoid double counting of activities that have been Rio marked for adaptation and mitigation, any activity can only count as 100%, 40% or 0%. If an activity is marked for both mitigation and adaptation, only the highest marking will count in calculating the total financial contribution of the activity to climate finance.

Steps 3 and 4 are the same as for biodiversity, but applying to climate change.

(c) Share of the EU funded international cooperation and development assistance contributing to combating desertification

The process for calculating the share to combating desertification follows the same steps as for biodiversity. However, it's based on the Rio marker for desertification instead.

(d) Share of the EU funded international cooperation and development assistance contributing to protecting the environment

The process for calculating the share to protecting the environment follows the same steps as for

² Under the financial instruments DCI, EDF, EIDHR, Nuclear Safety, IcSP and Greenland

<p>biodiversity. However, it is based on the aid to environment policy marker instead.</p> <p>A standard extraction from the DG DEVCO's internal systems (data warehouse) following the above criteria is used every year.</p>
5. Level of disaggregation
n/a
6. Is it used by another organisation or in the framework of international initiatives, conventions, etc? If so, which?
<p>The Commission is already reporting to the UN Framework Convention on Climate Change and UN Convention on Biological Diversity based on the above-mentioned methodology.</p> <p>Further, the indicators are largely based on the existing reporting to the OECD DAC Creditor Reporting System.</p>
7. Other issues
<p>This indicator does not make explicit use of the new OECD policy marker for Disaster Risk Reduction (DRR), to be implemented for 2019 financial flows³. This marker represents a contribution to measuring the progress in achieving the global targets of the Sendai Framework for DRR 2015-30. Nevertheless, part of the financial flows identified by the DRR marker will also carry the Rio Marker for Climate Change, and therefore be included in the numbers reported, as explained in Section 4 above. Additional reporting on the DRR marker should be considered in the future.</p>

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[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/STAT\(2017\)26&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/STAT(2017)26&docLanguage=En)