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Integrating Environmental and Climate Action into Development Co-operation

Reporting on DAC Members' 2020 High-Level Meeting commitments

This report was prepared in response to the commitment by DAC Members to report on the individual and collective steps taken to give effect to the voluntary commitments set out in DAC HLM communique' with regard to climate and the environment before COP26. The report was approved by written procedure by the DAC in its current and final form on 10 November 2021. The report was made public on 12 November 2021, in line with the deadline indicated by the DAC HLM.

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Integrating Environmental and Climate Action into Development Co-operation

Reporting on DAC Members' 2020 High-Level Meeting Commitments

Foreword

A transition towards environmentally sustainable, low-emissions and climate-resilient development pathways is a critical component of all countries' ability to achieve the 2030 Agenda for Sustainable Development. This challenge is prompting new approaches to aligning international development co-operation with the objectives of the Paris Agreement, the Convention on Biological Diversity, the Sendai Framework for Disaster Risk Reduction, and other international agreements. As such, all development co-operation providers are becoming increasingly aware of the need to strengthen their efforts to better support development partners in this transition by adopting new commitments, strategies and tools.

At their High-Level Meeting on 9-10 November 2020, Members of the OECD Development Assistance Committee (DAC) set out a number of commitments and aspirations with respect to their approach to environmental and climate action through development co-operation. These commitments are contained in the DAC High-Level Meeting (HLM) Communiqué.

This report was prepared in response to the commitment by DAC Members to " report […] on the individual and collective steps […] taken to give effect to the voluntary commitments set out in this communiqué with regard to climate and the environment before COP26." As a result, the main objectives of this report are to enhance accountability, promote transparency and take stock of what DAC Members are doing, both on a collective and on an individual basis, to ensure that these commitments translate into more effective development co-operation in support of environmental and climate action. As such, it provides a basis, and at the same time complements, the new decisions made in the OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change.

The report is organised around four core commitments included in the DAC HLM Communiqué. They are: 1) to co-ordinate development approaches with international climate and environment objectives through a member-driven process; 2) to ensure that post-COVID-19 development policies and programmes are consistent with international climate and environment objectives by integrating them systematically; 3) to support developing countries to achieve their own transitions to environmentally sustainable, low-emissions and climate-resilient development pathways, including by promoting sustainable, quality infrastructure; and 4) to improve how DAC policies address the particular needs of Small Island Developing States (SIDS) and to working with them to address obstacles in accessing finance for resilient and sustainable development.

The report contains information reported by DAC Members based on an agreed format and consolidated by the OECD. It is divided into two sections:

- **Overview chapter**: For each of the four core commitments, each sub-section outlines an overall picture emerging from Members' individual actions while also identifying emerging trends at the DAC level.
- **Country profiles**: For each DAC Member, they provide an overview on relevant efforts for the commitments on systematic integration of climate and environmental objectives, on transition support, and on SIDS. The commitment on co-ordinated approaches is reflected in the DAC Declaration to COP26 presented in the overview chapter.

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Executive summary

The transition towards environmentally sustainable, low-emissions and climate-resilient development pathways is critical for countries' ability to achieve the 2030 Agenda for Sustainable Development. As a result, development co-operation providers recognise the need to better support developing countries in this transition. In response to commitments on environment and climate change by Members of the OECD Development Assistance Committee (DAC) taken at their High-Level Meeting (HLM) in November 2020, this report provides information on: 1) steps taken to pursue more co-ordinated approaches in supporting climate change and environmental objectives; 2) efforts to systematically integrate international environment and climate goals into development co-operation policies; 3) specific approaches to support developing countries in achieving transitions that are environmentally sustainable, low-emissions and climate-resilient; and 4) DAC Members' policies to better address the particular needs of Small Island Developing States (SIDS).

Key findings

Through a Member-driven process, the DAC has enhanced its co-ordination on environment and climate issues

In response to the commitment to enhance its co-ordination on environment and climate issues, the DAC has conducted extensive work, which resulted in the *OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change*. This declaration highlights key priorities for DAC Members' collective action in support of developing countries' efforts to fight climate change, biodiversity loss and environmental degradation and, through this, come closer to achieving the objectives of the 2030 Agenda.

All DAC Members report action on environment and climate change as a key objective or crosscutting priority for their development programmes. Several DAC Members have committed explicitly to aligning their development co-operation with international climate and environmental objectives, while a majority only refers to the general adherence to these agreements. A majority of DAC Members have also set international financing targets in support of ambitious action, which in practice are largely delivered through official development finance. Over the 2015-19 period, the volume of official development assistance (ODA) with climate change and environmental objectives have shown an increase, alongside overall growth in ODA flows. At the same time, it is not possible to determine a similar increasing trend in the share of ODA that includes environmental and climate objectives, which would support an enhanced integration across the DAC. Many Members, however, have recently updated or expect to announce new targets imminently.

Several Members have strategies that focus specifically on aligning with international objectives, notably those of the Paris Agreement. Moreover, dedicated mainstreaming strategies are used in some cases to support the systematic integration of climate change and environmental considerations across their entire development programmes. In addition, DAC Members report the use of thematic strategies to integrate climate and environmental objectives at a more granular level. Strategies for climate change and the environment are complemented by a variety of operational tools to enable implementation on the ground. A significant number of DAC Members have also developed strategies for supporting post-COVID-19

recoveries focused on building back greener. Finally, DAC Members often rely on reference standards developed at the international level, which have an important role in enabling common approaches.

Several Members have defined dedicated approaches to the transition

All DAC Members report that their development co-operation includes activities with a specific objective to support the transition of developing countries to environmentally sustainable, climate-resilient, low-emissions pathways. Members also recognise the need for more transformative change. Beyond this, only a few DAC Members have defined approaches and guidance for how to support transitions through their development programmes. Mostly, transition support is seen to be inherent in activities and their intended impact, without being based on clear conceptual definitions or practical approaches for their integration into development programmes. Most DAC Members frame their support to developing countries' transitions in terms of supporting the outcome of key international agreements within that country, given that their achievement de facto implies a transition. A major aspect in supporting the transition takes the form of engaging in international coalitions or initiatives. This approach reflects a recognition of the importance of mechanisms that can pool resources, channel action and ultimately catalyse broader change by influencing systems and resource flows. Strengthening strategic underpinnings for how development programmes support transitions would ensure that engagement in initiatives is embedded in broader approaches.

Energy support, multilateral providers and partnerships are key elements in approaches to the transition

DAC Members focus on different aspects of the transition, reflecting their comparative advantage and thematic priorities. At the same time, the centrality of energy systems is a shared recognition. In this regard, reporting from several Members reveals that using ODA to support energy system transitions typically goes together with commitments to not deploy ODA for further increases of fossil fuel-based energy generation. For several DAC Members, notably those with smaller programmes and tighter constraints in terms of capacity, multilateral channels play a key role for the delivery of their climate- and environment-related ODA. This is particularly relevant for the financing of infrastructure investments. In light of this, DAC Members consider their role as shareholders in multilateral development banks as an important aspect of their climate action and their support to transitions. Similarly, DAC Members show a strong focus on partnerships that support local ownership. Supporting national strategies and processes for transition is a central theme of DAC Members' approaches. This includes focusing on integrating national plans into broader development strategies and on the ability for subsequent execution. An inherent challenge exists when national plans for the transition do not reflect a realistic basis for achieving the international objectives they are meant to achieve.

DAC Members acknowledge SIDS' specific challenges but mostly do not have dedicated strategies to reflect these

Most Members acknowledged the specific challenges SIDS are facing and supported these in sectoral or geographic development co-operation strategies. While only four have specific strategies relating to SIDS, support to SIDS accounts for a large share of the ODA portfolio of several other DAC Members, and new initiatives point to the growing support of DAC Members to SIDS. An important dimension of support to SIDS relates to supporting SIDS in climate change and ocean negotiations. DAC Members' support to SIDS is centred around some of the key challenges these countries face, with a specific focus on climate investments, fostering sustainable ocean economies and resilience, promoting disaster risk reduction, and curbing fossil fuels dependence through access to renewable energy. For a few DAC Members, SIDS are outside the scope of their focus. In these cases, DAC Members mostly support SIDS via the multilateral development system, and in particular, dedicated international climate funds.

Insights from DAC Members' reporting on environment and climate commitments

Climate change as a defining challenge to sustainable development

Climate change is a defining challenge of the 21st century, and it is both compounding existing threats to sustainable development as well as creating new obstacles (OECD, 2019[1]). Sustainable development and climate change are therefore inseparable. The latest assessment report by the United Nations Intergovernmental Panel on Climate Change (IPCC) concluded that "human-induced climate change is already affecting many weather and climate extremes in every region across the globe" (IPCC, 2021[2]). Heatwaves, heavy precipitation, droughts, tropical cyclones, sea-level rise and ocean warming and acidification are all phenomena that can undermine countries' ability to achieve the objectives of the 2030 Agenda for Sustainable Development. Assessments by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) have also shown the significant alteration of nature across the globe by multiple human drivers, leading to a rapid decline in the majority of indicators of ecosystems and biodiversity health (IPBES, 2019[3]). All these phenomena are altering the ecological systems that underpin economic activity and human societies, including their well-being, safety and development (Hoegh-Guldberg, Jacob and Taylor, 2018[4]). Developing countries, especially those already affected by extreme poverty, fragility, inequality and other types of vulnerability, are the most exposed to the impacts of climate change (Hallegatte et al., 2015[5]). Ultimately, this is undermining countries' ability to achieve sustainable development.

The importance of integrating climate and sustainability into development pathways and efforts to achieve development outcomes has been highlighted by an extensive body of research and analysis. This body of work has also highlighted the key role that development co-operation and development finance can play in catalysing countries' transitions to low-emissions, climate-resilient and environmentally sustainable development pathways (Germanwatch/New Climate Institute, 2018[6]; OECD, 2013[7]; CPI, 2019[8]; WRI, 2018[9]). In particular, it underlines the opportunities for development linked to a better alignment between development policies and climate and environment objectives in areas like climate change mitigation, climate change adaptation, environmental protection, biodiversity and sustainable ocean use and management (OECD, 2019[1]; 2020[10]; 2021[11]).

Putting green growth at the heart of development co-operation is, therefore, a priority to bring about the shift to environmentally sustainable, low-emissions and climate-resilient development pathways in developing countries (OECD, 2019[1]). Investing in activities that help developing countries mitigate and adapt to climate change is a key lever to catalyse climate action and mobilise the capacity and finance needed to achieve a transition to environmentally sustainable, low-emissions and climate-resilient development pathways. This is in line with commitments made by developed countries in Article 9 of the

Paris Agreement, including the commitment to mobilise USD 100 billion in climate finance from all sources by 2020.

The vast majority of international climate finance in support of climate action in developing countries comes in the form of official development finance. According to OECD estimates, in 2019, 79% of climate finance counting towards the USD 100 billion commitment took the form of official development finance. In addition, development finance instruments and activities directly mobilised private finance towards the USD 100 billion goal, which constituted a further 18% of the total reported (OECD, 2021[12]).

Yet, recent reports show that the gap that separates ambition and action is still large. The most recent United Nations Framework Convention on Climate Change (UNFCCC) Nationally Determined Contribution (NDC) synthesis report finds that available NDCs from all 191 Parties taken together could lead to a temperature rise of about 2.7 degrees by the end of the century (UNFCCC, 2021[13]). This would result in dramatic consequences for all countries but especially for those that have the least means to face the challenges that such a scenario would entail. At the same time, the Global Biodiversity Outlook 5 confirmed that none of the 20 Aichi Biodiversity Targets agreed through the Convention on Biological Diversity had been met by 2020, further threatening the achievement of the Sustainable Development Goals (SDGs) and weakening efforts to address climate change (CBD, 2020[14]). Finally, despite growing concerns regarding escalating climate risks, the Global Commission for Adaptation recently underlined that finance flows are still falling short and do not reach the people and regions that need them the most (GCA, 2020[15]).

Development co-operation can do more to support developing countries address climate change

To maximise its impact and effectiveness, development co-operation needs to evolve in response to the challenges posed by a world vulnerable to the escalating climate crisis and to the threats posed by worsening environmental degradation. Some elements of this transformation include better co-ordination across providers of development co-operation; enhancing the integration of climate and environmental concerns into development policies, strategies and approaches; proactive support for partner countries' own transition plans through capacity building, technical assistance and provision of concessional finance; and better-targeted support for the most vulnerable countries, with a particular focus on Small Island Developing States (SIDS) (DAC, 2020[16]).

In November 2020, DAC Members came together to address these interrelated challenges. In the DAC High-Level Meeting Communiqué, they set out a number of commitments to improve their support to developing countries in taking ambitious climate action and achieving environmentally sustainable, low-emissions and climate-resilient development pathways, as the only sound option for achieving the ambitions of development co-operation under the 2030 Agenda (OECD, 2019[1]; DAC, 2020[16]). The four core commitments set out by Members of the DAC and on which this report is based are:

- **Commitment on co-ordinated approaches on environment and climate issues:** "We will consider options for co-ordinating development approaches with international climate and environment objectives through a member-driven process, according to a calendar to be confirmed by DAC Members" (DAC, 2020[16]).
- **Commitment on systematic integration of environment and climate objectives:** "We will work to ensure that our post-COVID-19 development policies and programmes are consistent with international climate and environment objectives, and will work to integrate them systematically" (DAC, 2020[16]).
- **Commitment on support for the sustainability transition:** "In the spirit of fairness and just transition, we will support developing countries to achieve their own transitions to environmentally

sustainable, low-emissions and climate-resilient development pathways, including by promoting sustainable, quality infrastructure" (DAC, 2020[16]).

- **Commitment on support for SIDS' sustainable development:** "We commit to improving how our policies and programmes address the particular needs of SIDS, and to working with them to address obstacles they encounter in accessing finance for resilient and sustainable development" (DAC, 2020[16]).

This chapter provides overarching findings on DAC Members' efforts and progress in aligning their actions to these four core commitments. Information in this report reflects the most recent policies and approaches adopted by Members and, when possible, the evolution of such policies and approaches in recent years.

Commitment #1 on co-ordinated approaches on environment and climate issues

Key highlights

- At their High-Level Meeting (HLM) in November 2020, DAC Members committed to considering options for co-ordinating development approaches with international climate and environment objectives through a member-driven process.
- Following the High-Level Meeting, DAC Members have undertaken an extensive consultation process in order to set out common approaches to co-ordinate development actions and policies on environment and climate.
- The *OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change* constitutes the key outcome of this process, which outlines a new approach to aligning international development co-operation with the objectives of international climate and environment objectives, in line with developing countries' own priorities and national transition plans.

In response to the commitment to enhance its co-ordination on environment and climate issues, the DAC has conducted an extensive exercise, which resulted in a shared declaration to COP26. This declaration, which is presented in full in Box 1, highlights key priorities for DAC Members' collective action in support of developing countries' efforts to fight climate change, biodiversity loss and environmental degradation and, through this, come closer to achieving the objectives of the 2030 Agenda for Sustainable Development.

The commitments and action points set out in the declaration represent a collective agenda for DAC Members with regard to the environment, climate change, and its systematic integration across development programmes so as to translate into concrete actions, measures and outcomes.

Box 1. OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change

Preamble

1. In advance of the 26th UN Climate Change Conference of the Parties (COP26) we, the members of the OECD Development Assistance Committee (DAC), have a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change ("the Paris Agreement").

2. The climate crisis is existential, closely linked to environmental and ecosystem degradation, desertification and biodiversity loss. The world's most vulnerable people, including but not limited to those living in poverty – especially women and girls – are hardest hit across all the Sustainable Development Goals (SDGs). Urgent action is essential to address climate change and deal with its impacts, including food and water insecurity, increased inequalities and exacerbation of conflicts.

3. The 2030 Agenda for Sustainable Development and the Paris Agreement are intrinsically linked. Sustainable development and climate action – including tackling nature loss and persistent inequalities – must be pursued in a coherent way to ensure that progress towards these objectives is effective, equitable and supports the best outcomes for all, including developing countries. To achieve the SDGs and the goals of the Paris Agreement, developing countries must have inclusive economic development, and for that they need electricity, which many poor people still live without. In this context, we will help address the rising energy demands of developing countries, to support their development priorities in the most sustainable way possible.

4. Despite many developing countries contributing very little to climate change, particularly Least Developed Countries (LDCs) and Small Island Developing States (SIDS), many suffer disproportionately from its impacts. We especially recognise the need to support adaptation actions in LDCs and SIDS, consistent with the Paris Agreement.

5. To keep the 1.5°C temperature goal of the Paris Agreement within reach, production and use of energy – which contributes three-quarters of greenhouse gas (GHG) emissions – must be rapidly decarbonised. To achieve this, as outlined in the Intergovernmental Panel on Climate Change's 2018 special report on 1.5°C pathways, international financing must be directed to low GHG emissions alternatives. It must facilitate developing countries' access to green technologies, make clean and sustainable energy technologies more easily available, accessible, affordable and efficient and support transitions to net zero emissions by 2050.

What does the DAC want to achieve?

6. The DAC's core focus is sustainable development co-operation. We are committed to the SDGs and the Paris Agreement, including the transition to net zero GHG emissions and a climate-resilient future. We are encouraged that developing countries share our ambition. The primary climate objectives of DAC members' Official Development Assistance (ODA) are: a) to support partner countries' own just transitions to sustainable pathways and to achieve global net zero emissions; and b) to increase their ability to adapt to the adverse impacts of climate change and improve resilience.

7. These transitions should be just and fair. They will vary by country and must be driven by country context and led by developing countries, as expressed in their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), long-term low GHG emission development strategies (LTSs), Disaster Risk Reduction Strategies, and other climate-resilient national plans. For some developing countries with limited access to energy, it may be possible – with additional and blended finance – to leapfrog to clean and efficient sources of energy production. For other developing

countries, the transition to more sustainable and efficient energy production may be longer and include low-emissions energy sources. In these exceptional circumstances, we should support the best available option. This support should be part of national energy system transition plans and reflect the Paris Agreement goals. The risks of stranded asset and carbon lock-ins must also be considered. Encouragement and facilitation of the faster roll-out of renewables and other cost-effective, efficient and low-emissions technology options in developing countries must be prioritised.

8. Net zero emissions energy resources, including renewables, are increasingly the cheapest and most sustainable option for energy production in many developing countries. These technologies should be promoted and can create substantial environmental, social, economic and health benefits. Emissions reduction measures and renewable energy investments have the potential to increase innovation and improve access to energy and jobs. We will use our ODA and mobilise other resources to help developing countries access more technical opportunities to enable and accelerate a clean, sustainable and just energy transition on voluntary and mutually-agreed terms.

9. Developing countries are very clear about their need for increased support for adaptation, risk reduction and building resilience. We recognise that scaled-up efforts for adaptation and building inclusive climate-resilient societies are an essential and integral part of sustainable development.

What are we going to do?

10. DAC members are fully committed to implementing article 2.1.c of the Paris Agreement, and to making financial flows consistent with pathways toward net zero GHG emissions and climate-resilient development, while facilitating access to green technologies especially in the energy sector. We welcome the recent G7 commitment to support and accelerate global action to tackle climate change and make official finance flows consistent with the goals of the Paris Agreement. We also welcome the concrete steps by the international financial institutions and multilateral and bilateral development banks towards similar alignment. In combination with partner country investments, ODA has an important role to play in helping them shift their policies, regulations and laws in support of mitigation and adaptation.

11. As the custodians of the governance of ODA, we commit to aligning our ODA with the goals of the Paris Agreement. Climate and environmental impacts must be considered in all ODA spend, including in sectors not traditionally associated with climate and the environment. Alignment with the Paris Agreement will recognise the unique circumstances of partner countries and support their own low-carbon, climate-resilient development pathways and transition towards net zero economies, while minimising the risk of creating stranded assets.

a) We will prioritise support to technologies focused on accelerating progress towards net zero systems, in particular renewable energy and energy efficiency. We could also consider carbon capture, utilisation and storage. We all make the same commitment as the G7 commitment to end new ODA for unabated international thermal coal power generation by the end of 2021[1].

[1] We, Austria, Belgium, Canada, Czech Republic, Denmark, European Union, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom and United States further commit to limit our ODA investments in fossil fuels to when there are no economically or technically feasible clean energy alternatives; and are part of host country transition planning, consistent with Paris Agreement and NDC commitments. ODA may be used to support efficiency improvements of existing fossil fuel based power generation facilities, as well as their decommissioning and we will notify the DAC of intended activities. We also recognise that in limited contexts – such as emergency and humanitarian crises – where access to grid-based power is unavailable, fossil fuel based power may still warrant ODA support.

b) We will examine the type of power generation facilities that could be supported by ODA to meet the increasing demand from partner countries, including cost-effectiveness considerations.

c) Based on thorough analysis of power generation needs and the role of ODA, we will develop henceforth an approach to transitioning ODA investments toward net zero. This will take account of developing countries' needs and NDC commitments, and be in line with the Paris Agreement, 1.5°C goal and best available science.

12. As part of partner country energy system planning, we will work to identify alternative sustainable, low-emissions, efficient, clean and renewable energy solutions to any current ODA fossil fuel support. While energy transitions will have many benefits for developing countries, we will work with our partners to mitigate any unintended harmful consequences to populations with heavy dependence on fossil fuels. We commit to promoting innovation and well-functioning markets to increase access to sustainable, low-emissions, clean and renewable energy in such circumstances.

13. We commit to greater accountability and transparency in how we define, account for and report ODA related to climate, biodiversity and the environment, and in climate finance more broadly. By the end of 2022, we will:

a) Be more transparent in how we track our development and climate finance and the amount of climate-related development finance;

b) Review the DAC's relevant statistical reporting and data sharing processes to make them more accessible to developing countries and more easily understood;

c) Enhance the compatibility of DAC data, national databases and aid transparency initiatives;

d) Harmonise DAC members' reporting in our Creditor Reporting System (CRS), especially with regard to the Rio markers;

e) Develop a method for the CRS to measure specifically donor efforts on sustainable energy transition, in recognition of the importance of supporting transitions in sustainable development.

14. We will work with the multilateral system, especially the United Nations, the international financial institutions and regional and multilateral development banks, to deliver this Declaration. This will include: aligning our country-level assistance strategies more clearly with the latest available science, NDCs, NAPs, LTSs, Disaster Risk Reduction Strategies and other climate-resilient national plans as appropriate; and working through them to develop in-country capacity, take climate mitigation measures and reduce vulnerability to natural hazards related to climate change.

15. We recognise the urgent need to support investments in adaptation and resilience that are nature positive, locally-led, inclusive, transparent and gender-responsive, including through nature-based solutions, climate information services, technology development and transfer, and monitoring and evaluation. Adaptation to the impacts of climate change is integral to sustainable and inclusive development, safeguarding gains made to date and preventing future losses.

16. The Paris Agreement recognises the importance of averting, minimising, and addressing loss and damage associated with the adverse effects of climate change. To maximise effectiveness for developing countries, action should align with existing mechanisms, such as the Sendai Framework for Disaster Risk Reduction and the DAC's Humanitarian-Development-Peace Nexus Recommendation. This includes being risk-informed, tailored to specific circumstances, integrated with adaptation, humanitarian aid, and emergency preparedness and response.

17. Healthy and sustainable ocean management is an integral part of our response to climate change, environmental degradation and protecting biodiversity. We are committed to promoting resilient and

sustainable ocean economies. We must give greater priority to global co-operation to help protect the oceans that support communities in coastal developing countries and SIDS, as well as in the rest of the world. We will help SIDS and coastal developing countries diversify their economies sustainably, supporting the conservation and sustainable use and management of ocean and coastal resources. SIDS face particular barriers in accessing international climate and environmental funds, as well as multilateral and private finance. We commit to reducing these and to mobilising finance for SIDS from all sources including using the catalytic role of ODA.

18. Climate change threatens water and food security and increases the risk of conflict over natural resources. Impacts are particularly severe in developing countries and fragile contexts least equipped to deal with the consequences of climate change. We commit to supporting innovative, climate-resilient integrated water resources management and water, sanitation and hygiene services. All water interventions need to prioritise sustainable use and conservation of ecosystems, particularly wetlands. Climate change is increasing the conflict over water, which demands greater dialogue and co-operation.

19. Nature and biodiversity play a fundamental role in sustainable development and in tackling climate change. As part of our commitment to the SDGs, the objectives of the UN Convention on Biodiversity and the goals of the Paris Agreement, we must conserve, protect and restore biodiversity and ecosystems, while addressing the causes and risks associated with its loss. We recognise that development finance needs to be aligned better with our environment and biodiversity objectives. We recognise the essential role of nature-based solutions to enhance climate mitigation and adaptation, while tackling deforestation and restoring biodiversity, building resilience and mitigating GHG emissions. They also provide a range of economic and social benefits, including for indigenous peoples and local communities. We will work to embed nature into our analyses, policy dialogue and operations to ensure that ODA does no harm to nature.

Financing solutions for developing countries

20. ODA represents a small share of total resources needed for sustainable development. Developing countries' domestic resources and private sector finance are already, or have the potential to be, far more substantial. The integration of climate and environmental action into national budgetary, fiscal and planning processes is fundamental to successful and equitable transitions. In support, ODA can be transformative, enabling access to the best technology and equipment on voluntary and mutually-agreed terms, to take risks, to finance innovation and to leverage additional public, private and blended finance.

21. We underscore our commitment to supporting developing countries in their just, managed, climate-resilient, inclusive and equitable transitions. Increased quantity and improved quality of finance from all sources is needed to support climate and environment objectives. It must be aligned with partner countries' own national plans and priorities. We will work across our governments to ensure the visibility of developing countries' needs in international climate discussions. We remain committed to continue scaling up climate finance from a wide variety of sources. We remain committed to the goal of mobilising USD 100 billion a year, from a wide variety of public and private sources to address the needs of developing countries, in the context of mitigation and adaptation actions.

22. Recognising the need to support developing countries in tackling climate change, we underscore the need for all countries that can do so to provide and mobilise climate finance. We welcome the increasing number of countries providing public finance with these objectives and encourage others to join this global effort.

23. We will use blended finance and risk mitigation instruments to stimulate more climate-related private sector investment. Attracting more private domestic and international finance for climate action requires

enabling policy frameworks and investment climates. We will work with developing countries to help them increase sustainable investment opportunities and strengthen the requisite enabling conditions. We have learnt from COVID-19 vaccine development that investing early and being prepared to finance risky – but critically important – innovation can yield substantial results, increase access to new technologies and incentivise countries to invest in new mechanisms. ODA and other official finance can play a critical role.

24. We are particularly concerned about the challenges developing countries face in accessing climate finance. As key shareholders and contributors, we commit to working with relevant bilateral and multilateral finance institutions to improve access. Best practice from development co-operation can usefully inform climate and environment finance institutions to facilitate access and support just and inclusive transitions. We must also develop capacity to help countries access and absorb this climate finance, especially LDCs, SIDS and landlocked developing countries.

25. We recognise that more – and more efficient and innovative – finance is needed to support adaptation and that most climate finance is currently invested in mitigation. We commit to increasing support by scaling up finance for adaptation. In line with the Paris Agreement, we reaffirm that scaled-up financial resources should seek a balance between adaptation and mitigation, reflecting country-driven strategies.

Using the resources we have more effectively

26. Existing resources must be used more effectively and consistently. We will work across our governments to find innovative ways to use these resources to maximise impact for our partners. The development effectiveness principles, to which the DAC remains committed, must be applied systematically to how we use development co-operation to support the goals of the Paris Agreement. We will share best practice and peer learning to enable and improve climate and environment policies. More effective development co-operation for climate needs better co-ordination across governments and funders, improved predictability and effective engagement with civil society organisations, to ensure interventions are localised and community-driven. As key shareholders in the multilateral system, we will work to promote development effectiveness principles across multilateral climate finance and ODA.

27. We commit to learning and using development best practice to inform our climate-related activities and will adapt or develop better tools, reflecting what we have learnt from COVID-19 about the importance of flexible, adaptable and shock-responsive mechanisms. We recognise the role that ODA can play in providing risk financing for innovation and commit to supporting partners wherever possible to finance risky – but potentially transformative – new ideas.

Conclusion

28. This Declaration will guide the DAC's work on climate, environment, ecosystem degradation and biodiversity loss henceforth. We commit to reviewing progress on our approach at our High-Level Meetings.

Source: OECD DAC (2021[17]), Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change, https://www.oecd.org/dac/development-assistance-committee/dac-declaration-climate-change-cop26.pdf

Commitment #2 on systematic integration of environment and climate objectives

Key highlights

- DAC Members recognise the importance of climate change and the environment to sustainable development. They share a sense of urgency for enhanced action and stress their commitment to the systematic integration of environmental and climate change dimensions into their development programmes.
- Several DAC Members have explicit commitments to aligning their development co-operation with international climate and environmental objectives, notably the Paris Agreement. A majority refer to the general adherence or ratification of these agreements in reporting on the integration of their objectives into development co-operation. In addition, DAC Members frequently join coalitions or initiatives focused on key aspects of international climate change or environmental agreements.
- A majority of DAC Members have set international financing targets in support of action with regard to climate change and the environment, which in practice are largely delivered through official development finance. Over the 2015-19 period, the volume of official development assistance (ODA) with climate change and environmental objectives have shown an increase, but it is not possible to determine a general trend increase in the share of ODA that includes environmental and climate objectives, which would support an enhanced integration across the DAC. Many Members, however, have recently updated or expect to announce new targets imminently, especially with regard to financing climate action.
- All DAC Members report that action on the environment and climate change is either a key objective or a crosscutting priority for their development programmes. Several Members have strategies that focus specifically on aligning with and integrating international objectives, notably those of the Paris Agreement. Moreover, dedicated mainstreaming strategies are used in some cases to support the systematic integration of climate change and environmental considerations across their entire development programmes. Strategies and policies for climate change and the environment are complemented by a variety of sectoral strategies and operational tools to enable implementation on the ground. A significant number of DAC Members have also developed strategies for supporting post-COVID-19 development recoveries focused on building back better and greener.
- Finally, DAC Members often build on or rely on reference standards or tools, often developed at the international level, which have an important role in enabling common approaches, pooling resources and deploying delivery mechanisms and channels.

Climate and environment mainstreaming refers to the deliberate and proactive integration of environmental concerns, including climate, into development policies, plans, budgets and actions (OECD, 2019[18]). While this integration of environmental and climate concerns is necessary to ensure the sustainability of all development co-operation activities, it has been difficult to achieve in practice (OECD, 2019[18]). In particular, most DAC Members have environmental safeguards in place to screen out negative environmental practices. At the same time, they recognise that the challenge of sustainable development requires far more robust policies, capacities and approaches that integrate the wider range of environmental and climate threats (OECD, 2019[18]). Similarly, there is a growing appreciation of the economic growth and broader development benefits that are to be gained from development pathways that fully integrate environmental sustainability and are nature positive.

To assess this commitment, this section provides an overview of the political commitments DAC Members have undertaken with regard to systematically integrating environment and climate goals into their activities, as well as the strategies, approaches, policies and tools they have deployed to give effect to these commitments.

Political commitments and targets on systematic integration

DAC Members share a clear sense of urgency to integrate climate and environment concerns into their development co-operation activities. In their reporting, all DAC Members stressed their commitment to aligning their international development co-operation policies and approaches with the objectives set out by international environment and climate agreements and goals. These commitments were expressed through official statements, development co-operation strategies, enshrined in national laws or other official documents.

A number of DAC Members have committed explicitly to aligning their development co-operation with international climate and environmental objectives, notably the Paris Agreement. In France, for example, the French Agency for Development (Agence française de développement, AFD) has a formal commitment to be "100% Paris aligned" since 2017. Similarly, in 2019, Sweden started its work to ensure that the alignment of its development co-operation with the Paris Agreement would be further enhanced. Another approach is to include development co-operation as part of broader national commitments and processes. Iceland reports that its most recent NDC includes, as one of three new or enhanced aspects, commitments to increase climate-related ODA activities. Yet other DAC Members have enshrined commitments about integrating environment and climate change into development programmes by law. Spain, for instance, through the Spanish Climate Change and Energy Transition Law (Boletín Oficial del Estado, 2021[19]), mandates the adoption of an International Climate Finance Strategy, whose objectives include coherence of Spanish development co-operation with climate objectives, including by incorporating these principles into its regulatory and planning framework. Similarly, the law on Belgian development co-operation (Affaires Etrangeres, Commerce Exterieur et Coopération au Développement, 2013[20]) identified environment and climate as crosscutting issues that must be incorporated throughout all development co-operation. In 2019, the Netherlands published a policy to green its instruments for foreign trade and development co-operation, stipulating more specifically that these be in line with the Paris Agreement and the 2030 Agenda for Sustainable Development (Minister for Foreign Trade and Development Cooperation, 2019[21]).

Beyond specific national commitments, many DAC Members report ratification of, or support for, international conventions or agreements in relation to the systematic integration of international climate and environment objectives into their development approaches. The agreements most frequently cited in DAC Members' reporting are the Paris Agreement on Climate Change (26 of 30 Members) and the 2030 Agenda for Sustainable Development (24 of 30). Several Members also include references to the Sendai Framework for Disaster Risk Reduction (8 of 30) and the Convention on Biological Diversity (6 of 30). In referencing these agreements or conventions in reporting on commitments for development co-operation, such reporting suggests that these agreements also serve as a direct framework for ODA activities. Most DAC Members do not provide additional information on what these commitments imply concretely with regard to development co-operation.

DAC Members also commonly reported creating or joining coalitions, alliances and partnerships as an expression of commitment to, and as a means of pursuing, common goals. For example, 23 out of 30 DAC Members have joined the High Ambition Coalition for Nature and People with the goal of protecting at least 30% of the world's land and ocean by 2030. Similarly, slightly more than half of DAC Members take part in the Global Ocean Alliance with the aim to protect at least 30% of the global ocean as Marine Protected Areas (MPAs) and Other Effective area-based Conservation Measures (OECMs) by 2030. Table 1 lists some recent environment and climate initiatives to which several DAC Members have signed up. While

joining these coalitions and initiatives implies a commitment to the high-level objectives they aim to pursue, and which may often go beyond domestic action, further information would be needed to assess to what extent participation in such common initiatives relates to or translates into commitments for development co-operation or external action more broadly.

Table 1. Major international environmental and climate initiatives to which DAC Members have committed

Initiatives	Scope	DAC Members supporting (out of 30)
Sendai Framework for Disaster Risk Reduction	The Sendai Framework is the first major agreement of the post-2015 development agenda. The Framework aims to achieve the substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries over the next 15 years.	29 + European Union
Leaders Pledge for Nature	The Leaders Pledge for Nature is endorsed by heads of state and government from 93 countries from all regions and the President of the European Commission for the European Union (as of November 5 2021).	27
The Coalition of Finance Ministers for Climate Action	The Coalition will help countries mobilise and align the finance needed to implement their national climate action plans; establish best practices such as climate budgeting and strategies for green investment and procurement; and factor climate risks and vulnerabilities into members' economic planning. It brings together fiscal and economic policy makers from over 50 countries in leading the global climate response and in securing a just transition towards low-carbon, resilient development.	25
High Ambition Coalition for Nature and People	Intergovernmental group of 70 countries co-chaired by Costa Rica and France and by the United Kingdom as Ocean co-chair, championing a global deal for nature and people with the central goal of protecting at least 30% of the world's land and ocean by 2030.	23
NDC Partnership	A global coalition of countries and institutions, collaborating to support countries to enhance the quality, increase ambition, and facilitate implementation of NDCs. It has more than 100 country members, including developing and developed countries, and also major international institutions and non-state actor members	18
Global Ocean Alliance	The Alliance is led by the United Kingdom, and its aim is to protect at least 30% of the global ocean in Marine Protected Areas (MPAs) and Other Effective area-based Conservation Measures (OECMs) by 2030. This is known as the 30by30 target. MPAs and OECMs will provide a higher level of protection than currently exists and allow both the marine environment and sustainable marine economies to thrive.	16
Coalition for Disaster Resilient Infrastructure	Aims to build resilience into infrastructure systems to ensure sustainable development, expanding universal access to basic services and enabling prosperity.	9
Coalition for Climate Resilient Investment	It represents the commitment of the global private financial industry, in partnership with key private and public institutions, to foster the more efficient integration of physical climate risks in investment decision making.	4
Framework for Resilient Development in the Pacific	Aims to guide and promote co-ordinated and integrated priorities and approaches for regional, national and community levels that embed risk considerations into sustainable development, which ultimately leads to development outcomes that are resilient to climate change and disaster risks. It presents holistic guidance for the development of communities of practice, projects and programmes.	2

Source: Authors, based on submissions by DAC Members.

Closely associated and often a key part of political commitments, many DAC Members – 24 out of 30 – report financial targets as underpinning the systematic integration of international climate and environmental objectives into their development programmes. A central, collective commitment for most DAC Members is the delivery to developing countries of USD 100 billion of climate finance per year by 2020.[2] For this commitment, scaling up the provision of climate finance to developing countries is in itself

2. The UNFCCC Annex II parties are those that are required to provide financial resources to enable developing countries to undertake emissions reduction activities under the Convention and to help them adapt to adverse effects of climate change,

a way to contribute to the alignment of development co-operation with international climate objectives. Several DAC Members have recently made use of international conferences, such as the Group of Seven (G7) Leaders Summit or the United Nations General Assembly (UNGA), to make special announcements, particularly on new financial commitments and targets, often in the context of the USD 100 billion objective.

Table 2 provides an overview of financial targets and commitments reported by DAC Members.

Table 2. Financial targets and commitments

Updated on 8 November 2021

	Recent climate finance announcement
Australia	In November 2021 at COP26, Australia committed to further enhance its international support to climate change adaptation and resilience and mitigation with an AUD 2 billion commitment over 2020-2025, doubling its previous pledge, to be implemented through Australia's development programme.
Austria	The Austrian Federal Ministry for European and International Affairs (MFA) has set a goal of 50% for environment in projects and programmes under the country and regional funding instruments for 2021, which will increase to 55% in 2022 and 60% from 2023 onwards. The Austrian Development Bank (OeEB) has a target of 40% of new commitments (over five years) for projects qualifying as international climate finance.
Belgium	Belgium set the target of a contribution of EUR 50 million annually until 2020. Currently, discussions between the different entities competent for climate policy on new target setting for the post-2020 period are ongoing. The Minister for Development Co-operation of the Federal Government has expressed the intention to contribute to the Belgian effort with an annual contribution of EUR 100 million.
Canada	At the 2021 G7 Leaders' Summit, Canada announced a doubling of its international climate finance commitment to CAD 5.3 billion over the next five years, which includes increased funds for adaptation and biodiversity. The Government of Canada also increased its grant contributions of climate financing up to 40%, from 30% previously.
Czech Republic	No quantitative targets.
Denmark	The Danish government has decided that 30% of Danish ODA will be allocated to green initiatives, of which 25% will be allocated to climate and 5% to biodiversity. Of the climate allocations, 60% will be allocated for adaptation.
European Union	The President of the European Commission, Ursula Von der Leyen, in her State of the Union Address to the European Parliament of September 2021, proposed an additional EUR 4 billion for climate finance until 2027, contributing to the commitment made by the major economies to provide at least USD 100 billion per year to the least developed and most vulnerable countries. President Von der Leyen also made a pledge to double the European Union's external funding for biodiversity, in particular for the most vulnerable countries.
Finland	According to the Government Programme (2019), Finland will scale up climate finance as a part of its development finance, taking due account of its contribution based on the Paris Agreement. The aim is to direct half the climate finance to climate change adaptation, for example, through international funds and civil society organisations. Investment-based and loan-based finance will be continued, especially for the purpose of boosting climate finance. Finland tracks progress on this as a part of its annual results-based management process.
France	France has committed to mobilising EUR 5 billion for climate action in developing countries in 2020, including EUR 1.5 billion for adaptation. In December 2020, President Macron announced an increased commitment: EUR 6 billion per year from 2021 to 2025, out of which one-third will be dedicated to adaptation.
Germany	Germany plans to increase its climate finance by EUR 2 billion to EUR 6 billion (USD 7.26 billion) a year by 2025 at the latest. Furthermore, Germany works intensively towards increasing the amount of finance committed to nature.
Greece	No quantitative targets.
Hungary	No quantitative targets.
Iceland	No quantitative targets.
Ireland	In 2015, Ireland set a Programme for Government commitment to provide EUR 175 million in total in climate finance between 2016 and 2020. Ireland has since updated this target to, at a minimum, double the overall percentage of their development assistance that counts as climate finance by 2030.
Italy	As announced at the G20 Rome Leaders' Summit, Italy aims to increase its international climate finance commitment to USD 1.4 billion a year over the next five years.

and who are required under the Convention to provide information on financial resources provided. The Annex II list is narrower than the OECD DAC Membership.

	Recent climate finance announcement
Japan	At the G7 Summit 2021 in Cornwall, Prime Minister Suga stated that Japan will provide climate finance both public and private, totalling JPY 6.5 trillion over the next five years from 2021 to 2025 and that Japan will further enhance its adaptation assistance to developing countries vulnerable to climate change.
Korea	Korea is committed to raising the share of its ODA for green projects/programmes above the average of OECD DAC countries by 2025. As for loans, Korea will triple the amount of its ODA loans for green projects by 2025 and double the share of green-related loans by 2025, as laid out in the Post-COVID Strategy and the Green Economic Development Cooperation Fund (EDCF) Strategy.
Luxembourg	Luxembourg's development co-operation is specifically committed to increasing the environmental and/or climate co-benefits of its portfolio of interventions and to financing a greater number of dedicated projects. No quantitative targets yet.
Netherlands	In 2022, the Netherlands expects to increase climate finance to EUR 660 million in public climate finance and mobilise EUR 640 million in private climate finance. The Netherlands is committed to continuing allocating at least half of its public climate finance to adaptation.
New Zealand	New Zealand has committed to delivering at least NZD 300 million in climate finance over 2019-22 to drive reduced greenhouse gas emissions globally and improved climate resilience of institutions, infrastructure, environments and populations, focusing on the Pacific and supporting a green COVID-19 recovery. Of this NZD 300 million climate finance commitment, at least two-thirds are to be spent in the Pacific and at least 50% on adaptation initiatives.
Norway	Norway has decided to double its annual climate financing by 2026, from NOK 7 billion in 2020 to NOK 14 billion by 2026, and at least triple its support for adaptation by 2026. Norway has announced its intent to maintain its finance for REDD+ on at least today's levels until 2020, which amounts to approximately USD 400 million per year.
Poland	Poland has announced its intention to provide USD 8 million until 2020 for climate finance, including for the Green Climate Fund.
Portugal	No quantitative targets.
Slovak Republic	No quantitative targets.
Slovenia	The 2018 Strategy sets a target of 35% of country programmable aid (CPA) for climate-related interventions (mitigation and adaptation, marker score 1 or 2) by 2022 and 40% by 2030. The target for environmental protection is set to 50% of CPA by 2022 and 60% of CPA by 2030.
Spain	At COP26, Spain announced that it will increase climate finance in order to reach EUR 1.35 billion a year by 2025, with a 50% increase in the current commitment.
Sweden	On a central level, Sida should by 2020: • increase the share of funding with the environment as a principal objective (the main objective) from 11% (2016) to 15% (2020) and environment as a significant objective from 32% (2016) to 45% (2020); • increase the share of funding to climate change ("climate financing") to 28%; • increase the share of funding where biodiversity is a principal objective to 4% and biodiversity as significant objective to 15%; • increase the number of guarantees where the environment is a principal objective to eight guarantees, with a volume of at least SEK 3 billion.
Switzerland	Switzerland's international co-operation funding in this field is set to increase gradually from CHF 300 million per year in 2017-20 to CHF 400 million per year by the end of 2024. This will be equivalent to around 15% of the total international co-operation resources.
United Kingdom	The United Kingdom is doubling its international climate finance commitment to help developing nations with GBP 11.6 billion over the next five years up to 2025/26, including GBP 3 billion to be spent on protecting, restoring and sustainably managing nature.
United States	The United States announced it will double its investment in support of vulnerable countries by 2024, achieving roughly USD 11.4 billion per year.

Source: DAC Members' reporting.

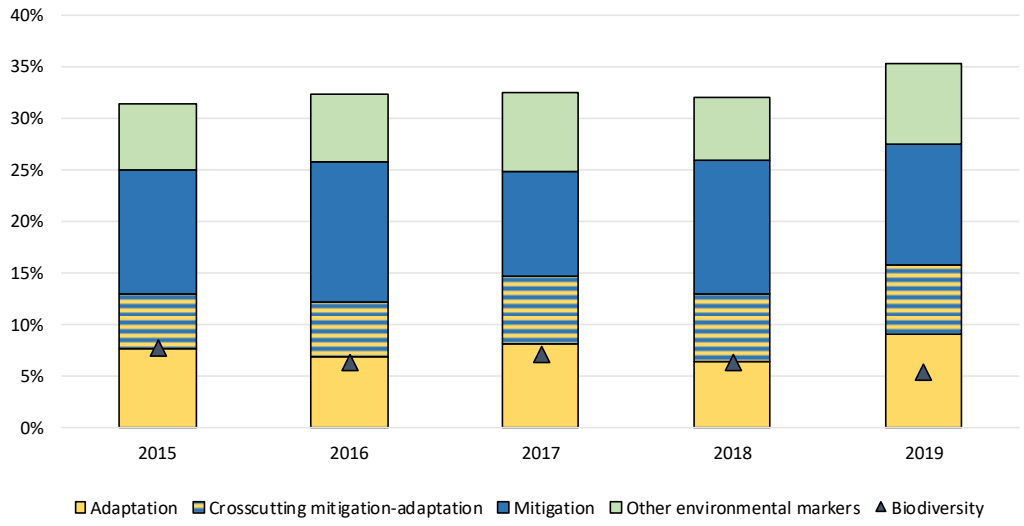
Alternatively, or in addition to financial commitments, DAC Members also set other quantitative objectives. For example, the Netherlands has set specific targets to deliver access to renewable energy to 50 million people and double the productivity and incomes of 8 million small-scale food producers between 2015 and 2030. Similarly, Japan has announced support for at least 5 million people over the four years from 2019 to 2022 to increase resilience to disasters and provide training for a total of 48 000 people, including government officials and local leaders, as well as education for a total of 37 000 children on disaster risk reduction (DRR). The United States has set specific targets by 2025, including to help at least 20 countries to mobilise at least 20% of needed funding to implement their NDCs and leverage resilience and adaptation goals. Finally, France's approach takes into account targets in terms of carbon dioxide emissions by

specifying that 50% of AFD support to developing countries needs to have climate co-benefits and should help avoid 4 million tonnes of carbon dioxide per year (on average) over 2020-22.

When it comes to the systematic integration of environmental and climate change objectives into development co-operation, the DAC statistical system provides widely used, publicly available and highly disaggregated data. Even before the introduction of the "Rio Markers", the DAC had established a general environment marker in 1997. To favour alignment and track finance towards the objectives of certain international agreements and objectives, several UN Conventions have been integrated in the DAC statistics system since the 1990s. Since 1998, the DAC has tracked ODA flows targeting the objectives of the Rio Conventions on biodiversity, climate change and desertification through the OECD-DAC Creditor Reporting System (CRS) using "Rio Markers". The Rio Markers identify activities that mainstream the conventions' objectives into development co-operation and help track donors' portfolios alignment with and support to the objectives of the conventions. DAC Members are requested to indicate for each development finance activity if the activity targets these environmental objectives. The Rio Markers on biodiversity, climate change mitigation and desertification were introduced in 1998, with a fourth marker on climate change adaptation being applied to 2010 flows onwards (DAC, 2020[22]). Given their stated purpose to track mainstreaming of international environmental and climate change objectives, the policy makers provide a good indication of the extent of the systematic integration of these objectives across development programmes of DAC Members (Figure 1). To date, the Rio Markers represent the most comprehensive, publicly available activity-level data on climate-related development finance from bilateral donors.

Figure 1. DAC Members' integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

StatLink https://stat.link/srxlmq

There is no ideal share that would include environmental and climate change objectives for bilateral ODA activities, as this depends on a variety of factors that include individual Members' sectoral, as well as geographical priorities and comparative advantages, their operational models and instruments, their comparative use of multilateral channels for specific purposes, as well as some variation in individual reporting conventions. At the same time, the data do not support a strong or clear overall increase in the focus on environmental and climate objectives between 2015 and 2019, which could be expected from an overall enhanced focus on or mainstreaming of these dimensions across development programmes.

This contrasts with an increased highlighting by developing countries for support in integrating, in particular, climate change aspects across a broad range of sectors and activities, many of which show very low shares of ODA activities that integrate climate objectives (OECD, 2019[1]). Overall, the picture clearly points to substantial unused scope to enhance the integration of climate and environmental objectives across development co-operation activities.

Strategies and policies to systematically integrate climate and environment objectives into development programmes

Strategies and policies are important to translate commitments into development co-operation approaches, programmes and operations. This is particularly relevant, where commitments take the form of support of broad international agreements or objects in the area of climate change or environment, which do not provide for clear or direct measures or objectives with regard to development co-operation.

Despite the transition being a priority for most Members, a relatively small number of DAC Members has reported having dedicated strategies or action plans to underpin the systematic integration of specific international climate change or environmental objectives into their development co-operation programmes. To substantiate its commitment to be 100% Paris aligned, as mentioned above, for instance, France's AFD adopted a new climate strategy for the period 2017-22 with an explicit focus to ensure the compatibility of all its activities with the Paris Agreement. Additional key pillars of the strategy, which is crosscutting and applied to all sectoral and country/regional strategies, are: increasing the volume of climate finance, contributing to the redirection of financial flows towards climate, and co-building solutions and bringing influence to bear on standards. Similarly, in 2019 the UK government made a commitment to align UK ODA with the Paris Agreement. This was articulated in the United Kingdom's Green Finance Strategy. In practice, this approach involves using an appropriate carbon price in relevant bilateral programme appraisal, ensuring any investment support for fossil fuels aligns with the Paris Agreement temperature goals, implementing a proportionate approach to climate risk assurance and ensuring that aid programmes do not undermine countries' NDCs and National Adaptation Plans (NAPs) (UK Government, 2019[23]). The Slovak Republic's 2019-2023 Medium-term Strategy for Development Co-operation (SlovakAid, 2018[24]) also stipulates alignment with the Paris Agreement as an explicit objective, alongside the 2030 Agenda and the New European Consensus on Development, while ruling out any support for activities that have negative environmental impacts. Moreover, several Members, including Australia, Germany, Italy, Japan and Poland, also reported policies to align with the Sendai Framework for Disaster Risk Reduction.

All DAC Members report that environment and climate change are either a key objective or a crosscutting priority for their development co-operation. Sixteen Members identified biodiversity as a priority area as well. While they may not be based specifically on international objectives, this highlights the central priority environment and climate action assumes in DAC Members' programmes. In addition, several DAC Members stress working with multilateral institutions, notably multilateral development banks (MDBs), to ensure that ODA channelled through multilateral channels is also aligned with climate and environmental goals.

A majority of DAC Members developed dedicated strategies for climate and environment to guide their support to developing countries. In November 2019, for instance, Australia released its Climate Change Action Strategy (2020-25) (CCAS) (Department of Foreign Affairs and Trade, 2019[25]), which drives both

targeted climate-specific investments across the development programme and mainstreaming of climate action in key sectors (e.g. clean energy, infrastructure, agriculture, water, health, governance). Another example is the Policy and Programming Act for International Environmental Co-operation 2020-2022 adopted by Italy's Ministry for the Ecological Transition in 2020 (Ministry for the Ecological Transition, 2020[26]), which promotes the strengthening of synergies among the objectives of the three Rio Conventions, with the 2030 Agenda and the Sendai Framework for Disaster Risk Reduction. It includes general and specific priorities for environmental development co-operation.

Several DAC Members reported that they are currently working to develop or update their climate strategies and policies, reflecting the renewed importance of the topic and evolution of the agenda.

In addition to specific strategies for climate and environmental objectives, a number of DAC Members have specific policies for mainstreaming climate and environment considerations into all their activities across relevant sectors, including through climate and environment screenings. In Ireland's current policy for international development, A Better World (Government of Ireland, 2019[27]), one of the key pillars of the climate strategy is to climate-proof development co-operation activities by integrating climate action into all work. In 2021, Luxembourg launched a new Environment and Climate Change Strategy for development co-operation, to strengthen mainstreaming and ensure alignment with Luxembourg's international commitments in this area.

Below the level of overall climate change strategies and mainstreaming policies, many DAC Members also refer to specific strategies for different sectors, policy areas and priorities for systematic mainstreaming across their programmes at a more granular level. Germany, for instance, has several action plans and strategies in place to ensure the alignment of its work in relevant sectors and areas such as water, forests, marine conservation and sustainable fisheries, and health. Japan uses operational strategies in several environment- and climate-related sectors, including national environment conservation, environment management, climate change, energy and disaster risk reduction.

Twelve DAC Members have developed post-COVID-19 development policies and programmes aimed at building back better and greener. For instance, the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) have developed a common "building back better and greener" approach and are turning it into action by strengthening the Nordic Development Fund (NDF) with additional capital of EUR 350 million, for climate work in developing countries (Ministry for Foreign Affairs, 2020[28]). Germany's strategy for the COVID-10 recovery focuses on supporting the sustainability and climate focus of the World Bank's extensive reconstruction programmes, as well as targeted resourcing of developing country capacity, notably in developing country finance ministries on climate-friendly recovery packages.

Operational tools used by DAC Members for systematic integration

A majority of DAC Members report using specific operational tools to further assist with the alignment, as well as to systematically integrate climate and environment considerations into monitoring, evaluation and learning (MEL) frameworks. The tools range from guidelines, environmental and social safeguards, environmental risk and impact assessment tools, climate-proof screening, carbon footprint accounting, exclusion lists, tagging and reporting, and learning tools.

Guidelines serve multiple purposes, such as setting standards and action plans, providing assessment checklists, exclusion lists, eligibility requirements and potential risk-screening criteria. They can be broad strategic guidelines, such as Austria's 2009 Interministerial Strategic Guideline on Environment and Development in Austrian Development Co-operation (Federal Ministry for European and International Affairs, 2009[29]), or they can have a more narrow, specific focus, such as the Netherlands' Quick Reference Guide for Integrating Gender Equality in Climate-smart Development (Dutch Sustainability Unit, 2014[30]) and the Internal Framework Instruction for Greening Multilateral Development Banks.

Safeguard and screening policies are applied by many DAC Members to check whether activities may increase environmental, climatic and associated social vulnerability and, where necessary, ensure risk management measures are put in place. Impact assessment tools are used to assess whether strategies, programmes and projects are at risk from climate change, environmental degradation and natural hazards and to ensure that resources and development assistance are used efficiently. Switzerland's Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) tool (CEDRIG, 2021[31]), for example, serves to assess both whether strategies, programmes and projects are at risk from, or could further contribute to, greenhouse gas emissions, environmental degradation or disaster risks.

A number of DAC Members use mainstreaming tools to strengthen organisational capacity to support climate change integration across development programmes. This includes Australia's Climate Change, Energy and Environment Toolkit, the Netherlands' Climate Mainstreaming Toolbox, Japan's Climate Finance Impact Tool, and Finland's Guideline for Crosscutting Objectives in Finland's Development Policy. Irish Aid has established a centralised online Climate and Development Learning Platform as a resource for Ireland's Missions, Units and development partners.

DAC Members often make use of approaches or tools from international organisations or developed through international processes that have assumed a function as a reference standard. Examples reported by DAC Members include the International Finance Corporation (IFC) safeguards, the Environmental and Social Safeguards Standards of the Green Climate Fund, and standards and principles from the Association of European Development Finance Institutions. Further examples include, e.g. Austria and the United Kingdom adopting the recommendation frameworks by the Task Force on Climate-Related Financial Disclosures for their development banks' sustainability reporting. At a basic level, DAC Members such as Spain and the European Union also stress the key function of the environmental OECD markers to track their climate-related expenditures, evaluate their performance and set targets.

Finally, when DAC Members channel development co-operation mostly through multilateral organisations, they strongly depend on the operational tools applied by the latter, implying strong reliance on international organisations, either as implementing agencies or as providers of guidelines and standards. As a consequence, three DAC Members also report a focus on their governing role in international organisations, and in particular as shareholders of MDBs and development finance institutions, as part of their commitments and efforts to mainstream environmental and climate objectives systematically across development co-operation. In view of this, Members such as France and the United Kingdom report having specific approaches or strategies for their role as donor-shareholders in these institutions. They serve to define, in particular, positions to influence MDBs and international partners to move away from funding fossil fuel projects in third countries and to actively use their leverage to harness the transformative potential of these institutions and accelerate climate action in developing countries.

Commitment #3 on support for the sustainability transition

Key highlights

- All DAC Members report that their development co-operation includes activities with a specific objective to support the transition of developing countries to environmentally sustainable, climate-resilient, low-emissions pathways. Members also stress the need for more transformative change. Beyond this, most DAC Members frame their support to developing countries' transitions mostly in terms of supporting the outcome of key international agendas and agreements, whose achievement de facto requires or implies a transition. Only a few DAC Members have defined approaches and developed guidance for how to approach and support transition through their development programmes.
- A major aspect of transition support takes the form of engaging in and supporting international coalitions and initiatives, reflecting the importance of common approaches and mechanisms that can pool resources and channel action and an intention to catalyse broader change through influencing resources flows, markets and systems. Strengthening conceptual and strategic underpinnings for how development programmes approach and support transitions can ensure that engagement in initiatives is embedded in broader approaches of DAC Members, leverage synergies and avoid the risk of "outsourcing" transition support to special initiatives leading to increased fragmentation.
- While DAC Members focus on different aspects of the transition, based notably on their comparative advantage as well as thematic or sector priorities, their reporting reflects the centrality of energy systems for the transition. In this regard, reporting from several Members reveals that using ODA to support energy system transitions typically goes together with taking systematic steps towards commitments to not deploy ODA for further increases of fossil fuel-based energy generation.
- For many DAC Members, multilateral channels play a key role for the delivery of their climate- and environment-related ODA. This is particularly relevant for direct financing of infrastructure investments. In light of this, DAC Members see their role as shareholders in multilateral development banks as an important aspect for their support to environmentally sustainable, climate-resilient, low-emissions development.
- In supporting developing countries to embark on transition pathways, DAC Members share an emphasis on partnerships that build on local ownership. Supporting developing country strategies and processes for transition is a central theme of DAC Member support. This includes focusing on integrating these plans into broader development strategies and making them operational for subsequent execution. An inherent challenge for development co-operation relates to inconsistencies that can exist when national plans for the transition do not reflect a realistic basis for achieving the international objectives they are meant to achieve.

Achieving low-emissions, climate-resilient development pathways now represents the only viable option for achieving the ambitions of development co-operation under the 2030 Agenda (OECD, 2019[1]; IPCC, 2021[2]). This section provides an overview of:

- How DAC Members have engaged with partner countries' own strategies for the transition and how they are supporting them through different instruments and approaches, including with a view to ensuring the consistency of national processes and strategies with the international objectives they were designed to support and collectively achieve. National strategies include, among others:

NDCs; NAPs and processes; Long Term Strategies (LTS); National Biodiversity and Strategy Action Plans (NBSAPs); and Land Degradation Neutrality targets (LDN targets).

- How their projects and programmes in partner countries provide for transitions that are environmentally sustainable, climate-resilient and consistent with low-emissions development pathways towards net-zero.

Implementing the transition to environmentally sustainable, climate-resilient and low emissions development pathways

2030 Agenda and the Paris Agreement imply the need for transition, but approaches remain to be defined

DAC Members' understanding of the transition and of the types of support required to implement it differ substantially. Most DAC Members' view of the transition is framed by the global climate, environment and sustainability agenda and its key components – in particular, the 2030 Agenda and the Sustainable Development Goals, the Paris Agreement, but also, for example, the Sendai Framework for Disaster Risk Reduction and the Convention on Biological Diversity. Many Members also reference the central role of NDCs for the transition. This, and other central frameworks (like for EU members, the Green Deal) together with national policies, strategies and principles form important parts of the basis for co-operation for transition support.

The vast majority of DAC Members (27 of 30) report conducting specific activities or contributing to specific programmes focused on supporting partner countries in achieving transitions to environmentally sustainable, climate-resilient and low-emissions development pathways. Transition support is provided through a variety of channels and programmes, via bilateral and multilateral support, specific funds, MDBs and a range of initiatives, targeting both development and implementation of transitions plans, including capacity building, technical support and investments. In addition to contributions through dedicated funds such as the Green Climate Fund (GCF), the Global Environment Facility (GEF), the Adaptation Fund and others, and support delivered through major multilateral organisations such as the United Nations Development Programme (UNDP) and the International Fund for Agricultural Development (IFAD), Members report a range of programmes and initiatives, with different scope and covering different aspects of the transition.

Only a few Members report the existence of specific policies or approaches for development co-operation to support the transition and the transformative change it implies. They stress the need for the integration of different environmental dimensions, notably biodiversity and climate change, to effectively support the transition, and the approaches centre on making use of leveraging finance, policy and capacity building in a way to actively promote or achieve transformational change.

Swedish Sida's Environment Policy proscribes a proactive promotion of transformation to an environmentally sustainable development by integrating environmental aspects in all operations and sectors. Germany refers to transformation, e.g. in the context of the Federal Ministry for Economic Cooperation and Development (BMZ)'s work with the German Sustainability Strategy and the implementation of the 2030 Agenda and its SDGs. The level of detail regarding Germany's understanding of transformative change processes is similar to the 2030 Agenda itself, tackling the economic, ecologic and social dimensions of sustainability.

In Norway, the forthcoming strategy and environmental action plan for Norad aim to strengthen support to developing countries' transitions to a resilient, low-carbon society. Norad will seek to identify types of development assistance that can have transformational effects towards this end, i.e. contributing to broad changes in society beyond the immediate results of the development assistance. The United States, as part of its Global Climate Ambition Initiative, intends to engage strategically with governments, the private

sector, civil society, and communities to support transformational policies and programmes, build human and institutional capacity, and create momentum toward a zero-emissions, climate-resilient future.

DAC Members share elements on how they support transitions

While DAC Members, for the most part, do not have a clear definition or conceptual approach to the transition, the reporting by DAC Members reveals some common elements shared by DAC Members in how they work with developing countries to support their transitions.

1. Country ownership and alignment with partner countries' own needs

Broad collaboration is an important component of how DAC Members understand their support for the transition. Members frequently stress the importance of local ownership and a partnership approach. To ensure local ownership, Belgium, for example, emphasises policy dialogues at different levels with developing country partners, including a broad network of civil society partners. The Netherlands underscores a focus on effective collaboration between all relevant social actors. In their climate interventions, they work through alliances with the private sector, knowledge institutes/networks, non-governmental organisations (NGOs) and multilateral organisations. Australia describes taking a partnership approach and working co-operatively with countries in the Indo-Pacific to help the region reduce emissions and adapt to climate change, as reflected in their NDCs, NAPs and other national development plans.

Sharing their own transition experiences is an important component stressed by some Members. Recognising that the transition has a significant impact on societies, economies and industries, Poland, for example, strives to share its own experience, knowledge and know-how related to overcoming the economic and social challenges of the transformation towards a low-carbon and low emissions economy. Similarly, Spain, in the context of policy dialogues with developing country partners or in other contexts, shares its experiences in this regard with special reference to the coal transition.

2. Focusing support on responding to the core challenges of the transition

Members focus their support on specific priorities for the transition. They describe particular topics or focus areas for their engagement that are seen as central elements of or priorities for the transition, while also reflecting DAC Members' overall priorities and comparative advantages, in view of ongoing engagements, resources and capacities for development co-operation.

Examples of this include financing and mobilising private investments by the Netherlands, for which they established the Dutch Fund for Climate and Development (DFCD) aimed at, in particular, climate adaptation projects. Austria works particularly at supporting transition and adaptation at local levels. Canada and Luxembourg put a special emphasis on girls and women, aimed at advancing women's leadership, creating economic opportunities for women in clean energy, supporting entrepreneurship and local production, especially among women. Italy has a particular focus on agriculture, which it considers to be at the centre of the transition to a low-emissions and climate-resilient development, in addition to a geographic focus on African partner countries. Several other Members also report focusing on specific regions or geographical areas for co-operation on transitions.

A substantial share of Members sees addressing the biodiversity crisis and its links with climate change as a key dimension of the transition. Germany, for example, sees COVID-19 as a symptom of a multi-dimensional crisis that has biodiversity loss and climate change at its roots, which has been reflected in the 2020 selection criteria for projects within the International Climate Initiative (IKI). Norway, as the main donor of the UN-REDD (Reducing Emissions from Deforestation and Forest Degradation) programme, supports transition strategies with a focus on forest conservation and management in a high number of countries.

Canada recognises that urgent action is needed to address the interconnected crises of climate change and biodiversity loss, which disproportionally affect the poorest and most vulnerable, and intends to increase supporting nature-based solutions to climate change and to support sustainable development objectives more broadly. Overall, a substantial subset of DAC Members (10 of 30 reports an increasing focus on nature-based solutions, pointing clearly to an area of increasing interest. At the same time, the interest has yet to be matched with more concrete action, practical tools and learning, including in the potential to mobilise resources at scale through nature-based solutions.

3. Energy as a key priority for the transition

Overall, support to energy transitions clearly emerges as a central feature of the transition to low-emission development pathways. Many DAC Members see supporting energy transitions, renewable energy and increased energy access as central priorities for supporting environmentally sustainable and low-emissions transitions and have committed to assisting developing and emerging economies in the decarbonisation path.

In light of the growing body of scientific evidence, DAC Members agree on the importance for the world economy to achieve a net-zero transition as quickly as possible. A broad range of initiatives and support schemes exist, focusing on this key dimension of the transition. For example, the United States has committed to transforming the Southern Africa region's reliance on fossil fuels and assisting its path to decarbonisation and supporting renewable energy deployment, particularly in the Southern African region, through its Power Africa Initiative (USAID, 2021[32]). Korea recently announced its commitment to end all public financing for new overseas coal-fired plants and to support the energy transition of countries highly dependent on coal-power generation (Government of Korea, 2021[33]) .

The Energising Development (EnDev) Programme, initiated by Germany and the Netherlands and supported by Norway and Switzerland, is a global energy access partnership. It is active in more than 20 countries, supporting partner countries in developing sustainable energy systems, including the necessary political and legislative foundation, with the aim of helping 50 million people in developing countries to gain access to renewable energy by 2030.

The Africa Renewable Energy Initiative (AREI), an Africa-led initiative to fight climate change and improve Africans' access to energy, was launched by African heads of state at COP21. It is supported by France, the European Union and other Members, including through financial support to the Independent Delivery Unit of AREI and its activities. Sweden supports the World Bank’s Energy Sector Management Assistance Program (ESMAP), which helps create sustainable energy systems including by supporting national reform processes to create incentives for investment in renewable energy, reforms to integrate solar and wind power into national electricity grids, and the development of electrification plans and processes for introducing clean energy.

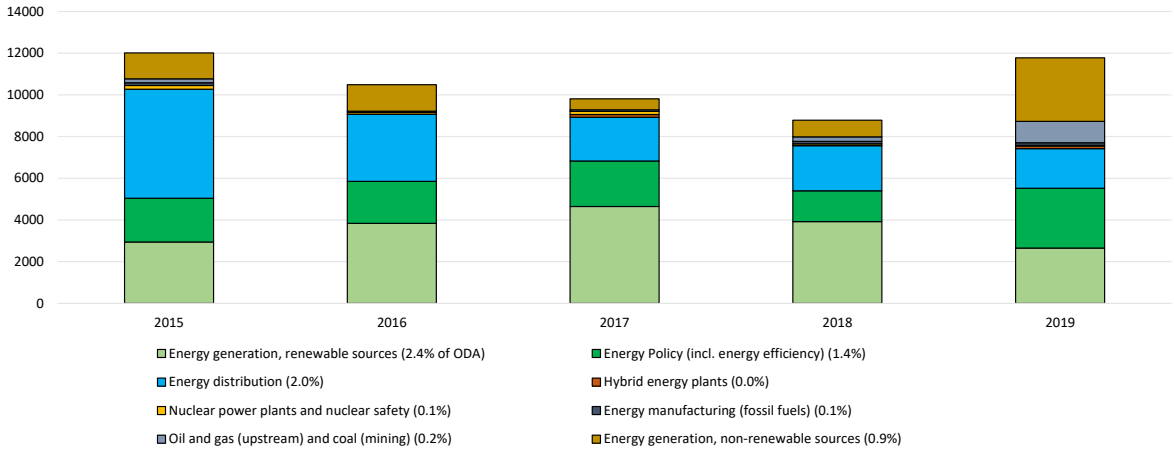
In addition to engaging in broad initiatives, DAC Members also focus on energy through bilateral partnerships and programmes. Luxembourg, e.g. supports Cabo Verde for the development of its Renewable Energy Strategy aiming to improve access to clean energy and increase energy independence. Subsequent bilateral co-operation programmes were adapted to support Cabo Verde in the implementation of the strategy. The objective of Portugal’s support for carbon sustainability and ecosystem services for Príncipe Island in São Tomé e Príncipe is to promote economic growth through the development of a roadmap for carbon sustainability. Some DAC Members that do not currently have dedicated support programmes in support of energy transition report taking active steps to explore options for enhanced engagement in this area.

4. Aligning ODA spending for energy with the energy transition

The high importance DAC members attach to energy transitions is not yet reflected in ODA data to the energy sector from 2015-2019. Figure 2 provides an overview of DAC Members' ODA in support of energy over the 2015-19 period.

Figure 2. DAC Members' support to the energy sector – aggregate trend

USD million, ODA commitments



Note: Energy sector ODA includes the DAC CRS codes under the Energy sector and the additional purpose codes 32167 Energy manufacturing (fossil fuels), 32261 Coal, 32262 Oil and gas (upstream). ODA in support of fossil fuel-related activities also includes projects aimed at enhancing governance, improving development focus or outcomes from fossil fuel-based activities, and promoting energy efficiency measures.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

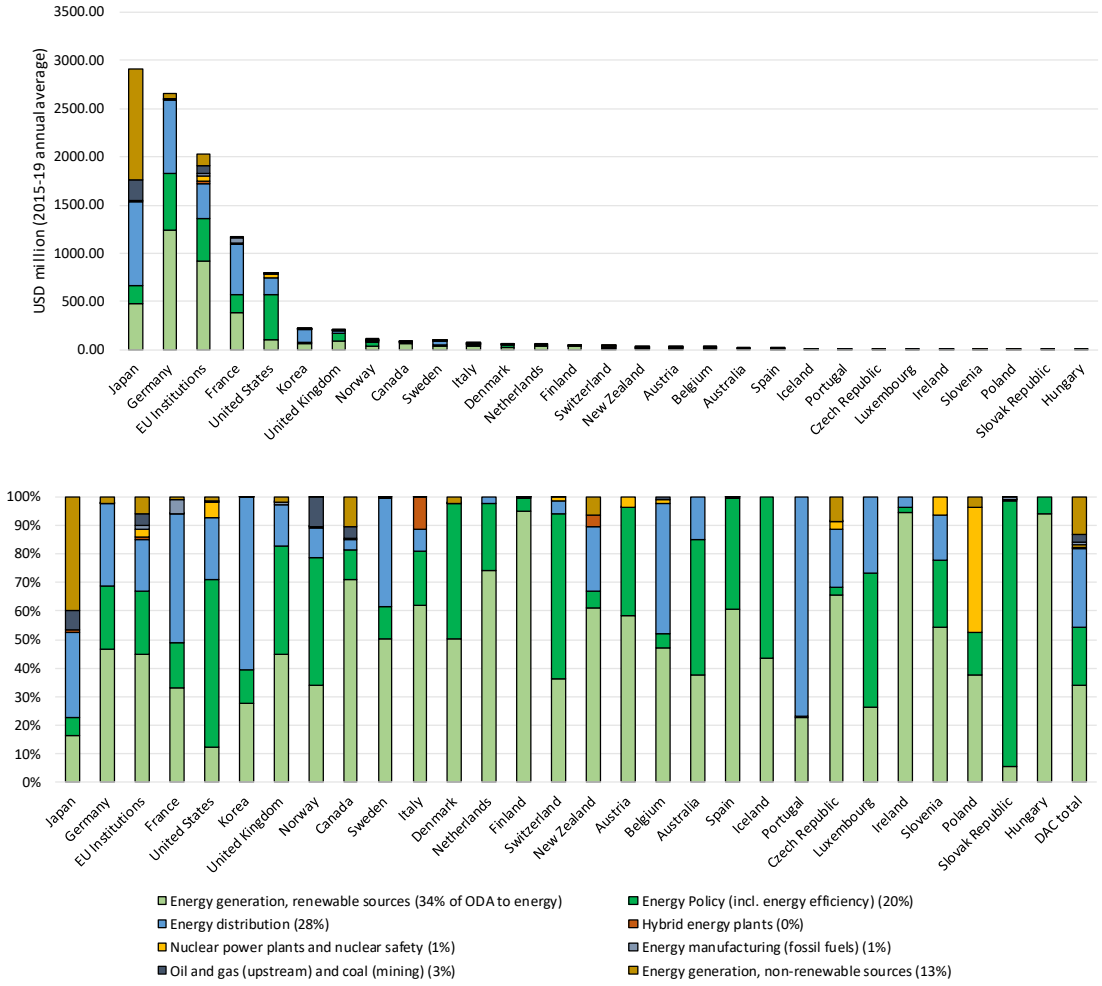
StatLink https://stat.link/01bgx5

Overall ODA spending in support of energy over 2015-2019 did not exhibit an increasing trend. Within ODA support to energy, renewables account for the highest share (34%) of aggregate support over the 2015-2019 period, but year-on-year ODA to this sub-sector has recorded decreasing spending in 2018 and 2019. Substantive shares of energy ODA are allocated to energy policy (including energy efficiency) (20%) and energy distribution (28%) which, given the key role of policy and regulatory measures as well as the need for smart energy distribution systems for mobilising private investments, are considered key areas for the transition. Similarly to renewable energy generation, these sectors do not exhibit increasing ODA commitments over 2015-19. Conversely, while fossil fuel-based activities, including energy generation, as well as energy manufacturing and upstream activities account for a smaller share of ODA to energy over the period (16%), ODA spending in this sectors shows a strong increase in the latest available year (2019), when these activities account for the highest share among energy sub-sectors.

ODA support to the energy sector is highly concentrated among DAC providers (see Figure 3). The three largest DAC donors to energy account for more than 70% of total ODA in this area, and the largest five donors account for over 90%.

Figure 3. DAC Members' support to the energy sector – individual trends

ODA commitments



Note: Energy sector ODA includes the DAC CRS codes under the Energy sector and the additional purpose codes 32167 Energy manufacturing (fossil fuels), 32261 Coal, 32262 Oil and gas (upstream). ODA in support of fossil fuel-related activities also includes projects aimed at enhancing governance, improving development focus or outcomes from fossil fuel-based activities, and promoting energy efficiency measures.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

StatLink https://stat.link/0v1df5

One relevant factor that explains this trend is that, for many DAC members, large infrastructure projects are not part of their operating model, which is mainly grant-based. At the same time, they consider in particular Multilateral Development Banks as key channels to promote these activities. The concentration is even more pronounced in the area of fossil fuel-based activities, as only a small number of Members provide ODA financing for new fossil fuel-based power generation, related infrastructure, upstream exploration and manufacturing activities. At the same time, ODA to fossil fuel-related sectors (Figure 2) often includes activities aimed at enhancing governance, improving development focus or outcomes from fossil-fuel based sectors and activities in developing countries, and promoting energy efficiency measures. Members who do provide financial support to the energy sector report that they do so (Figure 3) in response

to needs for stable energy supply, getting out of poverty, and greater financial support to achieve a just transition in developing countries.

According to the net-zero pathway by 2050 developed by the International Energy Agency (IEA), there is no need for investment in additional fossil fuel supply, with no new oil and gas fields approved for development in the IEA pathway, and no new coal mines or mine extensions required (IEA, 2021[34]).

Overall, DAC member prioritisation of supporting the transition toward net-zero energy systems would point to an expected evolution with regard to overall spending and composition of ODA to the energy in the future, in a way that addresses the demands of developing countries to support their development priorities in the most sustainable way possible.

There are international discussions related to ending the promotion of new fossil fuel-based power generation capacity and additional exploration. Several Members, whose development financing activities traditionally included financing of power generation or other additional fossil fuel investments and financing, had announced individual commitments related to the phasing out and exclusion of fossil fuels investments and finance from their development finance. Among these countries, the United Kingdom, through the introduction of the Fossil Fuels Policy of 31 March 2021 (Department for Business, Energy and Industrial Strategy, 2021[35]), announced that it will end support to the fossil fuels energy sector overseas. France established in 2019 a new Energy Transition Strategy (AFD, 2019[36]) excluding from its financing any coal-fired power plants, as well as any fossil fuel exploration, or production projects, or projects exclusively dedicated to coal, gas and oil transport, conventional and unconventional. In a similar manner, Slovenia has implemented a legal ban to finance programmes or projects that contribute to an increased use of fossil fuels (EUR-Lex, 2021[37]). These commitments come on top of the commitments by G7 countries to end new direct government support for unabated international thermal coal power generation by the end of 2021, including through ODA, export finance, investment, and financial and trade promotion support agreed at the 2021 G7 Summit (G7 Summit, 2021[38]).

As part of the OECD DAC *Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change*, DAC Members agreed collectively to end new ODA for unabated international thermal coal power generation by the end of 2021, on the same terms as agreed by the G7 (OECD DAC, 2021[17]). They further stressed the commitment to making financial flows consistent with pathways towards net-zero development, prioritising support to technologies for the net-zero transition, and focusing on accelerating progress in this regard.

5. Supporting sustainable, quality infrastructure to enable the transition

Infrastructure choices and investments will be decisive for achieving climate objectives. They also play an important role for other environmental objectives, including biodiversity. In particular, infrastructure will be critical for supporting the climate and sustainability transition, recovering from the coronavirus (COVID-19) crisis and achieving the long-term development objectives of developing countries. Quality infrastructure investment, including implementation through appropriate delivery mechanisms and efficient management over their lifecycle, is therefore vital to ensuring that infrastructure fulfils its potential as a catalyst for growth and sustainable development (OECD, 2020[39]).

A majority of the Members (17 of 30) describe a clear approach to supporting quality infrastructure in support of and consistent with the transition to environmentally sustainable, low-emissions and climate-resilient development pathways in partner countries. Among these, a number of typically larger donors with substantive infrastructure investment support programmes describe elaborated methods to support quality infrastructure throughout the project cycle, assuring compliance with (Group of Twenty) G20 principles or that investments contribute to the SDGs.

Japan has been actively promoting quality infrastructure, and the G20 Principles for Quality Infrastructure Investment were endorsed at the G20 Osaka Summit in 2019. Japan describes strengths in helping to

develop infrastructure that is truly contributory to “quality growth” in developing countries, which also includes technology transfer and job creation. Several other DAC Members refer to the G20 Principles as key reference or guidance for their infrastructure engagement, while applying them with complementary policies with regard to fossil fuel-based investments, which is not within the scope of the principles. France has adopted commitments to further implement the G20 Principles for Quality Infrastructure Investments at the Summit on the Financing of African Economies held in 2021. Building on agreed standards, such as the G20 Principles for Quality Infrastructure Investment, and supporting initiatives, such as the Coalition for Climate Resilient Investment (CCRI), one dimension of the United Kingdom’s promotion of quality infrastructure investment is the support for co-ordinated action among G7 members to ensure higher standards and improved disclosures. Germany is, among other things, engaged in technical co-operation and support to the Programme on Infrastructure Development in Africa (PIDA).

Another set of donors refer to the provision of quality infrastructure through MDBs and dedicated climate funds. One example is Denmark, which primarily supports infrastructure through multilateral organisations and banks that meet the G20 principles, after assessing all supported partners on environmental and social safeguards according to the Danish Aid Management Guidelines. Several Members, whose ODA activities do not encompass direct project finance of infrastructure investments, report limited or no specific information on support to quality infrastructure.

6. The multilateral system as a key channel for DAC Members’ support to the transition

Multilateral institutions, and their alignment with climate and environment objectives, are also seen as central for supporting transitions. As earlier described, while many Members use different channels for their transition support and climate finance, support through multilateral institutions, including MDBs, dedicated climate funds, and other international organisations, is often a central – sometimes the only – channel. Multilateral channels are particularly important for the financing and funding of key infrastructure in developing countries, which is part of the core business model of these institutions. Consequently, the alignment of the operations of major multilateral financers of infrastructure in support of climate and environment objectives is an important priority that directly defines the scope and nature of the delivery of climate action by DAC Members.

Finland, for example, does not have bilateral programmes explicitly designed to support transitions and channels most of its development co-operation finance through multilateral organisations. Finland encourages implementing partners to align development co-operation activities with national transition strategies, a recommendation that is explicitly integrated in their development policy guideline for crosscutting objectives. Canada has established funds at several international financial institutions, including, for example the World Bank and the Green Climate Fund, to support partner countries to implement their own national transitions. DAC Members also report being members of informal groups of senior representatives from like-minded governments, who are shareholders in multilateral development banks to advocate for MDB alignment with the Paris Agreement.

Supporting national transition plans that are commensurate with international objectives

Aligning with and supporting national plans – when they exist – is central to DAC Members’ approaches to supporting the transition. As DAC Members see ownership and partnership as a central dimension of supporting developing countries on their transitions, they share a strong focus on working with developing country partners on their own plans and strategies for achieving climate and environment objectives. This alignment with partner countries’ national transition plans is a recurring theme among DAC Members. For the Czech Republic, for instance, partner countries’ national strategies are reflected in relevant country strategies, and in the identification of bilateral projects. Similarly, for Portugal, a specific Memorandum of Understanding (MoU) on environmental activities details the areas where projects are to be developed in line with the partner country’s own needs and national plans. Luxembourg seeks to provide support to

those interventions that are anchored in and aligned with NDCs and national choices of the target countries, guided by the principles and approaches defined in the Paris Agreement.

Many DAC Members support developing countries to develop and enhance the ambition of NDCs. Nationally Determined Contributions are at the heart of the mitigation efforts of the Paris Agreement. Each party to the agreement is required to prepare, communicate and maintain successive NDCs that they intend to achieve, describing their priorities and efforts to reduce national emissions and adapt to the impacts of climate change. Taken together, the ambition of the NDCs determines how the world will achieve the temperature goals of the Paris Agreement. Recognising that the long-term climate goals will be achieved over time, the Paris Agreement builds on a successive ratcheting up of aggregate and individual ambition, with parties submitting new NDCs every five years. Consequently, NDCs, together with LTS, NAPs and other national strategies and policies, are of utmost importance, and DAC Members see a key part of their transition support to work with developing countries on their NDCs. DAC Members' support for these processes is made even more relevant by the fact that many developing countries, and especially Least Developed Countries (LDCs) and SIDS, have indicated that the achievement of their goals and targets is contingent on the level of support they receive from developed countries for implementation (Fransen, Northrop and Mogelgaard, 2017[40]).

DAC Members see the NDC Partnership as an important channel for transition support. Eighteen DAC Members are part of the NDC Partnership, and this initiative is described by several of them as having a central role in channelling and co-ordinating Members' transition support to partner countries, and was reported as being an important channel of support by six DAC Members. The NDC Partnership is a network through which member countries can gain access to targeted technical assistance and capacity building, opportunities for knowledge to fill information gaps and enhanced financial support. The United Kingdom reports that the partnership co-ordinates major donors' technical assistance support for NDC implementation. For example, by co-ordinating NDC facilitators who support with planning, reporting and implementation, and embedding economic advisors into finance/planning ministries to support with green recovery packages in response to COVID-19. France likewise describes that finding synergies between its own and other sources of support for partner countries' national transitions is made possible by the support and close co-ordination with the NDC Partnership. Germany supports partner countries by financing various programmes and projects that are contributing towards a green and climate-sensitive transition under the umbrella of the NDC Partnership.

A similar initiative in support of NDCs is the Regional Pacific Nationally Determined Contributions Hub (Pacific NDC Hub), which, as reported by Australia, assists Pacific island countries and territories by providing in-country advice and technical support, and promoting regional collaboration to address common issues across the Pacific with NDC implementation.

DAC Members also support other national transition plans, like NAPs, National DRR and Resilience Plans, LTS and NBSAPs. Germany, for instance, provides support to partner countries in bilateral and various multilateral projects and programmes in developing and raising the ambition levels of their NDCs and LTS, including transposition of LTS and NDCs into sectoral policies and implementation. Members may also support developing countries in the implementation of Sendai Framework for DRR and Resilience through bilateral and multilateral expert assistance, such as the Czech Republic which focusses its support on LDCs.

Another example is the NAP Global Network (NAP GN), a channel through which the United States, Canada and Germany support NAP processes and South-South knowledge exchange. Ireland, in keeping with its particular focus on adaptation, supports the NAP process in LDCs and SIDS and funds the Least Developed Countries Expert Group (LEG), the only body mandated by Parties to the UNFCCC to provide dedicated support to LDCs. The LEG assists these countries in their efforts to design, plan and implement NAPs and facilitates access to financial and technical support. Norway supports other initiatives, such as the Biodiversity Finance (BIOFIN) Initiative of the UNDP, which assists developing countries in

incorporating biodiversity comprehensively into their national development planning and financial strategies, including their NBSAPs.

France's AFD focuses parts of its efforts on national climate strategies. Having itself committed to being 100% aligned with the Paris Agreement, it ensures that 100% of its projects are in line with the priorities identified in partner countries' own national climate strategies. Tools have been made available to support the development of such strategies or provide technical assistance for preparation and implementation when needed. One example is the Adapt'Action Facility, which assists countries and regional organisations particularly vulnerable to climate change to implement adaptation strategies. It provides technical assistance and capacity-building support to strengthen climate governance, and helps countries incorporate climate-change adaptation within their public policies and projects. In addition, countries, including, for example, Japan, support institutional and capacity development to prepare greenhouse gas (GHG) emissions inventories as a prerequisite for preparing and developing concrete plans and measures, as well as reviewing progress in partner countries.

A general challenge relates to the fact that supporting national plans by developing countries may not be commensurate with the objectives they are meant to achieve. As shown by recent reports, current NDCs are insufficient to achieve the objectives of the Paris Agreement (UNFCCC, 2021[13]), and stronger action is required. In this context, many DAC Members see their transition support to developing countries in terms of working with them towards strategies and plans enhanced or accelerated action towards the transition. Development co-operation has a key role to play to help enable developing countries to develop and take forward operational strategies and plans that eliminate inconsistencies between the objectives of international climate and environmental agreements, including the Paris Agreement, and their national development and transition plans (OECD, 2019[1]). At the same time, information provided for this report mostly does not provide clear approaches DAC Members take in the case of significant inconsistencies between developing countries' current national plans and strategies and international climate and environmental objectives they have subscribed to.

Commitment #4 on support for SIDS' sustainable development

Key highlights

- Recognising SIDS as vulnerable countries bearing the brunt of a wide host of climate change impacts, in 2020, the DAC committed to helping SIDS "address the obstacles they encounter and access finance for resilient and sustainable development."
- DAC Members' support to SIDS is centred around some of the key challenges these countries face, with a specific focus on climate investments, fostering sustainable ocean economies and resilience, promoting disaster risk reduction, and curbing fossil fuels dependence through access to renewable energy. Recognising the unique capacity constraints stemming from SIDS' small populations, some DAC Members also provide SIDS with support for participation in key climate and ocean negotiations.
- Most DAC Members do not have specific development co-operation targets or dedicated development co-operation policies, strategies or tools to base their support to SIDS on. Four DAC Members have a dedicated development strategy for engaging with SIDS, while some refer to them as one of their priority groups of countries in sectoral or geographic development co-operation strategies.
- DAC Members provide support for SIDS' resilient and sustainable development through a number of ongoing development co-operation programmes, which can account for significant shares of their ODA portfolios.
- Several new initiatives hold the potential to significantly benefit SIDS, such as a new Blue Growth Initiative for Small Island Developing States. A range of new bilateral and multilateral initiatives focused on the sustainable ocean economy that could enhance financing and capacities for SIDS are emerging. These include the United Kingdom's Blue Planet Fund; the European Union's Pacific-EU Marine Partnership Programme; Japan's MARINE Initiative; the United States' USAID Ocean; and the World Bank's hosted multi-donor trust fund PROBLUE. If these initiatives can ensure effective participation and inclusion of SIDS, they stand to benefit significantly in light of their vast ocean resources, with the potential to unlock new development opportunities.
- For a few smaller DAC Members, SIDS are outside the scope of the priority countries chosen in order to focus and maximise the impact of their development co-operation. In these cases, DAC Members mostly support SIDS via multilateral channels, and in particular, climate funds.

As a group of countries bearing some of the most severe impacts of climate change, SIDS have been specifically mentioned in the DAC HLM Communiqué. For SIDS to seize new development opportunities, embark on sustainable development pathways, and become more resilient to the challenges posed by climate change, it is important that the international community take their specific circumstances into account to make development co-operation work better for them (OECD, 2018[41]). This sub-section provides a summary overview of how DAC Members support SIDS in relation to these challenges.

Four DAC Members have a dedicated development co-operation strategy for engaging with SIDS, or for engaging with a geographical subset of them (Ireland, France, Japan and New Zealand). France's SIDS Strategy coincides with its ocean strategy (Three Oceans Policy). Japan has developed a strategy for engaging specifically with SIDS in the Pacific through the Pacific Bond KIZUNA Policy, which focuses on five key priorities, among which COVID recovery, sustainable oceans, climate change and disaster resilience are included. New Zealand has pledged 60% of its total ODA to developing Pacific Island Countries and aligned these under the Pacific Islands Forum's Roadmap for Sustainable Development.

A larger number of Members acknowledges the specific challenges of SIDS in their overarching development co-operation strategies and identify SIDS as one of the priority groups for support, either in specific sectoral or geographic development co-operation strategies. This is the case with respect to Australia's Climate Change Action Strategy; Denmark's Development Strategy; Germany's adaptation and resilience-building focus in its BMZ 2030; Italy's development co-operation on climate action; Korea's ODA Strategy for Fragile States; Luxembourg's Environment and Climate Change Strategy; Norway's Strategy on Climate Change, Hunger and Vulnerability and its Marine Litter Programme; Sweden's Strategy for Regional Development Co-operation in Asia and the Pacific Region in 2016–2021; and the European Union's Global Climate Change Alliance+.

Many DAC Members have in place development co-operation programmes and projects benefitting SIDS and, for a few Members, SIDS account for a significant share of their ODA portfolio. For instance, most of Portugal's development co-operation partner countries are SIDS (e.g. Cabo Verde, Guinea-Bissau, Sao Tome and Principe and Timor-Leste), accounting for 42% of Portugal's ODA portfolio in 2019. The following Members also allocated that year a large share of their ODA portfolio to SIDS: New Zealand (44%), Australia (31%) and Spain (10%).

Acknowledging SIDS' unique capacity constraints, a number of DAC Members report support for the participation of SIDS' representatives in key climate and ocean negotiations and processes. For instance, Germany supports the Alliance of Small Island States (AOSIS) and its members in international climate change, sustainable development negotiations and processes. Italy has supported training and capacity building in international climate and ocean negotiations for young politicians from developing Pacific islands. Norway supports AOSIS on capacity building and facilitation for the group in negotiations. Australia has supported the participation of women in climate-related negotiation processes through the Pacific Women Climate Change Negotiators Training, which has seen an increase in Pacific women delegates attending UNFCCC negotiations.

In describing their nature and climate support to SIDS, 21 Members indicate that climate change is a key priority, 11 Members point to a sustainable ocean economy and resilience, 9 to disaster risk reduction, and 9 to renewable energy. Recent examples of increased support in these areas include the announcement in 2019 by Ireland of a new EUR 12 million climate change and disaster resilience fund at the Asian Development Bank dedicated to SIDS in the Pacific. The trust fund aims to help increase SIDS' resilience to the impacts of climate change and to disasters caused by natural hazards. The fund also seeks to help increase investments in climate change mitigation and adaptation among SIDS. Other Members have a long track record of support in these areas, such as Japan's assistance to Pacific SIDS to mainstream disaster risk reduction, which includes training meteorological agency personnel of each country and developing rapid evacuation systems for residents.

A number of new and ongoing initiatives suggest growing Members' engagement with SIDS on the sustainable ocean economy. The UK GBP 30 million Commonwealth Marine Economies Programme is assisting SIDS to develop climate-resilient, sustainable economies while safeguarding their marine environment. The United Kingdom is also establishing a new GBP 500 million Blue Planet Fund, launched by the Prime Minister at the G7 Summit, to help countries protect and restore the marine environment and reduce poverty, including in SIDS. Through its co-operation with Pacific SIDS, Italy supported the creation and implementation of Marine Protected Areas for a total of about 2 million square kilometres in the Pacific Ocean, favouring the conservation of marine resources that are severely threatened by the effects of climate change. Korea is committed to protecting the ocean ecosystem and strengthening the capacity of SIDS in managing marine resources. Korea launched the Blue Growth Initiative for Small Island Developing States in co-operation with the Food and Agriculture Organization (FAO) in order to help SIDS develop and introduce a new management model for marine resources. The European Union launched the Pacific-European Union Marine Partnership Programme, 2017-2023 (PEUMP), with the overall objective of improving the economic, social and environmental benefits for 15 PACPs (Pacific members of the African, Caribbean and Pacific group [ACP]) through stronger regional integration and the sustainable

management of natural resources and the environment. The purpose of the programme is to support improved sustainable management and development of fisheries for food security and economic growth, while addressing climate change and conservation of marine biodiversity. Canada, Norway and other DAC Members supported the establishment of PROBLUE, a new 150-million multi-donor trust fund that is hosted at the World Bank to foster ocean conservation and sustainable ocean activities. Other Members focus on specific aspects of the sustainable ocean economy in their support to SIDS, such as Japan on sustainable waste management in the Oceania region through its "MARINE Initiative", and the United States on sustainable fisheries and illegal, unreported, and unregulated fishing through the United States Agency for International Development (USAID)'s Oceans and Fisheries Partnership (USAID Oceans).

Many SIDS have made ambitious commitments on clean energy, which some Members are helping to support. SIDS reliance on high carbon-emitting energy sources often weighs particularly heavily on their import bill given their remote location and high import costs, reducing the fiscal space available for development investments. Among the specific projects reported by Members in this area, Canada provided USD 60 million to establish a Renewable Energy in Small Island Developing States Program at the World Bank. This funding supports the expansion of clean energy systems and infrastructure (including battery solutions), improvement of energy access for women and girls, and the provision of training and employment opportunities for women in non-traditional, sustainable technology sectors in SIDS. France is active on the subject of access to sustainable energy for SIDS (e.g. geothermal, solar, wind, marine energies, etc.), both through direct bilateral co-operation and through its support to the International Renewable Energy Agency (IRENA)'s SIDS Lighthouse Programme, to which France provided a contribution mainly aimed at promoting marine energies, in particular by identifying and mapping the potential of different territories for this type of energy. In addition to France – Denmark, Germany, Italy, Japan, New Zealand, Norway, the United Arab Emirates and the United States contribute to IRENA's SIDS Lighthouse Programme, which fosters a transformation from fossil fuel dependence to renewable energies. Spain has been supporting renewable energy projects with the International Union for Conservation of Nature in Oceania.

In 2019, climate funding to SIDS fell back to 2017 levels (from USD 2.1 billion to USD 1.5 billion) after a temporary increase in 2018, signalling SIDS' continued challenges to access climate and nature finance (OECD, 2021[12]). Recognising that SIDS often face structural challenges in attracting and gaining access to private finance for climate action, Australia reports its support for developing pipelines of investment-ready projects to facilitate increased private finance, including by bridging the gap between project proponents and financiers. The United Kingdom has also been engaged in supporting SIDS' access to finance through various initiatives, including its role in co-chairing with Fiji the Taskforce on Access to Climate Finance; its work with Belize and Fiji on a SIDS Access to Concessional Finance Roundtable Process; and through the Commonwealth Climate Finance Access Hub (CCFAH). The CCFAH, for instance, embeds Commonwealth National Climate Finance Advisers within governmental institutions to work specifically with ministries and other stakeholders focused on climate change to strengthen institutional capacity by bridging gaps in institutional and financial knowledge, skills and technical capabilities.

In December 2017, at the first One Planet Summit, the French President announced the Kiwa Initiative, sponsored by Australia, Canada, France, New Zealand and the European Union. The Kiwa Initiative aims to fund climate change adaptation or coastal zones restoration and preservation projects, as well as other initiatives that can have a positive impact on communities and climate resilience. During its G7 Presidency, Canada supported the increased mobilisation of resources and knowledge through innovative financing approaches, such as blended finance, climate resilient debt instruments, risk mitigation tools and investor partnerships. USAID (with over USD 200 million) and New Zealand have supported partners to access climate finance from international organisations, such as the Green Climate Fund (GCF), the Adaptation Fund and the Global Environment Facility through targeted technical support for the development and

submission of bankable project proposals that are translated into country-driven actions to respond to the urgent climate change priorities of Pacific Island Countries. For example, the USAID Climate Ready Activity supported capacity-building efforts in the Federated States of Micronesia and Palau, which secured USD 10.4 million in climate change-related grants from the GCF in 2021. Additionally, New Zealand has pledged 20% of its ODA as Aid for Trade to Pacific SIDS and provided technical assistance for financial reforms, debt management and increased foreign investments attraction.

For a few smaller DAC Members, SIDS are outside the scope of the priority countries chosen. In line with the OECD DAC Peer Review recommendations, based on their comparative advantage and in view of capacity constraints, they focus their direct activities on a small number of countries, often in their geographical neighbourhood. Some, mostly smaller, Members therefore mainly target support to SIDS via the multilateral development system, and in particular, climate vertical funds (i.e. Austria, Belgium, Netherlands, Slovak Republic). For instance, Austrian development co-operation supports the Pacific and the Caribbean Centres for Renewable Energy and Energy Efficiency (PCREEE and CCREEE) on specific renewable energy and energy efficiency solutions to SIDS. In late 2020, Finland joined, as a financer, CREWS (Climate Risk and Early Warning Systems), which is a mechanism that funds LDCs and SIDS for risk-informed early warning services in order to better equip them to forecast and respond to climate risks.

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Individual DAC Members' profiles

Australia

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Australia's political commitments

During Australia's National Statement at COP26 on 1 November, Prime Minister Scott Morrison announced the doubling of Australia's previous AUD 1 billion pledge over 2015-2020 to AUD 2 billion over 2020-2025. This was AUD 500 million more than his earlier 2020-2025 climate finance commitment of AUD 1.5 billion made in December 2020. This commitment will be implemented through Australia's development programme.

As a member of the Pacific Island Forum (PIF), Australia signed up to the 2018 Boe Declaration on Regional Security and the 2019 Kainaki II Declaration for Urgent Climate Change Action Now. These declarations reflect the position of PIF Leaders, who have identified climate change as the single greatest threat to the livelihoods, security and well-being of the peoples of the Pacific. In line with the declarations, Australia is committed to supporting climate change and disaster resilience as a top priority for its development assistance, reflecting the priorities of Pacific-led initiatives.

Australia has joined the High Ambition Coalition for Nature and People and the Global Ocean Alliance, and is committed to the global target of protecting 30% of land and of ocean by 2030, which it supports beyond domestic action, through its international engagement.

Targets

Australia provided AUD 1.4 billion in climate finance over 2015-20, exceeding its commitment to provide at least AUD 1 billion in climate finance over five years. This included providing AUD 408 million in climate and disaster resilience support to the Pacific, exceeding its commitment of AUD 300 million over four years (2016-17 to 2019-20).

As set out above, a doubling of Australia's global climate finance commitment to AUD 2 billion from 2020-2025 is a key aspect of Australia's overall commitment to climate change through its development programme. This expenditure includes AUD 700 million specifically for the Pacific to invest in renewable energy and climate change and disaster resilience, and will include both targeted climate-specific investment as well as mainstreaming climate across all sectoral investments.

Australia tracks its climate finance expenditure based on the agreed OECD DAC statistical markers for climate change mitigation and adaptation. The methodology is tailored to Australia's development assistance programme, reflecting the mix of modalities through which its development assistance – bilateral, regional, global and multilateral programming – is delivered. Australia's commitment to transparent reporting is reflected by its Fast Start Finance Report, four UNFCCC Biennial Reports, regular

reporting through the annual Australia's Official Development Assistance: Statistical Summary Reports, and the 2018 independently-led Evaluation of Australia's Climate Change Assistance. In March 2020, a United Nations Framework Convention on Climate Change (UNFCCC) co-ordinated team of international experts found Australia's reporting for the 4th Biennial Report to be complete, transparent and in adherence with UNFCCC reporting guidelines.

Strategies and policies for systematic integration

Australia's 2017 Foreign Policy White Paper recognised that all countries need to factor climate change into long-term planning and investment. It committed Australia to working in partnership with both developed and developing countries to take effective action on climate change.

Australia's current development policy, Partnerships for Recovery: Australia's COVID−19 Development Response (P4R), was released in response to the impacts of the coronavirus pandemic on 29 May 2020. The P4R recognises that the Indo-Pacific region is home to 10 of the 15 countries considered most at risk of disasters and the effects of climate change. Disasters and extreme weather events are likely to compound the effects of the pandemic and undermine efforts to build prosperous, stable and resilient nations.

Australia's Climate Change Action Strategy (2020-25) (CCAS 2020-25) of 2019, supports the goals of the Paris Agreement to address climate change, while strengthening socially inclusive, gender-responsive sustainable development in the Indo-Pacific region. It recognises that climate change is a major risk to sustainable development and is threatening global efforts to eradicate poverty.

Australia's development programme further complies with obligations to protect the environment in accordance with the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). Australia's development programme also ensures consistency with other international agreements ratified by Australia, and is committed to the Framework for Resilient Development in the Pacific, which takes an integrated approach to disaster risk reduction and climate action in order to achieve sustainable development outcomes.

Key provisions and pillars

Climate change increasingly affects all Australian development policy and investment decisions and will influence long-term planning and risk management. As a result, climate change is being integrated into Australia's development assistance, through an integrated approach with disaster risk reduction across all sectors of the Australian development programme.

The *Partnerships for Recovery* policy sets out how Australia draws on all available resources, including diplomacy, defence, security, commercial links, science capacity and people-to-people ties, to support its development efforts to address the challenges of COVID-19 in the Indo-Pacific. The priority focus is on the Pacific, Timor-Leste and Indonesia. It focuses on strengthening health security, maintaining social stability, and stimulating economic recovery, as the underpinnings of a shared prosperity and the foundations to emerge from this crisis. Based on the objectives set out in the *Partnerships for Recovery* policy, all bilateral, regional and global programmes prepared COVID-19 Development Response Plans. Australia's multiple efforts to work with partners in the region to "build back better" also include a focus on low-emissions technology solutions.

Australia's Climate Change Action Strategy outlines three objectives:

- promote the shift to lower emissions development in the Indo-Pacific region
- support partner countries to adapt to climate change, and to plan, prepare for and respond to climate-related impacts

- drive innovative solutions to climate change, including those that encourage private sector investment, draw on Indigenous traditional knowledge, such as cultural burning and support nature-based solutions.

Moreover, the strategy guides climate-specific activities as well as the integration of climate change through the development programme. Based on the strategy, Australia takes an integration approach to addressing climate change considerations across all stages of policy making and the development programme management cycle. This aims to ensure that all new major investments consider and respond to climate change risks, impacts (especially for vulnerable communities), and opportunities, for low emissions, and climate-resilient development. Australia's climate finance commitment includes targeted climate-specific investments across the development programme and mainstreaming of climate action in key sectors (e.g. clean energy, infrastructure, agriculture, water, health, governance).

Supporting adaptation and building resilience in the Pacific is Australia's top priority. This is reflected by Australia having invested, on average, over 70% of its bilateral, regional and global climate financing over the past four years in support of adaptation and resilience programmes with the majority benefitting Small Island Developing States (SIDS) and Least Developed Countries (LDCs).

Australia's approach to adaptation and resilience involves connecting and leveraging action at local, national, regional and international scales to better manage climate risk, protect communities and strengthen the resilience of economies. Australia shares expertise in areas, including governance and planning, economic reform, climate science and meteorology, water, agriculture, infrastructure, disaster preparedness and response, with partners in the region to support their efforts to tackle climate change, to enhance development outcomes, and to achieve the Sustainable Development Goals. Australia considers grant financing and capacity building as playing a critical role in achieving impact in sectors where private finance is not readily available.

Based on the objective of its Climate Change Action Strategy to drive innovative solutions to climate change, Australia is expanding support for "**nature-based solutions**". In this regard, Australia will support a range of programmes to pilot different approaches based on nature-based solutions that deliver both biodiversity and human development gains.

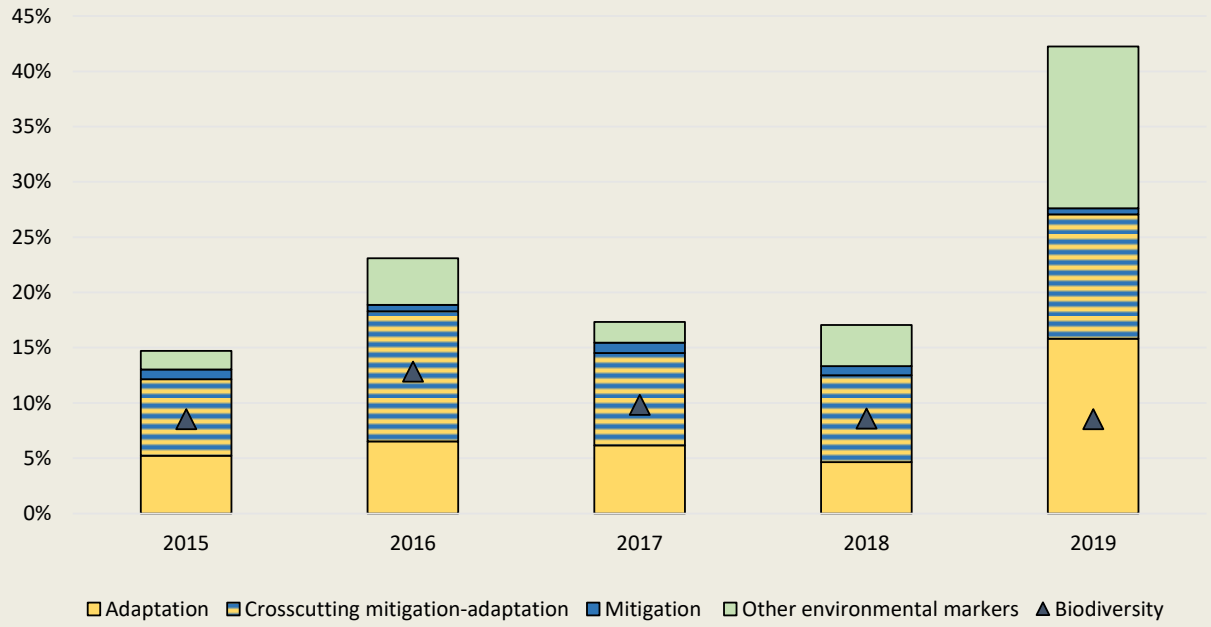
Australia recognises that **mobilising private finance** for climate action is crucial for achieving the Paris Agreement goals and is an important part of promoting an inclusive and sustainable COVID-19 economic recovery. Australia understands that public finance alone cannot meet the investment needs required for the transition over the next decade. Its Department of Foreign Affairs and Trade (DFAT) aims to use public funds strategically to address various barriers to private capital flows to developing countries, with a view to driving innovation and ensuring that infrastructure projects are sustainable and climate resilient.

The DFAT Environmental and Social Safeguard Framework provides for environmental and social safeguard risks to be considered for all new official development assistance (ODA) investments, irrespective of financial value. This includes a screening process using the DFAT Risk and Safeguard Screening Tool to identify whether the investment could increase environmental, climatic and/or social vulnerability and, where necessary, ensure risk management measures are put in place.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Australia's integration of climate objectives in ODA

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Australia is strengthening organisational capacity to support climate change integration across the development programme and operationalise its integrated approach to addressing climate change considerations across all stages of policy making and the development programme management cycle.

Guidance and key questions to consider in climate programming are included in Australia's Aid Programming Guide. Australia is also working to update technical guidance and strengthen institutional climate change capability. In this regard, Australia's DFAT has established a new internal Climate Change, Energy and Environment Toolkit to provide online training for staff on climate change. The Department is also organising a bespoke course for development staff on integrating climate considerations across Australian aid programmes, to be inaugurated in the second half of 2021.

DFAT has also prepared climate change and disaster risk reduction guidance and related sectoral guidance on infrastructure, agriculture and water, as well as guidance on climate finance accounting.

Monitoring, evaluation and learning frameworks

All programme designs are required to include a monitoring and evaluation framework. In addition, all Australian aid investments must meet minimum standards for monitoring and evaluation, to ensure that investment outputs and outcomes can be measured. Independent evaluations – either during implementation or at completion – also play a key role in supporting learning and decision making.

DFAT's aid management system, AidWorks, includes a climate marker, against which all programme managers are required to update data annually.

Investment design teams are encouraged to include climate technical advice and to draw on current climate modelling in their designs. As far as possible, climate change questions are identified at the programme design phase to ensure climate is integrated through the entire project cycle, including the monitoring and evaluation (M&E) phase. Insufficient access to detailed, country-level climate modelling based on the latest Intergovernmental Panel on Climate Change (IPCC) data limits Australia's ability to maximise climate integration in some countries and sectors.

Annual investment monitoring reports (IMRs) are the primary vehicle for assessing the effectiveness and efficiency of Australia's development assistance and mainstream climate progress across all sectors, reflecting a systematic approach.

DFAT is preparing a Performance Assessment Note (PAN) to complement the CCAS with a menu of potential climate-related indicators to assist in establishing M&E frameworks, for which it will seek to draw on the experience of other DAC Members.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Australia's approach to supporting its partners to develop and take action to implement national transition strategies starts with tailoring its development assistance to meet Indo-Pacific regional or country priorities. Australia does so by engaging at various levels, from national through sub-national, to working with communities directly in helping to address their priority concerns.

Australia's development assistance supports national Pacific Island governments to meet their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and other plans to achieve their own transitions to environmentally sustainable, low-emissions and climate-resilient development pathways, including by promoting sustainable, quality, resilient infrastructure.

As part of the Pacific Step-up in 2016 and increased development support to the Pacific, Australia established the Australia Pacific Climate Partnership (APCP) (AUD 75 million from 2017-18 to 2022-23), which supports Pacific governments to deliver climate and disaster resilient development and low-carbon growth by brokering climate and disaster science and information services.

One example of effective climate co-operation is the joint Climate Change Action Plan for Papua New Guinea (PNG) agreed by the Governments of Australia and PNG, which is jointly monitored with annual climate change dialogues attended by senior-level officials. This is proving a useful model in keeping an open and constructive partnership dialogue in monitoring Australia's climate-related assistance in relation to PNG's own climate planning and goals.

Australia values the 2016 Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management (FRDP), which provides voluntary guidelines for

the Pacific Island region as a joint Pacific initiative. The FRDP advocates for the adoption of integrated approaches, whenever possible, for coping with and managing climate change and disaster risks. Australia directly finances the Pacific Resilience Partnership (PRP) (AUD 600 000, 2018-22), which was established by Pacific Leaders to oversee implementation of the FRDP.

Australia supports partner countries in the Indo-Pacific region to meet their commitments to the Sendai Framework for Disaster Risk Reduction 2015-2030. More than four in five people currently affected by natural hazards live in the Indo-Pacific. The Sendai Framework places primary responsibility on national governments and local authorities, but recognises that disaster risk reduction is a shared responsibility with all other stakeholders, including communities themselves. The Australian development programme focuses on strengthening the growing capacity of partner countries in the Indo-Pacific region to meet this commitment. In doing so, the aid programme draws on technical expertise from across the Australian Government, such as Geoscience Australia, the Commonwealth Scientific and Industrial Research Organisation and the Bureau of Meteorology.

Multilateral organisations are important partners for Australia in addressing climate change in developing countries. Australia channels some support through institutions such as the Global Environment Facility, the World Bank, the Global Green Growth Institute and the Asian Development Bank, as they provide a single point through which pooled funding can be disbursed. They also host world-leading expertise and development resources while working in close partnership with developing partner governments. Multilateral organisations further play an important role in shaping the rules-based order by providing access to quality research, information and policy advice.

Examples of projects to support national transition plans

Australia's development assistance supports national Pacific Island governments to meet their NDCs, NAPs and other plans to achieve their own transitions to environmentally sustainable, low-emissions and climate-resilient development pathways. Examples include:

- The regional Pacific Nationally Determined Contributions Hub (Pacific NDC Hub) (AUD 500 000, 2018-20; and Phase 2 AUD 500 000, 2021-22) assists Pacific Island Countries and Territories to leverage resources and expertise to implement their commitments to the Paris Agreement through NDCs and achieve low-carbon development. The Hub provides advice and technical support, and promotes regional collaboration to address common issues with NDC implementation across the Pacific.
- Australia is also providing AUD 250 million over ten years from 2021 (Solomon Islands Infrastructure Programme) in the Solomon Islands in support of the country's National Climate Change Policy 2012-17 and the implementation of the Solomon Islands National Adaptation Plans of Action (NAPA) 2008, for resilient economic infrastructure.
- At the regional level, Australia has ongoing co-operation on climate change with key Pacific regional organisations, such as the Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC), and the Secretariat of the Pacific Regional Environment Programme (SPREP). Australia provides an average of AUD 4.3 million per year in core funding to SPREP, which is mandated as the regional body to lead on the Pacific climate change agenda.
- The Resilient Boundaries for the Blue Pacific Project with SPC (AUD 3.5 million, 2019-24) is working to better understand the impacts of sea-level rise and other climate change impacts on the region's maritime zones and develop Pacific-led technical and legal response options. Australia is working with the Pacific to develop international law to secure maritime zones in the face of sea-level rise.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

The CCAS guides Australia's work with its partners to realise the goals of the Paris Agreement, and provides a framework to support climate action into the future. The Strategy recognises that addressing climate change in socially inclusive ways through scientifically informed activities that reduce emissions (mitigation), adapt to impacts (adaptation) and strengthen systems (resilience) supports partner countries in maintaining and building on broader development gains. Australia takes a partnership approach in the Indo-Pacific to help Australia's region reduce emissions and aims to respond to developing country needs and priorities, particularly as reflected in their NDCs, NAPs and other national development plans.

Australia's investment priorities are determined in consultation with partner governments in the context of broader development planning, and reflect ongoing consultation with civil society, research institutions and other donors operating in a country. Australia's Annual Climate Dialogue with Papua New Guinea is a good example.

The 2018 Evaluation of Australia's Climate Change Assistance found that for a country to confidently move forward on its NDC commitments, there needs to be a supportive enabling environment. Each country and regional context is unique and, as a system, presents different entry points and opportunities for external support to effectively contribute to climate change action.

Australia recognises that the creation of governance and regulatory environments that give investors the confidence to invest in developing countries is a critical part of mobilising private finance for climate change. The development programme works with Australia's partner countries in the Indo-Pacific to identify and address regulatory and other barriers to private investment.

Australia takes a whole-of-government approach to providing support and building the capacity of partner governments. This involves efforts from a range of government agencies and non-government partners that provide specialist expertise in areas that underpin effective adaptive responses to climate change, including climate science and meteorology, governance and planning, economic reform, water, agriculture, infrastructure, disaster risk reduction, preparedness and response. Australia shares this expertise with partner countries in the region to support their efforts to tackle climate change, enhance development outcomes and achieve the Sustainable Development Goals.

In providing this support, Australia aims for a balance between mitigation and adaptation. In practice, Australia has prioritised adaptation and resilience in providing climate finance to Australia's region, reflecting the strong demand for support in these areas from Australia's partner countries.

Climate mitigation

Australia's support for low-emissions development includes capacity building, infrastructure for renewable energy and supporting partner governments' long-term energy planning. In tailoring its development assistance to meet Indo-Pacific regional or country priorities, and reflecting Australian priorities and strengths, the CCAS prioritises the following areas for transition to lower emissions in the region:

- Supporting developing countries in the Indo-Pacific to invest in low-emissions energy technologies. This includes support for increasing renewable technologies, including solar, wind, hydro, biomass, wave and geothermal, in their energy mix and for improving energy efficiency.
    - Australia has experience in smaller scale, off-grid hybrid systems, transmission technologies and information technology (IT) solutions for grid integration, as well as energy efficiency for industry, buildings, standards and appliances.
    - Australia seeks to make clean energy technologies scalable, commercial and achievable.

  - Australia's development assistance will also target the infrastructure sector, to help address bottlenecks, support improvements in the operating environment and enable the private sector to meet energy needs through low-emissions solutions.
- Investing in the land sector and oceans, recognising that many developing country NDCs list the land sector and agriculture as a priority for mitigation.
  - Australia has experience in managing the land sector and using agriculture technologies, and in measurement, reporting and verification (MRV) systems for land sector emissions reduction.
  - Best practice is expanding to a stronger whole-of-landscape approach, recognising that significant sequestration occurs in non-forest landscapes such as grasslands, wetlands, peatlands and agricultural lands.
  - As an island nation, Australia is also helping developing countries protect and restore coastal blue carbon ecosystems such as mangroves, sea grasses and salt marshes, now seen as nature-based solutions. Many of these investments have adaptation co-benefits.
- Investing in sustainable cities and transport, given urban areas are projected to produce the majority of future emissions growth.
  - Australia will share its experience in developing liveable and sustainable cities with Australia's region, incorporating socio-economic approaches to building community participation, resilience and welfare.
  - Australia will also focus on skills and technologies for mitigation, including low-emissions building materials, energy efficiencies for buildings, smart and sustainable transport systems, and sustainable water and waste management infrastructure and systems.

Australia recognises the role of energy in supporting sustainable and inclusive economic growth, including through increasing trade and export opportunities. Its assistance focuses on balancing the need to meet energy demands, while shifting to cost-effective renewable energy sources to support developing countries in reaching their targets under the Paris Agreement. Australia's bilateral and regional development assistance programmes do not support any fossil fuels projects.

Climate adaptation

For more than two decades, Australia has supported adaptation and disaster planning and response through its development initiatives, especially in the Pacific, and will continue to prioritise investments in these areas. Adaptation is a priority for Australia's region, especially the Pacific, and over 70% of Australia's global, bilateral and regional climate finance supports adaptation and resilience programmes and focus on SIDS and LDCs.

Australia recognises the need for targeted and tailored approaches informed by countries' specific circumstances and priorities. In this context, the CCAS notes that Australia's adaptation investments focus on three key areas:

- Governance and adaptive planning, including through partners' National Adaptation Plans.
- Effective adaptation programmes that strengthen community resilience in partner countries, especially for the most vulnerable.
- Investments that strengthen adaptation efforts in areas of mutual priority. These include infrastructure; science, research and meteorological support; and agriculture, fisheries and water and nature-based solutions.

Given the context-specific nature of climate risk and the varied adaptation options available, Australia identifies adaptation priorities based on a country-driven approach – with appropriate financial and technical support – and are best articulated in NAPs and associated development plans. At a macro level,

adaptation action can work across governance and planning, economic reform, climate science and meteorology, water, agriculture, infrastructure, disaster preparedness and response, and be supportive of, and a part of, sustainable development. Good preparation involves adaptation practice that is data-driven and enables risk-informed decision making, characterised by inclusive processes empowering women, youth, the disabled, and leveraging indigenous knowledge systems.

Australia considers nature-based solutions to commonly offer substantial adaptation co-benefits in strengthening natural eco-systems that provide food security and economic opportunities to communities. This applies to coastal blue carbon ecosystems such as mangroves, sea grasses and tidal marshes, other coastal ecosystems, such as coral reefs, as well as landscapes such as grasslands, wetlands, peatlands and agricultural lands. There will be synergies between the investment priorities for lower emissions and those designed to support adaptation and build resilience, given frequent mitigation and adaptation co-benefits, and the significant adaptation challenges associated with energy and land sectors, forests, oceans and cities. Building community resilience is important in all these areas, particularly to reduce the risk of disasters and other impacts from climate change.

Biodiversity

The CCAS is underpinned by common principles, including strengthening environmental protection and biodiversity. Integrating climate change across Australia's development assistance policy and programme can achieve other environmental outcomes, such as contributing to biodiversity conservation.

Australia recognises the important role of nature-based solutions to address challenges like climate change, while achieving biodiversity and social benefits. Australia supports a range of initiatives focused on nature-based solutions, including the High Ambition Coalition for Nature and People, which is championing the protection of biodiversity. Australia also leads the International Partnership for Blue Carbon, the Asia-Pacific Rainforest Partnership, and is a founding member of the International Coral Reef Initiative.

Support for sustainable, quality infrastructure

Australia is taking a proactive, evidence-based approach in its bilateral infrastructure support to managing the risks posed by climate change in the construction of infrastructure in the Asia Pacific. For example, Australian support for the Gizo Market (AUD 3.5 million, 2016-19) in the Solomon Islands ensured it was designed to withstand a Category 5 cyclone and resist sea-level rises. It shows how design and construction of facilities can build resilience in the face of increasing climate change threats and natural hazards.

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) provides Pacific countries and Timor-Leste with greater access to capital to support quality, inclusive and resilient economic infrastructure. The AIFFP partners work with Pacific governments and the private sector to design high-impact, safeguarded projects and enable their delivery through up to AUD 1.5 billion in loan financing and up to AUD 500 million in grants. The AIFFP was designed to consider risks posed by extreme weather and natural hazards in assessing proposals, as well as in designing, siting and maintaining infrastructure.

The AIFFP investment portfolio includes the Tina River Transmission Line, which will deliver renewable energy to Honiara generated by the Tina River Hydropower Project. It is Australia's largest climate finance investment in the Pacific. The project will help the Solomon Islands transition away from diesel-powered energy, strengthen energy security, reduce the country's exposure to volatile global fuel prices and will enable the Solomon Islands to meet 100% of their Paris Agreement commitment to emissions reduction.

Partnerships for Infrastructure (P4I) is Australia's flagship infrastructure initiative for Southeast Asia (2020-24). Its goal is to contribute to quality infrastructure development, including energy infrastructure that drives inclusive and resilient growth in Southeast Asia. P4I provides flexible support to Southeast

Asian partner governments and the Association of Southeast Asian Nations (ASEAN) through government-to-government partnerships, high-calibre private sector advisory services, and knowledge-sharing and networking activities.

Australia is also an executive member of the Coalition for Disaster Resilient Infrastructure (CDRI), co-chaired by the United Kingdom and India. The Coalition aims to build resilience into infrastructure systems to ensure sustainable development, expanding universal access to basic services and enabling prosperity.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Australia funds several programmes in support of transitions to environmentally sustainable, low-emissions and climate-resilient development pathways, particularly in the Pacific, including:

- Australia is supporting programmes on nature-based solutions, which provide climate change, biodiversity and social outcomes. The Climate Resilient by Nature Initiative (AUD 9.5 million, 2021-23) is a flexible programme that supports a portfolio of community-led activities to address climate change in the Pacific. The Pacific Blue Carbon Programme (AUD 6 million, 2018-24) aims to protect and restore blue carbon ecosystems for climate mitigation, climate adaptation, biodiversity and livelihood benefits.
- The Australian Centre for International Agricultural Research (ACIAR) leverages international agricultural partnerships to support research that helps improve the productivity and sustainability of agricultural systems in developing countries. ACIAR's Strategy for 2018-27 includes climate change adaptation and mitigation as well as building capacity in partner countries. ACIAR's new Climate Change Programme is dedicated to supporting developing countries in the Indo-Pacific region to take more ambitious, transformational action on climate change adaptation and mitigation.
- Through the Exporting Traditional Fire Management initiative (AUD 3.85 million, 2017-21), Australia is sharing traditional indigenous fire management practices. The approach harnesses traditional knowledge combined with satellite technology to reduce greenhouse emissions, improve land management, and provide economic benefits through international carbon markets revenue. This technology is initially being exported through a pilot in Botswana's Okavango Zambezi region, among the most affected areas in the world by savannah fires.
- Private Financing Advisory Network (PFAN) is a global network of climate and clean energy financing experts that facilitate developing climate and clean energy projects in emerging markets. Since 2006, PFAN has raised over USD 2 billion in financing for 155 projects, adding 1.2 megawatts of clean energy generation capacity and avoiding over 4 mega tonnes of carbon emissions per annum. Australia supports PFAN to identify and mentor clean energy and climate entrepreneurs and connects them to private investors to address the lack of high-quality investment pipelines, a key challenge in scaling climate finance in developing countries.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

While all countries will feel the effects of climate change, developing countries, particularly SIDS and LDCs, are both more exposed and more vulnerable, and have fewer support systems and less capacity and resources to withstand shocks. They are at greater risk because of a lack of access to climate data,

research and technology. All the Pacific Island Countries (PICs) that Australia supports are SIDS and are especially vulnerable to the impacts of climate change.

Australia's development assistance includes a dedicated climate finance commitment of AUD 500 million for the Pacific from 2020 to 2025. Australia exceeded its 2016-20 climate finance commitment to PICs in providing AUD 408 million to build the resilience of social infrastructure, support renewable energy solutions, improve water and food security, reduce the health impacts of climate change, and strengthen disaster response systems.

The OECD DAC's peer review of Australia's aid programme (March 2018) noted Australia's advocacy for responses to unique challenges faced by SIDS, and its effective use of regional and multilateral channels to exert influence on channelling support to the Pacific, a continuing area of support.

Examples of projects in support of SIDS' sustainable development

Pacific SIDS have been the focus of Australia's development assistance for some time, and several projects have been highlighted above. More information on Australian climate support provided to the Pacific may be found at https://www.dfat.gov.au/geo/pacific/development-assistance/climate-change-and-resilience.

- In addition, Australia has supported the participation and training of Pacific women in climate-related negotiation processes through the Pacific Women Climate Change Negotiators Training (AUD 1.4 million, 2017-21), which has seen an increase in Pacific women delegates attending UNFCCC negotiations.
- Australia supported a Community-Based Adaptation Programme through the United Nations Development Programme (UNDP) and the Global Environment Facility (GEF)'s Small Grants Programme (SGP) with AUD 12 million from 2009 to 2020, which worked in 41 countries, most of which were SIDS. The programme provided small grants for community-designed projects across diverse sectors, including agriculture, water, livelihoods and tourism, which helped build community resilience. Several projects contributed to revisions to national/sub-national policy revisions and development.

Supporting SIDS' access to finance

Australia is supporting SIDS to access climate finance through several initiatives, including:

- The AUD 140 million Australian Climate Finance Partnership (ACFP) seeks to accelerate private sector investment in low-emissions, climate-resilient solutions for the Pacific and Southeast Asia. The ACFP is managed by the Asian Development Bank and aims to crowd-in additional climate finance across the Indo-Pacific.
- Australia has funded a blended finance platform, Convergence, to create an AUD 3.3 million Indo-Pacific window that provides grants for the design of innovative, blended-finance structures for climate and is expected to mobilise AUD 300 million from private and public investors. It has funded the design of three climate finance transactions (AUD 870 000) for renewable energy investment and climate-resilient, small-scale infrastructure in the Pacific. These design-stage investments are expected to leverage AUD 216 million in blended capital.

Austria

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Austria's political commitments

Support to environmental objectives has been anchored as a key dimension of the Austrian Development Co-operation at the highest level through the Austrian Act on Development Co-operation (2003). The act defines "preserving the environment and protecting natural resources that form the basis for sustainable development" as one of the three overall objectives of the Austrian Development Co-operation.

This commitment is reflected in all strategic documents and policy documents, first and foremost the current Three-year Programme on Austrian Development Policy 2019-2021, which defines "protecting and preserving the environment" as one of five thematic priorities for this period. In addition, continuous mainstreaming of environment and climate action has been formulated as a guiding principle in the Three Year Programme.

As an EU member state, Austria also supports the EU Green Deal and its external dimension.

Targets

The Three-Year Programme on Austrian Development Policy 2019-2021 contains a commitment to "raising the ratio of environmental measures in programmable official development assistance to 45%. This commitment is tracked through the application of the general environment marker. The new Three-Year Programme 2022-2024, which is currently under development, will likely increase the share of environment and climate in programmable aid.

Various official development assistance (ODA) actors have also committed to specific targets within their operations:

- The Austrian Federal Ministry for European and International Affairs (MFA) has set a goal of 50% for environment in projects and programmes under the country and regional funding instruments for 2021, which will increase to 55% in 2022 and 60% from 2023 onwards.
- The Austrian Development Agency, as the implementing unit of the Austrian Development Co-operation, tracks progress towards these goals and regularly reports on the status and trends towards the MFA and its own board.
- The Austrian Development Bank (OeEB) has a target of 40% of new commitments (over five years) for projects qualifying as international climate finance. These figures are continuously tracked and reported internally, as well as to external shareholders.

Rio Markers are applied for verification of compliance of project targets, and validation is undertaken by experts at the Austrian Development Agency, OECD and the United Nations Framework Convention on Climate Change (UNFCCC).

Strategies and policies for systematic integration

The Austrian Development Co-operation systematically integrates environmental and climate objectives in all strategies and policy documents. The MFA, which is in charge of development policy, systematically includes environment and climate in all geographical and thematic strategies and programme documents. Examples of this approach can be found in the country strategies for Ethiopia and Bhutan.

The 2009 Interministerial Strategic Guideline on Environment and Development in Austrian Development Co-operation sets out strategic goals and thematic priorities for Austrian development co-operation in the field of environment. The guideline is currently being updated, placing more emphasis on alignment with the Paris Agreement and on defining strategic goals in the areas of climate and environment.

Three other Austrian acts and strategies showcase how environment and climate objectives have been integrated:

- Austria's Guidelines for International Climate Finance
- Austria's Climate Finance Strategy and reports
- Strategy of the Development Bank of Austria.

The Austrian Federal Ministry of Finance (MoF) has a long-standing co-operation with international financial institutions (IFIs), like the World Bank Group and regional development banks and funds. As part of their global development mandate, IFIs make an important contribution to international climate and environment objectives. The MoF provides funding to these institutions and steers their activities via participation in various boards, councils, and steering committees, including in the field of environment and climate protection. In the context of this co-operation, the MoF is also a member of the Global Environment Facility, one of the largest financiers of global environmental projects. The MoF co-ordinates its position inter alia within its own constituencies and other like-minded constituencies in the different IFIs. In this context, co-ordinated approaches at the European level between member states as well as with relevant European institutions are of particular importance.

The OeEB also recognises and applies all policies and programmes listed above in the context of project implementation. All financing projects are assessed according to their environmental and social impact, prior to the engagement and during the monitoring phase.

Protection of the environment and natural resources and the social compatibility of the projects financed by the OeEB are fundamental principles that govern the actions. In addition to adherence to local and national environmental and social regulations of the respective country, the OeEB also strives for the adoption of international environmental, social, and human rights standards when financing projects.

A focus area of the OeEB's strategy "Financing our shared future" is the crosscutting target climate mainstreaming and climate finance. Specific emphasis is set on renewable energy. The OeEB sets a focus on Sustainable Development Goal (SDG) 7 "affordable and clean energy" and SDG 13 "climate action" in its strategy, aiming to target its main contribution in these areas, with a strong focus on renewable energy and energy efficiency. The OeEB has become the largest Austrian provider of climate finance in developing countries. More than 40% of the OeEB's portfolio is dedicated to projects that include climate-change objectives, as based on the Rio Climate Markers.

Key provisions and pillars

The current Three-Year Programme on Austrian Development Policy 2019-2021 defines "protecting and preserving the environment" as one of five thematic priorities for this period. This priority covers actions on

climate change, biodiversity and ecosystems, as well as resource efficiency and sustainable consumption and production.

The Strategic Guidelines of the Federal Ministry of Finance for International Financial Institutions name "sustainable energy and climate protection" as one of four priority areas for the programmatic co-operation with IFIs. Various programmes, such as the International Bank for Reconstruction and Development (IBRD) Climate Support Facility; the International Finance Corporation (IFC) Europe and Central Asia (ECA) Climate-Smart Finance Facilitation Program; and the European Bank for Reconstruction and Development (EBRD) City Regeneration and Environment (CREATE) Fund Programme, to name just a few, are supported under this priority area.

A focus area of the OeEB's strategy is the crosscutting target climate mainstreaming and climate finance. The OeEB is also committed to mainstreaming climate protection and will also endeavour to support technologies that emit as little carbon dioxide as possible, as part of projects that do not explicitly target climate protection.

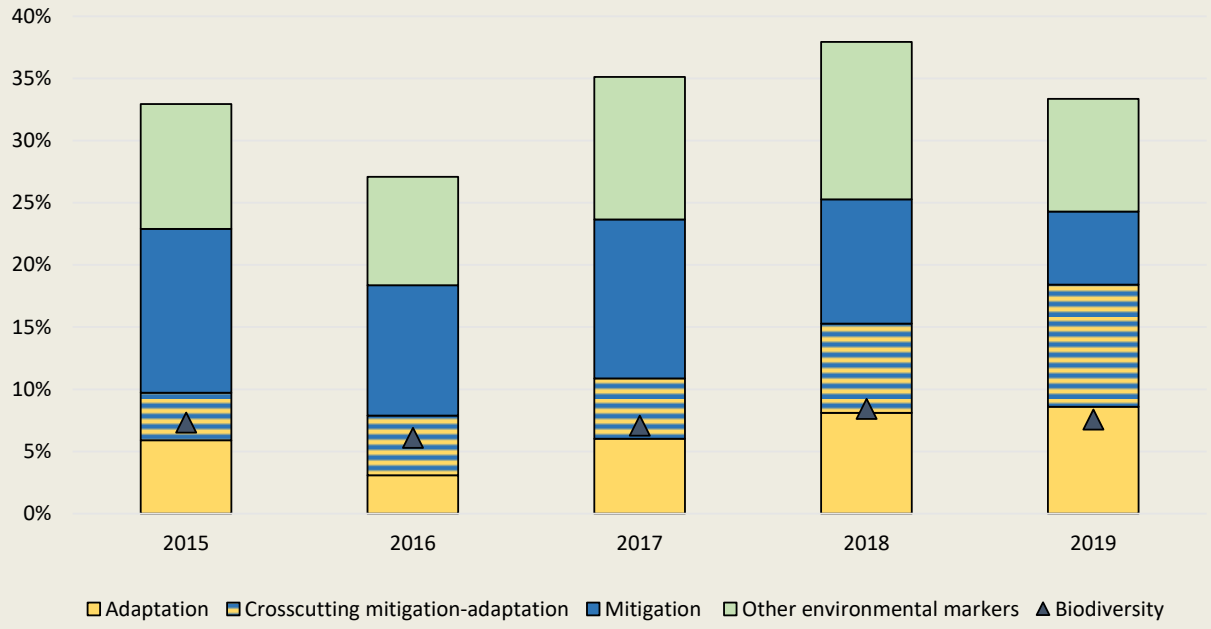
OeEB further signed the EDFI Statement on Climate and Energy Finance. Measures include:

- European Development Finance Institutions (EDFIs) will align all new financing with the objectives of the Paris Agreement by 2022 and will transition Austria's investment portfolios to net-zero greenhouse gas (GHG) emissions by 2050 at the latest.
- EDFIs will exclude new coal and fuel oil financing and will limit other fossil fuel financing to Paris-aligned projects until generally excluding them by 2030 at the latest.
- EDFIs will build on its members' track record in climate finance and the mobilisation of private sector finance by holding themselves to ambitious individual targets and by reporting publicly on progress.
- EDFIs will invest strategically and provide assistance to clients to support the development of Paris-aligned projects, and to promote green growth, climate adaptation and resilience, nature-based solutions, access to green energy and a just transition to a low-carbon economy.
- EDFIs will make climate-related financial disclosures in line with high international standards, specifically adopting the recommendations of the Task Force on Climate-related Financial Disclosures.
- EDFIs will embed climate action and climate risk management at every level of Austria's institutions.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Austria's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Actors working in development co-operation have adopted various tools to mainstream climate and environment into their operations.

The Austrian Development Agency (ADA) has adopted the following tools and guidelines:

- A comprehensive Environmental, Gender and Social Impact Management System, which supports the alignment with environmental and climate objectives and avoidance of negative impacts, and includes a checklist.
- A set of guidance documents and issue briefs on specific environmental and climate issues, e.g. on environment and climate in the context of the coronavirus (COVID-19) response has been developed.
- In the context of the co-operation with IFIs, the MoF applies the Strategic Guidelines of the Federal Ministry of Finance for International Financial Institutions.
- For other tools for specific issues like climate risk assessment, the ADA draws on tools developed by other donors or on guidelines developed by the DAC Environet.

The OeEB has also adopted the following tools and guidelines:

- If necessary, the OeEB creates a catalogue of measures in the form of an action plan, which then becomes a binding condition as part of the loan agreement. Adherence to environmental and social standards is verified at regular intervals over the course of the project. See also EDFI Principles for Responsible Financing.
- As a fundamental benchmark, the OeEB observes the ecological and social standards agreed upon by the EDFI, the Association of European Development Finance Institutions. These include:
  - The Performance Standards on Social and Environmental Sustainability developed by World Bank subsidiary IFC, which have become the established market benchmark.
  - The Environmental, Health and Safety Guidelines of the World Bank Group.
  - The international conventions of ILO (International Labour Organization).
- A Joint Impact Model, a publicly available model, which enables the quantification of indirect jobs, value added, and GHG emissions related to investments of financial institutions.
- Consideration of climate risks and the start of climate reporting according to the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, which can be found for the first time in this sustainability report.

Monitoring, evaluation and learning frameworks

The ADA's Environmental, Gender and Social Impact Management (EGSIM) system is geared to cater the whole project cycle and contains specific references to monitoring, evaluation and learning (MEL). For instance, the status of recommendations from the EGSIM is by default included in the semi-annual status reports by its country offices. Terms of reference (ToRs) for evaluations in general practice include evaluation questions on how crosscutting issues and any recommendations from assessments have been addressed.

For OeEB, the above-mentioned methodologies are applied from the beginning of the screening of each project. This implies that depending on the stage of the analysis of a project – initial screening, first due diligence, signing, implementation, etc., the respectively applicable analyses will be carried out. In light of the growing importance of integrating environment and climate objectives into all project phases and operational processes, the OeEB has since the start of the strategy cycle continuously increased its institutional learning framework, incorporated new analytical tools, advanced its data-processing facilities, deepened its knowledge base and improved data collection.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

In the context of its bilateral programmes with partner countries, the Austrian Development Co-operation provides support to the development and implementation of national transition strategies, including through support to integrating environment and climate into sectoral plans and at the local level. One important entry point is support to countries' own systems and tools for environmental mainstreaming and Environmental Impact Assessment/Strategic Environmental Assessment (EIA/SEA) procedures.

In the context of co-operation with IFIs, the MoF supports the efforts by various IFIs to implement national transition strategies.

The OeEB does not directly engage in support for partner countries in the above-mentioned context.

Examples of projects to support national transition plans

Austria provides support to the Global Network of Regional Sustainable Energy Centers (GN-SEC) and various Regional Centres for Energy Efficiency and Renewable Energy who support Regional Economic Communities/Organisations and their member countries in formulating their transition strategies.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

The Strategic Guideline on Environment and Development in Austrian Development Policy (2009) defines principles that guide Austria's response to the complex interconnections and challenges of environmental protection in development co-operation This includes, among others, harnessing synergies between environmental protection and poverty reduction, preventing adverse environmental impacts and maximising beneficial ones and adopting integrated, multi-sector approaches, wherever possible. In addition, the guideline identifies four thematic priorities for Austrian engagement on environment and climate:

- sustainable natural resource management, combating desertification and preserving biodiversity
- sustainable chemicals and waste management
- climate protection
- water and sanitation.

Nationally Determined Contributions (NDCs), the SDGs and other country-owned strategies provide important reference documents for the Austrian Development Co-operation. Austria particularly works at the local level and supports transition and adaption at local levels.

As an EU member, Austria supports the European Green Deal and its external dimension. In particular, its co-operation with the Western Balkans, the Green Agenda for the Western Balkans and the Sofia Declaration signed by the Heads of States of all six Western Balkan countries, provide an important reference point for future Austrian co-operation.

The OeEB has signed the EDFI Principles for Responsible Financing Policy Statements, which reflect the approach of EDFIs in the context of transition, environmental sustainability, climate resilience and consistency with low-emissions development pathways towards net-zero. This demonstrates the aim of having a positive impact, the endeavour to ensure respect for human rights, and environmental and social sustainability. The core headings include responsible finance (e.g. recognise that activities may be associated with negative environmental, social and human rights impacts for local communities and therefore require Austria's investee companies, as applicable, to mitigate these risks and work towards relevant international norms and standards); and impact management (support investee companies' impact on SDGs; support the Paris Climate Agreement and the achievement of national contributions by directing financial flows consistent with pathways towards low and reduced GHG emissions and climate-resilient development; and participate in climate finance tracking and collaboration on climate-related issues). EDFI has also adopted the Operating Principles for Impact Management.

The OeEB is committed to mainstreaming climate protection and will also endeavour to support technologies that emit as little carbon dioxide as possible, as part of projects that do not explicitly target climate protection. The OeEB has a target of 40% of new commitments (over five years) for projects qualifying as international climate finance.

Support for sustainable, quality infrastructure

In the context of co-operation with IFIs, the MoF is placing great attention on supporting sustainable, quality infrastructure in all IFIs in which Austria is shareholder.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Austrian support in the energy sector is geared towards contributing to supporting transitions to environmentally sustainable, low-emissions and climate-resilient development pathways.

- One example in the context of co-operation with IFIs is the MoF's contribution to the IBRD Climate Support Facility. In this context, and among other objectives, the MoF supports the IBRD in addressing fiscal policy and regulatory reform needs in the countries of the Western Balkan region, with the aim of putting the economy on a more sustainable and resilient growth path, while ensuring social inclusion ("just transition").
- The Climaproof project aims to enhance environmental performance and the climate proofing of infrastructure investments in the Western Balkan Region from an EU integration perspective.
- Poverty Environment Action for the SDGs.

Examples from OeEB include:

- OeEB promotes Sustainable Banking Initiative (oe-eb.at).
- OeEB finances environmental and social risk management trainings for Bangladeshi banks (oe-eb.at).
- Study – Status Quo of the Renewable Energy Sector in Montenegro (oe-eb.at).
- Hydro Information and Planning System (oe-eb.at).

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Examples of projects in support of SIDS' sustainable development

One example in the context of co-operation with IFIs is the MoF's support of the Global Environment Facility, which has provided support to Small Island Developing States (SIDS) for 30 years, particularly in the areas of climate change adaptation, climate change mitigation and biodiversity. A second example is the support of the Asian Development Fund, which has a special focus on SIDS and to which Austria is a longstanding contributor.

The Austrian Development Co-operation supports the Pacific and the Caribbean Centers for Renewable Energy and Energy Efficiency (PCREEE and CCREEE) and on specific renewable energy and energy efficiency solutions to SIDS. One specific activity supported was the development of an online capacity building programme on sustainable energy for SIDS.

Supporting SIDS' access to finance

Both PCREEE and CCREEE have programmes and activities that support their member states in accessing finance and addressing barriers and bottlenecks to the upscaling of proven solutions. A Project Preparation Facility (PPF) has been initiated that addresses the technical barriers impacting the development of sustainable energy projects. The PPF provides member states with project development support through advisory services, technical assistance and project developer-financier matchmaking.

Belgium

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Belgium's political commitments

The integration of environment and climate objectives is enshrined in the Belgian Law on Development Co-operation. Environment and climate are identified in this law as crosscutting issues that must be incorporated throughout all development co-operation.

This approach to support resilience of vulnerable communities in developing countries against shocks such as climate change and the coronavirus (COVID-19) pandemic is also reflected in the recently issued Policy Note of Meryame Ktir, Minister for Development Co-operation and Major Cities Policy in the current government.

Targets

The Directorate-General for Development Co-operation and Humanitarian Aid (DGD) tracks progress on its contribution to the Sustainable Development Goal (SDG) targets, including the targets on SDG 11, 12, 13, 14 and 15. Belgium requests its implementing partners to indicate how their projects and programmes contribute to these targets.

With regard to climate finance, Belgium sets the target of a contribution of EUR 50 million annually until 2020. Currently, discussions between the different entities competent on climate policy for new target setting for the post-2020 period are ongoing. The Minister for Development Co-operation of the Federal Government has expressed the intention to contribute to the Belgian effort with an annual contribution of EUR 100 million.

Strategies and policies for systematic integration

An environmental strategy for the Belgian development co-operation was published in 2014. Based on this, the DGD developed a "Climate Vision" in 2018. Belgian international climate finance is currently being evaluated and this evaluation will provide lessons learned to further improve implementation of both strategies. Belgian climate finance focuses on climate change adaptation and least-developed countries in Africa.

With regard to specific channels, Enabel, the Belgian Development Agency, and BIO, the Belgian Investment Company for Developing Countries, have specific strategies on climate:

- Enabel's strategy

- BIO's strategy.

Key provisions and pillars

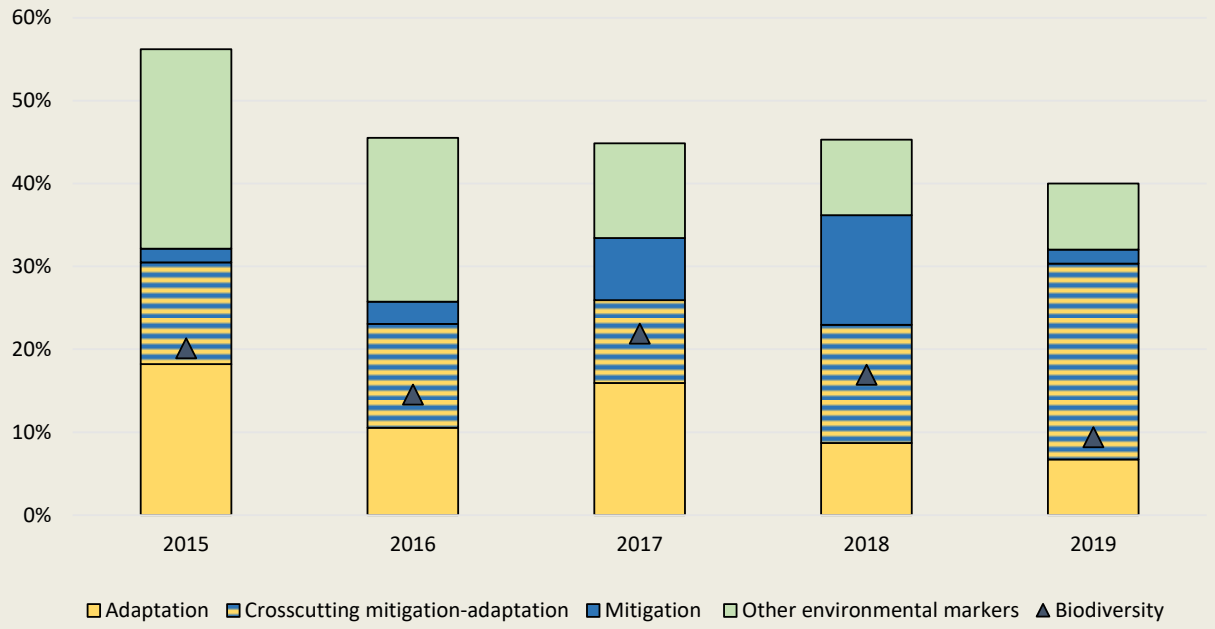
In the spirit of its environmental strategy, Belgian development co-operation will continue to develop its contribution to the fight against climate change via a three-way approach:

- The Belgian Development Co-operation works towards incorporating climate and environmental concerns and opportunities in the full project cycle of the programmes and projects it finances, and which are implemented by a wide range of partners.
- Specific climate action, mainly with multilateral partners. In this regard, a number of specific budget lines were created in the development co-operation budget. In the lead-up to 2020, Belgian development co-operation plans to gradually increase this expenditure after 2020.
- Ensuring policy coherence with regard to climate, environment and development.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Belgium's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

All programmes and projects that are submitted to the DGD for funding are screened on how they contribute to climate and environment objectives (mandatory by law). A tool to support this was developed

by the research platform KLIMOS. Use of the tool, however, is not mandatory; other suitable tools may be used as well.

Monitoring, evaluation and learning frameworks

For implementation of a Belgian climate and environment policy in development co-operation, it is vital that the integration of climate and environment into the programmes and projects of Belgian actors is also reflected in the result frameworks submitted. To this end, within the broader results framework a link is made to the SDGs. Efforts will continue to be made to identify and develop the most relevant result indicators for climate.

The results frameworks of the Global Environment Facility (GEF), Least Developed Countries Fund and Green Climate Fund (all supported by Belgian Development Co-operation) contain a number of specific indicators for climate actions which, where relevant, can also be used to monitor the programmes of Belgian actors.

Some examples include:

- **For mitigation**: Tonnes of carbon dioxide equivalent avoided or reduced; greenhouse gases removed by sinks; number of households and individuals (disaggregated for gender) with improved access to low-carbon energy sources; megawatts of installed capacity of renewable energy (new or rehabilitated); hectares of land or forests under improved protection and management if this leads to reduced greenhouse gas emissions and improved carbon storage; and with respect for social and environmental standards, number of legislative measures that have been adapted or introduced to facilitate or encourage mitigation.
- **For adaptation**: Number of direct and indirect beneficiaries (percentage in relation to total population) of adaptation measures; number of physical assets that have been built or modified to increase their resilience to climate variability and climate change; value of the investments in these physical assets; number of people with access to improved services for climate information, or early warning systems for climate-related disasters; and regulatory measures taken to handle new requirements more effectively, due to new and future climate conditions.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

At different levels, a policy dialogue with developing country partners is conducted to prepare and support programmes and projects to be funded by the Belgian Development Co-operation.

This can be done at the national or sub-national level for programmes to be implemented by Enabel, but Belgian Development Co-operation civil society partners also have a broad network of civil society partners in developing countries who are included from the start in the preparation process of funded programmes to ensure local ownership and alignment with national plans.

Examples of projects to support national transition plans

Belgium is an active member of the NDC Partnership, through which it supports the implementation of Nationally Determined Contributions (NDCs) in partner countries. To support the Partnership, Belgium has funded several climate facilitators, advisors and experts in African countries. The additional climate finance provided by the federal government will be used to upscale this effort.

Belgium is also a long-standing supporter of the Least Developed Countries Fund, which was founded to support development and implementation of National Adaption Programmes of Action (NAPAs) and National Adaptation Plans (NAPs).

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

As highlighted in Belgium's Fourth Biennial Report on Climate Change under the United Nations Framework on Climate Change, the provision of financial, technological and capacity-building support to developing countries primarily focused on:

- predominantly adaptation and crosscutting activities
- provision of bilateral and multilateral support in the form of grants
- contributions mainly directed towards Africa and Least Developed Countries (LDCs)
- contributions to climate-specific multilateral funds (Green Climate Fund, Adaptation Fund, Least Developed Countries Fund, etc.) or specialised United Nations (UN) agencies.

In parallel to its long-standing provision of public climate finance to developing countries, Belgium also supports the efforts of developing countries to implement low-emissions, climate-resilient projects and programmes by:

- providing significant core funding to multilateral organisations
- mobilising, via public resources, private investments for climate-related projects in developing countries.

Support for sustainable, quality infrastructure

Belgium did not report activities in this area.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Belgium did not report activities in this area.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The support of the Belgian Development Co-operation for Small Island Developing States (SIDS) is mainly channelled through multilateral funds such as the GEF, the Green Climate Fund, the Adaptation Fund and the Least Developed Countries Fund.

Belgium is one of the countries calling for action in 2021 to save the global ocean in the face of climate change and other threats. These countries, known as the "Blue Leaders", are committed to securing a new international target to protect at least 30% of the global ocean through a global network of highly and fully protected marine areas by 2030 ("30x30") and the successful negotiation of a strong new UN High Seas Treaty.

Supporting SIDS' access to finance

Belgium did not report activities in this area.

Canada

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Canada's political commitments

As articulated in the Speech from the Throne 2020 and Canada's Federal Budget 2021, promoting a cleaner environment, climate action and a green economy is a core priority for Canada. This is also reflected in Canada's commitments to combat climate change and biodiversity loss around the world.

At the 2021 G7 Leaders' Summit, Canada announced a doubling of its international climate finance commitment, to CAD 5.3 billion over the next five years. This will help reach the collective goal of mobilising USD 100 billion annually in climate finance by 2025. Canada also endorsed the G7 2030 Nature Compact and its objective of halting and reversing biodiversity loss by 2030. It includes ensuring that international assistance does no harm to nature and delivers positive outcomes overall for people, climate and nature as part of its commitment and contributions to net-zero by 2050 and nature positive by 2030.

Targets

Canada's International Climate Finance is a flagship programme leading efforts on promoting low-carbon and climate-resilient economies and societies in developing countries. At the 2021 G7 Leaders' Summit, Canada announced a doubling of its international climate finance commitment, to CAD 5.3 billion over the next five years, which includes increased funds for adaptation and biodiversity. The Government of Canada also increased its grant contributions of climate financing up to 40%, from 30% previously. These commitments are tracked at the project level and Canada will continue to publish progress regularly in annual reports and on Canada's Climate Finance webpage.

Canada tracks three key indicators related to environment and climate action in its development assistance, which are:

- number of people newly employed in the environment sector, including in technical, supervisory and management roles (Sustainable Development Goal [SDG] 13)
- number of beneficiaries from climate adaptation projects (SDG 13.1)
- mega tonnes of greenhouse gas emissions reduced or avoided (SDG 13).

Progress is shared in annual publications, such as the Report to Parliament on the Government of Canada's International Assistance.

Strategies and policies for systematic integration

Environment and climate action is one of six priorities under Canada's Feminist International Assistance Policy (FIAP). Canada focuses its Environment and Climate Action Area efforts on three paths to action: 1) strengthening environmental governance and enhancing women's participation in decision making; 2) investing in low-carbon and climate-resilient economies; 3) developing environmental practices that support healthy, resilient, adaptive communities.

The Environment and Climate Action Area Policy also guides the mainstreaming of environment and climate change considerations in all sectors of Canadian international assistance programming to ensure its environmental sustainability through an Environmental Integration Process (EIP). This process ensures not only that international assistance efforts do not harm the environment, but also that environmental degradation does not erode development gains and that opportunities linked to environment, climate change and natural resource management are identified and seized.

The 2020-2023 Departmental Sustainable Development Strategy supports the Federal Sustainable Development Strategy (FSDS) as required by the Federal Sustainable Development Act. Global Affairs Canada supports the goals laid out in the FSDS through the activities described in this Departmental Sustainable Development Strategy (DSDS). Through the DSDS, Global Affairs Canada contributes to the achievement of three goals of the 201-22 FSDS:

- greening government
- effective action on climate change
- clean growth.

Key provisions and pillars

In Canada's FIAP, the main components of the Environment and Climate Action Area policy are:

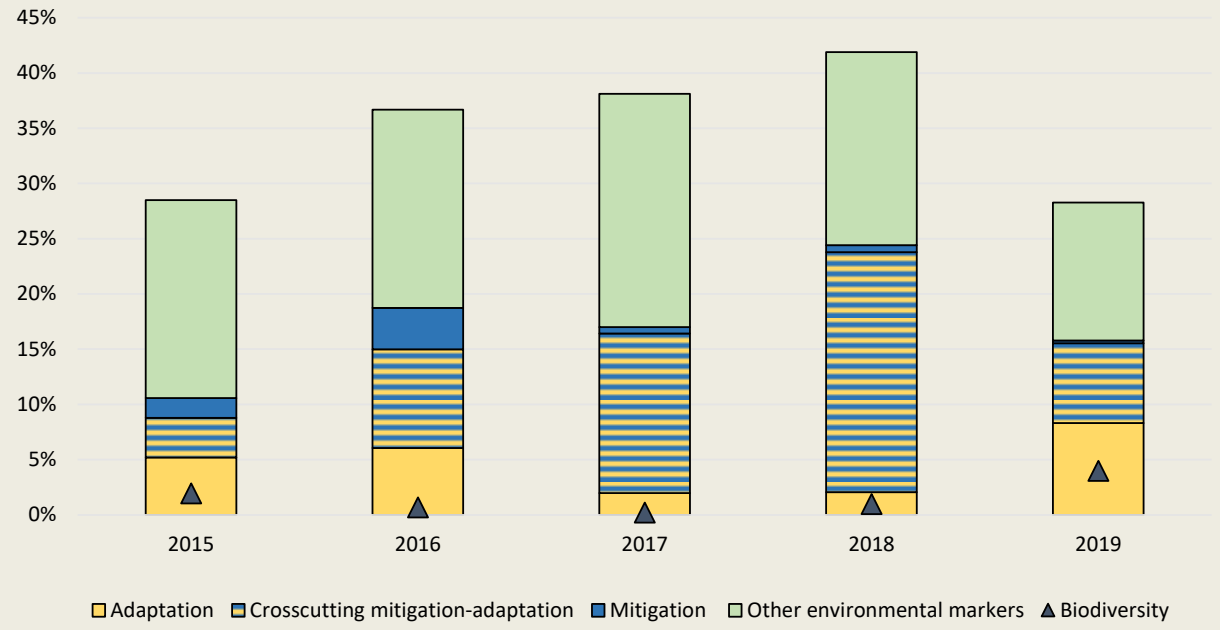
- **Path 1. Strengthening environmental governance and enhancing women's participation in decision-making**: Canada's objective in this path is to support government institutions and international organisations' efforts to develop, finance, implement and enforce strong environment-related and environmentally sensitive diplomacy, laws, policies, plans, frameworks and services. This path will have a strategic focus on engaging representatives of the private sector and civil society, particularly women and vulnerable people, as active leaders and participants. This approach supports evidence-based decision making grounded in reliable environmental data and analysis.
- **Path 2. Investing in low-carbon and climate-resilient economies**: Canada's objective in this path is to promote the transition toward low-carbon and climate-resilient economies. This goal will be pursued by working with a full range of financial partners, as well as think tanks, universities and civil society, to increase investment and business opportunities and enhance livelihoods, including for women and vulnerable people, in low-carbon, clean-growth sectors. Canada will aim to improve access to, and the availability of, gender-responsive financing for climate change mitigation and adaptation initiatives, and of innovative environmentally sustainable technologies, with a focus on those that respond to the needs and priorities of women.
- **Path 3. Environmental practices that support healthy, resilient, adaptive communities**: Canada's objective in this path is to support the adoption of environmentally sound practices to build resilience, strengthen climate-change adaptation and mitigation, reduce pollution, and improve sustainable natural resource management. This path will strategically focus on supporting the leadership and ownership of women, youth and vulnerable groups in developing local practices and technologies, such as climate-smart agriculture, that equip them to plan, prepare and respond to sustainability challenges. This approach will harness traditional ecological knowledge and

practices, and will also incorporate disaster-risk reduction, including strategies to improve climate resilience.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Canada's integration of climate objectives

As a share of bilateral allocable aid (commitments)



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Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

The Impact Assessment Act (IAA) ensures that all Government of Canada resources, including development assistance, are utilised in a manner that does not cause harm to the environment and society.

The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals dictates that all Policies, Plans, and Proposals, including all documents of strategic nature, are assessed in order to reduce potential adverse risks and seek opportunities to enhance these initiatives.

To comply with the IAA and the Cabinet Directive, since May 2014, Global Affairs Canada has implemented the Environmental Integration Process (EIP), which is applicable to development assistance initiatives. The process integrates and streamlines the department's environmental policy and legal requirements into a single process, and applies a screening process to all of its development assistance initiatives.

Monitoring, evaluation and learning frameworks

The FIAP Environment and Climate Action Area policy is operationalised in an Action Area Results Framework (AA RF), which contains the following results-based management operational tools: a corporate-level logic model, theory of change and an indicator menu. The indicator menu includes key performance indicators (KPIs) that are used for data aggregation and roll-up of strategically selected project-level results at the corporate level. Results reporting with an analysis of progress on or toward the achievement of expected outcomes is completed annually for each project. Such monitoring at the project level is made by implementers and by departmental programme staff.

Global Affairs Canada's Evaluation Division is integrating environment and climate objectives in all evaluations where it is relevant, and specifically where programming has had such a focus. The division is also working closely with departmental experts to assess how evaluations can be used to systematically collect common data on environment and climate change. Its rolling 5-year Departmental Evaluation Plan, which is mandated by the Treasury Board Policy on Results, is based on an extensive analysis and a number of consultations with key stakeholders to ensure that planned evaluations can reflect the requirements, needs and priorities of the department. This plan includes an upcoming evaluation on the Environment and Climate Action, one of the key action areas of the FIAP. The evaluation division also recently concluded a joint evaluation with Environment and Climate Change Canada on International Climate Change Co-operation, where an internal review of its climate finance programming was integrated.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

To support partner countries in the implementation of their own national transitions to environmentally sustainable, low-emissions and climate-resilient development pathways, Canada has established funds at many international financial institutions, including the Asian Development Bank (ADB), Inter-American Development Bank (IDB), the World Bank and other climate and environment-focused facilities, such as the Green Climate Fund and the Global Environment Facility. These funds support sustainable, quality infrastructure, including in renewable energy.

Examples of projects to support national transition plans

- As part of its international climate finance, Canada has committed CAD 4 million to the National Adaptation Plan (NAP) Global Network to support developing countries, particularly the poorest and most vulnerable, in undertaking more effective adaptation planning and implementation.
- Canada supported Haiti with a project to produce a national action plan for the clean energy sector to restructure the energy used by households and small businesses by reducing the use of wood or charcoal and promoting alternatives.
- Canada supports the Africa Climate Change Fund (ACCF), focusing on gender equality and climate action in Africa. This funding supports small-scale, climate-resilient projects aimed at increasing women's economic empowerment and initiatives enhancing women's participation in climate negotiations in countries across Africa. Project activities include: 1) supporting women and girls in climate change adaptation work and other grantees seeking to address opportunities and challenges for women in the transition to low-carbon economies; and 2) organising training, outreach and awareness-raising activities to increase women's participation in climate negotiations

and to promote the integration of gender equality issues in Nationally Determined Contributions (NDC) and other national climate change strategies.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Canada's increased commitment to international climate finance recognises that urgent action is needed to address the interconnected crises of climate change and biodiversity loss, which disproportionally affect the poorest and most vulnerable. This funding will help developing countries build domestic capacity to take climate action, build resiliency, and reduce pollution, including by finding nature-based solutions to climate change like protecting biodiversity and planting trees, and supporting the transition to clean energy and the phasing-out of coal.

Alignment with the Paris Agreement should prioritise low-carbon energy initiatives, other low-carbon activities and emissions reductions technologies such as carbon capture, usage and storage (CCUS), end-use energy efficiency, and climate resilient investments that support developing countries' domestic climate change plans. Low-carbon energy includes renewable electricity generation, nuclear energy, sustainable fuels, and other low-carbon energy sources. Transitioning away from coal to clean energy, both domestically and in developing countries, is essential to safeguard development gains made over the last decades and to further empower the poorest and most vulnerable, particularly women and girls. This transition could require using other, less carbon-intensive, fossil fuels, such as oil and gas in certain circumstances.

Support for sustainable, quality infrastructure

Canada supports quality infrastructure through its dedicated climate funds. For example, the Canadian Climate Fund for the Private Sector in Asia funded a project in Viet Nam to install floating solar panels over the expansive reservoirs of Viet Nam's Da Mi hydropower plant to sustain the power stations even during the dry season. The 47.5 MWp floating solar plant is now the first large-scale floating solar project in Southeast Asia, and it is paving the way for other countries to gain more confidence in renewable energy.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Started in 2018, the CAD 250 million International Finance Corporation (IFC)-Canada Blended Climate Finance Program (BCFP) provides concessional co-financing alongside IFC to initiatives that: 1) increase private sector financing and engagement across a broad cross-section of climate mitigation and adaptation activities; and 2) seek to promote market transformation activities that can move markets towards low-emissions and climate-resilient pathways. With a growing focus on the poorest and most vulnerable countries, the BCFP promotes gender-sensitive climate investing, recognising that climate change disproportionally effects girls and women.
- Canada also supports the Canadian Climate Fund for the Private Sector in Asia. The fund aims to catalyse greater private sector investment in climate change mitigation and adaption projects in low and lower middle-income Asian and Pacific countries and upper middle-income Small Island Developing States (SIDS) in the region. The fund provides concessional financing alongside ADB resources, to private sector projects that require more generous terms to be viable.
- Canada participates in key energy transition initiatives, and in strategic clean energy dialogues at the G7, G20, the Organisation for Economic Co-operation and Development (OECD), the International Energy Agency, the International Renewable Energy Agency, the Nuclear Energy Agency, the Clean Energy Ministerial and Mission Innovation. Canada co-chairs, with the United Kingdom, the Powering Past Coal Alliance, which is the world's leading initiative to

accelerate a global phase-out of coal-fired electricity. Canada is also member of a group of like-minded senior government representatives, who are shareholders in the big six multilateral development banks (MDBs), to advocate for MDB alignment with the Paris Agreement.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Canada has been leading efforts along with Jamaica and United Nations (UN) counterparts through the Financing for Development in the Era of COVID-19 and Beyond initiative to develop short, medium and long-term policy responses to the economic devastation caused by the pandemic – including for SIDS.

SIDS in particular have made extensive use of the opportunities that the Financing for Development initiative provided to feed into and facilitate dialogue with the G20, G7, International Monetary Fund (IMF) and World Bank, and to call attention to the particular economic and climate-related vulnerabilities of SIDS.

In the Caribbean, Canada has prioritised support for SIDS' natural disaster resiliency and recovery. Following the 2017 hurricane season, Canada committed CAD 100 million for reconstruction to strengthen climate and economic resilience in the Caribbean, including by engaging the private sector. In 2020, Canada announced CAD 61.5 million in new initiatives to support Caribbean Community (CARICOM) countries in bolstering their climate and economic resilience, increasing capacity building through technical assistance, and enhancing educational exchanges. This includes CAD 20 million for the Canada-CARICOM Climate Adaptation Fund, which will support Caribbean Catastrophe Risk Insurance Facility (CCRIF) premiums for nine official development assistance (ODA)-eligible CARICOM countries and provide technical assistance to develop new innovative financing instruments for climate adaptation and resilience.

At the most recent G7 Leaders' Summit, Canada announced a doubling of Canada's climate finance, including increased support for adaptation, as well as nature and nature-based solutions that are in line with the G7 2030 Nature Compact, which will benefit SIDS.

Canada has sought to advance work in international fora such as the UN, World Bank and IMF, Green Climate Fund and in the G7, to better address the challenges of SIDS and help improve their access to climate financing for adaptation and mitigation. As such, Canada supports the CCRIF, which developed parametric policies backed by traditional and capital markets, and provides rapid pay-outs. Through the G7 Development and Finance Minister's Meeting, and the Paris Club, Canada also championed resilient debt instruments, which provide debt service relief to countries after natural disasters.

During its G7 Presidency, Canada supported increased mobilisation of resources and knowledge through innovative financing approaches, such as blended finance, climate resilient debt instruments, risk mitigation tools and investor partnerships. Canada established blended (concessional) finance funds to mobilise private sector investment in climate action, including through the IDB and the IFC, both of which have specific targets for supporting the Caribbean.

Through a conference in Nairobi in 2018, Canada committed CAD 65 million to the World Bank's Multi-Donor Trust Fund - PROBLUE. Caribbean countries are increasingly looking at the Blue Economy (sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health) to maximise and protect the opportunities from their large marine territories, and to try to diversify their economies. As such, further to its commitment to the PROBLUE trust fund, Canada and the Caribbean Development Bank co-hosted two events on the margins of the Caribbean Renewable Energy Forum to share and build a vision for the Blue Economy. Canada also supported discussions on the role of women in the Blue Economy at these events.

Finally, the Caribbean has committed to the Sendai Framework for Disaster Risk Reduction and hosted the VI Regional Platform on Disaster Risk Reduction in the Americas in Jamaica in July 2020, which was viewed as an opportunity for the region to accelerate action against natural and man-made disasters. Canada has supported ODA-eligible countries' attendance at past conferences.

Examples of projects in support of SIDS' sustainable development

Canada made global economic resilience to disasters a priority of its G7 Presidency in 2018 and announced CAD 100 million for Climate Risk Insurance coverage in vulnerable countries, including SIDS.

Canada provided CAD 60 million to establish a Renewable Energy in Small Island Developing States Program at the World Bank. This funding supports the expansion of clean energy systems and infrastructure (including battery solutions), improvement of energy access for women and girls, and the provision of training and employment opportunities for women in non-traditional, sustainable technology sectors, in SIDS.

Supporting SIDS' access to finance

Canada provided CAD 9.5 million to the Climate Finance Access Network to support the most climate vulnerable developing countries, including Pacific Small Island Developing States, in building their capacity to structure and secure public and private finance for priority climate mitigation and adaptation investments. Although Small Island Developing States make negligible contributions to global greenhouse gas emissions rates, they find themselves on the frontline in the fight against climate change and are the most vulnerable to its impacts.

Czech Republic

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Czech Republic's political commitments and targets

As highlighted in the Czech Republic's Development Co-operation Strategy 2018-30, climate and environment are crosscutting priorities of the Czech development co-operation programme. The do no harm" principle is systematically applied and assessed across all programmes and projects. New methodology for mainstreaming crosscutting priorities is being prepared; it will include clear targets and indicators to be followed throughout the project cycle.

In 2020, the Czech Republic became a member of the United Nations (UN) Group of Friends on Climate and Security calling for tangible action and requesting the UN Security Council to create tools necessary to prevent and resolve conflicts driven by the adverse effects of climate change.

The Czech Republic was also one of ten members in the Preparatory Committee on the Sendai Framework for Disaster Risk Reduction and actively promotes its implementation, including in a specific programme devoted to Disaster Risk Reduction (DRR) and Resilience. In the context of the post-pandemic recovery, the Czech Republic has taken up DRR and climate change as well as the link between humanitarian – development – peace nexus as its foreign policy priorities during the upcoming Czech EU Presidency in 2022. They also actively support the European Union's "Building Back Better and Greener" approach, including by their anticipated participation in several Team Europe Initiatives focused on the external dimension of the European Green Deal.

Climate security of their neighbourhood is supported by an active engagement in the Organization for Security and Co-operation in Europe (OSCE) Group of Friends on Environment. The Czech Republic was a founding Member of this Group in 2019 and is the second biggest donor in the OSCE project on Climate Security in the Western Balkans.

In 2018, the Czech Republic approved a strategic framework, Czech Republic 2030, which was prepared by the Government Council for Sustainable Development and provides a holistic vision for implementing the sustainable development agenda, both on domestic and international levels. The set of indicators included in this strategy serve to measure the progress in meeting specific objectives and provide a basis for regular assessment reports. Data collection and definition of indicators is ensured by relevant Committees of the Government Council for Sustainable Development. In this strategic framework, the Czech Republic reaffirms its commitment to global development, acknowledges its global responsibility and emphasises the need to pursue international co-operation in order to achieve the Sustainable Development Goals (SDGs) globally. The impact of domestic policies on developing countries, including in the area of environment and climate, is regularly assessed within this framework.

Beside other financial contributions, the Czech Republic contributes every year to the Global Environment Facility (GEF) through the Ministry of Environment (in 2020, approximately USD 2.7 million).

Strategies and policies for systematic integration

As mentioned above, according to the Development Co-operation Strategy 2018-30, climate and environment are considered crosscutting priorities. In particular, the Czech Republic will maintain its commitment to sustainable use of natural resources, and to environmental protection and biodiversity. It will continue to focus on increasing the resilience of partner countries to the negative impacts of climate change and natural disasters, while promoting the development of national, regional and global mechanisms for effective climate change management and capacity building.

As highlighted in several official documents, disaster risk reduction, preparedness and resilience are among the main thematic priorities of the Czech Republic's humanitarian efforts abroad. Climate and DRR are also reflected in the priorities for Czech Republic's EU Presidency in the second half of 2022.

As a member of the Executive Board of UNDP, UNFPA and UNOPS (the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services) for the 2020-22 period, the Czech Republic pays special attention to the implementation of the Strategic Plans of these organisations, including the UNDP work through environment signature solutions. The Czech Republic also has a bilateral partnership with UNDP via a specific Trust Fund, focusing on sharing expertise and generating innovative solutions for achieving SDGs in partner countries. One of the main objectives of this partnership is to support the sustainable management of natural resources and “smart cities” (SDGs 6 and 13).

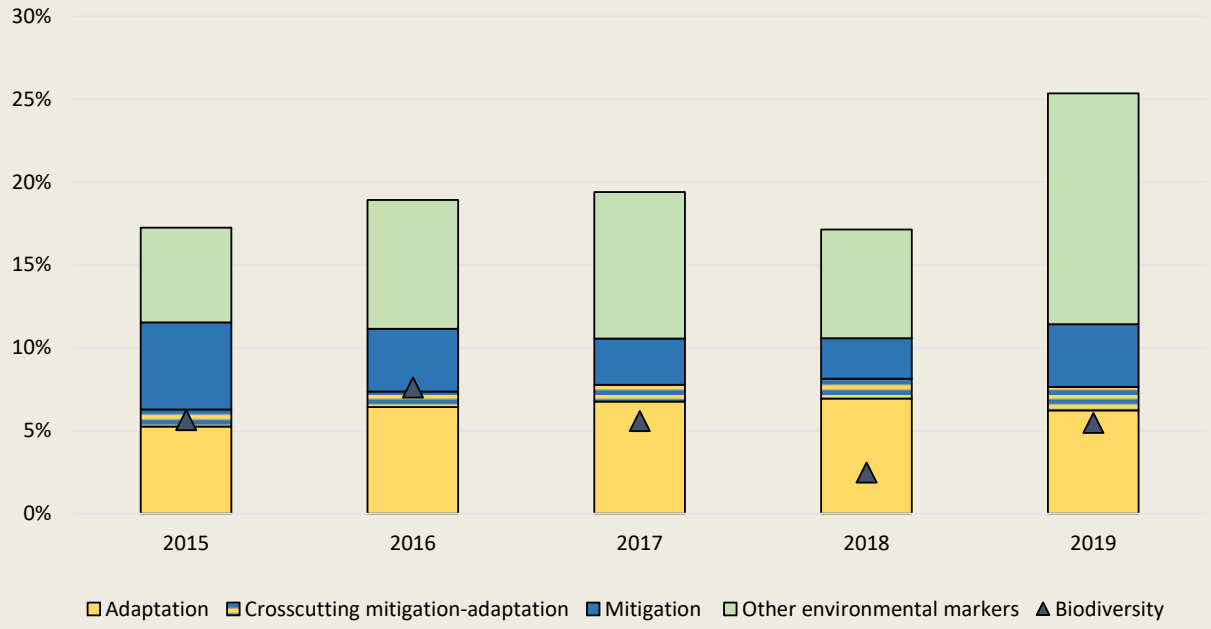
Key provisions and pillars

The Czech Republic's action on environment and climate is based on SDGs and relevant global and European strategies in the area of development, climate, environment and biodiversity, and is supported by national policies and tools. As a crosscutting priority of the Czech development programme, environmental and climate concerns are taken into account across the whole project cycle, from programming, through identification and implementation to monitoring and evaluation.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Czech Republic's integration of climate objectives

As a share of bilateral allocable aid (commitments)



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Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

In co-operation with experts from the Ministry of the Environment, the Czech Development Agency organises thematic workshops on mainstreaming environment and climate resilience objectives into development programmes, both for project managers from the Czech Development Agency and for implementing partners. A user-friendly toolbox on the mainstreaming of climate and environment as a crosscutting issue is under preparation in the form of checklists for all stakeholders across the whole project cycle. A toolbox on OECD DAC Policy Markers, including the Rio Markers for Climate, is being prepared by the Czech Development Agency in the form of a set of one-pagers aimed at relevant stakeholders (e.g. project managers, implementing partners, reporting analysts).

Monitoring, evaluation and learning frameworks

Climate and environment are crosscutting aspects in the monitoring framework as well as in all evaluations. Currently, a new methodology for mainstreaming crosscutting priorities (including climate and environment) is being prepared, which will include clear targets and indicators to be followed throughout the project cycle and should thus enable more systematic evidence-based monitoring and evaluations.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Partner countries' national development priorities are reflected in bilateral country programmes and in identification of bilateral projects. The Czech Republic supports the development of national DRR strategies, both in co-operation with the United Nations Office for Disaster Risk Reduction (UNDRR) and UNDP (financial contributions and expertise on demand targeted at implementation of the Sendai Framework), and with local governments and civil society organisation (CSO) partners (awareness-raising, early warning, adaptation in agriculture and water, sanitation and hygiene [WASH]).

Examples of projects to support national transition plans

In Bosnia and Herzegovina, transition from coal to biomass energy sources is promoted, in particular for the public sector. They focus on increasing energy security in rural areas across the country by sharing Czech technologies and implementing projects aimed at replacing coal-powered heating systems by biomass. Furthermore, they aim at strengthening the legislative framework, creating action plans for biomass management and applying effective business models. The project contributes to job creation and the economic development of the regions involved.

In all six priority countries, they promote "smart cities" and other innovative approaches through targeted SDG programmes, in co-operation with the UNDP.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

In the area of bilateral development co-operation, projects with primary or secondary impacts on environment and climate protection are mainly focused on: water resources protection, rehabilitation; water policies and water management that take into account environmental and socio-economic constraints on sanitation; waste management practices that bring environmental benefits; infrastructure projects designed with comprehensive and integrated environmental protection and management components; activities promoting sustainable use of renewable energy resources; sustainable management of agricultural land and water resources, including adaptation to climate change in vulnerable regions; combating land degradation and deforestation; sustainable use of sensitive environmental areas for tourism; and development and use of approaches aimed at biodiversity protection.

Support for sustainable, quality infrastructure

Due to the limited scope, most of Czech official development assistance (ODA) projects do not focus on infrastructure but rather on know-how and management issues.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Supporting small businesses to transition to solar energy in Cambodia
  - The goal of this four-year project is to enable micro, small, and medium-sized enterprises to switch from unsustainable energy sources to solar energy, and thus help to improve consumer habits in rural areas of Cambodia. The project will also support sustainable and inclusive economic growth by reducing environmental impact of selected businesses and their energy

consumption. In total, the project will help over one million Cambodians primarily from rural areas. It will also help Cambodia meet its targets for the Association of Southeast Asian Nations (ASEAN) Energy Co-operation Action Plan 2016-2025, in which ASEAN countries aim to achieve an overall higher share of renewable energy by 2025.

- Helping to develop an integrated approach to farming in Zambia
  - This project's goal is to increase agricultural production and productivity by small and medium-sized farmers through the implementation of sustainable agricultural practices. The project contributes to this goal through the intensification and diversification of agricultural production and the introduction of an integrated farming approach with the interconnection of plant and animal production, all with the maximum possible use of farm resources, while considering the available natural resources and the social aspects of rural development. Moreover, the approach to increasing agricultural productivity will take into account local natural resources and possible climate change impacts.
- Implementing the principles of sustainable landscape management around Lake Awassa
  - The objective of this project is to improve the environment around Lake Awassa through the implementation of sustainable landscape management principles and reduction of pollution and clogging of the lake. Participative spatial planning will be realised, and the project will improve landscape management by introducing innovations in agriculture and forestry. A protective dam will be built on the lake, and degraded areas will be rehabilitated through afforestation and anti-erosion activities. Sustainable landscape management will be further promoted by building the capacity of local officials and raising awareness within the local community.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Czech development co-operation is primarily focused on six priority countries (Bosnia and Herzegovina, Cambodia, Ethiopia, Georgia, the Republic of Moldova and Zambia) and does not provide specific programmable support for Small Island Developing States (SIDS).

Nevertheless, SIDS are supported in their efforts to address climate change and environmental issues through the instrument of Local Small-Scale Projects implemented by Czech embassies, or through humanitarian assistance with an integrated DRR aspect in response to, and recovery from, disasters.

Examples of projects in support of SIDS' sustainable development

In 2020, a project in Belize focused on clean and affordable energy for all was implemented. The main objective was to provide a mobile solar-powered supply unit to 150 low-income households. Beneficiaries received complementary education sessions where they learned about the operation and care of the units installed. The session also covered a brief overview of the SDGs, with particular emphasis on SDG 7.

In 2021, the Czech Republic is supporting a project in Cuba focused on increasing the agricultural production of organic farming.

Supporting SIDS' access to finance

The Czech Republic did not report activities in this area.

Denmark

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Denmark's political commitments

Denmark has just adopted a new development strategy, which has the following vision for Danish development co-operation: "A more secure and sustainable world free from poverty, based on international binding co-operation as well as just and resilient societies that fight inequality and create hope and future opportunities for the individual, with the UN Sustainable Development Goals and the Paris Agreement as beacons."

To take the lead on the fight to stop climate change and restore balance to the planet is at the core of the strategy and allocations for a green transition, climate adaptation, nature and environment are being up-scaled. COVID-19 recovery and its links to a green transition building back better and greener is an integral part of the strategy. The Danish approach was developed in a co-ordinated Nordic approach to Build Back Better and Greener.

Targets

The Danish government has decided that 30% of Danish official development assistance (ODA) for developing countries will be allocated to green initiatives, of which 25% will be allocated to climate and 5% to biodiversity. Of the climate allocations, at least 60% will be allocated for adaptation.

Strategies and policies for systematic integration

The Danish approach to development co-operation and climate action is outlined in two main strategies: the New Danish Strategy for Development Co-operation and the Danish Global Climate Action Strategy.

Key provisions and pillars

The New Danish Strategy for Development Co-operation has the fight for climate, nature and environment as a top priority, with four specific objectives:

- strengthening action to support climate change adaptation, nature, the environment and resilience in the poorest and most vulnerable countries
- assuming international leadership within reductions, green transition, and access to clean energy
- increasing mobilisation of finance and promoting green Danish solutions within climate, nature and the environment

- creating hope and prospects for the future through green and socially just economic recovery and poverty-oriented development.

The strategy is underpinned by emphasising the need for strong partnerships, including public-private partnerships.

In 2020, the Danish government's long-term Global Climate Action Strategy was published presenting the strategic framework for Denmark's climate diplomacy efforts, divided into the following aims:

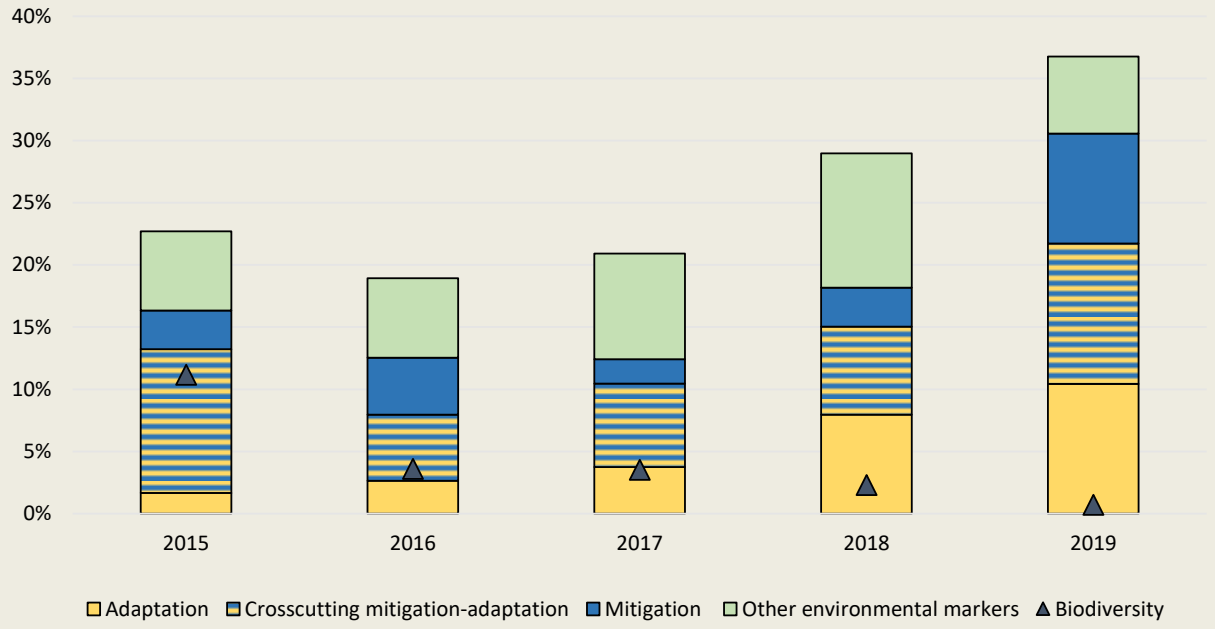
- Raising global climate ambitions: Through negotiations in the United Nations (UN) and stronger climate diplomacy efforts, the Government will work to influence countries and non-state actors to commit to ambitious goals that contribute to limiting the global temperature rise. Denmark will work to ensure an ambitious effort for climate adaptation and resilience, as well as for sustainable development. This will be done via the European Union and in alliance and collaboration with countries and non-state actors.
- Reducing global greenhouse gas emissions by leading the way in the green transition: Denmark will work to put the green transition into practice, with a focus on ensuring the world's largest emitters reduce their emissions and on supporting sustainable development in developing countries.
- Driving adaptation and resilience initiatives in the fight against climate change: The Government wants to use its position as a green pioneer country internationally to inspire and drive adaptation and resilience initiatives in the climate fight, both through development co-operation and export promotion efforts. The Government wants Danish development co-operation to embrace far higher climate ambitions, with a stronger focus on adaptation and sustainable development in the poorest and most fragile developing countries, where more people must have access to clean energy and clean water. Through its export promotion efforts, the Government will advocate for the global spread of Danish solutions for climate adaptation and resilience.
- Shifting global finance flows in a green direction: Massive investment is needed to speed up the green transition. The Government will work to accelerate a shift to green, climate-friendly investments at all levels and country groups. The framework conditions for the financial markets and, for example, the energy market must be designed to support green investment by private and institutional investors and funds. There is also a need to strengthen the mobilisation of climate financing for the poorest and most fragile countries. The Government will take the lead in efforts to incorporate the green transition in recovery packages after COVID-19, both globally and through the European Union.
- Collaborating with the business community on green solutions that make a difference: In Denmark, benefits arise from strong co-operation between public authorities and businesses. This great strength must be valued and upheld. A successful global climate effort must include businesses and ensure that Danish solutions deliver for both Danes and people around the world.

The overall ambition is to make the two strategies mutually supportive.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Denmark's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Danish development co-operation is underpinned by a series of supporting documents, of which the Aid Management Guidelines are key.

Currently, implementation notes and tools for the greening of Danish development co-operation in line with the priorities of the new Strategy for Development Co-operation are being developed.

Monitoring, evaluation and learning frameworks

Across Danish development assistance there is an increased focus on the monitoring of results in both bilateral and multilateral engagements, including through evaluations, to increase learning.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Denmark has a variety of instruments and programmes that support countries' national transition strategies. A few examples are listed below to illustrate that Denmark is supporting countries' strategies to a large extent through multilateral institutions and funds. Denmark is aiming to increase synergies between bilateral and multilateral programmes to maximise impact and avoid duplication. Partnerships, including with private sector actors is also central to Danish development co-operation. Finally, ODA-funded interventions and programmes are underpinned and supported by a strengthened climate diplomacy at country level as well as internationally.

Examples of projects to support national transition plans

See examples of Denmark's bilateral and multilateral engagements below.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

The overall ambition of both the new Strategy for Development Co-operation and the Global Climate Action Strategy is to ensure that all programmes and interventions support transitions promoting just, sustainable, net-zero, climate-resilient, and inclusive development pathways, leaving none behind.

Support for sustainable, quality infrastructure

Denmark is primarily supporting infrastructure through multilateral organisations and banks that meet the G20 principles. All new supported partners have environmental and social safeguards assessed according to the Danish Aid Management Guidelines.

Denmark is promoting all investment through partner organisations to be aligned with the Paris Agreement and support a low-carbon development (see the Danish Global Climate Action Strategy).

Finally, Denmark has a dedicated programme, "Danida Sustainable Infrastructure Finance", which aims at green transition and to promote water and sanitation in developing countries.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Denmark has a variety of bilateral and multilateral programmes supporting green transition. Some examples include:

- Denmark has supported specific Nordic and World Bank Energy Sector Management Assistance Program (ESMAP) initiatives on water and energy, focusing on Building Back Better and Greener in partner countries, as well as other COVID-19 initiatives, such as additional funding for African Guarantee Funds green window that provide guarantees for financing institutions for green small- and medium-sized enterprises (SMEs).
- Strategic Green Co-operation Agreements with four emerging markets.
- Government-to-government sector co-operation on energy, water, environment and cities with 18 countries.
- Bilateral programmes to increase access to energy, water and job creation.

- A variety of multilateral programmes of international organisations, such as the World Bank, the United Nations Environment Programme (UNEP), the Green Climate Fund (GCF), the NDC Partnership, the International Renewable Energy Agency (IRENA), the International Energy Agency (IEA), C40 Cities, the Nordic Development Fund, the African Development Bank (AfDB), the Sustainable Energy Fund (SEFA), the NAMA Facility, the Beyond the Grid Fund for Africa, EnDev Kenya, etc.
- Sustainable Development Goal (SDG) 7 Leadership that includes a variety of interventions on SDG 7 targets on energy access and energy transition.
- Collaboration focussing on mobilising climate finance via the Climate Investment Platform (CIP), the Global Infrastructure Facility (GIF), the Danish Investment Fund for Developing Countries (IFU).
- A partnership agreement with civil society organisations.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

In support of the Paris Agreement, the new Danish Strategy for Development Co-operation has a focus on Least Developed Countries (LDCs) and the most vulnerable and fragile countries, including Small Island Developing States (SIDS). This also includes Danish priorities for the major climate and environmental funds and programmes.

Examples of projects in support of SIDS' sustainable development

Examples of programmes in support of SIDS are:

- IRENA's SIDS Lighthouse Programme
- Danish contribution to the GCF
- Danish contribution to the NDC Partnership
- Danish support of ESMAP's SIDS-DOCK Trust Fund
- Call for proposals for SIDS by the Climate Investment Platform.

Supporting SIDS' access to finance

Denmark did not report activities in this area.

European Commission

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

European Commission's political commitments

The European Commission is firmly committed to the integration of environment and climate change in its development co-operation and international partnerships policy. This commitment is found at the highest level and stems from the EU Treaty (see Art. 11 of the Treaty on the Functioning of the European Union) that specifies that "Environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities, in particular with a view to promoting sustainable development."

Targets

The European Union is firmly committed to contributing to international pledges to step up climate and biodiversity finance to developing countries.

Over the period 2014-20, the European Commission has met its commitment to allocate 20% of its spending to climate-related action, having dedicated around 21% of the budget managed by the Directorate-General for International Partnerships (INTPA) to climate action, corresponding to EUR 12.14 billion (of which 21% contributed to mitigation, 37% to adaptation and 42% to both mitigation and adaptation). The European Commission also achieved the doubling of biodiversity finance, thus complying with the objective established by the international community during the Hyderabad Conference of the Parties (COP) of the Convention on Biological Diversity.

Looking forward, the Multi-annual Financial Framework (MFF) 2021-27 has established as a target to dedicate at least 30% of the EU budget and Next Generation EU expenditures to support climate objectives. It also specifies an ambition to dedicate 7.5% of annual spending under the MFF in 2024 and 10% in 2026 and 2027 to biodiversity objectives, including international co-operation funding.

The President of the European Commission, Ursula Von der Leyen, in her State of the Union Address to the European Parliament of September 2021, proposed an additional EUR 4 billion for climate finance until 2027, contributing to the commitment made by the major economies to provide at least USD 100 billion per year to the least developed and most vulnerable countries. This additional commitment to climate finance will imply contributions higher than the 30% indicated in the Neighbourhood, Development and International Cooperation Instrument regulation. President Von der Leyen also made a pledge to double the EU's external funding for biodiversity, in particular for the most vulnerable countries. These new commitments for 2021-27 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.

Strategies and policies for systematic integration

In the context of development co-operation, the objective of integrating environment and climate is reflected in the European Consensus on Development "Our world, our dignity, our future", where the European Union and its member states promote the implementation of the 2030 Agenda and promote the "5 Ps" (Poverty, Planet, Prosperity, Peace and Partnership) – "In addition to dedicated actions, environmental considerations need to be integrated across all sectors of development co-operation, including through preventive action."

The European Green Deal reaffirmed the European Union's ambitions on climate and the environment. The European Green Deal is Europe's structural response and new growth strategy that sets out ambitions to transform the European Union into a modern, resource-efficient and competitive economy where: there are no net emissions of greenhouse gases by 2050; economic growth is decoupled from resource use; natural capital is protected, sustainably managed and restored; the health and well-being of citizens is protected from environment-related risks and impacts; no person and no place is left behind. Mainstreaming environmental sustainability in all EU policies and actions is a central element of the Green Deal, which includes the green oath to "do no harm".

The Green Deal has a strong international dimension; it recognises that its environmental ambition will not be achieved by Europe acting alone and states that the European Union will use its influence, expertise and financial resources to mobilise its neighbours and partners to join it on a sustainable path. It commits the European Union to continue leading international efforts and to build alliances with the like-minded and to promote and implement ambitious environment, climate and energy policies across the world. Under the Green Deal, the European Union will develop a stronger "green deal diplomacy" focused on convincing and supporting others to take on their share of promoting more sustainable development. By setting a credible example and following up with diplomacy, trade policy, development support and other external policies, the European Union can be an effective advocate. Under the Paris Agreement, the European Union will engage more intensely with all partners to increase the collective effort and help them to revise and implement their Nationally Determined Contributions (NDCs) and devise ambitious long-term strategies. These efforts will build on the European Union's own increased ambition. The European Union will step up bilateral engagement with partner countries and, where necessary, establish innovative forms of engagement.

The European Green Deal covers a number of transformative areas, including pollution, biodiversity, food systems, sustainable mobility, clean energy and circular economy. A number of policies and action plans stem from it, including the Farm-to-Fork Strategy, the EU Biodiversity Strategy for 2030, the Circular Economy Action Plan, the Zero-Pollution Action Plan and the New EU Forest Strategy for 2030. Although these strategies and action plans mainly focus on the EU level, they also have either an external co-operation component or implications for EU development co-operation.

Key provisions and pillars

The new Global Europe development and international co-operation financial instrument, which covers the period 2021-27 (Neighbourhood, Development and International Cooperation Instrument [NDICI] Regulation) and a total budget of EUR 79.5 billion, reflects the international ambition of the Green Deal. It includes the obligation to mainstream the fight against climate change and environmental protection and to favour adherence to the Paris Agreement and the United Nations (UN) Convention on Biological Diversity, the UN Framework Convention on Climate Change and the UN Convention to Combat Desertification. It specifies, in particular, that funding allocated to international co-operation should be coherent with the long-term temperature goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. It should also be coherent with the objective to increase the ability to adapt to the adverse effects of climate change and foster climate resilience, with particular attention to actions that create co-benefits and meet

multiple objectives, including for climate, biodiversity and the environment. The NDICI Regulation (Art. 29) also excludes from support those actions and measures that are incompatible with the beneficiary country's NDC, that promote investments in fossil fuels, or that cause significant adverse impacts on the environment and climate. In this last case, activities and measures can only be justified if imperative to the NDICI objectives and if accompanied by appropriate impact avoidance and mitigation measures.

In addition to the Global Europe Instrument, the EU Instrument for Pre-Accession 3 (IPA3) focuses on the Western Balkans and Turkey. Apart from targeting green actions, the IPA3 programming framework promotes the enhanced mainstreaming of climate change and environment actions. The crosscutting nature of environment and climate change is also reflected in the Green Agenda for the Western Balkans, especially in relation to key sectors of the Green Deal, such as energy, mobility, circular economy, pollution, food systems and biodiversity.

As outlined above, the EU founding Treaties, the European Consensus on Development, international commitments, the European Green Deal and a range of policy and regulatory documents frame EU efforts to systematically mainstream environmental and climate change objectives in EU development co-operation and international partnerships.

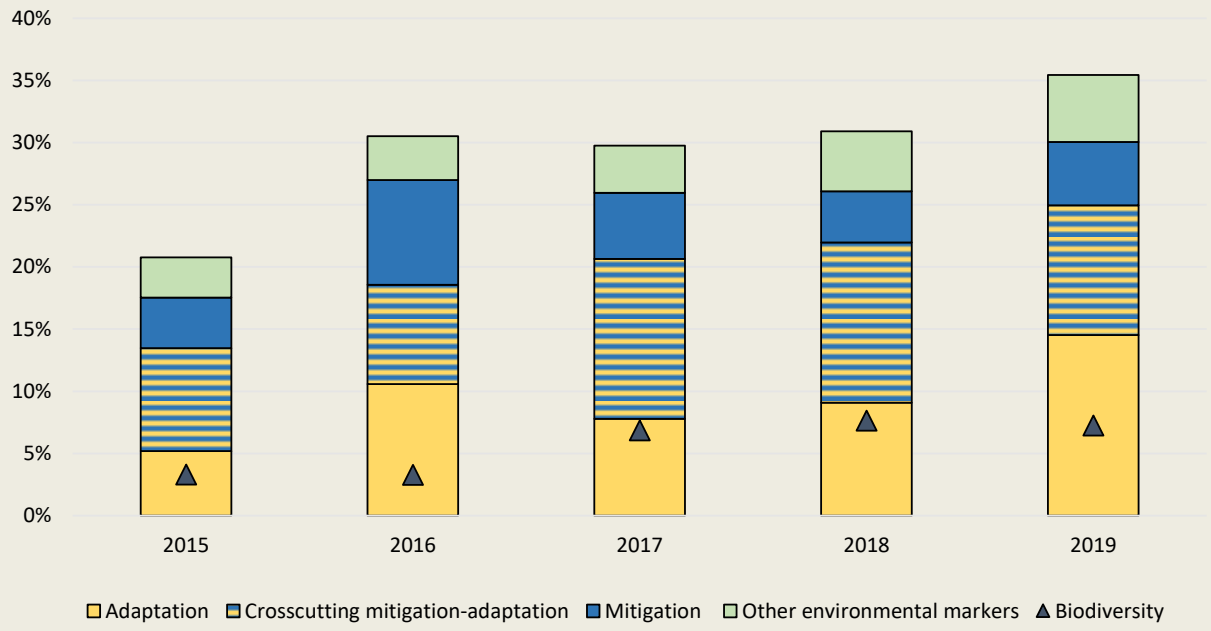
The European Green Deal commits the European Union to ensuring a "do no harm" approach and to greening its policies, actions and budget process. Under its Sustainable Finance Strategy, the European Union is examining how to make sustainability considerations an integral part of its financial policy in order to support the European Green Deal.

Mainstreaming has also been a central element of the European Union's successive environment action programmes, including the proposal for the 8th Environment Action Programme (EAP) published in October 2020. The 8th EAP highlights the need to support the global projection of the EAP objectives, in particular regarding engaging with partner countries on climate and environmental actions, enhancing co-operation with governments, businesses and civil society in third countries and international organisations to form partnerships and alliances for environmental protection and promoting environmental co-operation; and strengthening the implementation of the Rio conventions and strengthening international environmental governance.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. European Commission's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Over the past 15 years, the European Commission's INTPA has deployed a comprehensive set of operational tools to ensure the integration of environment and climate change in its development co-operation, which are embedded in the different stages of the programme cycle (programming-formulation-implementation-monitoring and evaluation). As part of their mandate, two thematic units promote the integration of environment (F2) and climate change (F1), as well as providing technical assistance to staff in Headquarters and EU delegations to this effect. They are supported by a technical assistance facility (the Environment and Climate Change Mainstreaming Facility, or "Greening Facility"), which has been operational since 2015.

The Greening Facility provides support in: 1) communication and awareness raising; 2) capacity development; 3) helpdesk services; 4) systematic review of documents; 5) tracking and analysis of financial contributions to environment, Disaster Risk Reduction (DRR) and the Rio themes; and 6) preparation of guidance material.

Included in this support is a continual capacity development programme on "Greening EU Development Co-operation", currently on offer in an online format due to travel restrictions, but face-to-face trainings are

expected to resume in the near future. “Greening EU Development Co-operation” modules are also part of the trainings for newcomers (on Integrated Cycle Management and Context for Development).

Another area to highlight is the systematic quality control for the integration of environment and climate change throughout the cycle of operations. All key documents are reviewed, and support is provided to enhance the alignment to environment and climate objectives, as well as maximise contributions to their expenditure targets. Key documents that are reviewed on a systematic basis include the Multi-annual Indicative Programmes (MIP) (setting up the objectives and approach to development co-operation for the whole MFF period, by country, region and theme); Annual Action Programmes (AAP) (indicating the actions that will be formulated during the year); and Action Documents (AD) (project design documents). In addition to commenting on opportunities to enhance their environment and climate performance, the review of Action Documents also validates the use of the Rio Markers so as to ensure a rigorous tracking of financial contributions.

In the context of investments (blended finance and guarantees), the thematic units also review applications from financial institutions, with the same objective of maximising opportunities of contributing to environment and climate objectives, and minimising adverse impacts on the environment. Whenever necessary, dialogue is established with the financial institutions and relevant EU delegations in order to ensure the sustainability of the investments supported by the European Union.

For programming, a key tool for environment and climate change mainstreaming is the Country Environmental Profile (CEP), which provides an overview of key environment and climate issues in a country (including in relation to its policy, institutional and regulatory frameworks), of past development co-operation support in these areas and targeted recommendations to better integrate environment and climate change in the country programming.

All actions have to be screened for their Environment and Climate Risk, and a justified decision made on the need for a more detailed analysis in the form of a Strategic Environmental Assessment (SEA), and Environmental Impact Assessment (EIA) and/or a Climate Risk Assessment (CRA). SEA, EIA and CRA are three key tools available to better address environmental and climate risks and opportunities. The results of the screening process are spelled out in the Action Documents. SEAs are particularly relevant in the context of sector budget support, or when providing broad strategic-level support to a specific sector. The EIA screening and requirements are aligned to those of the EU EIA Directive, while the CRA requirements can be addressed as part of an EIA.

The screening process, description of the above tools and broader guidance for the integration of environment and climate change are provided in the guidelines, Integrating the Environment and Climate Change into EU International Co-operation and Development (2016). The guidelines cover the whole cycle of operations, from programming to evaluation; provide the environment and climate change screening as well as sample terms of reference for CEPs, SEAs, EIAs and CRAs. They also provide guidance on indicators, the use of the environment and Rio Markers and for mainstreaming during the design of an action (even when no dedicated tool is required). In the case of SEA, a short guidance document is available to help colleagues in EU delegations design an SEA: Strategic Environmental Assessment in EU Development Co-operation: A Handful of Tips to Get it Right!

For most EU-supported projects, however, an EIA or a CRA is not required. Nevertheless, the screening process itself provides elements for the integration of environment and climate change considerations through a “green lens” approach.

Other guidance material is available by sector in the form of Quick Tips documents and Sector Notes. The Quick Tips are short documents that provide concise practical advice on how to enhance environment and

climate change performance in different sectors;[3] the Quick Tips documents are accompanied by an annex that provides guidance on sector activities that can qualify for a Rio Marker. Sector Notes provide more detailed mainstreaming guidelines for a specific sector along the cycle of operations.[4]

Inspirational material has also been prepared to help colleagues make a case for environment and climate change mainstreaming. These include a number of Case Studies as well as Transformational Change Stories. All the guidance material is available on the capacity4dev platform (public group on Environment, Climate Change and Green Economy).

Monitoring, evaluation and learning frameworks

Environment and climate change integration are also reflected during monitoring and evaluation. Several tools are available to this effect.

The European Commission closely monitors its climate- and biodiversity-related spending and regularly reports on its progress against international commitments and the above-mentioned targets, through its reporting to the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC), the Secretariats of the Conventions (United Nations Framework Convention on Climate Change [UNFCCC], Convention on Biological Diversity [CBD]) and its regular reporting on budget execution.

The Risk Management Framework (RMF) is a tool that was formerly applied to budget support operations, giving an idea of the risks to such operations in the short term. Recently, however, the RMF tool has been revised to make it applicable across the different aid modalities. The RMF+ is to be used in the monitoring and management of risks associated with EU external actions in partner countries, notably the implementation of programming documents, and is meant to also inform policy dialogue. The revision of the RMF integrates new Commission priorities (green deal, sustainable finance, inclusive growth, migration partnerships); covers dimensions important for new financial instruments/monitoring investment climate;; provides a better follow-up of mitigating measures by linking to EU political and policy dialogue priorities and integration into INTPA decision making; and makes a systematic link to international indicators and EU analytical tools. Environment and climate change issues are reflected not only as a stand-alone risk category, but also in a crosscutting manner in other risk categories (e.g. political system, growth and jobs).

Environment and climate change are also reflected in the programming indicators for NDICI 2021-27 (as per the Programming Guidelines) and the EU Results Management Framework. The programming indicators include nine indicators in relation to the “Green Deal Alliances” strategic priority, as well as a green dimension in relation to the indicators on “Alliances for Sustainable Growth and Jobs” (on green jobs), and indicators under the “Governance, Peace and Security, Human Development” strategic priority (on access to water and sanitation).

The Revised EU International Co-operation and Development Results Framework includes Level 1 and 2 results statements and indicators related to each of the Sustainable Development Goals (SDGs), as well as Level 3 indicators that include one on share of EU-funded international co-operation and development assistance contributing to the different Rio themes (i.e. biodiversity, combating desertification, climate change adaptation and mitigation) as well as to environmental protection.

All actions that require an EIA must also produce an Environmental Management Plan, which must be reflected in the monitoring and evaluation for the project. This is also applicable to investment projects, in

[3] Currently available for the following sectors: digitalisation; disaster risk reduction; education; energy; green cities; green mobility; infrastructure; private sector development and trade; sustainable food systems; water resources management; and water and sanitation, in addition to one on project and office management.

[4] Available for the following sectors: energy; agriculture, food security and rural development; social protection; and water and sanitation.

which case the monitoring is done under the environment and social safeguards of the lead financial institution.

INTPA also undertakes a regular (so far biennial) assessment of the quality of environment and climate change integration in EU development co-operation programmes and projects. In addition, it does an annual analysis of the financial contributions to environment, DRR and the Rio themes. On the basis of these analyses, lessons are drawn for the improvement of environment and climate change integration.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

In order to promote ownership by partner countries and aid effectiveness, the European Commission seeks to align its support to partner countries with their national development plans or similar overarching policies, when these policies are in line with key international commitments, notably on climate change and environment and consistent with EU values. The Commission also seeks to support the sectoral policies and plans in the priority areas of its partnerships with partner countries, including through sector support programmes.

The European Union supports global responses to tackle global challenges such as inequalities, poverty reduction, malnutrition, climate change, environment crisis, ocean issues, and migration and forced displacement, and promoting digital transformation, human development as well as an inclusive and equitable transition to sustainable, inclusive and fair, green economies.

Where possible, the Commission uses budget support modalities, key to strengthening national institutional capacity and which can be considered as the ultimate form of alignment with national policies and systems that makes full use of the partner country's public financial management systems. The European Union is the world's top provider of budget support, which is central to its international co-operation. In 2020, budget support disbursements amounted to EUR 3 billion and accounted for 24% of EU external assistance. It involves direct financial transfers to the national treasury of partner countries engaging in sustainable development reforms. These transfers are conditional on policy dialogue, performance assessment and capacity building. EU budget support promotes progress towards all 17 SDGs. Further information and data on how these operations contribute, notably to SDG 12 (on sustainable consumption and production), 13 (on climate change), 14 (on life below water) and 15 (on life on land) can be found in the report, Budget Support – Trends and Results 2021.

In a complementary manner, the European Commission provides support to partner countries to strengthen the design and implementation of national climate- and environment-related policies and plans, in particular the NDCs on climate change, the Long Term Strategies (LTS), the National Adaptation Plans of Action (NAPAs) and the National Biodiversity Strategies and Action Plans (NBSAP).

The European Union also supports partner countries in enhancing the integration of environment and climate change in relevant national, sectoral, or local policies and plans, guided by the 2030 Agenda and the SDGs, the Paris Agreement, the Addis Ababa Action Agenda, the Global Strategy for the European Union's Foreign and Security Policy, the Sendai Framework, the new European Consensus on Development, and the European Green Deal (EU GD) adopted in 2019. The European Union provides support for climate action to developing countries through its flagship initiative, the Global Climate Change Alliance+ (GCCA+). Implementation of NDCs in line with the Paris Agreement continues to be the framework for action; the different sectors covered (agriculture, forestry, energy, coastal zone management, landscape approach, etc.) reflect the crosscutting nature of NDCs and climate action.

The combined impacts of the coronavirus (COVID-19) pandemic have been especially strong on food security and nutrition. Contributing to the achievement of SDG 2 and SDG 12, EU interventions have been instrumental in improving sustainable production and agricultural practices. In order to support innovation for farming system management, 19 DeSIRA (Development Smart Innovation through Research in Agriculture initiative) projects were signed in 2020. EU budget support incentivised diversified agricultural production and better nutritional support for 55 000 rural families in Bolivia and Honduras, while contributing to raising the value of the dairy market in Nepal by 21%. In the meantime, preparations kicked off for the UN Food Systems Summit (FSS) planned in September 2021.

Sustainable energy plays a key role in the external dimension of the Green Deal. During 2020, EU co-operation with the African Union Commission made a crucial contribution to the elaboration of the African Single Electricity Market proposal for establishing an integrated continental electricity market that can benefit people and economies in Africa.

Examples of projects to support of national transition plans

- The European Union has been financing the UN Poverty and Environment Action for the SDGs and its predecessor, the Poverty and Environment Initiative, which focus on deepening and broadening poverty-environment mainstreaming and aligning finance and investment with poverty, environment and climate objectives.
- The EU Global Climate Change Alliance supports climate action – both adaptation and mitigation – in partner countries, including the mainstreaming of climate objectives in national policies and budgetary systems.
- The recently established EU Global Support Facility for Nationally Determined Contributions)(EU NDCs Facility) will deliver high-level technical assistance and policy advice at the country, regional and global levels to support the design, update and implementation of partner countries' NDCs, LTSs and National Adaptation Plans (NAPs) in the context of the Paris Agreement, the Sendai Framework and the 2030 Agenda.
- Support to the Climate Action Enhancement Package (CAEP) launched by the NDC Partnership: The European Union directly assisted six developing partner countries through the Energy Technical Assistance Facility in the revision of their NDCs with a view to raising their ambition.
- The UNDP Climate Promise and the NDC Support Programme implemented by the United Nations Development Programme (UNDP) and financed by the European Union in its context: INTPA funds EUR 6.9 million to support NDC implementation in 22 developing countries over the period 2020-22.
- The Copernicus Infrastructure and Services: The Copernicus Climate Change Service (C3S) supports society by providing authoritative information about the past, present and future climate of the world. The C3S mission offers free and open access to climate data in support of evidence-based policies and action.
- The project, Strategic Partnerships for the Implementation of the Paris Agreement (SPIPA) (Directorate-General for Climate Action [DG CLIMA] and Service for Foreign Policy Instruments [FPI], 2018-21, EUR 20 million): This project supports the European Union's international climate leadership by mobilising European know-how to support peer-to-peer learning with non-EU G20 countries in meeting the NDCs as part of their commitments to the Paris Agreement.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

In the context of the broader efforts to support sustainable development and poverty eradication, the European Commission supports partner countries to enhance climate change mitigation and adaptation

(SDG 13) to preserve their environment and biodiversity and sustainably manage natural resources both on land (SDG 15) and in the ocean (SDG 14). The European Union aims to support transformative action in a number of areas that are central to the transition to climate-neutral, resource-efficient economies and to achieving the SDGs, notably: clean energy and energy efficiency, sustainable agri-food systems, green and circular economy, smart and green cities and sustainable mobility.

As described in previous sections, the main policy documents that frame EU action in these areas are the European Consensus on Development, the European Green Deal and its strategies and Action Plans on Climate Change, Biodiversity 2030, Farm to Fork, Circular Economy, Energy and Connectivity, which all include an external dimension and international commitments.

The European Union supports the transition to low-carbon green and circular economies, both through dedicated programmes and mainstreaming across all relevant sectors of EU co-operation. This support to partner countries aims to: 1) develop enabling policy and regulatory frameworks, investment climates and business environments; 2) support green business development and green skills; and 3) enhance access to finance and green investments.

Support for sustainable, quality infrastructure

Through its external action, the European Union promotes risk-informed and climate-proofed investments, particularly on infrastructure and nature-based solutions, as well as the use of innovative mechanisms for disaster risk analysis and financing. Integration of disaster risk and prevention in urban planning and expansion will be an important area of action in this sense. Investments will complement EU actions on other aspects of resilience, such as fragility, food security, and health and give special attention to vulnerable groups and community mobilisation.

For the European Commission, the quality of investments is as important as the quantity. This is why it is important to strengthen engagement with international partners and promote the use of multilateral tools, such as the multilateral development bank's platform SOURCE, among others, to jointly improve project preparation, expenditure efficiency and capacity development towards quality infrastructure that contributes to the green transition. In particular, through the European Fund for Sustainable Development (EFSD+), it provides technical assistance to support capacity building in the public sector and to help prepare credible pipelines and implement resilient infrastructure projects.

Co-operation in the context of the G20 agenda on quality infrastructure is an EU priority to boost the connectivity agenda. This G20 agenda is fundamental to develop a common vision, in particular with countries like the People's Republic of China and India. The European Union actively promotes the G20 Principles for Quality Infrastructure Investments, in particular through projects funded under its external instruments. Current work on indicators, resilience and maintenance and on digital infrastructure should contribute to agreeing internationally on common standards related to infrastructure projects. This work includes Environmental, Social and Governance (ESG) considerations, which are fundamental for sustainability and thus need to be fully addressed during programming and implementation of all new connectivity investments. Hence, the European Union is promoting tools to create common norms and languages (standardisation, taxonomy, development and metrics).

Examples of initiatives and projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- The Global Climate Change Alliance Plus (GCCA+) is a European Union flagship initiative that is helping the world's most vulnerable countries to address climate change. Having started with just 4 pilot projects in 2008, it has become a major climate initiative that has funded over 80 projects of national, regional and worldwide scope, supporting climate-resilient low-carbon development in Africa, Asia, the Caribbean and the Pacific.

- The EU Switch to Green initiative aims to facilitate the transition to inclusive low-carbon green and circular economies that generates growth, creates decent jobs, and helps reduce poverty while reducing environmental impact. It includes a number of projects and regional programmes, including the SWITCH-Asia programme, the SwitchMed programme and the SWITCH Africa Green programme. The Circular Economy Action Plan adopted in March 2020 strengthened the European Union's ambition to further engage with partner countries to promote a circular economy. New actions include the SWITCH to Circular Economy Value Chains project, the Eco Business Fund Africa and the Green Economy Dialogues.
- The EUROCLIMA+ Programme of the European Commission is actively engaging with 18 Latin American countries to help implement commitments taken in the context of the UNFCCC, the Paris Agreement and other multilateral agreements. Launched in 2017, the programme brings European expertise to bear on some of the most pressing climate challenges faced by the region.
- The EU Biodiversity for Life (B4Life) aims at contributing to halting biodiversity loss and deliver on the European Union's commitments by fully integrating biodiversity and ecosystem conservation with socio-economic development and poverty eradication through an innovative and crosscutting approach. B4Life operates in three priority areas: 1) good governance for sustainable management of natural resources; 2) ecosystem conservation for food security and sustainable rural development; 3) ecosystem-based solutions towards a green economy. In addition, it includes a specific window to address the wildlife crisis linked to increasing illegal trafficking.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

EU co-operation addresses the particular needs of Small Island Developing States (SIDS), taking into account common challenges such as small populations, limited resources, remoteness, susceptibility to natural disasters, vulnerability to external shocks, dependence on international trade and fragile environments. Bilateral co-operation focuses on supporting countries in reaching their NDCs, notably their ambitious renewable energy targets. Regional support focuses in general on regional economic integration, natural resources management, good governance and climate change.

The SIDS in the Pacific and the Caribbean and the European Union share a common ambition of achieving a low-carbon and resilient future by 2050. Attaining this objective requires ambitious and comprehensive actions across a wide range of sectors and policies, public and private investments, as well as the creation of incentives for governments, local communities and the private sector to act and deliver on the climate, environmental, economic and democratic challenges of the Pacific and the Caribbean.

Green and Blue Growth is and will remain a long-term priority for SIDS. The European Union supports actions that have the potential to create opportunities for income, jobs and growth, while at the same time contributing to climate and environmental goals as well as economic diversification and resilience. This can be achieved, for example, by promoting sustainable agri-food systems, eco-tourism, circular economy, green technologies and digitalisation such as e-commerce, digital finance and other digital solutions, as well as other economic activities that contribute to the greening/blueing of the economy. There are accompanying measures as well to improve the business and investment environment and to support the development of new skills needed in a sustainable economy, including by providing access to such new skills through training and knowledge for young people.

The development of the private sector, in particular of micro, small and medium-sized enterprises (MSMEs), continues to be constrained by unsuitable regulatory frameworks and the lack of access to finance. Promoting an inclusive business environment that encourages investment, entrepreneurship and

the economic empowerment of women and other vulnerable groups facilitates private sector growth, job creation, productivity and higher incomes, but also increased tax revenues, thus contributing to inclusive socio-economic development. Emerging digital technologies also offer new opportunities for economies to grow. Investing in strategic connectivity partnerships and promoting the EU approach to digital co-operation can support the participation of SIDS in the digital economy, which can further boost their productivity and competitiveness and enhance market participation, resulting in poverty reduction, improved livelihoods and economic growth.

Examples of projects in support of SIDS' sustainable development

- The EU GCCA+ flagship initiative helps the world's most vulnerable countries to address climate change. At its inception, the GCCA focused on building climate resilience in Least Developed Countries (LDCs) and SIDS. It expanded then in 2015 to include middle-income countries. Working with SIDS has resulted in strengthening their resilience to the impacts of climate change. The GCCA+ approach encompasses the many possible adaptation options for SIDS. In addition to its ground-level work, GCCA+ promotes stronger institutions, policy and regulations. For example, engineering projects can focus on stronger sea defences, hurricane-resistant buildings and the provision of water storage. Other projects focus on legislative changes, such as revising building codes, improving land zoning near coasts and rivers, and updating water policies. Technological solutions include research and improving crop resilience. GCCA+ projects take into account solutions to reduce the constraints SIDS face that can limit their options and their implementation, such as inadequate data and technical capacity, weak human and institutional capacity and limited financial resources.
- The GCCA+ initiative for climate adaptation and resilience building in Samoa (EUR 1 144 000) is implemented by the International Union for Conservation of Nature. The overall objective is to contribute to promoting the sustainable use of Samoa's marine resources while increasing the climate resilience of local communities. The specific objective is to support ecosystem-based adaptation (EbA) at local and central levels by implementing a Marine Spatial Planning (MSP) and strengthening community engagement in climate actions. This action will help build climate resilience in the marine environment by protecting the marine ecosystem goods and services that benefit local communities and the society of Samoa. The local people and economy of Samoa will benefit through more efficient and effective processes and practices in addressing climate-related challenges in the sustainable management of Samoa's ocean. The Government of Samoa will also achieve several international and national commitments.

Supporting SIDS' access to finance

The EU has substantial cooperation programmes with a large number of SIDS in the Caribbean and the Pacific, both at country level and at sub-regional level. Support to climate change adaptation is an important element of many of these partnerships. In addition, the EU has established a Pacific Investment Facility and a Caribbean Investment Facility, which aim at enhancing sustainable investments in those regions, using EU ODA to leverage public and private investment. One example of initiative financed under these facilities is the eco.business Fund, which aims to promote business and consumption practices that contribute to biodiversity conservation, to the sustainable use of natural resources and to mitigate climate change and adapt to its impacts the Caribbean.

Finland

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Finland's political commitments

Development policy is an integral part of Finland's human rights-based and value-based foreign and security policy. International co-operation and Finland's actions are grounded in the Paris Agreement on Climate Change and the goals of the 2030 Agenda for Sustainable Development. Climate change and natural resources are one of the four priorities of Finnish development policy.

The Ministry for Foreign Affairs of Finland (MFA) has an Action Plan on Climate-Smart Foreign Policy that covers all policy areas: security policy, trade policy and development policy, alike. It explicitly places climate change mitigation and adaptation as a task of every employee of the MFA.

In May 2021, the Finnish government adopted the Report on Development Policy across Parliamentary Terms. According to the report, one of the five thematic areas of Finland's development co-operation is "climate change, biodiversity and sustainable management and use of natural resources".

Targets

According to the Government Programme (2019), Finland will scale up climate finance as a part of its development finance, taking due account of its contribution based on the Paris Agreement. The aim is to direct half the climate finance to climate change adaptation, for example through international funds and civil society organisations. Investment-based and loan-based finance will be continued, especially for the purpose of boosting climate finance. Finland tracks progress on this as a part of its annual results-based management process.

Strategies and policies for systematic integration

The MFA has elaborated theories of change and aggregate indicators of its development policy. In the Thematic Priority Area 4 (Climate change and natural resources), climate change mitigation and adaptation are explicit goals at the impact level. The five outcome areas are: 1) forests and biodiversity; 2) energy; 3) meteorology and disaster risk reduction; 4) food and nutrition security; and 5) water.

The theories of change based on Finland's priority areas complement the general impact objectives set by the Government by providing more detailed information on the most important outcomes and outputs in Finland's development policy. The theories of change also illustrate the mechanisms through which Finland's development policy contributes to global sustainable development and to the implementation of the so-called humanitarian imperative. They support the guidance, monitoring and evaluation of activities.

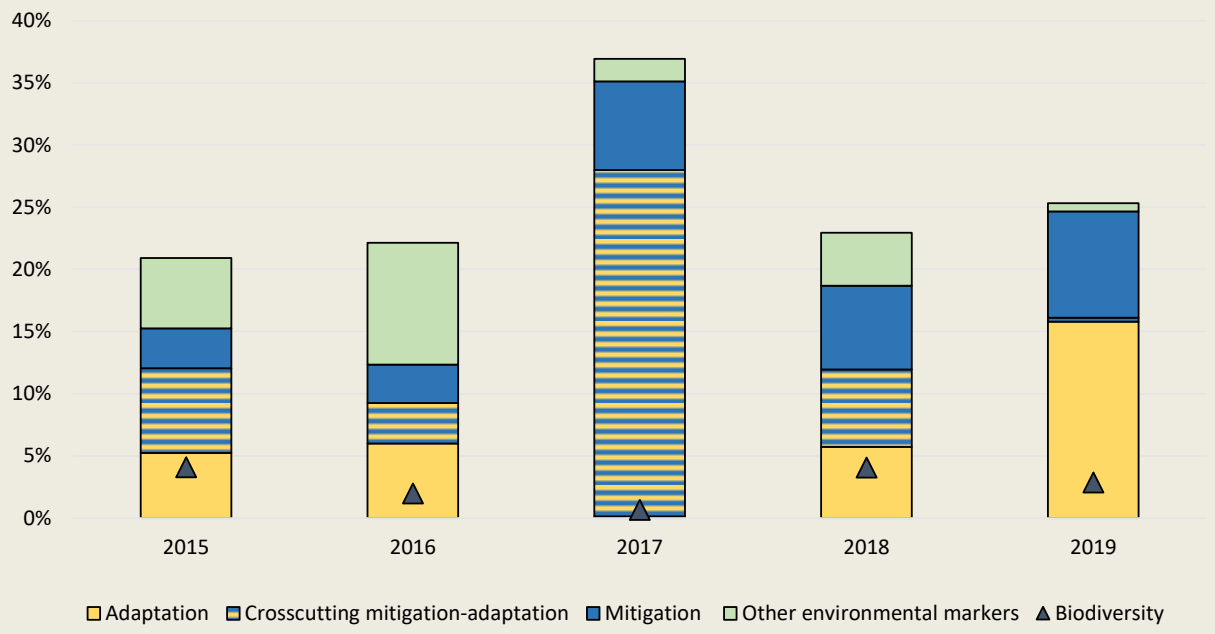
Development policy is carried out in line with the objectives set out in the theories of change so that different entities, such as country programmes, multilateral advocacy, co-operation with civil society organisations, and co-operation with the private sector are linked to the objectives in a manner that is appropriate for the activity in question.

The theories of change also help to form a picture of thematic entities to which individual actions or projects belong. Using them, it is easier to talk about Finland's development policy priorities and clarify different parties' accountability and responsibilities, as well as to analyse Finland's own input in international development results.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Finland's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

In 2020, the MFA published the Guideline for Crosscutting Objectives in the Finnish Development Policy and Co-operation. The crosscutting objectives of Finnish development policy are: 1) gender equality; 2) non-discrimination, with a focus on the rights of persons with disabilities, and in line with the Paris Agreement; 3) climate resilience; and 4) low-emission development.

The guideline supports the effective implementation of the Finnish Development Policy and its crosscutting objectives, through mainstreaming and targeted action. In line with the Human Rights Based Approach in

Finland's Development Co-operation Guidance Note (2015), the Guideline aims to strengthen the quality and accountability of Finland's development policy by integrating human rights and the crosscutting objectives to all relevant results management systems.

Furthermore, Finland has recently added a fifth crosscutting objective – protection of the environment, with an emphasis on safeguarding biodiversity. The addition is based on the Report on Development Policy across Parliamentary Terms, adopted by the Government in May 2021 (still subject to the approval by the Parliament).

Most of Finland's development co-operation is channelled through multilateral organisations. They usually have their own operational tools. If an implementing organisation does not have its own tools, for example for environmental assessment, they are asked to use the International Finance Corporation (IFC) Safeguards or other similar tools, as well as to comply with the national requirements of the host country.

Monitoring, evaluation and learning frameworks

The MFA is not an implementing agency; therefore, it is the implementing organisations that are responsible for integrating the relevant objectives in their respective monitoring, evaluation and learning (MEL) frameworks.

The overall results of Finland's development policy are monitored using common aggregate indicators across different development co-operation instruments. The implementation is systematically directed based on the information obtained through the indicators.

The common aggregate indicators have been created based on the priority areas of development policy. This enables comprehensive reporting on results, which combines data from programmes and various forms of co-operation from different parts of the world. This leads to a more accurate picture of the results of Finland's development policy.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Finland encourages implementing partners to align their development co-operation activities with national transition strategies. This recommendation is explicitly integrated on page 5 of the Guideline for Crosscutting Objectives in Finland's Development Policy.

Examples of projects to support national transition plans

Most Finnish development co-operation is implemented by multilateral organisations. As an example of multilateral finance, Finland funds the United Nations Environment Programme (UNEP) (core funding), and made an additional disbursement to support the launch of the United Nations (UN) Decade for Ecosystem Restoration, which contributes to the land degradation neutrality targets.

In 2019, the top receivers of Finland's climate finance were the Finland-IFC Climate Fund, the Green Climate Fund (GCF), the International Fund for Agricultural Development (IFAD), the International Development Association (IDA) and the Asian Development Fund (ADF). Many of these support climate-resilient and low-emissions pathways, e.g. development and implementation of Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) in developing countries. One example is the GCF and its Readiness and Preparatory Support programme, which finances formulation and implementation of NAPs.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

As highlighted in Finland's human rights-based and value-based foreign and security policy, Finland's actions are grounded in the Paris Agreement on Climate Change and the goals of the 2030 Agenda for Sustainable Development. All actions take into account the crosscutting objectives, including climate resilience and low-emissions development. Support to partner countries for transitions that are environmentally sustainable, climate-resilient and consistent with low-emissions development pathways towards net-zero is mainly channelled through multilateral co-operation, through multilateral development bank (MDBs), dedicated climate funds and other international organisations.

Support for sustainable, quality infrastructure

Finland initiated and continues to finance the Energy and Environment Partnership Programme in Southern and East Africa that provides project preparation and business development support to develop quality infrastructure to meet the energy access needs of local communities.

In addition, Finland's Public Sector Investment Facility provides financing for technology transfer and capacity building for quality infrastructure investment. One of Finland's strengths is support for weather observation infrastructure.

Most of Finland's development co-operation finance that supports quality infrastructure is channelled through multilateral organisations, including MDBs.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Most of Finland's development co-operation finance in support of transitions is channelled through multilateral organisations. Finland does not have bilateral programmes that would have been explicitly designed to support these transitions.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The geographical focus of Finland's development co-operation is Africa, with a special focus on the Least Developed Countries (LDCs). Finland does not have bilateral co-operation with any Small Island Developing States (SIDS) but contributes to several multilateral initiatives.

Examples of projects in support of SIDS' sustainable development

Finland is a long-term contributor to the GCF, the Global Environment Facility (GEF), and the Least Developed Countries Fund (LDCF), which all fund climate action in SIDS.

In addition, in late 2020, Finland joined, as a financer, CREWS (Climate Risk and Early Warning Systems), which is a mechanism that funds LDCs and SIDS for risk-informed early warning services in order to better equip them to forecast and respond to climate risks.

Supporting SIDS' access to finance

Many multilateral organisations and funds, which Finland contributes to, have their own programmes to improve SIDS' access to finance for sustainable and resilient development.

France

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

France's political commitments

France attaches great importance to climate and environmental issues through its development aid policy. Climate is one of the five sectoral priorities enshrined in the Programming Law on Solidarity Development and the Fight Against Global Inequalities, which was adopted by the French Parliament in July 2021.

France places environmental and climate diplomacy at the heart of its policy of inclusive development and the fight against global inequalities. It is resolutely committed to the irreversible implementation of the Paris Climate Agreement, in particular its central objective of limiting the increase in temperature to 2°C or 1.5°C, if possible. This priority has been concretely translated in an increase of resources dedicated to the fight against climate change, in particular adaptation. France is particularly active in mobilising multilateral institutions in order to increase the amount of climate co-benefits in their interventions and exclude investments that are not aligned with the goals of the Paris Agreement. This was underscored by President Macron in his speech at the United Nations General Assembly (UNGA) 74.

Finally, climate and environment are at the heart of all high-level interventions and official statements regarding development co-operation, including during the UN General Assembly high-level week, Global Summits for Ambition and Adaptation, and One Planet Summits.

Targets

France has committed to mobilising EUR 5 billion for climate action in developing countries in 2020, including EUR 1.5 billion for adaptation. In December 2020, President Macron announced an increased commitment: EUR 6 billion per year from 2021 to 2025, out of which one-third will be dedicated to adaptation. These commitments are taken in the context of the collective quantified goal from developed countries to provide USD 100 billion per year between 2020 and 2025 to developing countries, in the context of meaningful mitigation actions and transparency on implementation.

To support the achievement of these targets, in 2012, the French Agency for Development (Agence française de développement, AFD) committed to dedicating 50% of its yearly financing approvals in developing countries to climate action.

Progress towards the achievement of these commitments is tracked at the national level every year for the previous year in the following reports:

- Climate Activity Report
- Biodiversity Activity Report

- Energy Transition Activity Report.

According to these reports, in 2018, France mobilised EUR 5.08 billion of climate finance in developing countries, and in 2019, the mobilisation reached EUR 5.96 billion.

Strategies and policies for systematic integration

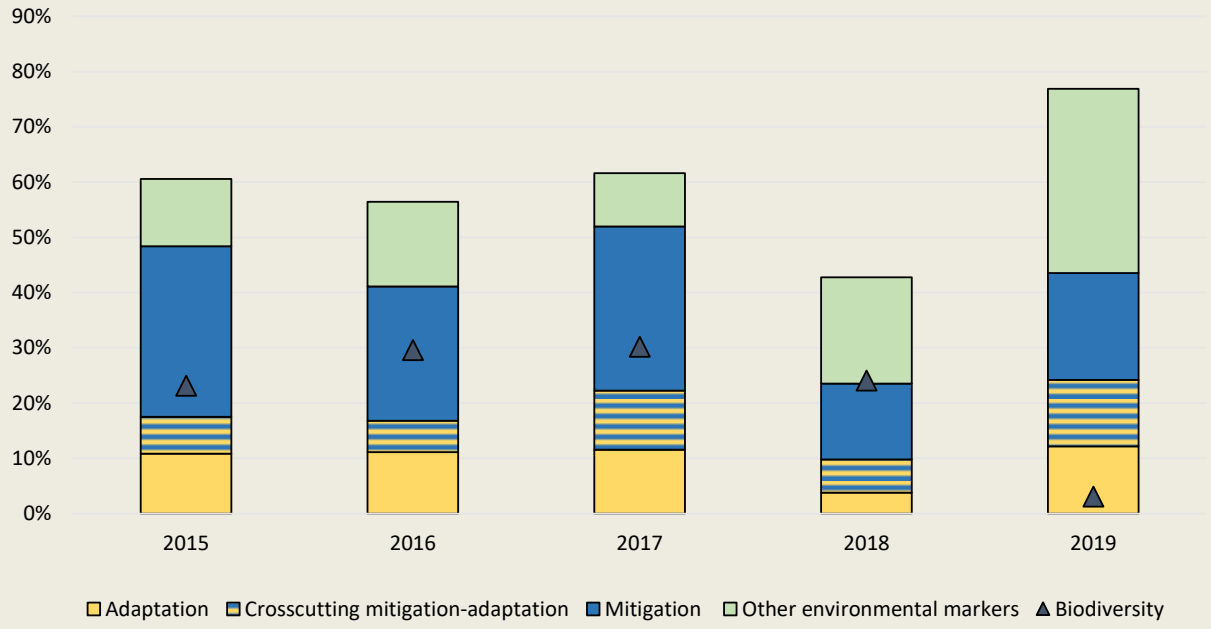
France's strategies and policies to align development co-operation with international environment and climate goals are outlined in several documents:

- France's Law on Development, which is a programming bill on inclusive development and combatting global inequalities.
- Interministerial Committee for International Cooperation and Development, convened by the Prime Minister on 8 February 2018.
- France's International Strategic Guidelines for Combating Land Degradation and Desertification (2020-2030).
- France's International Strategy for Water and Sanitation (2020-2030).
- AFD Climate Strategy: Following the 2015 UN Climate Change Conference (COP21), AFD adopted a new climate strategy for the period 2017-22, with four main commitments: 1) ensure the compatibility of the Group's activities with the Paris Agreement; 2) increase the volume of climate finance; 3) contribute to the redirection of financial flows towards climate; and 4) co-build solutions and bring influence to bear on standards. This strategy is crosscutting and is included in all sectoral and country/regional strategies.
- The Mid-term Review of the Climate Strategy conducted in 2020 stating that the AFD Group is on track to reach, or has already reached, many of its climate objectives.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. France's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

The operational tools used at the AFD level are presented in detail in the Mid-term Review of the Climate Strategy of the AFD group. These operational tools are spread across different levels of the strategic and project cycle:

- **Country climate assessment**: A country assessment of climate policies and Nationally Determined Contributions (NDCs) is prepared and serves as an input for every project assessment. Such an assessment of the adequacy of the project with the country's NDC/climate policies is required in the appraisal phase.
- **Carbon footprint**: As early as possible in the appraisal process, the AFD Group assesses the carbon footprint of projects considered for financing, especially infrastructure projects relative to a baseline scenario, which is the situation without the project.
- **Sustainable development analysis**: The alignment with the Paris Agreement is integrated in the appraisal process of projects through the climate-related dimension of the Sustainable Development Analysis, for example in order to avoid creating emissions lock-in, stranded assets, maladaptation or misalignment with national climate policies.

- **Climate screening**: Ahead of appraisal committees and board approval, every project appraisal case is screened on the basis of these assessments as well as the sectoral exclusion lists (for example, on fossil fuels). A climate screening tool is also used to assess the climate risks and vulnerability dimension of every project, and to identify opportunities for improvement. The result of these checks is reported to the Board in a dedicated paragraph on the appraisal case.
- **Environmental and Social (E&S) Support Division**: The E&S Support Division at AFD is responsible for monitoring and providing expertise on implementation of E&S risk management policy. Compliance with such policy is subject to examination by the Credit Committee, which validates the end of instruction of projects. The E&S Support Division at AFD has 20 E&S experts (plus 2 managers).
- **Exclusion list**: The AFD Group applies an exclusion list of projects that excludes all activities that violate human rights (forced labour, child labour, racial or gender discrimination, prostitution, etc.). In addition, all Proparco projects have to be compliant with the International Finance Corporation (IFC) performance standards, which include the respect of human rights. On climate, the AFD Group excludes the financing of highly emissive projects, i.e. over 1 million tonnes of equivalent CO_2 emissions annually, in middle-income countries, if it is not possible to ensure that the project in question is part of a national and sectoral policy to mitigate greenhouse gas emissions.

Monitoring, evaluation and learning frameworks

As part of its performance objectives assigned by the Government, AFD is accountable for its climate activity, meaning the share of all financing approved by its governing bodies with climate benefits in developing countries and the French overseas territories. This includes financing through delegations of funds, for example, from the European Union or the Green Climate Fund (GCF).

France reports relevant parts of this financing to the United Nations Framework Convention on Climate Change (UNFCCC) every two years on financing approved for developing countries on behalf of France under the Convention.

Climate and environment objectives are integrated both in a sectoral manner in the evaluation policy (for example, an evaluation was conducted in 2019 on the French contribution to the GCF) as well as in a crosscutting manner, as the evaluation policy aims to improve development results, including on climate and environment.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Through its commitment to be 100% aligned with the Paris Agreement, the AFD ensures that 100% of its projects are in line with the priorities identified in partner countries' own national climate strategies. Wherever such strategies are not yet disclosed or require technical assistance for preparation and implementation, tools are available to support such an effort.

This is why the AFD launched the 2050 and Adapt'Action Facilities, in order to provide technical assistance and capacity-building support to strengthen climate governance. It helps countries ensure that climate-change mitigation and adaptation is incorporated into their public policies and projects, and contribute to structures that make climate a continuing priority. This includes, among others, support to the implementation of National Adaptation Plans (NAPs), NDCs and Long-Term Strategies (LTS).

France is also ensuring that operational synergies are found between its bilateral support to countries' own national transitions and support from other sources. This is made possible through support and close co-ordination with the NDC Partnership, among others.

Examples of projects to support national transition plans

- The 2050 Facility was launched at the One Planet Summit in December 2017. Endowed with EUR 30 million and currently committed in 16 countries, this facility aims to finance the preparation of long-term, climate-resilient and low-carbon development strategies, which the Paris Agreement invites every Party to communicate. Such strategies provide incentives for stakeholders to plan and prioritise investments with a long-term perspective.
- In 2017, the AFD also launched the Adapt'Action Facility, endowed with EUR 30 million over four years. It is designed to support 15 countries and regional organisations that are especially vulnerable to the effects of climate change as they implement and revise their climate commitments, within the framework of the Paris Agreement. Adapt'Action works with vulnerable island states such as Comoros, Cuba, the Dominican Republic, Madagascar, Mauritius, the Indian Ocean Commission (IOC), the Organisation of Eastern Caribbean States (OECS), and with several African countries, such as Cameroon, Republic of the Congo, Côte d'Ivoire, Equatorial Guinea, Ghana, Niger, Senegal, and Tunisia. This work is showing, with encouraging results, that about 100 capacity-building supports will be delivered by the end of 2021, which are expecting to leverage over EUR 1 billion through projects financed by AFD and other partners, such as the GCF. This demonstrates that supporting governance and public policies dedicated to adaptation, in particular through NAPs, can help prioritise adaptation in the dialogue with financial partners, and benefit adaptation projects.

To consult examples of climate projects financed by the AFD Group, additional examples are also available on AFD's website.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

The AFD has committed to aligning 100% of its activities with the Paris Agreement, as well as to dedicating 50% of its financing resources to climate projects. France is also among the largest contributors to the budget of main multilateral funds dedicated to climate and environment action in developing countries (EUR 1.5 billion for the GCF between 2020 and 2023 – GCF1; USD 300 million towards the Global Environment Facility between 2018 and 2022). It also advocates for an increase in climate action financing by multilateral development banks (MDBs), as well as an alignment of their activities and portfolio with the objectives of the Paris Agreement.

Since 2018, AFD's Paris alignment strategy has been taken into account in sector-specific strategies – in particular, in the Energy Transition Strategy – regional strategies and some country strategies. It was identified in the Mid-term Review of the Climate Strategy that sector-specific strategies could further specify areas of exclusion (such as coal, exploration, production and transport of hydrocarbons) and the financing conditions for sectors that are deemed sensitive, requiring greater selectivity of projects (gas, aerospace, etc.). A few examples include:

- **Energy/fossil fuels**: In May 2019, AFD adopted a new Energy Transition Strategy, which excludes from its financing: any project for coal-fired power plants (as validated by its March 2013 Board of Directors); power plant projects operated from fuel oil or diesel only (excluding hybridisation); exploration or production projects, or dedicated exclusively to the transport of coal, gas and oil (conventional and unconventional); infrastructures associated with fossil-fuel exploration,

production or storage units (mines, processing units, refineries, storage, etc.) or fossil-fuel-based electricity production.

- **Transport infrastructure**: In its new Mobility and Transport Intervention Framework adopted by the AFD Board in May 2019, three dimensions linked to climate are analysed for each transport project: minimising environmental impacts, decarbonisation and coherence with a low-carbon development trajectory, and taking into account adaptation and resilience in the face of climate extremes.

Support for sustainable, quality infrastructure

The implementation of the G20Principles for Quality Infrastructure Investment remains France's priority. France and its partners have adopted commitments to further implement the G20 Principles at the Summit on the Financing of African Economies, held in Paris on 18 May 2021. These commitments are: strengthening the macro-financial environment and trustworthy policy, legal and institutional frameworks; further working on the mobilisation of multilateral and bilateral financial instruments and products in support for public-private partnership (PPP) projects and the mobilisation of commercial finance; increasing the quantity of infrastructure investment, including through national infrastructure funds, while improving quality and sustainable infrastructure investment, including by a voluntary engagement of African States to assess the quality and sustainability of their infrastructure projects; supporting capacity development for planning and preparation of key infrastructure projects and foster the emergence of bankable projects. The concrete actions are listed in the Communiqué.

France's priority in terms of infrastructure is to support Sustainable Development Goal (SDG) trajectories by systematically seeking environmental and social impacts. For example, France systematically seeks to integrate the best energy efficiency standards in these projects, including building construction, such as homes or schools. This strengthens the adaptation of these buildings to hot weather, saves energy, and creates skilled jobs. In terms of urban development, France finances public transport in order to decrease congestion in large cities and invests in secondary cities and informal districts to fill the infrastructure deficit. This contributes to the fight against social divides and promotes equity between territories.

France, through the AFD Group, invests EUR 5 or 6 billion annually in infrastructure. The Group can finance infrastructure projects directly, whether public or private, or provide resources to local banks to help them finance these projects, as well as support structural reforms in these sectors through public loans. In addition, STOA, an infrastructure impact fund held by the AFD Group and the Caisse des Dépôts Group, has committed EUR 279 million, including EUR 206 million in climate co-benefits (74%), to eight projects since 2017.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- France is one of the leading financial supporters of the Africa Renewable Energy Initiative (AREI). AREI was launched by African heads of state at COP21 as the continent's flagship initiative to fight climate change while improving Africans' access to energy. It emanates from the African Union (AU), in particular, the African Heads of State Committee on Climate Change (AHSCC). In 2017, France announced an increase from EUR 2 billion to EUR 3 billion in funding for renewable energy in Africa (implemented by AFD for 2016-20). France has also allocated a EUR 6 million grant to support the Independent Delivery Unit of AREI and its activities.
- An Energy-Climate Public Policy Loan allocated to Uzbekistan aims to support the implementation of reforms in the energy sector. It contributes to lowering the carbon intensity of the energy mix, to reducing electricity losses and to improving energy efficiency.

- The French Global Environment Facility (FFEM), created in 1994, specifically supports climate, environment and biodiversity projects in developing countries, with a EUR 120 million budget for the 2019-22 period.
- Finally, the International Solar Alliance (ISA) is a joint initiative of France and India, launched at COP21, to rapidly and massively deploy solar energy. The objective of the ISA is to support countries in best-practice exchange and harmonisation of norms and standards for solar energy, in order to accelerate its deployment, especially in countries where the risks are still perceived as high. France contributes to the functioning of the ISA Secretariat by financing two seconded expert positions. France also announced in 2019 that it would enhance its commitment for the development of solar energy projects, implemented by AFD, to reach EUR 1.5 billion in 2022 in ISA member countries.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The AFD's operations in most Small Island Developing States (SIDS) and the French overseas territories are conducted by the same department which, for example, developed and now manages the Kiwa Initiative under a unified operational strategy, the Three Oceans Strategy. The Adapt'Action facility also places a specific emphasis on SIDS's specific needs.

Examples of projects in support of SIDS' sustainable development

France contributed EUR 22 million between 2016 and 2020 to the financing of the trustee fund of the Climate Risk and Early Warning Systems (CREWS) initiative. CREWS is an initiative aimed at significantly increasing the capabilities of multi-risk alert systems in order to widen the scope of prevention and information on dangerous hydro-meteorological and climatic events. CREWS aims to leverage USD 100 million to respond to the financing shortcomings in already existing bilateral and multilateral co-operation programmes.

CREWS is implementing a regional project in the Pacific region (amounting to USD 2.5 million), one of the first projects to be approved and has been operational since January 2017. The project covers the improvement of early warning services in the Cook Islands, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Samoa, Tokelau, Tonga and Tuvalu, with more specific support to the regional hydro-meteorological centre of Nadi in Fiji. Given the needs, a second phase of the project covering the integration of services, a hydro-meteorological system was approved and launched in August 2020 for an amount of USD 4.8 million.

France is also active on the subject of access to sustainable energy for SIDS, both internally (development of domestic renewable energy resources in the overseas departments and territories: geothermal, solar, wind, marine energies, etc.), and through the support it provides to the International Renewable Energy Agency (IRENA)'s SIDS Lighthouse initiative. France provided a voluntary contribution of EUR 200 000 to IRENA in the name of this initiative at the end of 2016. This contribution aimed in particular to promote marine energies, specifically by identifying and mapping the potential of different territories for this type of energy.

As part of the co-presidency of the International Solar Alliance, France supports the ISA's Solar Technology Application Resource Centre (STAR-C) programme, which aims to implement capacity-building activities to accelerate solar energy deployment in ISA member countries. In 2021, France announced a contribution (grant) of EUR 1 million to the programme, with a priority focus earmarked on African States and SIDS. As

part of the pilot phase of the programme, the French Institute for Solar Energy (INES) has already conducted capacity-building activities in partnership with the Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE).

Supporting SIDS' access to finance

In December 2017, at the first One Planet Summit, the French President, Emmanuel Macron, announced the Kiwa Initiative. This initiative aims to strengthen the resilience of Pacific countries and territories' ecosystems, economies and communities by setting up a dedicated one-stop-shop funding facility to promote nature-based solutions (NbSs). Kiwa has been operational since March 2020, and has received EUR 35 million in grants. It unites five international donors – Australia, Canada, France, New Zealand and the European Union. The initiative is based on a collaboration between AFD, the Pacific Community (SPC), the Pacific Regional Environment Programme (SPREP) and the International Union for Conservation of Nature (IUCN). The initiative is committed to working at the local level with calls for projects being managed by IUCN in 18 Pacific Island States and Territories, as well as at the regional level via a helpdesk for regional projects, which will be monitored by its Secretariat, located in Noumea (New Caledonia) within AFD's Pacific Ocean Regional Office.

Furthermore, France has played an active role regarding a specific approach within the Paris Club to provide SIDS access to finance for sustainable and resilient development. Over the past decades, the Paris Club has regularly worked on the subject of debt sustainability in the event of external shocks, including natural disasters. Faced with the proliferation of debt treatments due to extreme weather events, the Paris Club adopted an innovative approach through the introduction of a "hurricane clause" in the Grenada Debt Restructuring Agreement in 2015. This "hurricane clause" allows the borrowing country to consider, under certain conditions, additional debt relief during the repayment period, if damage has been caused by a hurricane.

Germany

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Germany's political commitments

Germany is making a major contribution to the global implementation of the Paris Agreement by channelling a substantial part of its official development assistance (ODA) to climate purposes. Consequently, Germany is among the largest donors in the Development Assistance Committee (DAC) in the fields of environmental protection, forestry and energy, and uses its contributions to promote environmental sustainability and climate and nature protection in its partner countries. The high priority that Germany places on international climate finance is also demonstrated by announcements at the highest political level: Chancellor Angela Merkel initially committed to doubling climate finance from budgetary resources from EUR 2 billion to EUR 4 billion in 2020 at the Petersburg Dialogue and announced an increase of climate finance post-2020 to EUR 6 billion per year by 2025 at the latest at the G7 Leaders Meeting in 2021.

Germany acknowledges that climate change, biodiversity loss and environmental degradation pose high risks for the health of humans, animals and plants in a multitude of ways, and therefore consistently implements One Health approaches (e.g. via its One Health Strategy, issued by the Federal Ministry for Economic Cooperation and Development [BMZ]). To that end, Germany also joined more than 80 countries in 2020 in the Leaders' Pledge Nature to adopt and implement an ambitious Global Framework for Biodiversity, and committed to putting biodiversity, climate and the environment at the heart of theCOVID-19 recovery strategies, investments and national and international development co-operation.

Targets

- Climate and Environmental Finance: Germany plans to increase its climate finance by EUR 2 billion to EUR 6 billion per year by 2025 at the latest. Furthermore, Germany works intensively towards increasing the amount of finance committed to nature. In order to track its contribution to climate finance, as one example, the International Climate Initiative (IKI) by Germany's Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU) recently introduced an additional standard indicator on the amount of climate and biodiversity finance mobilised or catalysed through its engagement. As a whole, the standard indicators provide an aggregated overview on the achievement of different metrics towards climate change mitigation, adaptation and biodiversity conservation, e.g. the number of people having received particular training to adapt to climate change impacts or the additional square kilometre of natural protection areas preserved.

- German Sustainability Strategy: To measure Germany's progress towards implementing the 2030 Agenda – including in its development co-operation – the German Sustainability Strategy defines indicators, tackling e.g. global environmental impact by private household consumption (12.1.ba/bb/bc), contribution to international climate finance (13.1.b), prevention of deforestation and protection of soils (15.3.a) as well as the gross bilateral development expenditure for the implementation of the United Nations (UN) Convention to Combat Desertification (15.3.b).
- BMZ 2030: For both climate- and environment-related core areas, BMZ is currently developing standardised indicators to measure its success across its different activities. For all relevant projects, reporting of these indicators will be obligatory from 2022 on:
  - Climate and Energy standard indicators: Amount of reduced or avoided greenhouse gas (GHG) emissions (in tonnes of CO_2 equivalents); number of people directly supported in coping with climate change effects; number of people having gained access to modern energy supply for the first time; power (megawatts) of renewable energies for electricity supply additionally installed; electric energy (MWhel)/thermic energy (megawatt hours, MWhth) saved; number of people in urban areas profiting from newly created or improved sustainable basic supply, infrastructure or services.
  - Environment and Natural Resources standard indicators are currently being developed.

Strategies and policies for systematic integration

Specific programmes and policies of the BMZ and the BMU are mainly used as references in order to focus on the salient aspects of Germany's development efforts and its link to environment and climate.

Concerning policies, the BMZ's Development Policy 2030 Strategy recognises climate change, the destruction of the environment and growing resource scarcity among the main challenges for international development. Therefore, BMZ calls for "almost completely decarbonising consumption and production" and supports partner countries worldwide in their efforts to cut climate emissions and preserve their natural environments. In its new strategic reform concept, BMZ 2030, BMZ as Germany's line ministry for development commits to aligning German development co-operation (GDC) closely to the 2030 Agenda and the Paris Agreement. In addition, in the wake of the current coronavirus (COVID-19) pandemic, BMZ promotes a "better and green recovery" in its partner countries through a range of support measures that are guided by the 2030 Agenda's Sustainable Development Goals (SDGs) and the Paris Agreement.

Through its bilateral development co-operation, Germany supports its partner countries in developing national climate strategies, strengthening corresponding institutions as well as participative implementation processes. Germany supports policy-based financing for political and sectoral reforms to enhance climate ambition.

In the German Sustainable Development Strategy (updated in 2021), Germany outlines a vision of policy making and political action founded on the 2030 Agenda. Climate and environment are central to five of six identified areas of transformation as well as the objectives. Moreover, in order to ensure the alignment of its work in relevant sectors with environment and climate objectives, Germany has several action plans and strategies in place, including the BMZ Water Strategy(2017), the BMZ-Forest Action Plan, "The world needs forests" (2017); the BMZ Action Plan on Marine Conservation and Sustainable Fisheries (2016); the BMZ One Health Strategy(2021) and the IKI programme of the BMU(2008).

In addition, the BMU develops sector strategies (e.g. an adaptation strategy) that serve as guidance for its programmes, while the BMZ is currently implementing a new, comprehensive strategic reform concept, BMZ 2030(2021). The aim is to focus German development co-operation more strategically, effectively and efficiently on tackling current and future global challenges, including climate change and environmental protection.

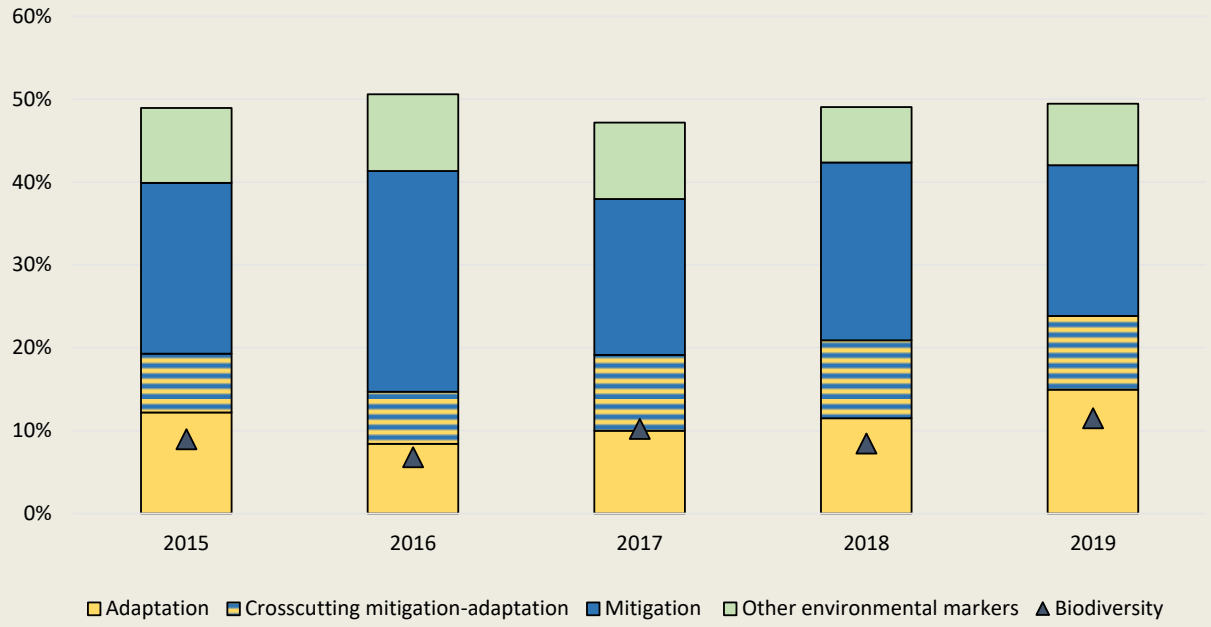
Key provisions and pillars

- German Sustainable Development Strategy: The five areas with direct relevance to climate and environment are: energy transition and climate action; circular economy, sustainable building and the transformation of transportation; sustainable agriculture and food systems; and pollutant-free environment. Germany places special emphasis on the international dimensionof sustainability, focusing, e.g. on climate finance, adaption to climate change and support for conservation areas in developing and newly industrialised countries.
- Green Recovery: With its recovery approach, Germany points towards the wide range of measures that can contribute to a green recovery, including investments in green infrastructure as well as the decarbonisation of the energy sector, investments in early warning systems, climate-resilient infrastructure, improved dryland agriculture, global mangrove protection and efficient water use. Germany works on creating an enabling environment and fiscal incentives for investments contributing to climate and environmental objectives.
- BMZ 2030: Two of the five new core areas of BMZ 2030 directly focus on environmental and climate objectives, while the remaining areas show important references to climate and environment. Specific areas of intervention for the core area “Responsibility for our Planet – Climate and Energy” are: climate change mitigation and adaptation; renewable energy and energy efficiency; and sustainable urban development (including mobility, circular economy and waste management). The areas of intervention for “Protecting Life on Earth – the Environment and Natural Resources” are: biodiversity; forests; and water. In addition, BMZ 2030 sets the Environmental and Climate Assessment (Umwelt- und Klimaprüfung, UKP) as one of the six quality criteria for German development co-operation, which apply to all measures at both the strategic/political as well as operational/implementing level of German development co-operation. Details of putting this quality criteria into practice are currently being developed alongside a revision of the guidelines for the climate Rio Markers and the respective environmental markers.
- BMU – IKI: This support covers four funding areas: mitigation of GHG emissions; adaptation to the impacts of climate change; conservation of natural carbon sinks with a focus on reducing emissions from deforestation and forest degradation (REDD+); and conservation of biodiversity. IKI projects use policy advisory services, capacity building, technology co-operation and financing mechanisms to achieve their objectives. Studies, concepts and specific measures for climate change mitigation and protection of biological diversity can also be funded. Depending on the project, funding can be bilateral, regional or global. IKI supports through two funding pillars: the thematic and the country-specific selection procedures. Both procedures use idea competitions to select innovative projects. This approach ensures that the best ideas and concepts will be implemented and that the diversity of the implementing partners grows. Both of these funding pillars have been geared towards large-volume projects since 2017. Two small-scale project programmes have been associated with the thematic pillar since 2019 and 2020, namely IKI Small Grants and IKI Medium Grants, respectively. All funding procedures are two-staged, with the exceptionof the Small Grants. The competitive character of the funding procedures and the inclusion of non-governmental implementing organisations are important features of IKI that distinguish its work from classic development co-operation procedures, meaning that IKI funds do not go to governmental institutions in partner countries.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Germany's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Regarding administrative processes, Germany recently passed the strategic programme, Maßnahmenprogramm Nachhaltigkeit – Weiterentwicklung 2021, which aims to render governmental administration sustainable as a whole and in alignment with climate and environmental targets. As such, the objective is to achieve a climate-neutral administration by 2030. This is achieved by introducing sustainability criteria into the operations of governmental entities and recommending several measures in ten fields, among them construction, procurement, mobility and training programmes. The German government thereby ensures that environmental and climate aspects are reflected both in its development policy as well as its internal processes.

Concerning specific programmes, BMZ foresees for all relevant strategies and measures of GDC an obligatory Environment and Climate Assessment (Umwelt- und Klimaprüfung, UKP – not to be confused with the BMZ 2030 quality criteria UKP) in order to ensure that environmental and climate (mitigation and adaptation) aspects are consequently reflected. The respective BMZ guidelines foresee a two-step approach, including a pre-screening for the identification of "risks" as well as "additional potentials" (in the sense of opportunities or co-benefits for environment and climate) and, if necessary, an Environment and

Climate Assessment. Based on these guidelines, the implementing agencies of GDC follow these requirements through their own specific safeguard systems.

Further tools for aligning GDC measures and the work of its implementing agencies with environmental and climate objectives include:

- Project markers: All measures get assigned specific markers (comparable to the Rio Markers), related to OECD Creditor Reporting System (CRS), which refer to the projects' main objectives, which allow for further tracking and alignment with the Paris Agreement, 2030 Agenda, the Convention on Biological Diversity (CBD) and similar conventions and targets.
- Implementing agencies, GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) and KfW (Kreditanstalt für Wiederaufbau) Development Bank, calculate the carbon footprint of relevant project activities and develop measures to reduce the overall GHG emissions of project activities.
- GIZ calculates the GHG emissions of corporate/internal activities and develops measures to reduce GHG emissions.
- Knowledge creation and implementation of know-how include internal technical, sector-specific documents, onboarding and regular training sessions for staff and partners.

However, as the quality criteria, Environment and Climate Assessment, is currently being elaborated within the BMZ 2030 process, the operational tools are currently under revision as well.

Regarding IKI, the BMU is applying a social and environmental safeguards system for all its ODA engagements. Each project is assessed during the appraisal phase and categorised according to three different risk categories. Depending on the risks, projects need to fulfil varying requirements in terms of monitoring, avoiding and mitigating social and environmental risks. The IKI safeguards system corresponds to the Environmental and Social Safeguards Standards of the International Finance Corporation (IFC), which currently applies. The performance standards particularly relevant in this context are PS 3 (Resource Efficiency and Pollution Prevention) and PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources).

Monitoring, evaluation and learning frameworks

In climate-related development projects and programmes (as in all others) of the BMZ, results matrices/logical frameworks are used by the implementing agencies (GIZ, KfW, Physikalisch-Technische Bundesanstalt [PTB] and Bundesanstalt für Geowissenschaften und Rohstoffe [BGR]) to monitor their progress, steer and report on them. Project level evaluation reports are published on line, allowing for the sharing of findings and lessons to be drawn upon within and across institutions. On the policy-relevant strategic level, climate-related aspects arebeing regularly integrated into studies by Germany's Institute for Development Evaluation (DEval), as well as evaluations recently covering the German REDD+ and climate adaptation engagements. Results and recommendations that follow from these evaluations are part of Umsetzungsmonitoring, an indispensable and formalised system for planning steps to implement evaluation findings.

Regarding IKI, it is structured along four funding areas (climate change mitigation, adaptation, natural carbon sinks/REDD+, and biodiversity), as previously mentioned. All projects are steered towards impact objectives in at least one of these thematic areas. On the project level, all ODA projects funded by the BMU use results matrices/logical frameworks for planning, monitoring and steering (see the IKI Project Planning and Monitoring Guidelines). The respective results matrices comprise project-specific indicators to measure effects on output and outcome level with regard to their environment and climate objectives. In addition to project-specific monitoring, a set of IKI standard indicators measure the performance of IKI across the portfolio against comparable metrics, such as tonnes of CO_2 equivalents reduced or hectares

of land better conserved. These standard indicators were introduced in 2015 and are currently being revised.

IKI's evaluation system seeks to balance accountability and learning objectives in the contextof IKI's climate and environmental objectives. Evaluation criteria are derived from the OECD-DAC evaluation criteria, but put special emphasis on climate and environmental aspects, for example when assessing impact and sustainability, where transformational engagement towards climate neutral and resilient societies is also assessed.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Germany is the largest donor to the Partnership. The partnership brings together requests specifically related to Nationally Determined Contributions (NDCs) for support from partner countries with support offers from various donors ("matchmaking") and promotes the financial and technical capacities for effective implementation and ambition-raising of NDCs. Since the inception of the partnership, Germany has contributed support totalling more than EUR 500 million.

Through the NAP Global Network (NAP GN),Germany supports National Adaptation Planning (NAP) processes and South-South knowledge exchange. Through the Africa office of the Global Center on Adaptation(GcenA), Germany is supporting the African Adaptation Initiative (AAI).

Through its previously mentioned initiative on One Health, BMZ supports the efforts of partners to draw up national strategies and develop emergency plans to prevent epidemics and pandemics, and supports the mainstreaming and implementation of One Health, taking into account the impact of climate change, environmental degradation and biodiversity loss.

IKI provides support to partner countries in bilateral and various multilateral projects in developing and raising the ambition levels of their NDCs and Long-Term Strategies (LTS). One instrument to implement them in developing and emerging countries is the use of nationally appropriate mitigation actions (NAMAs): these are voluntary sectoral measures that take the form of projects, programmes and policies, and are implemented as part of the Facility. Another important element is the transposition of LTS and NDCs into sectoral policies and implementationmeasures, such as incentive mechanisms at the national and sub-national levels, for example, which are supported by the IKI's work.

Particularly with regard to the Ambition Initiative of the NAMA Facility, Germany and other donors target an even higher level of ambition. It aims to support countries in the implementation of their enhanced NDCs and to build back greener as they recover from the COVID-19 pandemic. The United Kingdom and Germany, alongside the Children's Investment Fund Foundation (CIFF), have committed up to EUR 174 million to the Ambition Initiative. Only projects intervening in countries that have presented updated NDCs to the United Nations Framework Convention on Climate Change (UNFCCC) by the closure of the Call on 31 May 2021 were eligible under the Ambition Initiative. Moreover, these NDCs were required to fulfil the NAMA Facility's ambition criteria as described in the General Information Document for the Call. This additional eligibility requirement aligns with the commitment of the donors of the NAMA Facility to support countries that are stepping up their climate ambition in the run up to COP26 and against the backdrop of the COVID-19 pandemic.

Examples of projects to support national transition plans

- Under the umbrella of the NDC Partnership, Germany supports partner countries by financing various programmes and projects that contribute to a green and climate-sensitive transition (selection): World Bank NDC Support Facility, UNDP NDC Support Programme, GIZ projects (implemented on behalf of BMZ), NDC Assist II and Support for the Implementation of the Paris Agreement. Providing support for NDC implementation is also a core element of IKI. Measures range from policy advice and technical support in the calculation of emissions to monitoring throughout the entire production process and the concrete implementation of NDCs. This includes, in particular, the development of scenarios, country-specific needs analyses, cost estimates and the formulation of specific reduction and adaptation targets in various sectors. Handbooks are produced, webinars organised, and interministerial working groups are advised to identify and involve important stakeholders.
- Germany provides funding of EUR 1.4 million to the United Nations Development Programme (UNDP)'s Building the Economy of Tomorrow: Using NDCs to Inform Green Recovery. Its aim is the climate-friendly design of economic recovery measures in the wake of the COVID-19 pandemic. Inaddition, in June 2020, the Economic Advisory Initiative of the NDC Partnershipwas launched to align the economic recovery from the COVID-19 pandemic with national climate goals. Germany endorsed the High-Level Statement "Promoting a low-carbon, equitable and resilient COVID-19 economic recovery". More than 50 economic advisors are funded by 15 donors and implementing organisations in 34 countries via the Initiative. Germany provides direct support in 26 countries.
- Regarding another element within adaptation, the IKI project helps partner countries develop and implement NAPs. Key focal points of this funding include: optimising approaches to land usage; management of water resources and coastal zones; integration of adaptation aspects with sector strategies; and mainstreaming national development and investment plans. Frequently, the measures described for ecosystem-based adaptation and risk management also form part of NAPs. For instance, with the programme for the support of the National Adaptation Strategy on Climate Change in Mali, IKI is helping key decision makers in Mali to incorporate climate change aspects into development strategies, so that these aspects can be accounted for in planning instruments for the most vulnerable sectors.
- Through projects such as the Programme for Climate-smart Livestock Systems, Germany also supports the inclusion of climate change adaptation and mitigation practices in the livestock sector, with the goal of assisting countries to improve the reporting of their NDCs in the this sector within the framework of the Paris Agreement.
- Germany has also provided an additional EUR 4 million for the activities of the International Monetary Fund's Climate Change Capacity Development Program in order to support a green recovery. The aim is to strengthen the capacity of finance ministries and central banks to introduce fiscal measures, such as carbon pricing schemes that can stop climate change and strengthen climate change adaptation.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Germany refers to sustainable transition processes and transformation in the context of BMZ's work with the German sustainability strategy and the implementation of the Agenda2030 and its SDGs. The level of detail regarding Germany's understanding of transformative change processes is similar to the 2030 Agenda itself, tackling the economic, ecologic and social dimension of sustainability.

In the context of the current COVID-19 pandemic response (e.g. via BMZ's Green Recovery programme), Germany highlights that a green recovery needs to promote both a transformation of the economy as well

as society, and needs to focus on sustainability and climate protection. Germany also sees COVID-19 as a symptom of a multidimensional crisis that has biodiversity loss and climate change at its roots, and subsequently takes the interlinkages between people, animals and their shared environment into account through its efforts, i.e. through BMZ's One Health initiative. Germany links its efforts in disease prevention and mitigation to efforts to reduce biodiversity loss. In addition, Germany recognises the need for climate change adaptation in the context of non-communicable diseases, noting the increasing frequency of extreme weather-related disease risks.

Germany is committed to biodiversity conservation, one element of sustainable development pathways. As such, BMZ supports more than 650 protected areas with a total area of over 2 million km^2 in 78 countries. BMZ is also one of the founders of the Legacy Landscapes Fund, an innovative financing instrument for protected areas. In addition, with its Green Value Initiative, BMZ supports African countries and development institutions in integrating the value of natural assets in decision making and mainstreaming natural capital into policies and planning. BMZ is further committed to halting deforestation and supports its partner countries in improving the political and legal framework in areas such as agriculture, mining and infrastructure. BMZ strengthens marine protection and management of coastal economic areas through three dedicated initiatives: the Blue Action Fund, Save our Mangrove Now and MeerWissen – African-German Partners for Ocean Knowledge.

Germany considers the Convention on Biological Diversity as a central framework for international co-operation and conservation of the natural environment. Germany is one of the largest donors of financial resources for biodiversity conservation, with more than EUR 500 million annually since 2011 for the protection and sustainable use of forests and other ecosystems worldwide. Germany, via BMZ and BMU, strengthens partner countries in the establishment and management of terrestrial and marine protected areas and supports them in ending illegal wildlife trade and poaching. Support is also being provided through projects in the areas of sustainable land use and supply chains as well as for the equitable sharing of benefits from access to genetic resources (ABS Initiative) and for better recognising the economic value of nature in decisions.

BMU's International Climate Initiative (IKI) is another important instrument for Germany's international financing of climate change mitigation and biodiversity. IKI operates within the framework of the UNFCCC and the CBD, financing climate change mitigation and biodiversity conservation in developing, emerging and transition countries. As of 2020, IKI approved more than 750 climate and biodiversity projects, with a total funding volume of over EUR 4.5 billion in more than 60 countries, helping them to implement and ambitiously develop their NDCs anchored in the Paris Agreement, supporting their achievement of the CBD goals and contributing to the implementation of the 2030 Agenda.

In light of COVID-19, IKI's thematic selection process in 2020aimed to offer support in managing the social and economic impacts of the pandemic while also demonstrating how climate change mitigation, adaptation and biodiversity conservation can contribute to sustainable economic reconstruction. In line with the slogan "Creating Green Societies in Challenging Times", the 13 new IKI funding priorities addressed pressing challenges in the areas of climate change mitigation and biodiversity conservation, including the unique challenges caused by the pandemic.

For specific documents, see BMZ 2030, Green Recovery, the German Sustainable Development Strategy or IKI.

Support for sustainable, quality infrastructure

Germany is supporting quality infrastructure as a building block of its development policy andco-operation through:

- The financing of multilateral programmes, such as NEPAD-IPFF – anInfrastructure Project Preparation Facility managed by the African Development Bank (AfDB).

- Its participation in the multilateral initiatives Global Infrastructure Facility (GIF) and the Coalition for Disaster Resilient Infrastructure (CDRI).
- Technical co-operation and support to the Programme on Infrastructure Development in Africa (PIDA) endorsed by the African Union (AU) and implemented with the oversight of the African Union Development Agency (AUDA-NEPAD). This has resulted in a number of significant results, key among these the development of various tools and instruments for PIDA implementation, including the Service Delivery Mechanism (SDM), the PIDA Quality Label and the Quick Check Methodology (QCM) as the standard for excellence in early-stage project preparation.
- The development and expansion of infrastructure in partner countries through projects of technical and financial co-operation in the sectors of water management, housing, transportation, urban development and digitalisation, e.g. through the Transformative Urban Mobility Initiative, the C40 Cities Finance Facility or digital infrastructure. In order to support a green and digital "twin" transition, it seems sensible to address two key topics: "Green Tech" and "Green Data", encompassing, for instance, Clean Tech Hubs (as part of the global network of Digital Transformation Centres), Sustainable Data Centres, or a green approach for the existing multilateral Digital Government Services Initiative, GovStack.
- Rigorous climate mainstreaming and socio-environmental assessment of all (infrastructure) projects, e.g. involving renewable energy installations, road construction or water infrastructure (see the above section, "Operational tools for systematic integration").
- The upscaling and mainstreaming of nature-based solutions (NbSs) in infrastructure planning and design. Germany will support partner countries in building the capacities necessary for their deployment, design and sustainable implementation. A particular focus is on strengthening green/blue and hybrid infrastructure solutions in urban areas. For example, on behalf of BMZ, GIZ and Local Governments for Sustainability (ICLEI) have developed the Urban NEXUS training approach, which also seeks out synergies and benefits of NbSs from system integration in cities and metropolitan regions at the different scales of the built environment and its infrastructures.
- The development of the Sustainable Infrastructure Tool Navigator, a platform that allows users to navigate the increasingly complex landscape of sustainability measures and standards for infrastructure.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- As an immediate response, IKI developed a Corona Response Package to support IKI partner countries, for which significant additional ad hoc funding of EUR 68 million were made available. As a longer term response to COVID-19, the German government is responding to the growing threat of pandemicswith a number of initiatives and projects that promote holistic solutions for human, animal and environmental health. As part of the One Health approach, BMZ and BMU, together with international partners, founded the International Alliance against Health Risks in the Wildlife Trade, which aims to prevent the spread of zoonoses and conserve biodiversity at the same time. Moreover, the BMZ launched a global programme focusing on pandemic prevention in consideration of the One Health approach in partner countries; it provides support to pandemic preparedness in the East African Community (EAC) through structurally anchoring the One Health approach and operationalising the regional pandemic plan, as well as improving the exchange between veterinary and human health professionals in EAC committees. It also supports the One Health Research, Education and Outreach Center (OHRECA) in collaboration with the International Livestock Research Institute (ILRI) to improve human, animal and ecosystem health through capacity building, network strengthening, science-based policy advice and establishing a One Health focal point in Africa.

- Concerning energy, the multi-donor Global Energy Transformation Programme (GET.pro), in which Germany is a founding member and donor, provides with its instrument GET.transform expert recommendations on the sustainable transformation of national energy systems, including mini-grid investment energy regulations. Moreover, with the project, Clean, Affordable and Secure Energy for Southeast Asia (CASE), IKI promotes an energy transition with ambitious climate goals in Southeast Asia. Together with the broad participation of relevant stakeholders, evidence-based solutions for key challenges are being developed aimed at reorienting the energy transition and promoting meaningful local dialogue. It also supports co-ordination in the energy sector in Southeast Asia and provides technical and political assistance. The project is developing a knowledge platform and is also participating in regional specialist dialogue as part of the Southeast Asian Energy Transition Partnership (ETP).
- In light of the growing global pressure on marine ecosystems, Germany is engaged via the BMZ in the initiative MeerWissen - African-German Partners for Ocean Knowledge to provide policy makers with the scientific information they need to make informed decisions for the effective management and protection of Africa's seas and coasts. MeerWissen supports partnership projects between African and German marine research institutions through its own funding programme. In addition, BMZ initiated a partnership with the Nairobi Convention Secretariat and commissioned GIZ to tackle the fragmentation and overlap of responsibilities for marine and coastal areas support through the Western Indian Ocean Governance Initiative (WIOGI). This programme aims to strengthen regional marine governance with the involvement of the private sector on the protection and sustainable use of marine and coastal biodiversity in the WIO region.
- As example of support to rural areas, the IKI project, Implementing Strategies for Regional Transitions to Low-Emissions Rural Development in Indonesia, Peru, Mexico, Colombia and Kenya, supports the transition to low-emissions rural development in five partner countries in which tropical forests are predominant. At the sub-national level, and together with local non-governmental organisations (NGOs) of the Sustainable Tropics Alliance, it bundles and harmonises rural development state strategies and private industry initiatives along the most essential value chains, orienting them on forest protection goals. In addition, processes and structures are established to enable effective implementation, and a paradigm shift from a “project-based” approach to a “jurisdictional” approach will be supported. Concerning urban areas, City WORKS, which was developed by the GIZ Sector Programme Cities and commissioned by BMZ, supports cities and municipalities worldwide in their sustainable development pathways by localising global agendas like the 2030 Agenda, the Paris Agreement and the Sendai Framework for Disaster Risk Reduction.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Germany supports Small Island Developing States (SIDS) in mitigating and adapting to climate change, managing climate and disaster risks, and dealing with climate-induced migration and disaster-related displacement.

For example, within BMZ 2030, in the area of adaptation and resilience building, co-operation with SIDS is of particular relevance to climate policy. SIDS are supported in multi-donor partnerships and through multilateral mechanisms (e.g. Green Climate Fund, Global Environment Facility, World Bank).

Examples of projects in support of SIDS' sustainable development

Germany supports SIDS through various programmes and projects. BMZ, through GIZ, supports SIDS in addressing climate change by promoting sustainable and resilient development through sectoral and global engagements. In the Pacific, the BMZ supports the Regional Pacific.

In the Caribbean, the BMZ commissioned the GIZ project NDC Assist II and supports the Caribbean NDC Finance Initiative (NDCFI), which offers Organisation of Eastern Caribbean States (OECS) member states a platform for capacity building and collaboration on climate action and enhanced access to finance for NDC implementation. Also concerning capacity building, the NAP GN Progress Report (2019-2020) refers to the Network's work (mentioned in Question 5), of which over 50% goes to Least Developed Countries (LDCs) and SIDS, including dedicated support for countries to develop their Adaptation Communication under the UNFCCC.

The BMZ-funded programme, Improving the Climate Resilience of Caribbean Island and Coastal States with Systemic Resource Management on Land and Water, reduces pressure on marine and coastal ecosystems through adaption by applying the "ridge-to-reef approach". This systematic resource management approach to enhancing climate resilience is implemented in selected Caribbean Community (CARICOM) member states, working with the Caribbean Public Health Agency and various state and civil partners.

In dealing with climate-induced migration, disaster-induced displacement and voluntary and planned resettlement caused by extreme weather events as well as gradual climate change, the BMZ commissioned the GIZ project, Human Mobility in the Context of Climate Change, which supports partner countries in the Caribbean, the Horn of Africa, the Pacific, the Philippines and West Africa.

In the field of climate risk, climate risk management activities in the Pacific and the Caribbean are supported by the BMZ-commissioned GIZ project, Global Programme on Risk Assessment and Management for Adaptation to Climate Change (Loss and Damage). Also, the Climate Risk and Early Warning Systems (CREWS) initiative, in which Germany is a decision-making member, provides funding to build early warning systems for LDCs and SIDS in the Caribbean and Pacific. The support will improve forecasting of extreme weather events.

Moreover, Germany supports the InsuResilience Global Partnership (IGP) in: improving vulnerable countries' access to climate risk data, models, information and tools; helping countries build capabilities to better manage their risks; and leveraging the expertise and know-how of IGP members. Under the IGP, to which Germany has contributed EUR 800 million so far, the Pacific Catastrophe Risk Insurance Company (PCRIC) has been providing climate risk insurance to Pacific island countries against tropical cyclones, earthquakes, and tsunamis since 2016. Similarly, the Caribbean Catastrophe Risk Insurance Facility (CCRIF) under the IGP provides countries in the Caribbean and Central America with access to fast-disbursing climate risk insurance.

Supporting SIDS' access to finance

Germany supports the Alliance of Small Island States (AOSIS) and its members (39 small island and low-lying coastal developing states) in international climate change, sustainable development negotiations and processes.

With regard to the Regional Pacific NDC Hub, BMZ (through GIZ) provides country- and sector-specific technical assistance and facilitates tailor-made support for Pacific Island Countries and Territories (PICTS) for NDC implementation, enhancement, and financing. The Hub supports processes to leverage global public finance and helps PICs secure finance for NDC implementation.

The previously mentioned Caribbean NDC Finance Initiative (NDCFI), which Germany supports with the NDC Assist II project, offers OECS member states, among others, a platform for enhanced access to

finance for NDC implementation, including learning and support opportunities that improve access to public and private climate finance.

The Adaptation Fund finances projects and programmes that help vulnerable communities in developing countries, including SIDS, adapt to climate change. Germany has established itself as the largest supporter of the Fund in recent years and committed a further EUR 50 million in donations to it in December 2020.

Greece

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Greece's political commitments

Greece has an ambitious climate policy that aims for a zero-carbon society by 2050, in line with the targets set by the 2030 Agenda for Sustainable Development, the Paris Agreement and the EU Green Deal.

Targets

In this context, Greece has set ambitious goals in its National Energy and Climate Plan and has placed green transition at the core of its National Recovery and Resilience Plan. In addition, climate change is one of the priority areas set in Greece's Four-Year National Programme for International Development Co-operation 2022-2025.

Strategies and policies for systematic integration

Hellenic Aid does not currently implement specific programmes to developing countries. However, Hellenic Aid has a new law 4781/2021 regarding development co-operation policy and organisational structure, and climate change and the protection of the environment is a cross-sectoral priority. In addition, the Four-Year National Programme for International Development Co-operation 2022-2025 sets out climate change as one of the priority areas for bilateral development co-operation programmes.

Greece will present its second Voluntary National Review (VNR) on the Implementation of the 2030 Agenda for Sustainable Development at the United Nations (UN) High-Level Political Forum for Sustainable Development (HLPF) in July 2022. The Sustainable Development Goals (SDGs) under review are SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 14 (Life under Water), SDG 15 (Life on Land), and SDG 17 (Partnerships for the Goals).

Key provisions and pillars

Greece's key policy objectives concerning international environmental co-operation include:

- Its firm commitment and contribution to the achievement of the international objectives and efforts on sustainable development, climate action, biodiversity protection and conservation by promoting, among other things, the implementation of the 2030 Agenda and the SDGs, the Paris Agreement objectives, and supporting the elaboration of an ambitious post-2030 global biodiversity framework.

- Enhancement of the country's engagement in multilateral and regional environmental bodies, e.g. the UN Environment Programme (UNEP), and the Barcelona Convention for the Protection and Sustainable Development of the Mediterranean Sea. These objectives are guiding the multilateral development co-operation of Greece through the allocation of contributions to environmental funds, international organisations and Multilateral Environment Agreements (MEAs)' Secretariats that comprise the main channel of the country's environmental development co-operation. In 2020, Greece contributed EUR 1 774 787 to the various environmental funds and international organisations as multilateral official development assistance (ODA).
- Contribution to sound environment management and sustainable development in Europe as an active member state of the European Union.
- Building "beyond borders" partnerships with partner countries that face similar challenges and share common goals, through bilateral and trilateral technical co-operation schemes, especially in its geographic neighbourhood, i.e. Southeast Mediterranean and Southeast Europe.
- In this context, a trilateral co-operation in the field of environment between Greece, Cyprus[5] and Egypt was initiated in October 2016. The thematic areas identified as issues of common concern were: 1) preparedness and response to major marine pollution incidents in the Mediterranean; 2) combating coastal erosion and coastal zone management; 3) biological diversity and nature protection; 4) waste management; and 5) climate change adaptation. The last thematic area is one in which Greece has considerable experience and knowledge in developing related methodological approaches to policy options that can be shared and exchanged with partner countries (with emphasis on the exchange of information on monitoring and observation mechanisms, on best practices and on know-how, including on climate adaptation indicators and climate adaptation web applications and tools, aiming to create a solid knowledge base for adaptation approaches, tools and methods that can be compatible to all partners).

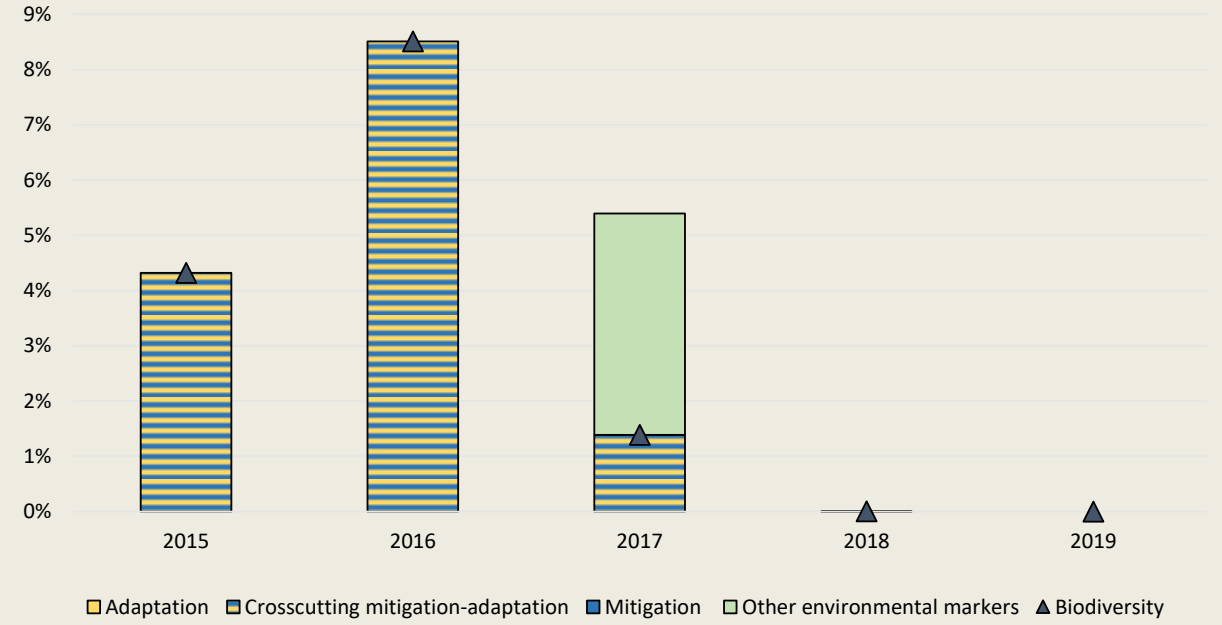
[5] Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Greece's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Greece did not report specific policies or activities in this area.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Greece did not report specific policies or activities in this area.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Greece's approach to the transition both domestically and in international development co-operation is defined by the 2016 National Adaptation Strategy, which defines the goals, principles and priorities of adaptation and lists potential adaptation measures for sectors likely to be significantly affected by climate change: biodiversity and ecosystems, agriculture and food security, forestry, fisheries, aquaculture, water resources, coastal areas, tourism, energy, human health, the built environment, transport, cultural heritage, industry, mining and insurance.

In line with the Convention on Biological Diversity (CBD) commitments, in 2014 Greece adopted the National Biodiversity Strategy for 2014-29. The Strategy provides a comprehensive framework with detailed sub-targets to improve knowledge and the status of biodiversity, and mainstream it into sectoral policies. It is based on three pillars: halting biodiversity loss; promoting biodiversity as a national natural capital; and intensifying Greece's contribution to the prevention of global biodiversity loss. There are 13 main targets, split into non-quantitative sub-targets, with relevant indicators.

National priorities are also reflected in Greece's multilateral development co-operation through the allocation of contributions to environmental funds, international organisations and MEAs' Secretariats, which comprise the main channel of the country's environmental development co-operation.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Regarding climate change adaptation – a thematic area where Greece as a country prone to climate change impacts has considerable experience that can be shared with partner countries – important recent and future activities include:

- In the context of the LIFE-IP AdaptInGR project, Sub-Action E2.6: "Mediterranean and transnational co-operation and replication" (January 2021-December 2026), this project foresees the organisation of workshops, events, etc. with the aim of strengthening co-operation in the area of adaptation to climate change in the Eastern Mediterranean and in Southeast Europe. The replication of the LIFE-IP AdaptInGR results will be further pursued through ongoing trilateral agreements between the Ministry of Environment and Energy (MEEN) with Cyprus and Israel, and with Cyprus and Egypt, where Climate Change Adaptation is identified as a priority for collaboration, with the corresponding strand of activities led by the MEEN. Activities will include collaboration on the following aspects:
  - Indicators and methodologies for monitoring adaptation policy implementation. Indicators and approaches shall be discussed among representatives of the respective ministries of environment, and further adapted to suit the needs of the other three countries.
  - Integrated energy and adaptation planning in the frame of a low-carbon climate-resilient strategy, addressing both national-level planning and local development (i.e. good practice sharing in urban regeneration, building refurbishment, etc.).
  - Flood risk management and coastal zone management, a key theme across all countries, where local good practice will be identified and shared among the parties of the trilateral agreements.
  - Best practice examples, as identified through the LIFE-IP AdaptInGR pilots, to further pursue replication and transfer of the project's results.
- Replication and transfer will be facilitated through workshops organised by the MEEN and Natural Environment and Climate Change Agency (NECCA). The possibility of field visits to the project's pilot projects will also be explored. Information on good practices will also be disseminated to the

Union for the Mediterranean and to the UNEP Mediterranean Action Plan (UNEP/MAP), through publications in reports, announcements and other means (e.g. meetings, seminars), as part of the ongoing, day-to-day activities of the MEEN. Synergies and collaboration with LIFE-IPs on the climate change adaptation of other Mediterranean countries will also be pursued. Experience sharing and collaboration between the MEEN and the national adaptation authorities of other European neighbours, in particular non-EU Mediterranean and Balkan countries, will be sought as well, in order to step up climate change adaptation and resilience in European neighbouring countries that are less advanced in the adaptation process.

- The National Observatory of Athens (NOA) will contribute to experience sharing with European neighbours by providing training to their climate experts on the use of state-of-the-art Regional Climate Models and downscaling techniques (e.g. organisation of virtual training seminars, participation as lead trainers in experts training sessions, organised back-to-back workshops).
- In the context of the Greek Chairmanship of the South East European Co-operation Process (SEECP), among others, a workshop on "Sharing Experience on Climate Change Adaptation Programmes and Policies in South Eastern Europe" will be organised in May 2022, targeting public servants in SEECP member countries, including Western Balkan Countries and Turkey. The workshop will be organised by the LIFE-IP AdaptInGR project co-ordinated by the Greek Ministry of Environment and Energy.
- In the area of Renewable Energy Sources (RES) Energy Saving (ES) and Rational Use of Energy (RUE), the national Centre for Renewable Energy Sources (CRES) is designated as the national co-ordination centre in these fields as well as the national centre to support the implementation of the national policy for improving energy efficiency and promoting RES. Its mission is to promote applications in these fields at the national and international levels, as well as to support relevant activities in order to reduce the environmental burden in the value chain: production – transport – use of energy. The international actions of CRES are mainly developed in co-operation with Western Balkan countries, the Middle East and North Africa, as well as with countries of the Commonwealth of Independent States (CIS).

How are development programmes supporting SIDS to achieve sustainable development?

Greece did not report any specific policies or activities in this area.

Hungary

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Hungary's political commitments

As a member state of the European Union and a Party to the United Nations Framework Convention on Climate Change (UNFCCC), Hungary's national legislation is guided by the climate policy-related requirements of the European Union and the commitments under the UNFCCC. Hungary ensures that climate protection measures are in line with the Paris Agreement at the domestic level, as well as with the EU climate policy framework, facilitating their implementation.

Given the fact that developing countries are the most vulnerable to global warming and environmental deterioration, Hungary is committed to supporting developing countries to achieve the social, economic, spatial, and environmental dimensions of sustainable development. As stated in the Voluntary National Review of Hungary in 2018, the environmental pillar has been at the centre of the concept of sustainability.

Hungary is convinced that access to clean water and sanitation is one of the greatest challenges; the development of these services plays an ever-important role in furthering sustainable development, equality and peace in developing countries.

In this regard, Hungary implemented several water-related development projects in 2020, as follows:

- Within the framework of the comprehensive, USD 19.6 million development programme in Uganda, an innovative water management project was implemented in the Rwamwanja Refugee Settlement with a total value of USD 1.3 million. The project provided three schools in the Rwamanja Refugee Settlement access to clean water.
- Hungary has recently implemented two innovative water-management projects through which mobile water purifier systems were provided to Tunisia (value of USD 111.83 thousand) and to Kyrgyzstan (value of USD 84 000).
- Between 2017-21, Hungary implemented a complex development programme with a total budget of USD 1.6 million to help internally displaced persons in Iraq. Within the programme, among others, Hungary reconstructed the water infrastructure of seven villages and rehabilitated an irrigation channel in the Nahla Valley. Additionally, Hungary provided a Hungarian water purifier system that supplies locals with 200 m^3 of drinking water per day.

Targets

According to Hungary's International Development Co-operation Strategy for the period 2020-25 (IDC2025), each line ministry reports to the Interministerial Committee for International Development

Co-operation (IDC Committee) on an annual basis. The IDC Committee seeks to foster co-ordination between relevant domestic actors and reviews, evaluates and reports on the Government's policies. These insights form part of the annual international development report produced by the Ministry of Foreign Affairs and Trade of Hungary, in line with provisions of the Act XC of 2014 on International Development Co-operation and International Humanitarian Assistance. A comprehensive review of IDC2025 will take place at the end of 2024 with the involvement of the relevant ministries, experts and civil society organisations (CSOs). This review will form the basis of renewing the Strategy, as necessary. The Ministry for Innovation and Technology (as the ministry responsible for climate issues) and the Ministry for Agriculture (as the ministry responsible for environmental issues) work closely together to systematically integrate environmental and climate objectives into strategies and projects, and into development co-operation efforts.

Strategies and policies for systematic integration

Hungary's development co-operation efforts integrate international climate and environment objectives. In line with the vision of Hungary's International Development Co-operation Strategy for the period 2020-25 (IDC2025), Hungary seeks to contribute to the sustainable development of its partner countries and their local communities in a manner consistent with their needs and demands. Moreover, IDC2025 is in accordance with the principle of leaving no one behind and closely abides by the aims of the 2030 Agenda for Sustainable Development and the overarching guidelines of the OECD Development Assistance Committee (DAC), in particular pertaining to the eradication of poverty and addressing inequality. Among others, Hungary prioritises the implementation of projects and programmes pertaining to water management and sanitation, agriculture, health, education, the environment and information technology.

Key provisions and pillars

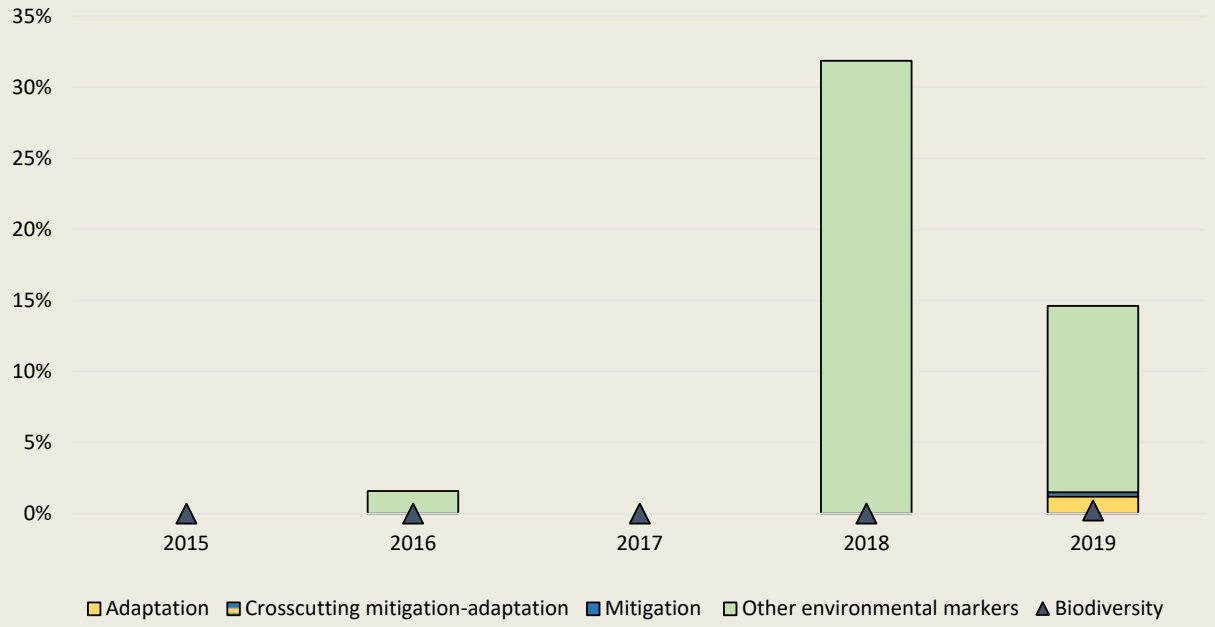
The aim of Hungary's IDC2025 is to ensure that Hungary plays a more prominent role in addressing some of the foremost challenges faced by the international community. IDC2025 is predicated on five key objectives. Those that have a more direct link to climate and environment are:

- Hungary aims to enhance its international role in development co-operation. In order to reach this objective, a greater emphasis has been placed on the implementation of strategic, tailor-made bilateral development co-operation programmes based on local needs and demands, taking into account socio-environmental concerns.
- Although Hungary's current development co-operation already accords with the implementation of the Sustainable Development Goals, IDC2025 seeks to enhance the country's development co-operation focus on those goals in which Hungarian actors have a comparative advantage (water management and sanitation, agriculture, health, education, environment, information technology), thus contributing in the most effective way possible to sustainable development.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Hungary's integration of climate objectives

As a share of bilateral allocable aid (commitments)



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Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

The above-mentioned strategies and action plans provide the framework to align development operations with climate objectives.

Monitoring, evaluation and learning frameworks

The Hungarian government adopted the Handbook for the Selection, Monitoring and Evaluation of International Development Projects in 2020. The aim of this framework is to contribute to achieving the principles and the objectives of Hungary's IDC2025 Strategy while proposing the application of a unified policy for co-ordinating the activities of the various development actors by selecting, monitoring and evaluating international development projects. Through the application of the guidelines, the selected projects can be implemented in the most efficient way possible, project results can be measured, compared and translated into lessons learned for future project selection and implementation processes. In addition, it also enables projects to be more demand-driven while conforming to Hungary's development priorities, including environment and climate objectives. Such objectives are monitored and evaluated through the surveys to be filled out by its development partners, e.g. if the project had an environmental impact and which SDGs were supported by the project. These experiences, results and lessons learned can be

channelled towards decision-making processes, which thereby contribute to optimising the accountability, transparency and efficiency of Hungary's international development co-operation.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Hungary puts a considerable emphasis on the demands and priorities of the countries where development projects are to be implemented. A thorough needs assessment is conducted prior to the selection of the project and the implementing partners. Moreover, since Hungary's IDC2025 Strategy strives to align with the global development objectives and follow the principles of the development co-operation guidelines, projects are expected to contribute to partner countries' own national transition strategies and priorities.

Hungary's climate efforts abroad focus on the Western Balkans. With the establishment of the Western Balkans Green Fund Project, the Government of Hungary supports the green transition and social development of the region. As part of this project in 2019, the Government established the Western Balkans Green Center (WBGC). Under the authority of the Ministry for Innovation and Technology, the Center aims to contribute to the region's climate protection efforts in line with the Nationally Determined Contributions (NDCs), as set forth in the Paris Agreement. In 2020, the WBGC closed two grant programmes disbursing more than EUR 2 million among 25 high-quality projects in the region. The investment preparation and capacity-building projects cover the sectors of water and waste management, sustainable energy, agriculture, nature conservation, and digitalisation in all six countries of operation in the Western Balkans (namely Albania, Bosnia and Herzegovina, Kosovo, Republic of North Macedonia, Montenegro and Serbia). Projects are promoted by private sector participation through Hungary-based companies as well as education hubs. In June 2021, the WBGC launched its third grant call.

The WBGC and the Vienna-based Energy Community are jointly preparing to launch the Center of Excellence in Green Transition for the Western Balkans (CEGT). The CEGT will implement knowledge exchange and capacity-building programmes, with the focus on climate- and environment-friendly as well as energy-transition efforts. The Memorandum of Understanding (MoU) and a two-year rolling working programme establishing the CEGT were signed between the Ministry for Innovation and Technology and the Energy Community on 14 June 2021.

Examples of projects to support national transition plans

Programmes supported by the WBGC (a non-exhaustive list) include:

- developing tools to support the establishment and implementation of climate policy in Montenegro
- assessment of energy efficiency and renewable energy development opportunities in the municipality of Backa Topola, Serbia
- knowledge transfer supporting the Western Balkans region to prepare for EU natural conservation and climate directives.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Hungary devotes great importance to sustainable development, climate mitigation and adaptation throughout its development projects. On the one hand, IDC2025 highlights the environment as a main priority for its interventions, and regards climate issues as a crosscutting field that appears in its priorities,

such as agriculture, information technology and education, to name but a few. On the other hand, the selection, monitoring and evaluation of the projects also focus on the importance of environment-related questions, which are listed in Hungary's Handbook for the Selection, Monitoring and Evaluation of International Development Projects.

Support for sustainable, quality infrastructure

Hungary's IDC2025 Strategy highlights the importance of the engagement of the private sector, on the one hand to be able to bridge the funding gap for infrastructural development, and on the other hand to bring expertise to the table. It is worth noting that Hungary has a comparative advantage in the fields mentioned in their Strategy. These include water management and sanitation, healthcare, environment, information technology and education. Hungary provides devices and equipment to development partners as well as knowledge through capacity-building training sessions.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Hungary's International Development Programme in the Republic of Uganda is a multi-faceted flagship initiative for the economic development model introduced by IDC2025. The programme is composed of multiple projects pertaining to infrastructure development and capacity building in the fields of, among others, water management and smart tourism. The components of this multi-sectoral programme overall aim to achieve stability, sustainable development and equality in the country while taking into account environmental and climate objectives.
- Innovative water and energy investments in Tirana, Albania: Mali me Gropa is a vulnerable karstic water reserve exposed to the effects of climate change and increasing human presence. Due to the growing population and environmental reasons, the shortage of drinking water resources will probably increase in the near future. In light of these, the purpose of the project is to propose a new water supply option alongside the existing waterworks, so other water industry investments could be realised in the future, such as a high-efficiency karst-related micro hydroelectric power station. Surveys and planning are complemented by on-site hydrogeology and flood protection education, where experts share their experiences with local decision makers.
- Waste utilisation for energy production in Montenegro: This feasibility study addresses how using waste as fuel could deliver measurable benefits in landfills as well as in the CO_2 and slurry emissions of the local power plant. The existing landfills will be evaluated, quantifying the possible amount of waste to be utilised. The waste production will be evaluated based on its potential to be sorted and shredded for secondary raw material. Based on these measures, the amount of RDF (Refuse Derived Fuel) and SRF (Solid Recovered Fuel) can be estimated. SRF is a high-quality alternative to fossil fuels to be used in the power plant after the furnaces are modified. The economic analysis covers a basic return-on-investment calculation of the whole project.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Hungary's IDC2025 Strategy highlights the need for supporting Least Developed Countries (LDCs), a great share of which is accounted for by Small Island Developing States (SIDS). Hungary devotes a great importance to the fields of water management, environment protection, climate action, agriculture, education and healthcare, which enables it to have considerable expertise in the prioritised fields (water management and sanitation, food security, human capital) of the Samoa Pathway. Moreover, Hungary

believes that supporting access to quality education through scholarship programmes is a vital step towards sustainability. In this regard, Hungary provides full scholarships to the brightest international students, who, upon returning to their countries are able to contribute to achieving the national and global environmental and climate priorities.

Examples of projects in support of SIDS' sustainable development

For instance, Hungary has a strong tie with Cabo Verde, among the SIDS, and has carried out several development projects in the West African country, where Hungary approved the implementation of a tied aid programme in the fields of water management and agriculture, which will indirectly support national and global climate objectives. In 2019, Hungary supported a climate-related water and sanitation project for an amount of HUF 27 million. The aim of the project was to develop a water management concept for Cabo Verde, in line with national and global climate objectives. The study summarises the water management-related efforts and achievements in Cabo Verde and defines the necessary steps towards the mid-term water management development goals set by the Government of Cabo Verde.

Moreover, in 2018 Hungary provided a water purification system to Cuba, to support the island on its sustainable development trajectory.

Supporting SIDS' access to finance

Hungary overall follows the principles and guidelines of the Addis Ababa Action Agenda (AAAA), in order to align all financing flows and policies with economic, social and environmental priorities, where LDCs and SIDS equally receive considerable weight within Hungary's development priorities.

Iceland

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Iceland's political commitments and targets

Iceland, in co-operation with the other Nordic countries and other partners, has been at the front of the Build Back Better and Greener post-COVID-19 movement. Iceland's commitment to aligning development policies and programmes with international climate and environment objectives is reflected in joint Nordic declarations and op-eds on the issue, including at the United Nations (UN), the World Bank and the OECD. This is also reflected in interventions and statements by the Icelandic Minister for Foreign Affairs and Development Co-operation over the last one and a half year.

Climate, together with human rights and gender equality, guides Iceland's development co-operation. Iceland has committed to increasing its engagement and contribution to climate-related official development assistance (ODA) activities, including as one of three new and/or increased commitments in renewed Nationally Determined Contributions (NDCs). Iceland is already in the top five OECD Development Assistance Committee (DAC) donors contributing the highest proportion of ODA to climate-related actions, at over 40% in 2019.

Iceland is a Global Champion for the UN High-Level Dialogue on Energy (HLDE) that took place on 24 September 2021. At the HLDE event, Iceland presented its Energy Compact. The Energy Compact complements and is in line with the Paris Agreement. It includes the Icelandic NDCs and advances Sustainable Development Goal (SDG) 7 on energy. In the Energy Compact, Iceland commits to increasing ODA funding to support universal access to affordable, reliable, and modern energy services in developing countries. In addition, Iceland will continue to strengthen the integration of renewable energy solutions in its bilateral development co-operation programmes in education, health and water and sanitation. In 2021, Iceland reported that ODA contributions to funds and programmes supporting the implementation of SDG 7 and its targets should reach approximately ISK 614 million and will increase annually, proportionally in line with the increase in overall ODA.

Strategies and policies for systematic integration

Icelandic development co-operation efforts are guided by climate as an integral part of all activities. This, among others, is detailed in Iceland's Policy for International Development Co-operation for 2019-2023.

Key provisions and pillars

The overall goal of Iceland shall be to reduce poverty and hunger and promote general well-being on the basis of human rights, gender equality, and sustainable development. One of the key priorities is the protection of the earth and sustainable use of natural resources by increasing the resilience of societies and enhancing economic growth on the basis of equality and sustainable use of natural resources, in addition to taking measures against climate change. The main components of this approach are:

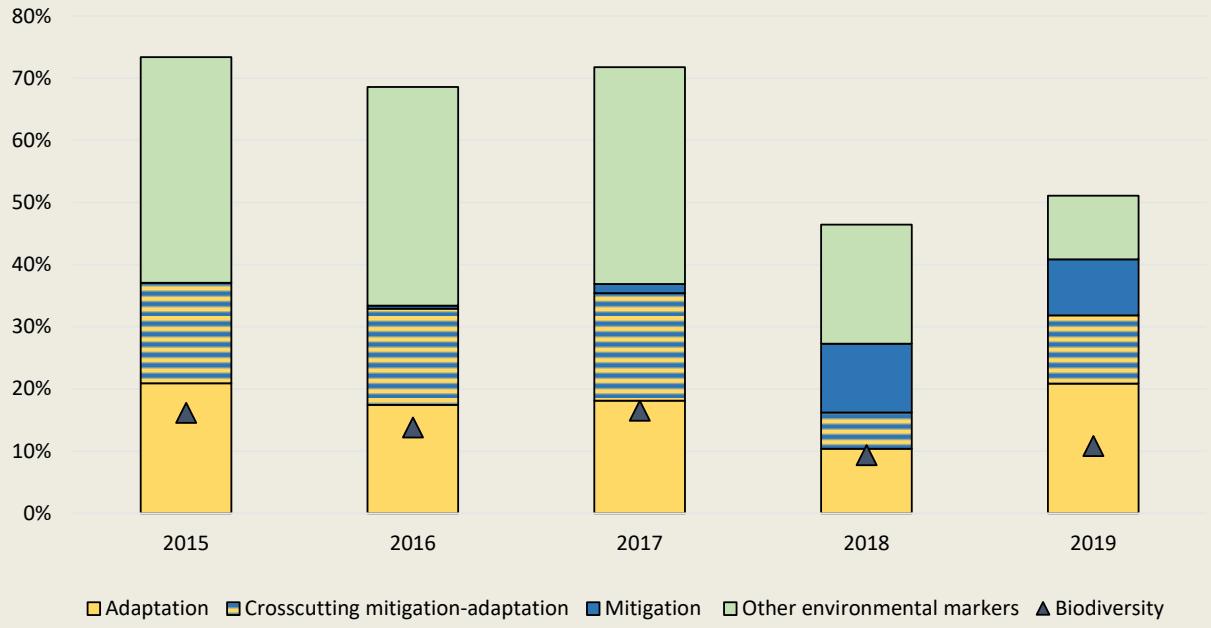
- increased use of geothermal energy and other renewable energy sources
  - increased knowledge and ability to use geothermal energy
  - increased knowledge and ability to use renewable energy
- the protection and sustainable management of the oceans and waters
  - improved management and sustainable use of marine resources and improved livelihoods in coastal communities
  - decreased plastic pollution in the ocean
- recovering land quality and limiting land degradation
  - improved knowledge and capacities of local institutions for land restoration and protection
- increasing the resilience and adaptability of societies due to the impacts of climate change
  - improved adaptation and mitigation against the impact of climate change
  - increased role of women in decision making in international venues for climate-related issues.

Tracking towards goals is partially completed through a holistic performance management system, via a central database for all support and mechanisms.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Iceland's integration of climate objectives

As a share of bilateral allocable aid (commitments)



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Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Standard operating procedures for strategic partnerships, such as with private sector partners and CSOs, stipulate that the environment and climate change shall be considered in all work.

All strategies including for climate and environment, as well as terms of reference, are quality assessed in an internal evaluation group.

Monitoring, evaluation and learning frameworks

As environment and climate is mainstreamed into Iceland's development co-operation, such considerations also apply for monitoring and evaluation efforts, as well as any learning.

As per Section 4.1 of the Evaluation Policy 2020-2023, the environment is defined as a crosscutting issue and shall be addressed in all evaluations, irrespective of whether they are mentioned in underlying project documents.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

All Iceland's activities in partner countries are based on the countries'/districts' own development plans, including NDCs where applicable. In its current programming, Iceland is placing stronger emphasis on climate aspects, including by supporting districts to develop their own Climate Action Plan, in line with national strategies, and subsequently support climate action.

Examples of projects to support national transition plans

The GRÓ Geothermal Training Programme and the GRÓ Land Restoration Training Programme both support key national institutions to build capacity and work towards respective national energy transition and land degradation and sustainable land management targets.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Iceland is strongly focused on green and blue development efforts, linking sustainable management of natural resources and ecosystems to improved livelihoods and shared well-being. Strategic focus includes that Iceland will encourage innovation and apply circular economy and nature-based solutions. Iceland will both aim to strengthen institutional mechanisms for environmental sustainability, for instance through local governments, as well as mainstreaming efforts and provide support to dedicated programme components.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Iceland supports several international partners in developing and implementing sustainable, low-emissions and climate-resilient development pathways. This includes Sustainable Energy for All (SEforALL), International Renewable Energy Agency (IRENA) and the Global Geothermal Alliance, and the World Bank Energy Sector Management Assistance Program (ESMAP). All of these are strong partners in ensuring the transition towards carbon neutrality. In 2020, Iceland entered a new Memorandum of Understanding (MoU) with the UN Environment Programme (UNEP), focusing on geothermal development, gender equality, and land restoration and sustainable land management. Iceland is currently negotiating the terms of a new programme on an ecosystem-based approach to wetlands and forest restoration in Uganda, in co-operation with the Ministry for Water and Environment in Uganda, GRÓ Land Restoration Training Program and UNEP.

With regard to quality infrastructure, Iceland is supporting districts in Malawi and Uganda to electrify schools and healthcare as a part of infrastructure support, while also supporting a number of countries through expert rosters and GRÓ programmes in developing policies and planning for the energy transition (geothermal and hydropower), land restoration, gender equality in e.g., the energy sector, etc.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Iceland, being a small island state, makes Small Island Developing States (SIDS) a natural partner for its development assistance. SIDS have been a major focus for training and capacity building by GRÓ especially in renewable energy and in the blue economy for many years.

Iceland has worked closely with, for example, the Food and Agriculture Organization (FAO) and the World Bank ProBlue programme to support SIDS in adapting and becoming more resilient to climate change.

Examples of projects in support of SIDS' sustainable development

Iceland has trained a large number of people from SIDS in the Caribbean, the Indian and Pacific in the GRÓ programmes over more than 20 years. Iceland has also worked together with FAO, and local partners with on-site training modules. For example, the GRÓ Geothermal Training Program has run annual training in Central America and East Africa for years. Iceland is also considering SIDS as an emphasis on a renewable energy programme to be launched in 2022.

Iceland is currently seconding an expert to the World Bank, posted in the Pacific with a focus on the blue economy, including energy transition in fisheries. Iceland is also finalising seconding an Icelandic expert to FAO in Rome, working on the blue economy in SIDS, with a focus on sustainable and resilient value chains, among other things.

Supporting SIDS' access to finance

Iceland did not report any activities in this area.

Ireland

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Ireland's political commitments

For Ireland, development and climate objectives are already strongly interwoven, as illustrated in its national policy for international development, A Better World. Ireland continues to work to improve this alignment.

In accordance with a commitment in the current Programme for Government, a dedicated Climate Unit was established within Irish Aid in October 2020. This outlook is further reflected in broader commitments of the Programme for Government, which states that climate action will be a core pillar of every departmental strategy and that every department will adopt a climate mandate. A Better World commits the Government to "climate proofing" all of its development expenditures, and a process is underway in this regard that will strengthen tools for use across the development co-operation programming.

Targets

In 2015, Ireland set a Programme for Government commitment to provide a total of EUR 175 million in climate finance between 2016 and 2020. Ireland has since updated this target to, at a minimum, double the overall percentage of their development assistance that counts as climate finance. The ongoing development of a Climate Finance Strategy and Roadmap aims to: scale up Ireland's international climate finance contributions in the coming years; strengthen co-ordination across government departments in delivering on its international financial contributions; and enhance Ireland's role as donor and partner, particularly with regard to focusing on support to climate adaptation.

Ireland tracks its progress on support to climate action in development co-operation through a number of interlinked processes, including its annual Creditor Reporting System (CRS) return to the OECD, its annual climate finance submission to the European Commission, and its reporting to the United Nations Framework Convention on Climate Change (UNFCCC). More specifically, based on these processes, the Department of Foreign Affairs produces an annual report on climate finance each year that covers contributions from all relevant government departments to environment and climate action in the context of development co-operation.

In addition, Ireland's Interim Climate Actions 2021 presents a number of actions, including climate advocacy at EU and international levels, extension of climate resourcing and capacity across their embassy networks, and continued assistance to Least Developed Countries (LDCs) and Small Island Developing States (SIDS). Ireland tracks its progress against its Interim Climate Actions 2021 through

quarterly reporting of progress against each action, submitted to the Department of the Taoiseach (head of government).

Strategies and policies for systematic integration

Climate action is one of four key priorities set out in Ireland's current policy for international development, A Better World. Ireland seeks to influence and support the growth pathways of developing countries to establish low-carbon, resilient futures. For example, Mission and Unit budgets in the Department of Foreign Affairs are systematically screened against climate action alongside Ireland's three other key international development priorities.

In identifying climate action as a key priority in its A Better World strategy, Ireland recognises that the impacts of climate change threaten to undermine all efforts towards achieving the Sustainable Development Goals (SDGs), and to fuel humanitarian need.

Of particular relevance is a commitment to, at a minimum, doubling the overall percentage of Ireland's development assistance that counts as climate finance. The Department of Foreign Affairs has engaged a consultant to support the development of a Climate Finance Strategy and Roadmap by which to achieve this target. The expected timeline for the completion of this work is the first half of 2022.

Finally, in line with a commitment in A Better World, in the coming months the Climate Unit will establish a methodology for strengthening the climate-proofing of all of Ireland's official development assistance (ODA).

At present, Irish Aid's Partnership with the International Institute for Environment and Development (IIED), and specifically, the Irish Aid/IIED Climate and Development Learning Platform, offers support on the integration of climate action into country programmes and to Irish Aid's network of climate focal points. Irish Aid and IIED are currently undertaking a review of this partnership to maximise its potential.

In addition to A Better World, Ireland's development co-operation is guided by two other strategic documents with specific climate action elements:

- Ireland's Strategy for Partnership with Small Island Developing States
- Ireland's Strategy for Africa to 2025.

Ireland's climate action efforts at the global level are further integrated into national plans and policies, including the national Climate Action Plan and the National Adaptation Framework.

In accordance with a commitment in the current Programme for Government, a dedicated Climate Unit was established within Irish Aid in October 2020. The role of the Unit is to help support, shape and scale up Ireland's climate diplomacy and climate financing at the global level. The Climate Unit leads a number of initiatives to achieve this, including its task to establish a methodology in the coming months for strengthening the climate proofing of all of Ireland's ODA. The Unit acts as a hub for a network of climate focal points across the Department's Units and Missions abroad. It also represents the Department of Foreign Affairs in interdepartmental fora on climate, thus promoting policy coherence across government.

The Department of Finance has also enhanced the organisational capacity of the Climate and International Finance Division and will further deepen engagement on sustainable and international climate finance through international forums, including the European Union and multilateral development banks (MDBs).

Key provisions and pillars

A Better World contains a number of commitments on climate action. These include:

- climate proof development co-operation by integrating climate action into all of its work
- continue to scale up allocations to climate action innovations

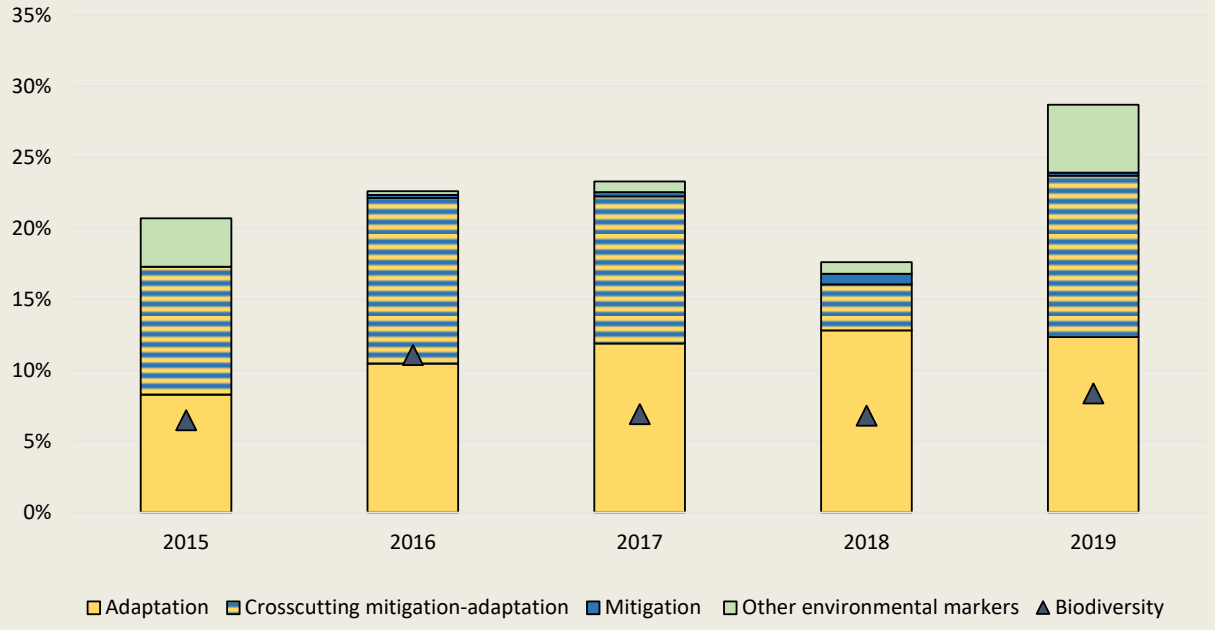
- ensure climate action is prioritised in all interventions around food and agriculture
- develop a new Oceans Funding initiative to explore the potential of the blue economy
- future proof all interventions by engaging on climate issues as part of systems strengthening.
- Ireland's Strategy for Africa to 2025 commits to:
- work closely with African partners, as part of the commitment to implement the 2015 Paris Agreement, to ensure that resources to tackle climate change are made available where they are most needed
- scale up funding on climate action
- future proof all development interventions
- ensure that climate action is central to all new Country Strategies in Africa
- explore innovative approaches to climate finance and risk insurance.

Ireland's Strategy for Partnership with Small Island Developing States (SIDS) contains a number of specific initiatives to support climate action in relation to SIDS, and are outlined in the section below.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Ireland's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Through a longstanding partnership with the IIED, Irish Aid has established a centralised online Climate and Development Learning Platform. This acts as a resource for Ireland's Missions, Units and development

partners providing access to briefings on topical issues and opportunities to share learning. It further supports the exploration of linkages to Ireland's three other key development priorities: prioritising gender equality; reducing humanitarian need; and strengthening governance. Through this partnership, Missions and Units also receive regular technical assistance and support in their multi-year strategy and budget planning processes.

In addition, the recently established Climate Unit in Irish Aid acts as a hub for co-ordinating policy and sharing progress and activities across the Department.

As noted above, the Department of Foreign Affairs has engaged a consultant to support the development of a methodology to enhance the climate proofing of all of Ireland's ODA.

Monitoring, evaluation and learning frameworks

As above, Ireland tracks its progress against the Interim Climate Actions through quarterly reporting of progress against each action, submitted to the Department of the Taoiseach (head of government).

Across Ireland's development missions, the Department of Foreign Affairs applies a country-strategic planning cycle. Missions with specific climate change objectives are required to include outcome and output monitoring in annual cycles, and to assess overall progress through evaluations of the strategic plans and country programmes.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

In keeping with Ireland's particular focus on adaptation, Ireland supports the National Adaptation Plan (NAP) process in LDCs and SIDS. Ireland funds the LDCs Expert Group (LEG), the only body mandated by Parties to the UNFCCC to provide dedicated support to LDCs. The LEG assists these countries in their efforts to design, plan and implement NAPs and facilitates access to financial and technical support. In addition, Ireland is one of just three developed countries to hold a seat on the LEG, alongside Canada and Germany. Ireland's membership of this group strongly informs its climate diplomacy.

Ireland's climate finance is channelled through multilateral, bilateral and civil society organisation (CSO) development assistance, to strengthen national capacities. Irish Aid missions in developing countries work in partnership with national authorities to advance nationally driven climate agendas, working directly with relevant line ministries, such as energy, sanitation, education or agriculture ministries.

Examples of projects to support national transition plans

Ireland is providing early-stage support to the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR). The Life-AR programme supports locally driven climate change adaptation efforts in the most vulnerable countries and communities. Led by the LEG, the initiative seeks to assist seven of these countries in designing and implementing national climate action plans; to establish mechanisms for peer-to-peer learning and dissemination of best practice; and to support effective and credible climate financing in order to enhance LDC ownership of their adaptation efforts.

Ireland funds the LEG, the UNFCCC-mandated body to provide technical assistance to LDCs for national adaptation planning and implementation processes, including support to navigate financing and technical resources.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Ireland's development co-operation plays a distinct role in climate action, supporting solutions for those furthest behind. At the heart of Ireland's climate action is a commitment to climate justice, including for women and girls. As reflected in the current Programme for Government, Ireland's international climate support explicitly focuses on the needs of those countries and communities who are least responsible for causing climate change, have limited resources to respond and adapt, and who have the most to lose. As a consequence of this focus, Ireland's support is particularly dedicated to climate-resilient development pathways and adaptation in LDCs and SIDS.

The Irish Aid Climate Unit has identified two core priorities for Ireland's climate diplomacy based on an analysis of where Ireland can add the most value. These priorities are:

- climate adaptation and resilience
- oceans and the sustainable blue economy.

Ireland believes strongly in the need for a larger proportion of funding to go to climate adaptation, which promises greater development dividends. This will be a key concern in the development of Ireland's climate finance roadmap. The majority of Ireland's climate finance supports adaptation measures in Least Developed Countries (LDCs) – especially in Africa – and Small Island Developing States (SIDS), approximately half of this with mitigation co-benefits. Ireland is also increasing its efforts to ensure that more adaptation financing reaches the local level.

On oceans, Ireland's approach is to balance economic needs with sustainable ecosystems and human engagement with oceans. This includes addressing threats to the fisheries sector, providing for sustainable tourism, and preventing pollution.

Support for sustainable, quality infrastructure

Ireland's support for quality infrastructure is largely channelled through its contributions to multilateral organisations, funds and development banks such as the European Investment Bank, the World Bank and the Green Climate Fund.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

In 2021, Ireland is providing EUR 2 million to the International Fund for Agricultural Development's (IFAD) new Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+), supporting smallholder resilience in low-income countries. ASAP+ is envisioned to be the largest fund dedicated to channelling climate finance to small-scale producers to help them to combat the climate change and social drivers of food insecurity. The programme will work primarily in low-income countries – particularly those in debt distress – whose economies depend heavily on agricultural production. In addition, provisions will be made for SIDS and other particularly vulnerable or fragile countries where pockets of food insecurity persist.

In Malawi, the Embassy of Ireland worked with Malawi's Ministry of Energy to meet an ambitious target, set in 2012, to produce and put into use 2 million energy-saving cook stoves. They collaborated with non-governmental organisations (NGOs), women's groups and energy entrepreneurs to deliver this target. By the end of 2020, more than 2 032 526 improved stoves reached Malawian households, resulting in at least USD 1.34 million in income for stove producers and retailers, a wood savings of 5.4 million tonnes, reduction in carbon emissions of 8.1 million tonnes, as well as income-generating opportunities for 4 780 people.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Ireland's Strategy for Partnership with SIDS (2019) contains a number of commitments to support SIDS. This is based on four strategic objectives. These are:

- They will use their influence to champion the needs of SIDS.
- Ireland will use its place in Europe to ensure the European Union's institutions, policies and support are delivering for SIDS.
- Based on its values, Ireland will establish a series of regional partnerships that will directly help address the needs of SIDS, and can evolve to meet changing circumstances.
- Ireland will establish mechanisms that can help its people contribute their expertise to development challenges in SIDS.

In fulfilment of these objectives, Ireland has provided targeted adaptation funding to SIDS, including through the Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States administered by the Asian Development Bank, as well as specific support to SIDS participation in international processes and negotiations. In 2020, Ireland provided support to Tuvalu in hosting the Pacific Islands Forum Negotiators meeting ahead of the Intergovernmental Conference for the development of a legally binding instrument under the United Nations Convention on the Law of the Sea for the conservation and sustainable use of marine biological diversity in areas beyond national jurisdiction.

In addition, Ireland has committed dedicated resources to continuous dialogue with SIDS, holding regular meetings to share views and build further collaboration.

This support is further provided for in Ireland's Programme for Government.

Examples of projects in support of SIDS' sustainable development

In 2019, Ireland announced the formation of a new EUR 12 million climate change and disaster resilience fund at the Asian Development Bank dedicated to SIDS in the Pacific. The trust fund aims to help to increase SIDS' resilience to the impacts of climate change and to disasters caused by natural hazards. The fund also seeks to help to increase investments in climate change mitigation and adaptation among the SIDS. Specifically, the fund supports projects in the areas of:

- climate change adaptation
- disaster resilience
- disaster preparedness and management
- capacity building
- regulatory and legislative reforms.

Through its funding to the Caribbean Catastrophe Risk Insurance Facility (CCRIF), Ireland supports disaster risk insurance mechanisms in the Caribbean.

Supporting SIDS' access to finance

Ireland funds the Secretariat of the Pacific Regional Environment Programme (SPREP). SPREP is a core technical agency contributing to UNFCCC communities of practice on adaptation and a Green Climate Fund accredited entity. Ireland's funding targets enhanced capacity among key institutions in vulnerable Pacific Islands for climate services, access to climate finance, implementation of multilateral environment

agreements, inclusion in relation to gender and disability, early warning systems, ocean ecosystem-based adaptation and policy responses to loss and damage.

Italy

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Italy's political commitments

The Italian Law No. 125/2014 on international development co-operation provides in Art. 1 that one of the fundamental objectives pursued by Italy's development co-operation is the promotion of sustainable development, in compliance with the international programmes and strategies defined by international organisations and by the European Union. This principle is reflected in the three-year Programming and Policy Planning Document (PPPD) (2019-21) and policy guidance, whereby Italian Development Co-operation action is committed to helping reach the Sustainable Development Goals (SDGs), making "Planet" one of its pillars and focussing on populations at risk of being left behind. The PPPD is currently under review and the 2021-23 edition will prioritise the alignment of post-COVID-19 development action with environmental and climate objectives.

Targets

Italy is undertaking continuous efforts to ensure finance and capacity-building support and the transfer of technologies to developing countries for climate action. As announced at COP21, Italy aimed to reach at least USD 4 billion in 2015-20 in international climate finance. This represented an overall mobilisation target for the entire period, from different sources including public and private, bilateral and multilateral. The primary objective of setting this mobilisation target was to scale up international climate finance from different sources over time. As announced at the G20 Rome Leaders' Summit, Italy aims to increase its international climate finance commitment over the next five years to USD 1.4 billion a year.

Strategies and policies for systematic integration

Development co-operation and climate action in developing countries is funded by a variety of entities in Italy, the main entities being the Ministry of Economy and Finance (MEF), the Ministry of Foreign Affairs and International Co-operation (MAECI) and the Ministry of Ecological Transition (MITE). Every administration allocates its own funds in line with the PPPD. Italy considers the alignment of all finance flows, domestic and international, with a pathway to low greenhouse gas (GHG) emissions and climate-resilient development as a key factor leading to the achievement of mitigation and adaptation goals.

The above-mentioned PPPD – pages 25-27 – provides for the integration of environmental and climate objectives in development co-operation initiatives.

In the framework of the PPPD and with reference to development co-operation in the environmental sector, the MITE adopted the Policy and Programming Act for International Environmental Co-operation 2020-2022.

Key provisions and pillars

The Italian Development Co-operation supports a sustainable development model in harmony with the ecosystem and leaving no one behind. It aims to prevent environmental degradation adding to the social and economic pressures that cause instability, conflict and forced displacement. At the multilateral level, Italy remains committed to promoting international environmental solidarity within the United Nations, the European Union and other relevant contexts, such as the OECD Development Assistance Committee (DAC).

A healthy ecosystem is an opportunity for income, growth and social cohesion, as well as an enabler of the enjoyment of fundamental rights. In fragile countries, populations depend more directly on the services that a healthy nature offers and on which these populations rely, in a context of interdependency. With this perspective, the Italian Co-operation priorities adaptation action, which also brings concurrent benefits to mitigation and to other socio-environmental challenges. Development action is a priority where the threshold of socio-economic collapse is lower, as this is where a cycle of instability might start and where the same destabilisation might render communities unable care for nature and climate.

The Italian Co-operation pursues environmental goals within the scope of its actions:

- making sure that any kind of programme and action does not cause degradation of the ecosystem (“compliance”)
- generating concurrent environmental benefits in the actions involving other development sectors (“integration”)
- promoting programmes that have the protection or recovery of the ecosystem as the main goal (“mainstreaming”).

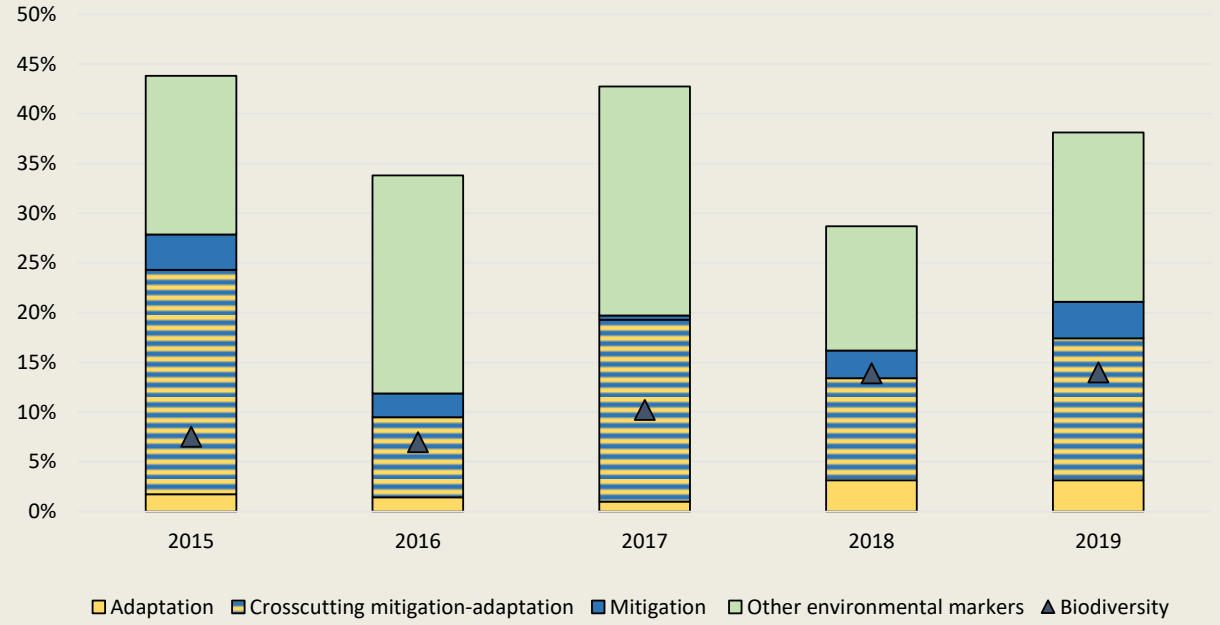
The above-mentioned MITE Policy and Programming Act for International Environmental Co-operation 2020-2022 promotes the strengthening of synergies among the objectives of the three Rio Conventions, the 2030 Agenda and the Sendai Framework for Disaster Risk Reduction. It includes general and specific priorities for environmental development co-operation.

Thematic areas for the 2020-22 triennium are mitigation and adaptation to climate change, and energy efficiency and renewable energy. Priority activities will be in the field of: biodiversity, marine and terrestrial ecosystems, forests; desertification, drought and soil degradation; tangible and intangible natural cultural heritage; bio cultural diversity and balanced approaches between man and nature; risks from natural disasters and extreme climatic events; water as a common good and a universal human right; climate-altering emissions and pollution factors; marine litter and food waste; circular economy and environmental remediation.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Italy's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

The Operational and Technical Guidelines for Strengthening Environmental Sustainability and Adaptation and Mitigation Measures in the Italian Development Co-operation are currently under preparation by the Italian Agency for Development Co-operation (AICS).

AICS is also developing a programme that includes the development of partner countries' environmental and climate-change profile sheets. Each country sheet will be a useful tool in framing and directing development co-operation actions in the environmental field and, at the same time, in accompanying partner countries towards the ecological transition. Moreover, the sheets will not only support the Italian Agency local offices in using the environmental sustainability matrix, but will also provide a long-term perspective on the Agency's co-operation activity, providing information on the country's environmental criticalities, expected trends, technological needs and the main environmental sustainability challenges to which the country is also committed.

Monitoring, evaluation and learning frameworks

Assessing the environmental impact of Italian Development Co-operation initiatives is one of the strategic priorities of the evaluation process carried out by the MAECI according to Law No. 125/2014. External

evaluations are conducted in line with a triennial Programme of Evaluations (the 2022-24 Programme is currently being finalised) taking into account the SDGs of the 2030 Agenda, the objectives of the triennial strategic document of the Italian Development Co-operation and OECD–DAC evaluation criteria. Attention is paid to including in each triennial Programme of Evaluations a number of initiatives that have their main focus on environment; at the same time, environmental consideration is a crosscutting point of reference while evaluating the impact of initiatives.

The recommendations and lessons learned from each evaluation feed a Management Response process carried out by the MAECI and the AICS together. The AICS is in charge of implementing, managing and monitoring the development co-operation initiatives.

The Operational Guidelines also include a checklist (matrix) that aid workers can use to assess the systematic integration of the environment and climate change throughout the different project phases (ex ante, in itinere and ex post), in order to adjust the process if needed, and ensure a constant contribution to sustainable development.

Through the Policy and Programming Act for International Environmental Co-operation 2020-2022, the MITE adopted as top priority the establishment of a monitoring, control and evaluation mechanism, to increase efficiency, transparency and accountability of activities and allocation of funds, including the evaluation of the environmental impact of development co-operation activities.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Italy contributes to climate action and to the implementation of developing countries' national transition strategies through a variety of channels and programmes (bilateral, multilateral and through specific funds and multilateral development banks [MDBs]; see the United Nations Framework Convention on Climate Change [UNFCCC] Fourth Biennial Report: Italy [BR4] and the EU 9.5 submission to the UNFCCC).

As per multilateral channels, most of the multilateral climate funds extend resources to support projects elaborated by the recipient countries themselves, often with the support of national accredited agencies and/or UN Agencies supporting countries' requests. This mechanism aims to maximise ownership of projects and implementation by the recipient countries.

All projects and programmes financed in the context of bilateral co-operation reflect partners' priorities and objectives, including Nationally Determined Contributions (NDCs) and other relevant climate change and national environmental strategies. Bilateral co-operation is based on peer exchange with partner countries and adheres to the principles of effective development co-operation.

Examples of projects to support national transition plans

- In order to support Viet Nam in the implementation of its own National Development Action Plan, the Italian Development Co-operation delivered a soft loan of EUR 15 million for the construction of an irrigation system in the Bac Bihn hilly area and of a drinking water treatment and distribution system in the North district. Both projects are in line with Viet Nam's National Biodiversity Strategy with a vision to 2030.
- As per multilateral channels, Italy contributes to the Green Climate Fund (GCF), as a key multilateral vehicle to contribute to the ultimate objectives of the Paris Agreement (Article 2) and the UNFCCC. During the First GCF Replenishment Pledging Conference in October 2019, Italy

announced a contribution of EUR 300 million to GCF's 2020-23 replenishment (GCF-1), reaching total support provided through the GCF of EUR 550 million (initial resource mobilisation: EUR 250 million). The total pledged amount has already been confirmed by means of contribution agreements. Furthermore, through its bilateral co-operation, the MITE is supporting developing countries partners in accessing GCF support and developing projects through the existing accredited entities. Contributions also serve to support the so-called "readiness programmes" that aim to improve the absorptive capacity of recipients to effectively employ resources.

- Italy's MEF is a member of, and financial contributor to, the Global Environment Facility (GEF). Funding is channelled in the form of grants and concessional funding. The MEF contributed to the Sixth and the Seventh Replenishment (covering the period July 2018-June 2022) with the same amount of EUR 92 million, and will participate in the GEF-8 Replenishment negotiations. Italy disbursed EUR 36.9 million to the GEF in 2020.
- Moreover, Italy is taking part in the replenishments of the International Fund for Agricultural Development (IFAD-12) and the Asian Development Fund (ADF-13), and of the International Development Association (IDA-20) and the African Development Fund (AfDF-16).
- Since 2015, Italy has contributed to the Adaptation Fund (AF) through MITE. In 2019, MITE disbursed EUR 7 million to the Fund, which will deploy it in the coming years, reaching in total EUR 21 million in contributions since the inception of the Fund itself. In 2020, Italy pledged a further EUR 30 million to the Fund. Italy plans to further support the AF in the coming years, including allocating resources from the proceeds of auctioning.
- Information on the MITE's multilateral contributions include transfers to international financial institutions (IFIs) and MDBs, as well as agreements with international organisations and partnerships and support to multilateral agreements and conventions.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

As provided for in the PPPD, the Italian Development Co-operation's mandate is to contribute to implementing the 2030 Agenda and achieve the SDGs, while following the principle of leaving no one behind. In so doing, it takes into account local contexts and the needs and priorities included in the national development plans, the commitments taken at the bilateral and multilateral levels, and the comparative advantages and experience of the actors of the Italian System for Development Co-operation. Italy's strategic vision is based on the Five Pillars of the 2030 Agenda (People, Planet, Prosperity, Partnership, Peace), and takes into account the deep interlinkages between the environmental, economic and social dimensions of the transition processes.

Support for sustainable, quality infrastructure

AICS is working in compliance with the G20 Principles for Quality Infrastructure in support of and consistent with the transition to environmentally sustainable, low-emissions and climate-resilient development pathways in partner countries, in line with Partner Country's NDCs and National Adaptation Plans. More widely, it is taking action by: increasing the use of innovative sustainable technologies in new infrastructures and in the renovation of existing ones; designing and implanting integrated projects encompassing sustainable infrastructures in construction and circular economy activities; strengthening environmental degradation prevention activities in Disaster Risk Reduction projects and programmes; involving stakeholders in each stage of the project/programme; providing training programmes and capacity-building activities to national and local stakeholders; training AICS staff in environmental and sustainability issues; and involving actors of the development co-operation system.

In Lebanon, Italy offers a consistent package of soft loans, with over EUR 50 million aimed at the development of quality infrastructures for wastewater treatment and another EUR 10 million for agricultural

development in coastal areas, assisted by technological desalinisation machines, which are essential for climate change adaptation and to counter the advancement of desertification. Moreover, Italy provided EUR 1.5 million in grants to the United Nations Development Programme (UNDP) in order to reinforce the system of waste collection and recycling in the country.

Another valuable example is the Palestinian Authority, whereby, in 2021, Italy signed an agreement with the World Bank worth EUR 8 million for the realisation of water collection and transport, connected to a desalination plant under construction in the Gaza Strip. It is a vast project managed by the World Bank and involves a large number of donors.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- The Italian Development Co-operation supports African partner countries in addressing their climate change adaptation needs, especially in the agricultural field, focusing on the adoption of sustainable practices for cultivation, transformation and consumption, and assuring sustainable natural resources management. Italy supports sustainable agriculture activities, as agriculture is at the centre of the transition to low-emissions and climate-resilient development. A concrete example of this approach is the Project for the Eco-Sustainable Intensification of Agriculture in the Niayes (Senegal) (PIESAN), which consists of a concessional loan of EUR 10 million, aimed at curbing natural degradation, and at promoting the adoption of innovative, eco-sustainable and efficient agricultural practices in the Niayes region.
- Italy recently launched the initiative, Glaciers and Students - A Scientific-based Approach to Monitor Climate and Glaciers in the Pakistan Mountain Regions to Support Hydrogeological Risk Prevention, with the UNDP in Pakistan, with a grant of EUR 1.1 million. It will not only establish a process of knowledge transfer in favour of local scientists and inhabitants, but will provide valuable tools for Pakistani authorities to elaborate their own strategies to cope with climate change in the mountain regions.
- Italy is also engaged in promoting the sustainable management of water and marine-coastal resources and the creation of job opportunities for local populations in the field of blue economy,
- An important source of funding that Italy provides as additional climate finance to developing countries is proceeds from the auctioning of GHG emissions allowances, according to the Legislative Decree No. 30/2013.
- Between 2017 and 2019, MITE significantly contributed through UNDP to the establishment of a Strategic Accelerator Labs Network through the Africa Centre for Climate and Sustainable Development, established in 2017. EUR 12 million have been committed, and will be disbursed between 2020 and 2022 for the acceleration of sustainable development outcomes in African and Latin American countries. A further EUR 10 million have been committed, and will be disbursed between 2020 and 2022 for the operations of a Trust Fund for the promotion of renewable energy solutions in developing countries, through UNDP.
- Cassa Depositi e Prestiti, the Italian Development Finance Institution (DFI), participates, with up to EUR 35 million, in the Renewable Energy Fund II, which is the second phase of a previously successful programme carried out in 2014-15 and created with the aim of financing the development of renewable energy plants in Sub-Saharan Africa. The programme is consistent with the Renewable Energy Initiative in Africa (AREI), launched at the Paris Conference on Climate Change (COP21).

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The Italian Development Co-operation on climate action, as indicated in the PPPD, is focused on fragile ecosystems, thus supporting the countries most exposed to the effects of global warming: the Small Island Developing States (SIDS) and countries that have a lower capacity to counteract and have lower resilience to the effects of climate change. In the SIDS, the political priority is support to marine-protected areas, local and sustainable energy generation and disaster risk management.

As reiterated in the Policy and Programming Act for International Environmental Co-operation 2020-2022, MITE is currently committed to the implementation of activities through the strengthening of existing partnerships with the Pacific Small Islands, the Caribbean, the Maldives and the Comoros, favouring the involvement of the private sector together with local communities, and sharing experiences acquired at the national level.

Priorities expressed by the governments of SIDS focus on building resilient societies and managing risks from climate change. Thus, two macro areas have been mainly addressed throughout the long-standing co-operation between Italy and the governments of SIDS:

- Sustainable Energy Programme: To respond to the requests of SIDS to foster access to sustainable energy, Italy supported the evaluation of energy needs; strengthening energy policies; rural electrification; biofuels development; and renewable energy sources.
- Climate Change Adaptation Programme: Disaster risk reduction and conservation of biodiversity and marine and terrestrial ecosystems.

In particular, the electrification of the fishing centres of remote islands allowed them to achieve results in energy security and mitigation and, at the same time, to strengthen small, local fishing communities by encouraging sustainable fishing for small-scale centres, support the food security of local populations, and promote the conservation of marine and coastal habitats for ecological, economic and social resilience. More information can be found here.

In the context of the co-operation activities with the Pacific Small Island Developing States (PSIDS), developed in the framework of a partnership launched in 2007, the MITE funds climate and ocean-related training projects dedicated to young officials, in line with Article 11 of the Paris Agreement.

This ambitious training programme includes the UNFCCC capacity-building project, Capacity Award Programme to Advance Capabilities and Institutional Training in one Year (CAPACITY), which will last for five years, until 2022.

Examples of projects in support of SIDS' sustainable development

The most recent ongoing programme promoted by the MITE is taking place in Cuba, a SID in the Caribbean region, called Strengthening the Cuban Marine Meteorological System (Marine Surveillance) (MITE-CITMA), in collaboration with the UNDP as implementing agency. This programme targets: acquisition of innovative tools and technologies for the detection and surveillance of oil slicks, waves, sea currents and wind fields based on synthetic-aperture radar (SAR) satellite imagery processing; Internet-based provision of high-resolution SAR imagery updated daily; and specialised technical training.

Projects undertaken in the biennium 2017-18 include:

- Energy-based adaptation: A sustainable programme for widespread rural electrification (Solomon Islands); planning for an electricity network in the Solomon Islands (Solomon Islands); photovoltaic solar, off-grid systems for fish centres outer islands (Kiribati) – Phase II.

- Capacity building: Fellowship for capacity building on climate change and oceans (Fiji); 2018 Tonga Fellowship on the Environment and Ocean (TFEO).
- Water and food security: Increasing Palau's resilience to extreme drought events: taking action for long-term adaptation to the impacts of climate change (Palau); irrigation for resilient and sustainable agriculture (Vanuatu); Household Water Storage Project (Nauru), Phases II and III.
- Marine protected areas and ocean economy: Strengthening protected area management in the Kingdom of Tonga (Tonga); strengthening of the Phoenix Islands Protected Area and the creation of related Marine Protected Areas in Kiribati (Kiribati); Palau national marine sanctuary education and awareness (Palau).
- Early warning systems: Building Infrastructure Resilience (Marshall Islands).

The MAECI also takes part in a development partnership with PSIDS, particularly by funding programmes entrusted to the International Union for Conservation of Nature (IUCN). A relevant example is the project, Pacific Small Island Developing States - Energy, Ecosystems and Sustainable Livelihoods Initiative, launched in 2020 in partnership with IUCN. The initiative includes, among others, a programme of solar rehabilitation and solar home systems in Tonga, research on biofuel in Samoa, new solar photovoltaic lighting systems in Papua New Guinea and a waste-oil-management framework in the Marshall Islands.

Supporting SIDS' access to finance

The Pacific Small Island Developing States - Energy, Ecosystems and Sustainable Livelihoods Initiative project also has a component on soft loans, to facilitate the access to finance, especially for investments in climate mitigation and adaptation. Furthermore, the Italian Development Co-operation is envisaging more focused collaboration with regional banks involving SIDS with the aim to support them in the process of coping with the vulnerability to extreme weather and climate events, the subsequent unsustainable economic and social costs of these events, and climate change threatening the sustainability and competitiveness of key sectors of their economies.

The involvement of regional banks is expected to expand the pool of concessional resources available to SIDS so that they can better improve the socio-economic, technological and environmental resilience of their economies.

Japan

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Japan's political commitments

Japan's recent political commitments and efforts on environmental and climate change are as follows.

At the G20 Osaka Summit in June 2019, under Japan's leadership as the G20 Presidency, member countries shared the Osaka Blue Ocean Vision, which aims to reduce additional pollution by marine plastic litter to zero by 2050, and which has now been shared by 87 countries and regions as of September 2021. In order to achieve the Vision, Japan announced that it would support capacity building, infrastructure development, and waste management in developing countries. In addition, it launched the MARINE Initiative, which focuses on: 1) management of wastes; 2) recovery of marine litter; 3) Innovation; and 4) empowerment, to encourage effective marine plastic litter measures. Under this initiative, Japan will support empowerment in developing countries to promote waste management, recovery of marine litter, and innovation through bilateral and multilateral co-operation.

During the Leaders Event at COP21 held in Paris in 2015, the former Prime Minister Abe announced the Action for Cool Earth 2.0 (ACE 2.0), which aimed to support action in development countries and the advancement of innovative technologies to address climate change. As part of the contribution, Japan committed to mobilising approximately JPY 1.3 trillion of public and private climate finance to developing countries in 2020, being an important factor for agreeing the goal of USD 100 billion a year by 2020, as agreed at COP15 and adopting the Paris Agreement. At the G7 Summit 2021 in Cornwall, Prime Minister Suga stated that Japan will continue its assistance on public and private finance, with a total JPY 6.5 trillion over the next five years, from 2021 to 2025, and that Japan will further enhance its adaptation assistance to countries vulnerable to climate change.

The former Prime Minister Abe announced the Sendai Co-operation Initiative for Disaster Risk Reduction Phase 2 in 2019 as a new initiative for international co-operation. Japan decided to further contribute to the international community by utilising its advanced expertise and technology in the field of disaster risk reduction. Under this initiative, Japan announced that it would provide support for at least 5 million people over the four-year period, from 2019 to 2022, to increase resilience to disasters, and provide training for a total of 48 000 people, including governmental officials and local leaders, as well as education for a total of 37 000 children on disaster risk reduction.

Targets

With regard to climate finance, Japan has provided public and private climate financing annually amounting to about JPY 1.3 trillion, equivalent to approximately USD 11.8 billion between 2016 and 2020. At the 2021

G7 Summit, in Cornwall, Japan committed to providing climate finance, both public and private, of a total of JPY 6.5 trillion over the next five years, from 2021 to 2025. This high level corresponds to its previous commitment up to 2020.

Japan contributed USD 1.5 billion to the Green Climate Finance (GCF) fund in 2015-18, followed by another commitment of up to USD 1.5 billion in 2020-23 for the first replenishment of GCF. In total, Japan is the second largest donor of the fund next to the United Kingdom, with total contributions of up to USD 3 billion.

Strategies and policies for systematic integration

- Development Co-operation Charter: In addition to political statements and commitments on environmental and climate change, Japan's Development Co-operation Charter, decided at cabinet level in 2015, provides the foundation for Japan's development co-operation policy. The Charter sets out environmental and climate change as one of the priorities for Japan's development co-operation, and includes a commitment to address these challenges on a sector basis. The Charter further stipulates an implementation principle that Japan's development co-operation take full account of the impact on environment and climate change on a cross-sectoral basis, in order to make development compatible with environment and to achieve sustainable development.
- Japan International Co-operation Agency (JICA) Medium-term Objectives (business year 2017-21): Japan integrates an environmental and climate aspect into JICA's Medium-term Objectives for the delivery of its bilateral co-operation programmes, in line with the Development Co-operation Charter and its political statements and commitments mentioned. Based on the objectives, JICA prepared a five-year Medium-term Plan (business year 2017-22) and a JICA Annual Plan for Fiscal Year 2021.

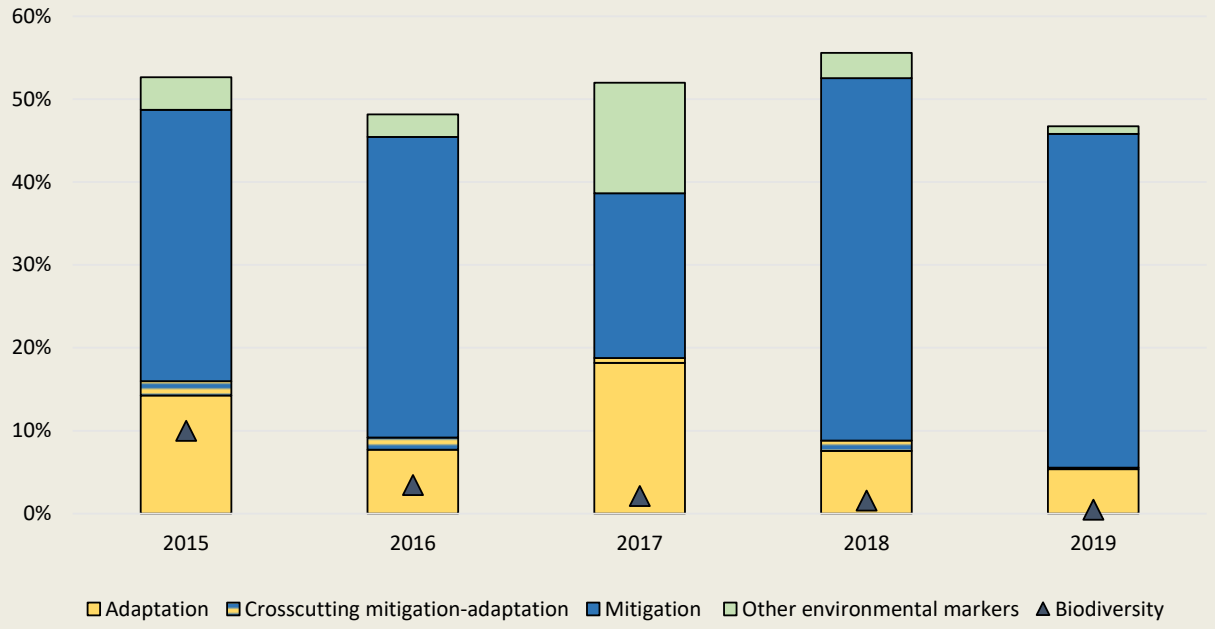
Key provisions and pillars

The JICA Medium-term Plan (business year 2017-21) and JICA Annual Plan for Fiscal Year 2021 set forth the development co-operation priorities, such as climate change, mainstreaming disaster risk reduction (DRR) and post-disaster recovery measures, conserving the national habitat, and environmental management, in both plans.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Japan's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Operational tools include JICA's guidelines and supporting materials, as follows.

- JICA's strategy: JICA developed position papers that describe sub-sectoral background including international frameworks (such as Sustainable Development Goals [SDGs]), analysis of JICA's comparative advantages in climate and environment, and priorities in each sub-sector so JICA's relevant departments can utilise them as guidelines and refer to them in all stages of a project (project formulation, implementation, monitoring and evaluation). Examples of position papers relevant to climate change and environment include:
  - National Environment Conservation
  - Environment Management
  - Climate Change
  - Energy
  - Disaster Risk Reduction
- JICA Guidelines for Environmental and Social Considerations (ESC Guidelines): The ESC Guidelines outline JICA's responsibilities and procedures, along with its requirements for project

proponents, etc., in order to facilitate the achievement of appropriate consideration for environmental and social impacts.

- JICA Climate Finance Impact Tool: JICA has developed a planning tool with the view to mainstreaming climate change mitigation and adaptation measures into JICA's development projects across sectors in order to capture the outcome of the project. The tool (two versions) helps planners to estimate greenhouse gas emissions reduction through the project (Mitigation), and assess climate risks, hence the impact on the target areas, project activities and project outcomes, and identify the adaptation measures (Adaptation).

Monitoring, evaluation and learning frameworks

JICA is mainstreaming climate change in projects by incorporating climate change perspectives into a variety of sectors, such as energy, transportation, urban development, agriculture, risk reduction and forest conservation. The Office for Climate Change of the Global Environment Department in JICA is involved in the reviewing, appraisal and monitoring process in project formulation and implementation, by making use of the above-mentioned guidelines and tools for mitigation and adaptation.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

With regard to Nationally Determined Contributions (NDCs) and Long-Term Strategies (LTS) as climate mitigation, Japan supports institutional and capacity development to prepare a greenhouse gas (GHG) emissions inventory as the prerequisite of mitigation measures to develop concrete plans and measures as well as review of progress, and establish policies to achieve the target in a partner country. This support encompasses the establishment of a system for mandatory accounting, reporting and disclosure of GHG emissions, and a mechanism for the development of emissions reduction plans by private entities, and evaluation of those plans by governments through the utilisation of International Organization for Standardization (ISO) standards. Japan provides such support by utilising its experience and know-how and collaborating with JICA, the National Institute for Environmental Studies (NIES) and international initiatives.

In addition, as for National Adaptation Plans (NAPs) as climate adaptation, risk evaluation based on scientific knowledge and reflection upon the adaptation plans are essential for implementing adequate adaptation plans. Implementing adaptation measures also requires innovation of policy processes. By providing the latest technology and know-how obtained by its industry-government-academia partnership, Japan supports the consolidation and dissemination of information on climate risk, the establishment of risk evaluation methods, and the development of national adaptation plans in developing countries, as highlighted in Japan's Fourth Biennial Report to the United Nations Framework Convention on Climate Change (UNFCCC).

Examples of projects to support national transition plans

Japan has carried out some workshops to provide training to support the construction of domestic systems to prepare GHG emissions inventories and the improvement of its precision. As an example, the Workshop on Greenhouse Gas (GHG) Inventories in Asia (WGIA) has been held annually since 2003 in order to support Asian countries in improving the accuracy of their GHG inventories and to facilitate the enhancement of co-operative relationships in the Asian region. Japan also supports the submission,

updating and implementation of each country's NDC through the development of a precise emissions reduction scenario and specification of the programmes, and the technology necessary to achieve successful reduction, by utilising evaluation models.

Japan has also promoted the establishment of long-term risk evaluation methods on storm tides and waves caused by cyclones in Small Island Developing States (SIDS), including capacity development, by supporting construction and institutional development of the Pacific Climate Change Center in co-operation with the Secretariat of the Pacific Regional Environment Programme (SPREP), as well as strengthening of the Climate Change International Technical and Training Center (CITC) in Thailand. Japan established the Asia-Pacific Climate Change Adaptation Platform (AP-PLAT) as the information base on climate risk and adaptation measures. Through this platform, Japan provides the necessary scientific knowledge, such as climate risk information, as well as assists in the development of human resources in the Asia Pacific region. As the foundation of these programmes, Japan will also continue to promote research and development to upgrade climate models and to establish global environment information platforms (see here).

With the aim of providing support for measures such as the capacity development of developing countries toward the achievement of the Aichi Biodiversity Targets, Japan contributes to the Japan Biodiversity Fund, through the workshops that the Secretariat of the Convention organised to support the implementation of the National Biodiversity Strategies and Action Plans. In addition, as part of the process of formulating the Post-2020 Global Biodiversity Framework, including the next global goals that will replace the Aichi Biodiversity Targets, the Working Group and other meetings have been held; Japan participated in and contributed to the discussions.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Japan has been supporting partner countries' transitions towards net-zero in various ways, and recognises that the characteristic of environmentally sustainable, climate resilient and low emissions are critically and inextricably interlinked. This is reflected in JICA's operational strategies and plans, for example:

- With regard to biodiversity and environment conservation, Japan recognises that the natural environment and biodiversity are the foundation of human existence, and its conservation and sustainable use will contribute to its resilience to climate change and the improvement of livelihood.
- Concerning climate mitigation toward low-emissions development, in its co-operation, particularly on energy transitions, Japan stressed the importance of a diverse and multilinear approach that utilises a wide range of technologies and options that take into account the circumstances of each country rather than a uniform and single-line approach. Japan believes that taking climate actions should be compatible with economic development in the partner countries. As for mitigation, Japan provides assistance by introducing renewable energy, including solar energy, biomass and geothermal, and facilities with high-energy efficiency, to contribute to reducing GHG emissions.
- Japan promotes co-operation in the field of adaptation with irrigation, selective breeding of crops, disaster risk reduction, ecosystem conservation and control of infectious diseases. Adaptation covers various sectors, and climate resilience is one of the crosscutting principles that penetrate these sectors. In order to enhance resilience to climate change, Japan supports infrastructure development, such as waterworks, irrigation, facility and equipment for DRR. Japan also supports the development and dissemination of drought-resistant and short-duration rice varieties for sustainable and stable food supply, and provides support for agricultural insurance for smallholder farmers vulnerable to climate change.
- JICA operational strategies include:
  - National Environment Conservation

- Environment Management
- Climate Change Strategy
- Energy
- Disaster Risk Reduction

Support for sustainable, quality infrastructure

Japan has been leading international discussions and actively promoting quality infrastructure investment at international conferences and bilateral leaders' meetings. As a result, the G20 Principles for Quality Infrastructure Investment was endorsed by G20 leaders at the G20 Osaka Summit in 2019.

Japan developed "quality infrastructure" in line with the economic and development strategies of developing countries and trains human resources to maintain and operate the infrastructure. Japan's strength lies in helping develop infrastructure that is truly contributory to "quality growth" in developing countries, which also includes technology transfer and job creation.

One of the projects related to quality infrastructure in terms of low emissions and being environmentally sustainable is the Delhi Mass Rapid Transport System Project in India, which aims to reduce traffic congestion and serious air pollution problems caused by GHG emissions from vehicles, by constructing a subway and elevated railway system in Delhi. In this project, the regenerative brake system (a Japanese company's energy efficient technology) was introduced to the metro system, and it is expected to reduce CO_2 emissions by 22 million tonnes (total reduction between 2022 and 2032). The project was registered by the United Nations as the world's first Clean Development Mechanism (CDM) project in the railway sector. Additionally, the project resulted in improving the economy and enhancing environmental conditions (see here).

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Environmental sustainability: Sustainable natural resource management is important both in terms of environmental aspects, such as biodiversity conservation, watershed protection, disaster prevention and climate change mitigation and adaptation, and in the development of rural areas and poverty reduction. Japan supports Viet Nam in enhancing their capacity for sustainable natural resource management in five provinces and reflects knowledge and experiences obtained from those provinces into national policies related to forest and biodiversity conservation. Through these efforts, Japan promotes the management of sustainable natural resources, resulting in multifaceted benefits for people. Japan has also supported El Salvador in promoting conservation and wise use of wetlands.
- Mitigation and low emissions: Japan contributes to sustainable development through the introduction of renewable energy to mitigate the effects of climate change as well as to enhance the power supply. In India, Japan contributed to industrial development and improvement of living standards in Meghalaya through optimum utilisation of water resources, by renovating the Umian-Umtru Stage 3 Hydroelectric Power Station. Furthermore, Japan has been supporting the rehabilitation of units 1-3 of the Olkaria I Geothermal Power Plant in Kenya. In addition, Japan has been co-operating in reducing GHG emissions through the electrification of local areas and the improvement of transmission efficiency. In Cambodia, Japan has been supporting an increase in the number of substations and the expansion of the transmission and distribution network in Phnom Penh. In Uganda, in order to stabilise and improve the reliability of the power supply in the Greater Kampala Metropolitan Area, Japan has been supporting the construction of new 220 kilovolt substations, upgrades to existing 132 kilovolt substations, strengthening of the urban electricity transmission grid, and the provision of a mobile substation for emergency responses.

- Adaptation and DRR: Apart from the assistance during and immediately following disasters, Japan has provided equipment that contributes to the prevention and mitigation of disaster, and education of local government staff. For example, in Fiji, in order to prevent disasters and mitigate their impacts, Japan provided equipment, such as lifeboats to local police agencies responsible for conservation of the ocean and lifesaving and rescue operations, as well as training on initial action, including life-saving and searches in the event of a disaster. In Papua New Guinea, Japan installed solar electricity generation systems and seawater desalination equipment in the facilities that are easily accessible and expected to provide lifeline energy and water at the time of a disaster. Through such support, Japan ensures the developing countries provide electricity and drinking water during ordinary times and a necessary lifeline at the time of a disaster (cf. power, and water sources). Furthermore, in Asia, the Middle East, and Africa, Japan contributed to increasing public awareness and creating a community that enhances the capacity of disaster prevention. In addition, in order to promptly respond to post-disaster, large-scale financial needs in El Salvador, Japan supported El Salvador with its standby loan for natural disaster recovery. As a prerequisite of financing, JICA encourages implementation of DRR initiatives and investment in DRR, as noted in the Sendai Framework for Disaster Risk Reduction 2015-2030. Similar co-operation activities have been carried out in the Philippines and Peru. Other co-operation activities by JICA on disaster risk finance include the promotion of weather index insurance and agricultural insurance in Ethiopia and Indonesia. Japan has also proactively disseminated and supported Eco-DRR, which performs disaster risk reduction by utilising ecosystems such as forests that provides protection against natural disaster. Japan supported the enhancement of costal disaster prevention through mangrove afforestation in Myanmar. In the Philippines, it supported the development of monitoring systems and a decision-making system for adaptive management to conserve coastal ecosystems to prevent the erosion of sandy beaches, to mitigate natural disaster.
- Conservation of Ocean Resources: Japan supports sustainable fishing and the sustainable development of fishing communities worldwide. Hence, Japan has been providing various kinds of assistance to developing countries on deterrence and counter measures against illegal, unreported, and unregulated (IUU) fishing, as well as on sustainable use and management of fisheries resources in the form of training sessions and workshops, construction of fishery surveillance vessels, etc. through JICA and with the co-operation of regional organisations, such as the Southeast Asian Fisheries Development Center (SEAFDEC).

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

In its Development Co-operation Charter, Japan highlighted SIDS as one of the priority areas for the region: "With respect to small island countries in Oceania, the Caribbean and other regions also have vulnerabilities that are peculiar to small island countries. They are also faced with the challenge of coping with the effects of global environmental problems, including water scarcity, damage due to sea level rise and natural disasters associated with climate change. Japan will provide assistance based on individual development needs while bearing in mind the peculiarities of small island countries."

With regard to Pacific Island countries, Japan has hosted the Pacific Islands Leaders Meeting(PALM), a summit meeting between Japan and Pacific Island countries every three years since 1997. In July 2021, the Ninth Pacific Island Leader's Meeting (PALM9) was held on line. During the meeting, Prime Minister Suga announced Japan's Pacific Bond (KIZUNA) Policy, which would further strengthen co-operation between Japan and Pacific Island countries. The Leaders also endorsed the Joint Action Plan as an annex of the PALM9 Leaders Declaration. The Joint Action Plan details concrete activities in the five priority

areas, including “Climate Change and Disaster Resilience”, over the next three years, under Japan’s Pacific Bond (KIZUNA) Policy.

Examples of projects in support of SIDS’ sustainable development

In Pacific Island countries, Japan provides comprehensive assistance through “mainstreaming disaster risk reduction”, which includes training the meteorological agency personnel of each country and developing rapid evacuation systems for residents. For example, approximately 300 people were trained in fiscal year 2019, with indirect beneficiaries reaching approximately 50 000 people. Furthermore, to support Pacific Island countries’ efforts to address issues related to climate change, Japan collaborates with SPREP, based in Samoa, to foster human resources engaged in counter measures for climate change in each country.

In addition, as part of the MARINE Initiative, Japan provides support for strengthening the foundations of human resources, organisations and systems related to sustainable waste management in the Oceania region.

In Caribbean countries, in addition to developing disaster-resilient bridges and emergency communications systems, and supplying equipment that contributes to strengthening the ability to cope with disasters, Japan also dispatches flood control and soil erosion control experts, and provides technical co-operation and support for climate change measures in a wide area of eight Caribbean countries.

Supporting SIDS’ access to finance

Japan has been supporting SIDS’ access to finance (including the Green Climate Fund) through the following programmes:

- The Project for Capacity Building on Climate Resilience in the Pacific (Samoa): The Secretariat of the Pacific Regional Environment Programme (SPREP), which is the executing agency of the project, is an international organisation headquartered in Samoa and composed of 26 countries and regions in Oceania. Activities of the agency include formulating and implementing climate change adaptation and mitigation measures, and providing information in the international arena. It was expected that SPREP would, as a human resource training base in Oceania, develop human resources capable of addressing new challenges, such as strengthening the access that countries have to the Green Climate Fund and promoting aid co-ordination.
- Enhancing Access to Climate Finance - Theory and Application for Practitioners (Training Programme/2021-2023): This course, targeting officials from National Designated Authorities (NDAs) and line ministries, aims to improve access to climate finance by enhancing their skills to formulate climate change projects and develop concept notes, thereby contributing to a decarbonised and resilient society.

Korea

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Korea's political commitments

President Moon Jae-in pledged at the Partnering for Green Growth and the Global Goals 2030 (P4G) Seoul Summit on 30 May 2021 that Korea will play an active role in the international community's efforts to overcome the climate crisis and promote an inclusive green recovery toward sustainable development. President Moon announced that the Korean government will contribute an additional USD 4 million in grants for the P4G initiative to support green growth projects in developing countries.

At the Leaders Summit on Climate in April 2021, President Moon announced that Korea will end all public financing for new overseas coal-fired power plants.

On 15 August 2021, President Moon mentioned "2050 carbon neutrality" and its importance during his address and reaffirmed Korea's commitment to assisting the energy transition of developing countries that are highly dependent on coal-power generation.

Targets

Korea is committed to raising the share of its official development assistance (ODA) for green projects/programmes above the average of OECD Development Assistance Committee (DAC) countries by 2025. As for loans, Korea will triple the amount of its ODA loans for green projects by 2025, and double the share of green-related loans by 2025, as laid out in its Post-COVID Strategy and its Green Economic Development Cooperation Fund (EDCF) Strategy.

Strategies and policies for systematic integration

In January 2021, the Korean government adopted the Third Strategy for International Development Co-operation for 2021-2025, which includes mid-term policy and strategy goals for Korea's green ODA. Later on in the year, Korea established the Green New Deal Grants Strategy for grants, the Green EDCF Strategy for concessional loans, and the Green New Deal ODA Strategy for aid involving both grants and loans.

After adopting the Third Strategy for International Development Co-operation for 2021-2025 in January 2021, the Korean government formulated a number of development co-operation strategies and policy documents in order to integrate environmental and climate objectives into development co-operation. The key strategies are the Green New Deal Grants Strategy, the Green EDCF Strategy, and the Green New Deal ODA Strategy.

Key provisions and pillars

In March 2021, Korea adopted the Green New Deal Grants Strategy, which consists of three pillars:

- building a systematic structure for expanding the Green New Deal ODA
- identifying flagship projects and programmes tailored to each region in the areas of climate change mitigation and adaptation
- strengthening green partnerships.

The Green New Deal Grants Strategy commits the Government to increasing its contributions to the Green Climate Fund (GCF) to USD 300 million, which will help to expand the pool of financial resources dedicated to addressing global climate change issues. As a member of the GCF Board, Korea has also supported the GCF's decision to provide a total of USD 30.3 billion for climate projects in partner countries in order to support their climate change response.

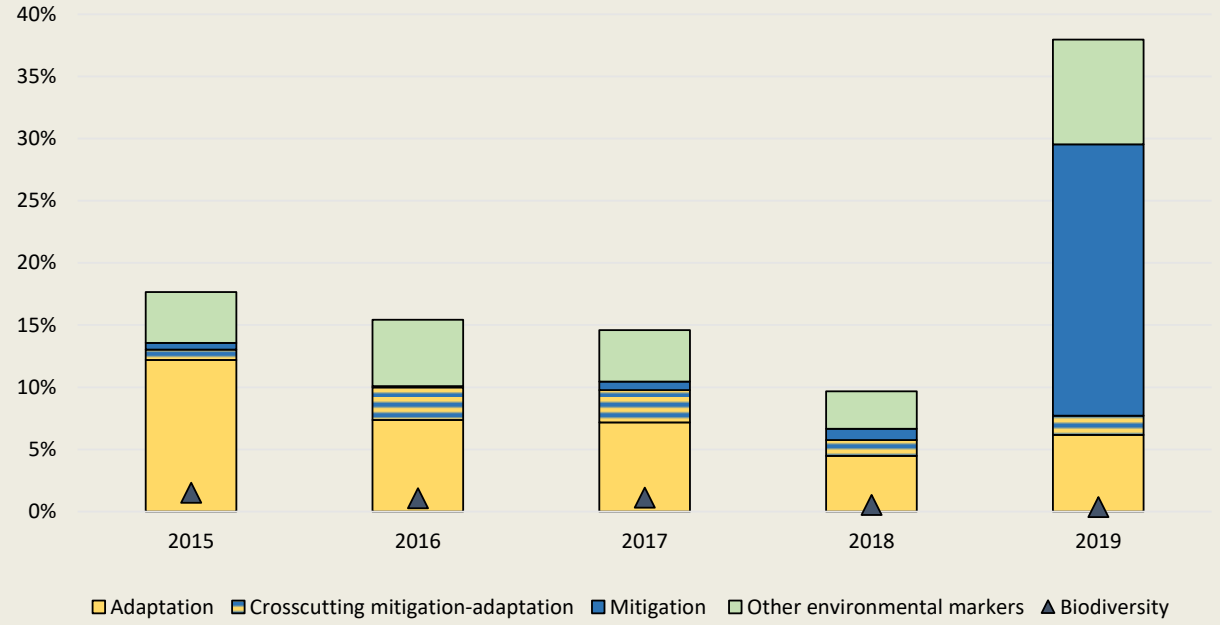
The Green EDCF Strategy, which was established in May 2021, outlines the Government's goal to triple the amount of its ODA loans for green projects by 2025, and double the share of green-related loans by 2025.

The most recently adopted strategy is the Green New Deal ODA Strategy, which was approved by the Committee for International Development and Co-operation in July 2021. This strategy covers grants and concessional loans, and its overarching goal is to increase Korea's contribution to addressing global climate change issues and enable Korea to lead the global green recovery. The key provisions and pillars of the Green New Deal ODA Strategy are: 1) helping developing countries achieve green transition; 2) facilitating the Green New Deal Co-operation as a green leader; 3) rendering support for expanding partnerships for co-prosperity. Through the Green New Deal ODA Strategy, Korea will provide greater support for the climate change response and green transition of developing countries.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Korea's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Environmental and social safeguards are applied to all ODA projects, and environmental and social due diligence is being conducted by a dedicated team of experts.

On grant aid, the Korea International Cooperation Agency (KOICA), the agency in charge of grant aid, put in place environmental and social safeguards that serve as guidelines for screening environmental and social risks, conducting environmental and social impact assessments, and establishing environmental and social management plans for projects with potential risks.

On loans, the Export-Import Bank of Korea (KEXIM), the agency in charge of concessional loans, introduced the Safeguard Policy in 2016 and have been making the necessary updates and revisions. In order to minimise climate risks, the EDCF is working on establishing an EDCF Climate Change Impact Response System to conduct climate risk assessment from the feasibility study stage and devise mitigation measures for all projects by 2025.

Monitoring, evaluation and learning frameworks

From 2021, Korea has started: 1) preparing a comprehensive evaluation framework for each criterion, including environment and climate change; and 2) employing customised monitoring and evaluation

methodologies for projects and programmes on environmental and climate change adaptation or prevention.

In the area of grant aid, Korea has established monitoring and evaluation criteria and questionnaires: 1) to evaluate and monitor the environmental and climate impact of each project/programme; and 2) to check whether Environmental Impact Assessments (EIAs) have been conducted throughout the entire lifecycle of projects/programmes.

For instance, one of the key factors in determining the evaluation grade (score) of projects/programmes is whether environmental analyses are conducted during the planning stage and the results are reflected in the concept papers. In addition to this, at least one environmental specialist is allocated to the evaluation team for each project/programme to conduct environmental and climate assessment using OECD DAC policy markers.

In the area of loans, strict environmental and climate monitoring is conducted, including the mandatory submission of the Environmental Review Monitoring Report. Also, if the partner country does not take immediate action when a problem occurs, loan disbursement is suspended.

Changes for better climate action have been taken in both planning and evaluation. All EDCF projects consider climate-change-related indicators as part of results frameworks, in order to identify the environmental and climate risks that might affect the project outcomes and to prepare mitigation measures in advance.

For better reflection of climate change accountability, Korea revised its evaluation manual on loans in December 2020. In accordance with the manual, climate and environmental risks are designated as crosscutting issues, and risk analysis is carried out during and after the completion of every project so that the lessons learned and suggestions can be well reflected.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Korea reports reflecting on the national transition plans of partner countries when designing its ODA projects.

Green is a key element in Korea's future ODA portfolio, and it has been emphasised several times since the outbreak of the coronavirus (COVID-19) pandemic in a number of development co-operation strategies and policy documents. Specifically, Korea has integrated the implementation plans of its Green New Deal ODA Strategy to support the green transition of partner countries. Pursuant to this strategy, Korea will consider climate mitigation and adaptation as well as environmental factors at the preparation stage of its ODA projects and monitor the progress. In addition, Korea will utilize loan programs to support the green sector of partner countries, including in developing, updating, and implementing their NDCs, and to help partner countries to enhance the capacity of their policy makers in the green area. Moreover, global issues such as biodiversity will be considered as one of the priorities to implement the strategy in a more efficient way, Korea will actively promote inter-agency co-operation on concessional loans and grants.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Korea has stepped up its efforts to identify green projects and programmes that can contribute to strengthening climate resilience and realising low-emissions development pathways for the net-zero of

partner countries. Korea has provided USD 1.3 billion in concessional loans and USD 0.4 billion in grants for climate mitigation and adaptation projects since 2016.

The goal of Korea's climate mitigation aid is to help partner countries reduce or limit their greenhouse gas emissions or enhance their carbon sequestration. It includes programmes that promote the use of renewable energy technologies, such as solar and wind energy storage systems, to make partner countries environmentally sustainable.

Korea's climate adaptation aid is aimed at reducing the vulnerability of man-made or natural systems to the impacts of climate change by helping to maintain or increase adaptive capacity and resilience. It involves smart agriculture programmes and enhancing the disaster response capacity of partner countries.

Korea also supports developing countries to preserve biological resources and ecosystems. In particular, through the Korea-Mekong Biological Diversity Centre, which is to be established in Myanmar, Korea will support countries in the Mekong region to preserve the rich biological resources of the Mekong and explore ways to harness them as a new growth engine for the bio industry.

Support for sustainable, quality infrastructure

Quality infrastructure requirements are already reflected in the entire project cycle. For each project, Korea: 1) reviews the level of contribution to the Sustainable Development Goals (SDGs); 2) examines the economic and financial feasibility and environmental risks; and 3) monitors governance throughout the cycle.

Korea also adopted the Feasibility Study Advancement Strategy in 2021, which includes strengthening assessment on environmental and social risks and the management of safeguards, to focus more on helping partner countries to transition to environmentally sustainable, low-emissions and climate-resilient development pathways.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Korea is providing support for projects on the energy transition from fossil fuel to renewable energy. In terms of loans, Korea provided USD 33 million to Nicaragua in 2016 to help develop renewable energy in rural areas. The objective was to install solar photovoltaic power systems in three states in the eastern part of Nicaragua in order to resolve the regional imbalance in electricity distribution and strengthen climate mitigation efforts. Korea also provided USD 68 million to Ghana in 2019 to build electricity infrastructure and increase access to electricity in northern rural Ghana. The project involved installing power substations and establishing a distribution network management system in Ghana. This project is expected to help reduce the emissions of environmental pollutants such as carbon by improving the energy supply system.
- As for grants, Korea is building a micro grid system utilising photovoltaic and energy storage technologies in Guanaja Island, the world's second largest coral reef island, to partially replace its current diesel fuel system. If this project is successful, it will become a model case that can be applied to all parts of the island and, in turn, replace diesel power generation. In addition, Korea is building a micro grid system using photovoltaic and energy storage technologies in San Cristobal of the Galapagos Islands in line with the Ecuadorian government's policy of zero fossil fuels in the Galapagos. The project will contribute to reducing greenhouse gas emissions and improving access to energy, thereby increasing the quality of life of the residents.
- Concerning climate adaptation, Korea is providing support for projects in diverse areas, including water, transport, irrigation and disaster reduction. For example, Korea provided USD 85 million to Cambodia for flood and draught mitigation in Banteay Meanchey Province in 2016. The aim was to improve agricultural productivity by establishing irrigation waterways and multipurpose

reservoirs and to reduce flood damage through efficient water management. Korea also provided USD 80 million to El Salvador in 2019 to enhance traffic safety and improve connectivity. By constructing viaducts and expanding highways, the project will allow people to avoid areas at risk of a road slope collapse. As this project involved preventing road damage due to road slope collapses that might be caused by earthquakes and floods, climate adaptation was one of the main purposes of the project.

- In addition, Korea is implementing the Building the PAN-Asia Partnership for Geospatial Air Quality Information (PAPGAPi) project together with the United Nations Economics and Social Commissions for Asia and the Pacific (UNESCAP). The main objective of PAPGAPi is to share data on air quality – air pollutants, and climate change inducing gases – from the Geostationary Environment Monitoring Spectrometer installed in the Korean satellite GEO-KOMPSAT-2B with 13 Asian countries.
- Regarding biodiversity, Korea is in the process of establishing a Mekong-Korea biological diversity centre in Myanmar and carrying out a capacity-building project. Through this centre, Korea will support Mekong countries to preserve the rich biological resources of the Mekong and explore ways to harness them as a new growth engine for the bio industry.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Korea recognises the challenges Small Island Developing States (SIDS) are facing with regard to climate change. The ODA Strategy for Fragile States adopted in 2017 includes support for SIDS and countries experiencing food insecurity or in need of recovery and reconstruction in the wake of major disasters. In particular, KOICA's Climate Change Response Mid-Term Strategy (2016-20) emphasises the importance of supporting the climate adaptation of the Least Developed Countries (LDCs) and SIDS. Although EDCF loans to SIDS have accounted for only a small share of the total EDCF loans so far, Korea plans to increase support for SIDS in accordance with the 2020 HLM Communiqué. This plan is laid out in Korea's Green New Deal ODA Strategy.

Examples of projects in support of SIDS' sustainable development

Korea is currently providing support to several SIDS:

- Korea is providing support to increase the use of renewable energy in Fiji. It is currently building two solar farms in the outer islands of Fiji in partnership with the GCF. In addition, Korea is assisting Samoa to strengthen its ocean acidification monitoring and capacity building in response to climate change through advanced marine science technology.
- Korea is also committed to protecting the ocean ecosystem and strengthening the capacity of SIDS in managing marine resources. It launched the Blue Growth Initiative for Small Island Developing States in co-operation with the Food and Agriculture Organization (FAO) in order to help SIDS develop and introduce a new management model for marine resources.
- In addition, Korea has been participating in the Tina River Hydropower Project in the Solomon Islands since 2017. This project will help the Solomon Islands move away from total reliance on diesel to using renewable energy as the main energy source. It will also pave the way for the Solomon Islands to reduce its greenhouse gas emissions and achieve sustainable and resilient development.

Supporting SIDS' access to finance

Korea has been supporting SIDS to increase their access to finance through contributions to trust funds managed by international financial institutions such as the IDB and the World Bank. In particular:

- The Korea-World Bank Group Partnership Facility Single-Donor Trust Fund (2018) has promoted SMEs innovation and finance in Papua New Guinea (PNG) and helped the Bank of PNG and its partner government agencies to design an institutional structure for an SME Accelerator Program that can facilitate SMEs incubation, start up, and expansion and improve their access to finance, information, and innovation.
- The IDB Public Capacity Building Korea Fund for Economic Development (2019) has strengthened the capacity of the Dominican Republic in public finance management and fiscal policy. It has also assisted the Ministry of Finance and the General Directorate of Internal Revenues of the Dominican Republic in improving their public finance management capabilities and fiscal policy coordination.

Luxembourg

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Luxembourg's political commitments

Luxembourg's objectives of reducing its greenhouse gas (GHG) emissions by 55% by 2030 compared to the 2005 level and achieving net-zero emissions by 2050, as set in its Integrated National Energy and Climate Plan (NECP), were included in the amended Climate Law of 15 December 2020.

In addition, Luxembourg's government has made a commitment in its general Co-operation Strategy 2018 to mainstream the principle of environmental sustainability across all of its activities. In 2021, an ambitious new Environment and Climate Change Strategy was drawn up, to strengthen this mainstreaming.

Moreover, Luxembourg has doubled its international climate finance (ICF) contribution for 2021-25 compared to the previous period (2014-20) in order to assist developing countries in the fight against climate change. The ICF contribution is in addition to Luxembourg's official development assistance (ODA).

Luxembourg is also showing its strong commitment to these issues at the European (particularly within the Foreign Affairs and the Environment Councils) and international levels, arguing for strong ambition and commitments in this area.

Targets

As above, Luxembourg is specifically committed to increasing the environmental and/or climate co-benefits of its portfolio of interventions, and to financing a greater number of dedicated projects.

These targets are being quantified and specified with SMART (specific, measurable, achievable, relevant and time-bound) indicators in the action plan that is currently being drawn up for the implementation of the new Environment and Climate Change Strategy for development co-operation. An inclusive and consultative process is underway in order to ensure ownership and at the same time awareness raising and capacity building of agents and partners. This action plan also ensures gender mainstreaming and will be supplemented by several tools allowing its implementation.

Targets related to the attribution of the ICF are further described in Luxembourg's international climate finance strategy.

Strategies and policies for systematic integration

The Government of Luxembourg adopted two new climate-related strategies in 2021 – one covering the actions of the Luxembourg Co-operation, and the other being specifically dedicated to Luxembourg's ICF, which is under the attributions of the Ministry of the Environment, Climate and Sustainable Development (MECSD).

In 2021, a new Environment and Climate Change Strategy was drawn up for development co-operation, to strengthen mainstreaming and ensure alignment with Luxembourg's international commitments in this area (Paris Agreement, 2030 Agenda, etc.). This Environment and Climate Change Strategy of the Luxembourg Co-operation was officially presented in May 2021 as the new guiding principles for co-operation. It was presented jointly with the new gender strategy, the two having been developed in parallel to ensure the transversal character of the themes in each of the documents. As these two topics are in fact closely linked and interdependent in several respects, they were also presented together to Parliament, and are systematically integrated into political dialogues, as well as in a reinforced manner in each of the new co-operation programmes and projects. Luxembourg thus wishes to mark its strong commitment to rapidly accelerate the integration of these issues into concrete co-operation actions.

Despite the coronavirus (COVID-19) pandemic, it has also been ensured that the budget dedicated to ODA is maintained at 1% of Gross National Income (GNI). With its new Environment and Climate Change Strategy and in view of the geographical and sectoral concentration of Luxembourg's Development Co-operation mainly in Least Developed Countries (LDCs), especially in particularly fragile contexts and Small Island Developing States (SIDS), which are already affected by environmental degradation and the impacts of climate change, Luxembourg's Development Co-operation intends to strengthen the integration of environmental and climate issues into all of its activities, using a dual approach, namely:

- mainly through the systematic mainstreaming into all projects/programmes and their relevant components of Luxembourg's Development Co-operation
- through the funding of dedicated projects and programmes.

It is therefore also ensured that each new strategy or policy paper of Luxembourg Co-operation systematically integrates issues relating to environment and climate change. This was already the case for the new Gender Strategy and the Inclusive and Innovative Finance Strategy developed in 2020-21, and for the Private Sector and Digital for Development (D4D) policy papers that are still in progress. The new Humanitarian Strategy currently being drawn up also provides for greater integration of these issues, and finally, communication work is planned on these issues.

The reinforcement of the systematic mainstreaming of these issues is also ensured at each stage of the indicative co-operation programmes and projects developed and/or supported by Luxembourg Co-operation, or in the new partnership agreements at multinational level. For example, a working group specific to environment and climate change has been set up in Laos including donors, partners and experts, in order to ensure the integration of these issues from the identification phase of the next programme. New wordings are also included in partnership agreements with United Nations (UN) agencies.

Finally, it is planned to provide Luxembourg Co-operation with a "Green Plan", aimed at adapting its work at the organisational and logistical level and thus minimising any possible harmful impact on the environment.

Luxembourg has already marked its strong commitment in 2015 by introducing an ICF budget, which is new and additional to ODA, i.e. the 1% of GNI devoted to international development.

The strategy for the "allocation of funds for international climate change financing" was first published in May 2017 and updated in July 2021. The ICF Strategy responds to and builds on the amended Climate Law of 15 December 2020, the NECP 2021-2030 for Luxembourg, the Luxembourg Climate Adaptation

Strategy and Action Plan for 2018-2023 and the Luxembourg Sustainable Finance Roadmap (2018) and Strategy (2021). It shares the goals and complements Luxembourg's new Aid and Development Strategy ("The Road to 2030") and the new Environment and Climate Change Strategy (2021). It seeks alignment where feasible, with the European Union's Action Plan on Financing Sustainable Growth (2018), as well as the EU Taxonomy for Sustainable Activities for climate mitigation and adaptation (delegated act 2021), where feasible.

The new ICF Strategy covers the period 2021-25 for which the budget has been increased to EUR 200 million. It takes into account recent developments in climate change negotiations, in particular the Paris Rulebook. It aims for a balanced distribution between activities of adaptation to and mitigation of climate change and will promote integrated actions for climate and pollution reduction in developing countries. It foresees that projects will be organised around priority themes, such as natural capital and biodiversity, efficient management of resources, sustainable finance and resilience at the community level – it being understood that the sustainable finance theme has an overarching character and may be overlapping with other themes. The revised ICF Strategy also allocates more importance to gender and human rights themes, including climate-change-induced migration, in addressing the climate crisis. Moreover, the strategy puts a particular focus on countries with which Luxembourg has entered a climate action dialogue ("Climate Dialogue Partners", including all development co-operation partner countries).

Key provisions and pillars

Luxembourg's main objective in terms of development co-operation is to contribute to the reduction and, ultimately, the eradication of extreme poverty through support for sustainable development. The principle of "leaving no one behind" is at the heart of the strategy, which revolves around four interconnected priority themes: improve access to basic quality social services; strengthen the socio-economic integration of women and young people; promote sustainable and inclusive growth; promote inclusive governance. All of the actions are characterised by the systematic integration of three crosscutting priorities: human rights, gender equality and environmental sustainability.

In terms of the overall objective of the new Environment and Climate Change Strategy, Luxembourg's Development Co-operation aims to ensure that all its activities come in support of development pathways that are sustainable, inclusive, low-carbon and resilient to the effects of environmental and climate change, in accordance with international environmental conventions, the 2030 Agenda, and the objectives of the Paris Agreement. By 2030, Luxembourg's Development Co-operation is specifically committed to:

- on the one hand, increasing the environmental and/or climate co-benefits of its portfolio of interventions in its priority sectors
- on the other hand, financing a greater number of dedicated projects promoting the resilience of human and natural systems to climate risks and/or environmental degradation.

The following specific and complementary principles will guide Luxembourg's response to the complex interconnections and challenges of mainstreaming environmental protection and climate change into development co-operation: inclusive, do no harm, integrated and holistic, context-specific and tailored, partnership, flexible and iterative.

In light of these different elements, it will be given priority to the following fields of action, while maintaining flexibility in order to adapt to the specific contexts and needs of the countries, populations and communities to which it provides support:

- access to basic services that are sustainable and resilient to climate risks
- support for the development of environmental and green value chains
- sustainable management of natural resources

- support for inclusive sectoral and territorial governance, taking into account the national commitments of partner countries on major environmental and climate issues.

With a commitment of EUR 200 million for 2021-25 dedicated to the ICF (in addition to the ODA), Luxembourg carries out a twofold approach to the allocation of its ICF:

- on the one hand, support for activities of multilateral programmes and initiatives, with, in particular, the Green Climate Fund, for which a contribution of EUR 40 million is granted
- on the other hand, the financing of bilateral projects, with, in particular, an envelope of EUR 25 million for projects of Luxembourg non-governmental organisations (NGOs).

The ICF Strategy takes into account recent developments in climate change negotiations, including the Paris Rulebook and is aligned with the amended Climate Law of 15 December 2020. Its consistency has been ensured with the Environment and Climate Change Strategy of the Luxembourg Co-operation. It is also complementary to the measures taken to promote the ecological transition at the national level, including the NECP for 2021-30, the 3rd National Sustainable Development Plan (PNDD), as well as the national sustainable finance strategy adopted at the beginning of the year.

All developing countries, which are eligible to receive international climate finance, may receive such funding from Luxembourg. Overall, the ICF seeks a balanced geographical distribution of supported activities.

Nevertheless, for about half of its bilateral support window (which excludes funding provided to international or multilateral funds or organisations), the ICF Strategy grants enhanced consideration for climate finance support to:

- Least Developed Countries (LDCs) and low-income Small Island Developing States (SIDS) as well as low-income communities or regions highly exposed to climate risks in other developing countries
- Climate Dialogue Partners: Countries with which Luxembourg has entered a climate action dialogue.

The ICF Strategy aims at a balanced distribution between climate change adaptation and mitigation activities and will promote integrated climate action and pollution reduction in developing countries. Projects will be divided around priority themes, such as:

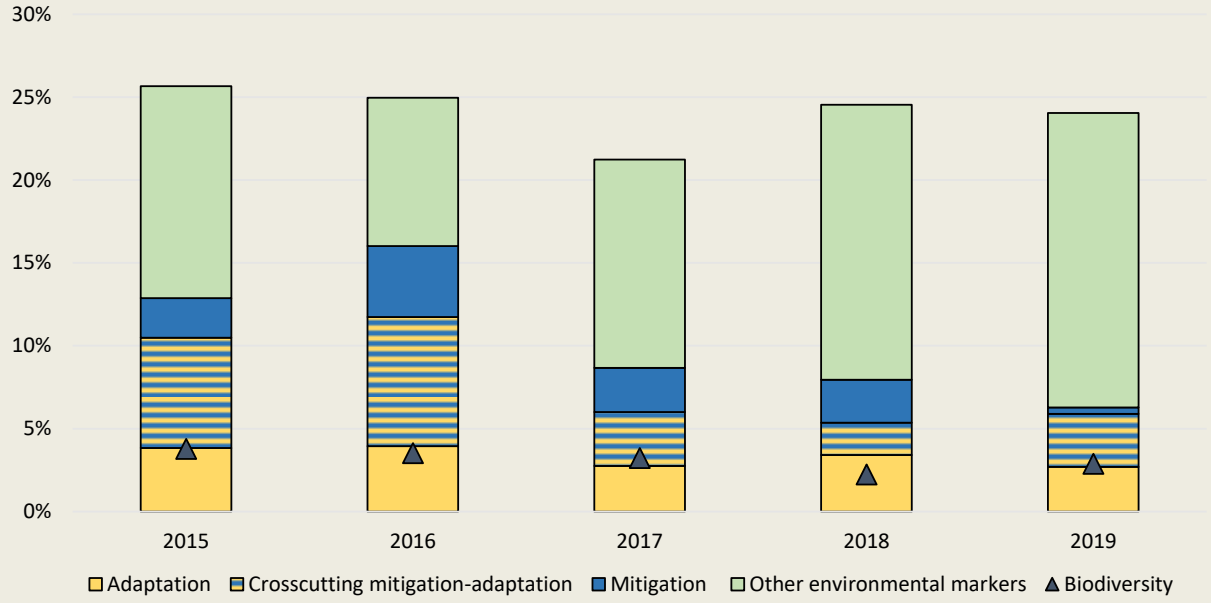
- Natural Capital, Biodiversity, Forestry and Land Use
- Clean Air and Water Resources
- Resource Efficiency and Waste Management
- Community-Based Adaptation and Resilience
- Leveraging and Mainstreaming Climate and Sustainable Finance
- Support for Transparency Requirements of the Paris Agreement (5% of ICF)
- Climate-change-induced Migration (2% of ICF)

The focus is on mobilising private capital for climate protection, for which different types of financing will now be possible. Public-private instruments ("blended finance") beyond direct subsidies can be further explored, such as indirect investments by intermediaries, direct investments or guarantees.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Luxembourg's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

An operational action plan is under development to define the key actions to be carried out by Luxembourg's Development Co-operation in the medium term in order to ensure the implementation of the Environment and Climate Change Strategy. It will serve as a tool to guide the entities responsible for the implementation of programmes and projects and will propose ways to improve existing implementation processes and tools, or even to integrate new tools, to ensure a coherent and operational implementation of the strategy, its objectives and priority themes. The action plan will include a monitoring and evaluation framework for the implementation of the strategy, in order to measure, on a regular basis, the performance of Luxembourg's Development Co-operation in the area of environmental protection and climate action.

During project formulation, Luxembourg's Development Co-operation Agency (LuxDev) conducts a systematic environmental and climate risk screening for new interventions using a standard checklist tool. Identified potential risks are mitigated through an enhanced project design whenever necessary. An operational guidance manual for the "integration of crosscutting themes" is systematically applied. With regard to staffing, relevant profiles are required to prove sufficient environmental and climate knowledge (standard job description and terms of reference [TORs]). When appropriate, a "green" tendering process is applied.

Assessment tools and the operational guide of Luxembourg's Co-operation Agency will be updated, and adapted to serve the NGOs as well. Training sessions will be organised at headquarters as well as in the field to strengthen capacities and skills in terms of environment and climate change mainstreaming and ensure consistency between what they say and what they do.

The ICF Strategy provides guidance regarding eligibility requirements (p. 21) for applicants:

- Clear and Direct Climate Change Focus
- Additional Support
- Alignment with Host Country Climate Strategies and Nationally Determined Contributions (NDCs)
- Safeguards and Gender
- Exclusions.

As well as selection criteria (p. 29):

- Strong Climate Impacts
- Other Sustainable Development Benefits
- Mobilisation of Private Sector Funding
- Transformation, Innovation and Lasting Outcomes
- Efficiency
- Gender Equality Contribution.

Particular attention is paid to gender and human rights issues. Additional information regarding the submission process is also provided in the strategy document.

Monitoring, evaluation and learning frameworks

Luxembourg's development co-operation projects aim to strengthen the alignment of crosscutting indicators based on national statistics as well as data systems, and, if adequate, the harmonisation of relevant indicators proposed in the official Country Gender/Environment/Governance profiles, while ensuring that they contribute to the monitoring process of the relevant general indicators of the Sustainable Development Goals (SDGs).

Environment and climate are systematically integrated into each stage of the project cycle, including monitoring, evaluation and capitalisation.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Luxembourg's development co-operation programmes mainly consist of technical assistance and capacity strengthening. Support for the development and implementation of national strategies is part of it, and national strategies are automatically analysed and taken into account when identifying and formulating programmes to align with national strategies, politics and objectives. The support provided depends on the needs and requests of the partner.

Luxembourg also provides specific support to countries for the definition and adaptation of their NDCs or National Adaptation Plans (NAPs) through the ICF. In fact, the new ICF Strategy puts a focus on capacity-strengthening activities to meet the transparency requirements of the Paris Agreement (p. 10). Depending

on the needs of the partner countries/region involved, support measures may include assistance with the preparation of institutional, legal and financial frameworks to enable the preparation and implementation of NDCs; reporting formats; greenhouse gas (GHG) inventories; and/or development of technical capacities for tracking progress in the implementation of NDCs.

Moreover, the "Alignment with Host Country Climate Strategies and NDCs" is one of the ICF eligibility requirements, as mentioned above (p. 24).

Luxembourg's ICF Strategy is guided by the principles and approaches defined in the Paris Agreement. It recognises, in particular, the principle of country-driven assistance. That means, as countries make their own choices concerning the NDCs and identify their climate change priorities, targets and implementation pathways, Luxembourg seeks to give support to those interventions that are anchored in and aligned with the national choices of the target countries. A country's NDC, as well as NAP, strategies and other national policies with a direct climate change impact, are of specific relevance.

While the alignment with host country priorities is essential, this requirement is not restrictive in the sense that only those elements explicitly referred to in an NDC would be supported and only to the level of ambition reflected therein. On the contrary, interventions seeking to realise extra premium in or to mitigation and/or adaptation benefits and generally reflecting higher ambition are encouraged under Luxembourg's ICF Strategy, as long as they fit into the larger strategic framework of a country and do not counter specific policies and country choices.

In practice, applicants for ICF support will need to provide evidence for the positive strategic (country-driven) framework, including – where appropriate – by submitting relevant support letters from government agencies.

Examples of projects to support national transition plans

Luxembourg supported Cabo Verde for the development of its renewable energy strategy to improve access to clean, reliable, modern and affordable energy, with a consequent increase in energy independence. Subsequently, bilateral co-operation programmes with this partner country were adapted to support it in the implementation of the renewable energy strategy.

To date, a whole-of-government (*approche pays*) approach has been put in place in order to include Luxembourg's MECSD and Ministry of Energy and Spatial Planning in the new indicative co-operation programme 2021-25 with the title "Development-Climate-Energy".

In this context, Cabo Verde has already benefited from the support of Luxembourg for the review of their NDC and the definition of its NAP. In the years to come, Luxembourg will support Cabo Verde in the implementation of several measures defined within those two documents.

In terms of sustainable infrastructure, Luxembourg, through its Fast Start Finance budget, has also enabled the establishment of the Center for Renewable Energies and Industrial Maintenance (CERMI). This emblematic building brings together in one place several workshops equipped with state-of-the-art equipment, allowing for the training of young people in renewable-energies-related professions (photovoltaic, wind energy, cold chain). Luxembourg and Cabo Verde subsequently agreed to set up a Renewable Energy Competencies Centre in Cabo Verde to diversify the country's training offer and available renewable energy services.

Luxembourg is also providing support for the installation of the first 100% solar seawater desalination unit and related pumping and water storage installations.

Thus, Luxembourg is helping Cabo Verde to progress in its energy transition as it has abundant renewable energy resources and the ambition to transition to 50% renewables by 2030. In that respect, Luxembourg also facilitates a feasibility study related to the technical and economic feasibility for renewable hydrogen production at the industrial level in Cabo Verde.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Luxembourg provides its support and sets out these elements through the four priority themes provided for in the new environment and climate change strategy of Luxembourg co-operation.

Thus, Luxembourg will strengthen its contribution to the establishment of sustainable energy, food and water supply systems that are resilient to climate risks, in order to ensure the provision of sustainable, reliable, accessible and affordable basic services to all groups of the population, including the most vulnerable.

Luxembourg will strengthen its contribution to the development and/or strengthening of green value chains in promising sectors according to the potential and needs of beneficiary countries. In the education and professional training sector, Luxembourg will thus promote the integration of technical curricula encouraging the environmental transition in key sectors such as waste management and the circular economy, renewable energies, construction and building, but also tourism.

Luxembourg will ensure the integration of girls in fields of study that are often more accessible to boys. In order to guarantee the employability of young people in these areas, Luxembourg will also support entrepreneurship, especially among women, and the local production sector (especially micro, small and medium-sized enterprises, MSMEs) to invest in innovative and sustainable solutions, through technical support and adapted financing tools.

Luxembourg will significantly strengthen its action in the area of sustainable management of natural resources, in particular through its support for the establishment of sustainable and agro-ecological production systems for the benefit of smallholder farmers, thereby contributing to the food security of the local population. It will also encourage the valorisation of natural resources through the development of environmentally friendly and income-generating value chains, which could particularly target women and contribute to their empowerment. Luxembourg could also play an active role in setting up governance and inclusive natural resources management mechanisms, which are a key issue in its countries of intervention (agricultural and pastoral land, land tenure, water in particular), in order to guarantee access and support the livelihoods of local communities, in particular vulnerable groups and indigenous populations.

Finally, through policy dialogue and institutional capacity-building activities, Luxembourg's Development Co-operation will support national and local partner authorities in the elaboration of sustainable sectoral and local development strategies and/or plans, which consider the environmental and climatic vulnerabilities of sectors and territories with a forward-looking view.

For the sake of consistency with the General Co-operation Strategy and the additional ICF, Luxembourg Co-operation has included these themes in a single strategic document, namely the recent Environment and Climate Change Strategy.

Support for sustainable, quality infrastructure

Sustainability (economic, environmental and social) and resilience to risks are taken into account at all stages of all projects, including infrastructure projects.

The largest share of Luxembourg Development Co-operation’s work is technical assistance, capacity strengthening with investments into supporting required infrastructure whenever needed. There is (almost) no standalone “infrastructure” project, so the various quality criteria, including environmental and social co-benefits, are being considered at all stages of project development, including the infrastructure sub-components of projects.

The ICF Strategy foresees that funds provided should seek to augment the climate response while at the same time yielding sustainability benefits in accordance with the SDGs, including resilient infrastructure.

Under the funding theme “Natural Capital, Biodiversity, Forestry and Land Use”, the strategy targets policy, technology and project initiatives that create climate change mitigation and/or adaptation benefits by building resilience with nature-based solutions in infrastructure planning, design and implementation. Under the funding theme “Clean Air and Water Resources”, bicycle infrastructures are eligible.

The funding theme “Sustainable Finance” puts a special focus on collective investment vehicles and financial risk mitigation structures for low-carbon and resilient infrastructure for sustainable cities, clean energy production and efficient use, as well as wider measures aimed at realising NDC commitments.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Burkina Faso: The 3rd Indicative Co-operation Programme (ICP) (2017-21), focuses on four sectors:
  - sustainable management of natural resources
  - education, teaching and technical and vocational training
  - inclusive finance
  - information and communication technologies (ICT).
- Central America: Launched in 2017 in Luxembourg by a public-private partnership, the Forestry and Climate Change Fund (FCCF) is a pioneering impact fund aimed at demonstrating that sustainable forestry in secondary and degraded tropical forests (SDF), which represent about 70% of forests worldwide, can generate ecological, social and economic benefits, and contributes to healthy landscapes, local economic development and the fight against climate change. The FCCF seeks to pioneer a viable business model for timber production within secondary and degraded forests. Novel ventures, such as the FCCF, have potential for high impact but are naturally risky. Therefore, the FCCF developed a financing scheme to reduce the risk for private impact investors. Public entity investors (MECSD and Ministry of Finance) provide a first loss tranche (up to 50% of the Fund’s target size), providing a strong risk mitigation instrument for private investors. This means that impact investors benefit from a risk buffer that kicks in in case investments fail. This allows us to push the limits of conventional models.
- European Microfinance Award 2019: The European Microfinance Prize, created in 2005 by the Luxembourg Co-operation, is awarded each year by a jury of experts to an institution in developing countries which has demonstrated, through its action, an innovative and paradigm-shifting character in its approach to the inclusive finance sector. In 2019, the award recognised extraordinary efforts in “Building Climate Resilience”.
- Bangladesh - Mangrove plantation for Environmental Sustainability (Friendship): Friendship advocates for poor and marginalised people in Bangladesh who are particularly vulnerable and exposed to floods, storms and other extreme events caused by climate change. Together with these people, with a particular focus on women and the poorest, the mangrove forests in the coastal region are being reforested in order to protect the dykes and thus the habitats. In addition, local communities are trained so that they can maintain and preserve the forests on the one hand and improve their incomes through adapted or alternative agricultural production on the other.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Luxembourg's General Co-operation Strategy specifies in its country identification criteria that priority is given on the one hand to the LDCs, for which Luxembourg will continue to go beyond/exceed its commitment under the Istanbul Programme of Action by allocating more than 0.2% of its GNI to LDCs. On the other hand, Luxembourg targets its aid on SIDS and countries in fragile situations.

Luxembourg's Environment and Climate Change Strategy foresees that priority is given to populations living in poverty, who do not have access to essential basic services such as water, energy, health, education, that are the most exposed and vulnerable to climate change, especially the populations of the LDCs and SIDS, to align with the General Co-operation Strategy. These people largely depend on natural, agricultural and coastal resources for their livelihoods, resulting in the phenomena of desertification, deforestation, loss of biodiversity, pollution and increased climatic risks having direct and consequent effects on food security and income generation. Insecure land rights and lack of access to information on the environment and climate variability are other aggravating factors they consider.

Within the ICF Strategy, specific attention will be given to LDCs, SIDS and other vulnerable countries. The ICF seeks a balanced geographical distribution of supported activities. For about half of its bilateral support window (which excludes funding provided to international or multilateral funds or organisations), the ICF Strategy grants enhanced consideration for climate finance support to:

- LDCs and low-income SIDS as well as low-income communities or regions highly exposed to climate risks in other developing countries
- Climate Dialogue Partners: Countries with which Luxembourg has entered a climate action dialogue.

Examples of projects in support of SIDS' sustainable development

Luxembourg has supported several SIDS through projects in various areas. Some examples include:

- Vanuatu - Enhancing resilience to climate change through solar-power-driven access to water in rural areas of Outer Islands (Global Green Growth Institute, GGGI): The project aims to increase resilience in Vanuatu's rural communities to deal with the consequences of climate change, such as periods of drought and the occurrence of tropical cyclones, through the implementation of solar-powered water pumping systems. Another aspect consists in the strengthening of the institutional environment for the management and maintenance of the solar-powered water systems (SPWS). Phase II (2021-24) will consolidate the enabling environment to support the uptake of SPWS in Vanuatu. Moreover, the operationalisation of the financial mechanism (defined during Phase I) will support investments in SPWS, ensuring the sustainability of the project, and as a result increasing the number of people benefiting from adequate access to safe and clean water. In terms of SPWS installed during Phase I, 22 SPWS and 4 Reverse Osmose units were installed in 21 communities. In addition, three manual pumps were repaired and five were overhauled and fixed (9 478 beneficiaries). Phase II targets 30 SPWS in 26 communities, reaching 10 000 direct beneficiaries.
- Fiji - Drua Incubator (United Nations Development Programme [UNDP]): The key objective of the Drua Incubator is to promote and facilitate constructive interaction between various sectors in a way that increases the enabling environment for private sector participants to design, develop and implement climate finance and climate insurance initiatives specifically aimed at climate mitigation, adaptation and resilience. Drua Incubator resources will assist relevant stakeholders and initiatives

and help increase the political and practical support required to take worthy initiatives and products to scale. The Luxembourg funding will support the implementation of the Drua Incubator and focus, in particular, on insurance products and resilient infrastructure.

Supporting SIDS' access to finance

In Cabo Verde, Luxembourg's Co-operation specifically provides trainings to financial sector actors through the House of Training-ATTF, a centre of excellence operating from Luxembourg. Its objective in Cabo Verde is to provide training assistance to the financial sector, cause impact and bring its professionals up to speed on high-priority international best practices. Luxembourg will aim to empower the professionals of the banking sector to be actors of the development of their economy.

In terms of financial inclusion, Luxembourg supports the microfinance sector in Cabo Verde, in particular by enabling youth and women to access quality financial services, including to finance small and medium-sized enterprises and access renewable energy.

Last but not least, Luxembourg supports ANAS (a national water and sanitation agency) in the preparation of their readiness support programme to the Green Climate Finance (GCF) fund.

Netherlands

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Dutch political commitments

Following the coronavirus (COVID-19) pandemic, the Dutch government has stressed in its statements in the Development Committee the importance of steering multilateral development finance sharply towards green and inclusive recovery and published this request with like-minded partners in The Guardian. In multilateral development banks, the Dutch government calls for climate leadership, full Paris alignment by 2030 and phasing out fossil fuel finance.

In terms of environment/nature more broadly, the Dutch government has set out in a letter to Parliament dated April 2020 how it intends to strengthen its efforts on international biodiversity further. Given both the increasing urgency of biodiversity loss and as a signal to the ongoing negotiations under the Convention on Biological Diversity (CBD), the Government committed to increasing its contribution to international biodiversity as well as to a stronger focus on biodiversity as a crosscutting issue, connecting it more strongly to its efforts on, in particular, climate, water and food security. They are in the process of doing this through including biodiversity more systematically in project development and assessment standards and procedures, among other ways.

Dutch ambitions and support to halt deforestation have intensified since 2020 (letter) as its approach links climate goals with biodiversity goals and the achievement of the Sustainable Development Goals (SDGs). The Netherlands has advocated for an ambitious EU regulation to stop deforestation, in co-operation with the Amsterdam Declarations Partnership (declaration).

Targets

Since 2010, the Netherlands has realised a year-on-year increase in its climate finance, including both public and mobilised private climate finance. This has been achieved by an allocation of additional resources for climate-specific action (including the establishment a new Dutch Fund on Climate and Development that became operational in 2019), better integration of climate objectives in development co-operation, and a more effective mobilisation of private finance for climate action.

The Netherlands has, among other results, committed to achieving the following targets with respect to climate and the environment:

- to deliver access to renewable energy to 50 million people between 2015 and 2030
- to increase the forest area under sustainable management and increase the number of people benefitting from sustainable forest management

- to increase the number of people benefitting from projects funded by the Netherlands for integrated water resource management and safer deltas by about 3 million per year
- to double the productivity and incomes of 8 million small-scale food producers, the focus of Dutch-supported agriculture projects, by 2030.

Results are monitored and registered on the basis of progress reports of individual programmes. Cumulative results are reported once a year on the Netherlands Development Aid Portal. The actual status of (climate) finance of all climate-relevant programmes is published on the Ministry's Climate Dashboard.

Strategies and policies for systematic integration

The Netherlands' support for climate action in developing countries is an integral part of its international co-operation. The policy paper Investing in Global Prospects (Dutch Ministry of Foreign Affairs, 2018) sets out the development and trade agenda, which overall aims to contribute to the achievement of the SDGs and the objectives of the Paris Agreement. Promotion of sustainable inclusive growth and climate action worldwide is one of the four main objectives of that policy.

The Netherlands has integrated climate change objectives in key policies for Climate Diplomacy and its thematic priorities of Water, Sanitation and Hygiene (WASH), Food and Nutrition Security. Its ambition to "green" the instruments for foreign trade and development co-operation in support of the goals of the Paris Agreement and the SDG Agenda has furthermore been set out in a letter, International financing instruments for global prospects, from the Minister for Foreign Trade and Development Co-operation to the House of Representatives in February 2019. To implement this policy, the Government has phased out bilateral financial support for coal and for exploration and development of new oil and gas reserves as of 2020.

As Dutch support for climate action is part of development co-operation, the Netherlands has a strong focus on poverty. Poorer people and communities are typically affected the most by climate change, not only because they are often the most exposed but also because they have the least resources to cope and adapt. To support mitigation, the Netherlands focusses on providing access to renewable energy and on halting deforestation. To support adaptation, it focusses on climate-smart agriculture, integrated water resource management and the provision of climate-resilient water, sanitation and hygiene services. Resilience and adaptability of communities are also supported by the new strategic partnership, Amplifying Voices. Gender is an important crosscutting issue, as climate action is most effective when it builds on the capacities and addresses the needs as well as the vulnerabilities of both genders.

Key provisions and pillars

The Netherlands' policy for Foreign Trade and International Co-operation, presented and adopted in 2018, addresses, in particular, the following major elements:

- Intensifying the Netherlands' contribution to international climate finance with EUR 80 million per year.
- Making official development assistance (ODA) more climate-relevant.
- Establishing the Dutch Fund for Climate and Development (DFCD) aimed at financing and mobilising private investments, in particular, in climate adaptation projects in developing countries.
- Providing support to the Green Climate Fund (GCF) and the Global Environment Facility (GEF).
- Intensifying its support for various capacity-building and knowledge-development initiatives, such as the NDC Partnership and the Climate and Development Knowledge Network (CDKN).
- Providing support to various programmes, including the Energizing Development Program (EnDev) with the aim of helping 50 million people in developing countries gain access to renewable energy by 2030.

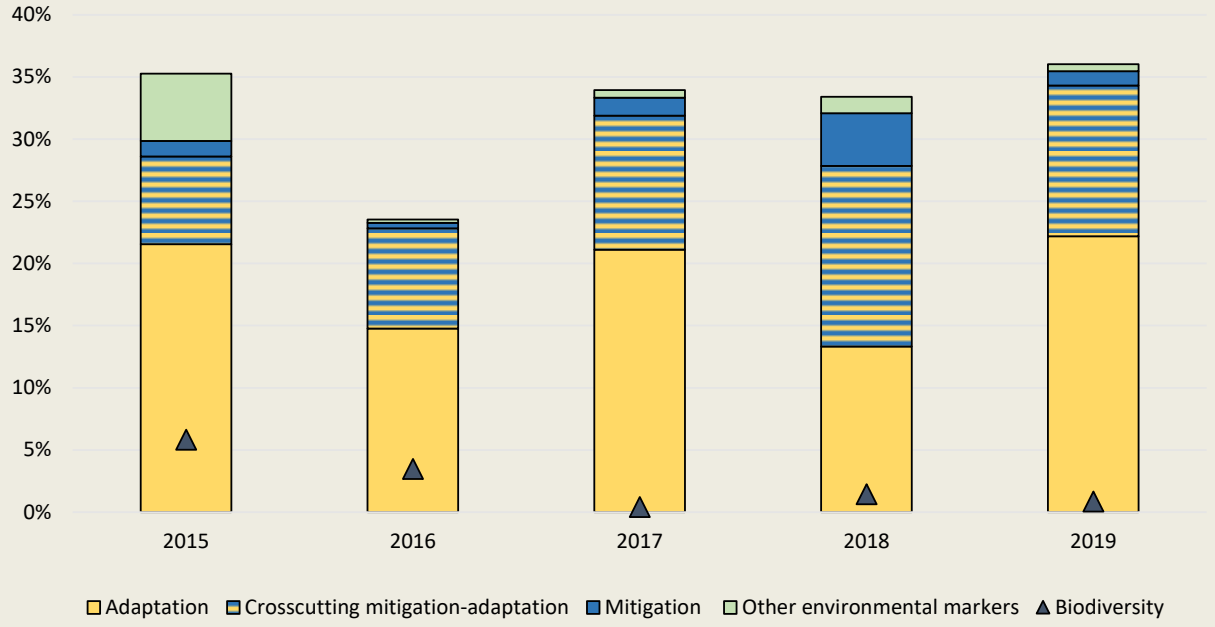
- Providing support to international initiatives such as the EU FLEGT (Forest Law Enforcement, Governance and Trade) and EU REDD+ (Reducing Emissions from Deforestation and Forest Degradation) to combat deforestation and offer (small) farmers a new economic perspective.
- Increasing the focus on the integration of gender and biodiversity considerations in activities focussed on climate, water and food security.
- Ensuring investments for Forest Conservation and Forest Restoration are doubled to at least EUR 25 million per year (letter). Key provisions and pillars of this letter are:
  - increased forest diplomacy and policy influence
  - support multi-stakeholder processes
  - strengthen forest governance
  - increase private finance for forest conservation
  - support developing countries to conserve their forests.

The total of these measures resulted in an increase of public climate funding to EUR 596 million in 2020 from an expected EUR 400 million in 2018.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Netherlands's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

The Netherlands Ministry of Foreign Trade and Development Co-operation, responsible for the programming and planning of climate finance, promotes the integration of climate change considerations in its Annual Pitch and Bids for Climate Change Action, the Multi-annual Strategic Plans of Central Departments and Missions, and in the projects and programmes that it supports.

When developing and appraising new programmes, concerned policy officers are required to assess climate and biodiversity relevance, consider these in context and problem analyses and Theories of Change (ToCs), allocate and score all Rio Markers, and where relevant, monitor and report on the progress of climate/environment-specific indicators contained in the Ministries' Thematic Result Frameworks.

For these purposes, the Ministry has adapted their project intake and assessment forms and designed a number of practical tools, including guidelines and climate change profiles. A Climate Mainstreaming Toolbox provides easy access and/or links to both internal as well as other relevant (e.g. OECD) reports, guidelines, country climate profiles, etc. Staff awareness and knowledge is enhanced through ad hoc training and orientation sessions and an online training course.

More specifically, the Ministry also developed an internal framework instruction for greening multilateral development banks (dated 14 February 2020) and A Quick Reference Guide for Integrating Gender Equality in Climate-smart Development.

Monitoring, evaluation and learning frameworks

Ministry-level Theories of Change and Result Frameworks integrating environment and climate objectives exist, and are referred to in the development, assessment and/or monitoring of programmes supported by the Ministry of Foreign Affairs. Comprehensive, integrated, monitoring, evaluation and learning (MEL) frameworks for the different thematic areas are currently still under review/development.

An in-depth evaluation of climate finance in the period 2010-19 was carried out and published by the Evaluation Department in 2021. The report, among others, presented some 32 recommendations for the new government's consideration (Policy and Operations Evaluation Department (IOB) Report: Evaluation Dutch Climate Finance for Development). This study on climate finance is the first in a set of IOB studies to review Dutch climate policy, with a focus on development co-operation. It will inform the Ministry of Foreign Affairs, in particular the Minister for Foreign Trade and Development Co-operation and the Inclusive Green Growth Department, in view of future decision making on new policies and programming.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Dutch public climate finance is first and foremost intended to assist poor communities and countries. To address their needs, the Netherlands works with a multitude of actors, including national, regional and local authorities, multilateral organisations, non-governmental organisations, private-sector organisations, farmers' organisations, water boards, and so on. These organisations all have their own processes to ensure that their activities meet the needs of their target populations. The Netherlands only approves finance for activities if it is clear how they will meet the needs of target populations.

For the countries and regions on which the Netherlands focuses its development co-operation, climate change profiles have been drafted and are regularly updated. These profiles contain an overview of country-specific climate change impacts as well as relevant policies and strategies of each national

government. They are used to guide the integration of climate action in their development co-operation programmes in these countries.

Support for technology transfer and for capacity building is an integral part of many activities that the Netherlands supports. Capacity-building support is focused on individuals, institutions as well as at the systemic level. At the systemic level, the Netherlands supports the NDC Partnership, which has a key role to play in building the capacity of governments to formulate and implement enhanced Nationally Determined Contributions (NDCs). As co-chair in 2019 and 2020, the Netherlands focused on the further strengthening of the NDC Partnership through political and financial support.

The Netherlands has contributed financial resources to green recovery support through the NDC Partnership and the Climate Investment Funds Technical Assistance Facility (CIF TA) window for green, resilient and inclusive recovery.

Examples of projects to support national transition plans

As indicated above, the leading role played in and technical and financial support provided through the NDC Partnership is an important example of Dutch support for the development of national strategies in partner countries. Through the NDC Partnership, partner countries are supported with increased access to the resources, expertise and tools they need to develop and implement their NDCs and combat climate change.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

The Netherlands believes that the climate challenge can only be resolved through an effective collaboration between all relevant social actors, each of which has a unique role to play. The climate interventions of the Netherlands works with alliances with the private sector, knowledge institutes/networks, non-governmental organisations (NGOs) and multilateral organisations.

The multilateral architecture is key in the creation of an effective mix of climate finance delivery instruments. The Netherlands has traditionally been an active supporter and funder of the multilateral institutions, which play an increasingly important role in climate action. The Netherlands also contributes to climate change-specific multilateral funds.

The action, knowledge and financial resources of the private sector and knowledge institutes are also necessary to succeed in the transformative change required for low-emissions, climate-resilient development. The Netherlands has thus set up a number of collaborations with the private sector focusing on climate-smart infrastructure, water, food systems and energy. Increasingly, it has also approached such challenges in an integrated manner, for instance in the newly established Dutch Fund on Climate and Development.

The Netherlands also works closely with civil society in implementing its climate-related activities. Civil society offers the creativity, access and mobilising power to address complex challenges like climate change. Through the Power of Voices programme, various new collaborations and partnerships with civil society organisations have launched in early 2021 to strengthen their advocacy and promote climate-resilient pathways that are both just and locally led.

All infrastructure projects are required to be subjected to and present an elaborate Environmental and Social Impact Assessment (ESIA). In the case of a negative outcome, and no mitigating measures can be taken, the project will not be approved.

The Dutch government has phased out bilateral financial support for coal, and for exploration and development of new oil and gas reserves as of 2020.

Support for sustainable, quality infrastructure

At the moment, the Ministry of Foreign Affairs is in the process of extending two of its main infrastructure programmes (Develop2Build and Development Related Infrastructure Investment Vehicle - DRIVE). The new phases will contain a more extensive greening component for which additional finance will also be made available.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Important commitments made include:

- EUR 120 million contribution to the Green Climate Fund for the period 2020-23.
- EUR 55 million contribution to the Least Developed Countries Fund (LDCF) for the period 2018-22.
- EUR 83.6 million contribution to the Global Environment Fund (GEF-7) for the period 2018-22.
- USD 10 million to the Climate Investment Funds (CIF) for the 2021 COVID-19 TA Response Initiative for green and resilient economic recovery.
- EUR 10.9 million for the NDC Partnership, including its Climate Action Enhancement Package, for the period 2018-20.
- EUR 160 million to the Dutch Fund for Climate and Development for the period 2019-24. The Fund aims to attract and deploy public and private capital in well-designed and impactful climate-relevant projects, in particular for climate adaptation.
- EUR 15 million to the Central African Forest Initiative supporting Central African countries with high forest cover to implement the Paris Agreement on Climate Change, fight poverty and fulfil the post-2020 biodiversity framework.
- EUR 29 million to IDH (The Sustainable Trade Initiative) to support the development of sustainable landscapes (natural resource base linked to agri-value chains).
- EUR 38.5 million to the World Bank's Regional Off-grid Electrification Project in the Sahel for the period 2019-26.
- EUR 35.6 million for the AGRI3 Fund for the period 2020-39. The Fund aims to provide guarantees to commercial banks and other financial institutions to mobilise financing by de-risking and catalysing transactions that create sustainable, deforestation-free agricultural supply chains.
- A total of about EUR 220 million to strengthen civil society organisations active in lobby and advocacy in the areas of climate (justice), nature, biodiversity and sustainable/resilient WASH and food security.

On top of these large commitments, the Netherlands supports innovative, interdisciplinary initiatives such as the Global Innovation Lab on Climate Finance, the Climate and Development Knowledge Network and the Mobilising More for Climate programme.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Support for Small Island Developing States (SIDS) is channelled through contributions to multilateral climate funds.

Geographical focus is on the focus regions in the Dutch development co-operation and on river basins in Africa and the Middle East. In addition, the Netherlands supports a scholarship programme for SIDS to strengthen their capacity in the water sector to cope with the effects of climate change. The IHE Delft Institute for Water Education supports capacity building in the water sector in developing countries through education, research and partnerships (knowledge networking) programmes. Climate change is an integral part the programmes.

Supporting SIDS' access to finance

The Netherlands did not report activities in this area.

New Zealand

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

New Zealand's political commitments

New Zealand's International Co-operation for Effective Sustainable Development Policy Statement, published by the Government in November 2019, makes the following commitments with regard to climate change and the environment:

- "New Zealand will work for global solutions to global sustainable development challenges and particularly accelerated action to address climate change and its impacts."
- "Sound stewardship of the environment and climate" is one of the five objectives that the policy commits New Zealand to affirm through its development co-operation.

In February 2021, the Government of New Zealand responded to a select committee inquiry into its aid in the Pacific. The report is available here. One of the select committee's recommendations was: "that the Government further support and progress the Pacific's objectives for low-emissions and climate-resilient development into the various phases of New Zealand's response to COVID-19." The Government's response was that it: "supports this recommendation and notes that the Ministry continues to strengthen efforts to ensure climate change is considered in all aid investments. The Ministry is working to ensure climate change is a consideration in all international development co-operation, and that all aid initiatives ensure action is taken proactively to build resilience and reduce emissions. The expected proportion of New Zealand's aid initiatives that mainstream climate change considerations to increase in coming years, while the Ministry also continues to deliver climate-change-specific programming."

Targets

New Zealand has committed to delivering at least NZD 300 million in climate finance over 2019-22 to drive reduced greenhouse gas emissions globally and improved climate resilience of institutions, infrastructure, environments and populations, with a focus on the Pacific and supporting a green COVID-19 recovery. Of this NZD 300 million climate finance commitment, at least two-thirds is to be spent in the Pacific and at least 50% on adaptation initiatives.

Progress against these targets is tracked monthly. New Zealand is forecast to exceed this climate finance commitment, with the majority of activities having an adaptation focus and 66% spent in the Pacific.

Headline performance indicators for the Ministry of Foreign Affairs and Trade (MFAT), the agency responsible for administering New Zealand's international development co-operation, set targets for the impact of New Zealand's work.

The key targets of New Zealand's Strategic Intentions 2020–2024 (medium-term strategic document) are listed below. The targets are taken from both the "Environment" and "Pacific" goals. Note that these targets are broader than the development co-operation, but the development co-operation is an important contributor to achieving them:

- Pacific climate resilience is improved through multilateral support and finance.
- New Zealand has successfully influenced global action on climate change mitigation.
- Illegal, unreported and unregulated (IUU) fishing has been maintained at zero in the Southern Ocean and reduced in the Pacific.
- Marine pollution, in particular marine plastic debris, has been reduced through effective regional and international action.
- Harmful fisheries subsidies have been eliminated.
- Marine biological diversity of areas beyond national jurisdiction has been sustainably conserved and managed, and its benefits are equitably distributed.
- A post-2020 Global Biodiversity Framework and resulting work streams that address global biodiversity loss, support sustainable use, and are science-based, are adopted and implemented.
- Pacific countries have increased resilience to natural hazards and the intensifying impacts of climate change.
- Pacific natural resources have been sustainably managed and the environment protected.

Strategies and policies for systematic integration

Climate change is a priority area of focus for New Zealand's development co-operation and international engagement. The Climate Action Plan 2019-2022 frames the New Zealand MFAT's approach to global and Pacific development co-operation based around supporting an effective global response to climate change, and improving Pacific resilience. It contextualises its development co-operation that is principally focused on climate change within their broader objectives for global climate action. New Zealand commits to delivering both targeted activities to address climate change, as well as mainstreaming the transition to a low-emissions, climate-resilient economy throughout all their development activities.

The primary focus on New Zealand's development co-operation is the Pacific region. New Zealand highlights Pacific regional commitments and policy frameworks that align to the current Development Assistance Committee (DAC) process:

- The Kainaki II Declaration for Urgent Climate Change Action Now (2019).
- Framework for Resilient Development in the Pacific, which brings together climate change and disaster resilience objectives under three goals: 1) strengthened integrated adaptation and risk reduction to enhance resilience to climate change and disasters; 2) low carbon development and; 3) strengthened disaster preparedness, response and recovery.

Key provisions and pillars

The Climate Action Plan 2019-2022 identifies:

- Four priority outcomes:
  - Pacific Island Countries (PICs) are able to lead their climate change response.
  - Pacific resilience is improved through on-the-ground adaptation activities.
  - There is greater global action to reduce greenhouse gas emissions.
  - Supporting PICs to participate in, and benefit from, global mechanisms.
- A strategic framework for action across four areas:

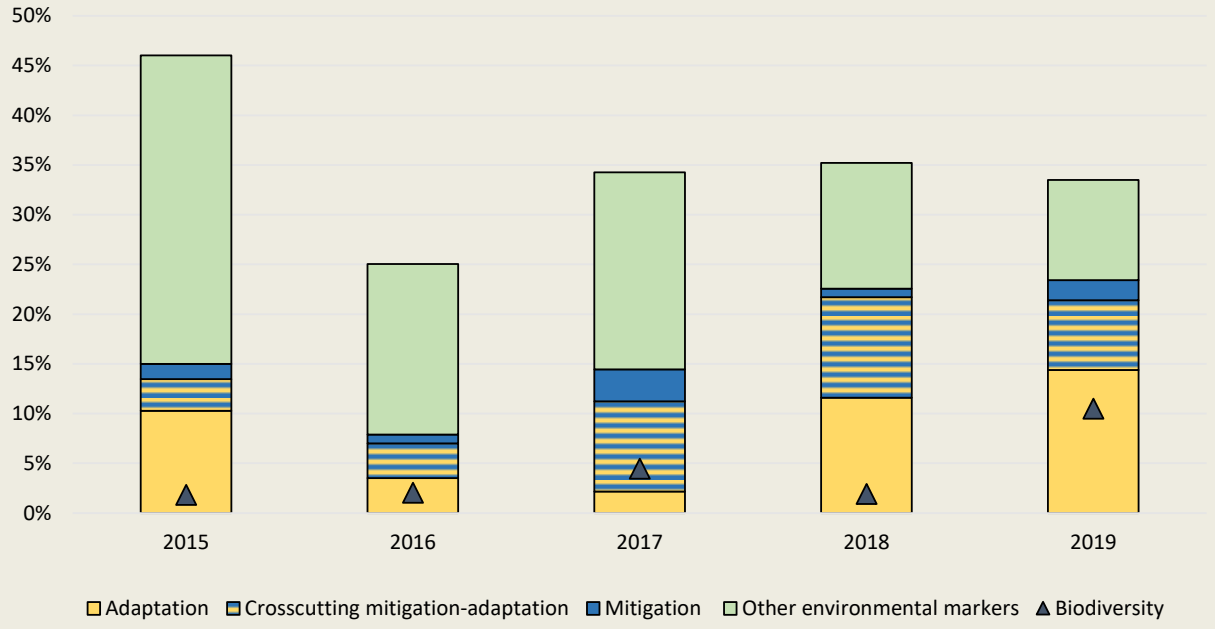
- Ambitious Action: Developing countries build greater resilience to climate change impacts and reduce greenhouse gas emissions, with a particular focus on Pacific resilience and a green COVID-19 recovery.
- Pacific Champion: Shared Pacific and New Zealand international climate change priorities identified and advanced.
- Global Engagement: New Zealand's international engagement supports effective implementation of the Paris Agreement and acknowledgement of the unique vulnerability of the Pacific and Small Island Developing States (SIDS).
- Policy Leadership: Global and regional policy solutions critical to Pacific climate change-related challenges and opportunities are being advanced successfully.

More detail and updates about the climate change-focused programme is available on MFAT's website.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. New Zealand's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

New Zealand's International Development Principles articulate the quality standards that are critical for their development co-operation to meet. Standards relating to climate change and other environmental issues are largely dealt with through a "resilient" development principle. A short version of this guidance document is available on the website. A more detailed internal version of this document is used by staff.

A Climate Change Operational Policy has been in place since 2016. Work began in 2021 to strengthen the mainstreaming of climate change consideration across all areas of New Zealand's development co-operation.

The environmental safeguarding standards ensure the effective management of potential adverse impacts to the environment posed by development activities, so that at a minimum its development co-operation does no harm. All activities are screened and classified for potential harm; an impact analysis of the identified risks in proportion to their severity is performed; mitigation and management plans are developed for identified risks with clear accountabilities; and affected communities, as appropriate, are consulted throughout this process. New Zealand provides operational tools to staff to support them in delivering this work.

Monitoring, evaluation and learning frameworks

New Zealand's climate change-focused programme of activities, discussed earlier, has a monitoring evaluation research and learning (MERL) framework with a singular focus on environment and climate objectives.

In addition to this climate change-focused programme, all of the bilateral, and most of the regional and other programme strategies, incorporate climate and environment objectives and identify indicators to monitor progress. Climate and environment is therefore captured in the vast majority of its regular annual programme reports and internal reflection processes.

New Zealand's Climate Change Operational Policy has the expectation that a development activity that is marked "significant" or "principal" with respect to either a climate or environment marker will incorporate a climate/environment measure into its results framework.

Additionally, goals are regularly assessed through MFAT's performance system, and an annual statement of progress is provided in the Annual Report.

In terms of shorter term results, two of the high-level performance measures that MFAT has undertaken to report on to Parliament in fiscal year 2020/21 regarding the performance of New Zealand's development co-operation are:

- The proportion of its international development co-operation programme that is tagged as "principal" for addressing climate change. The performance measure is for an "increasing trend" each year.
- "Number of people directly benefitting from activities that aim to increase resilience to climate change and environmental degradation". This measure is tracked by aggregating the results from individual development co-operation activities; the result will be reported to Parliament in October 2021. Progress against the outcomes and action areas in the Climate Action Plan 2019-2022 is tracked on an 18-month cycle. Current overall progress is rated "green" but there are areas impacted by the coronavirus (COVID-19) pandemic.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Support to partner countries' national transition strategies is an important element of New Zealand's development co-operation, which is driven by partner government priorities. This country-led approach to development is reflected in the four-year plans for its work with all partner countries where they have a

major bilateral development programme. A just transition to environmentally sustainable, low-emissions and climate-resilient development pathways happens across all sectors, and therefore is mainstreamed into their four-year planning approach. For example, support across education, health, fisheries, energy, and infrastructure all consider the opportunities to transition to low-emissions pathways in their design and implementation and how these support national transition strategies, such as National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs). In addition to mainstreaming this approach across all of their programming, they also provide targeted support where countries have identified a specific priority area in low-emissions, climate-resilient development.

All four-year plans will be published by the end of 2021.

Examples of projects to support national transition plans

Two programmes are highlighted:

- Support to the Pacific NCD Hub (led by GIZ, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH): Enhancing and implementing NDCs remains a priority for global action on climate change and a core pillar of achieving the goals of the Paris Agreement. Support to the Pacific NDC Hub aims to provide targeted, regionally relevant support to PICs to enhance and implement their NDCs, driving sustainable and resilient development and transitioning to a low-carbon development pathway. In 2020-21, the Pacific NDC Hub successfully scaled up its delivery, meeting country requests supporting NDC enhancement and implementation. The Hub has received and responded to numerous requests for support, including developing investment plans and project pipelines in Fiji and Kiribati, energy efficiency regulation in Palau, and measurement, reporting and verification (MRV) systems of waste, land-based transport and an electricity sector in the Marshall Islands.
- LECR planning: New Zealand is helping PICs lead their climate change responses by supporting strengthened capacity for effective low-emissions, climate-resilient planning. Low-emissions, climate-resilient planning expands the mitigation and adaptation impacts of its actions and investments. It enables the creation of longer-term impacts by supporting the development of climate change policies, plans and investment road maps across a wide range of sectors – such as electricity, transport, agriculture, tourism and urban planning. Over 2020-21, projects were supported in Tonga and Vanuatu to develop their national long-term, low greenhouse gas emissions development strategies (LT-LEDS); in Kiribati to operationalise its climate-resilient agriculture strategy; in Papua New Guinea to develop an inclusive green finance policy for the banking sector; and in Fiji to develop a transition to low emissions in the energy sector and to implement its Climate Change Bill. This programme is continuing to grow as Pacific Island Countries identify further priorities for their transitions to low-emissions pathways.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

New Zealand's International Development Principles articulate the quality standards that are sought for its development co-operation to meet. Standards relating to climate change and other environmental issues are largely dealt with through their "resilient" development principle. A short version of this guidance document is available on their website. A more detailed internal version of this document is used by staff.

Similarly, New Zealand's Climate Action Plan 2019-2022 details the specific outcomes they seek on climate change and guides how they engage and support partner countries to transition to a low emissions future, in addition to meeting their adaptation needs. Underneath this they are guided by their four-year plans for each programme, where climate change and environment issues are mainstreamed across sector interventions.

New Zealand is also currently developing further policy guidance and support on its mainstreaming approach to have climate change considered when developing activities in the Aid Programme.

Support for sustainable, quality infrastructure

New Zealand is supporting the upstream policy and regulation work needed to support quality infrastructure consistent with the transition to environmentally sustainable, low-emissions and climate-resilient development pathways. For example, they have partnered with the Global Green Growth Institute to support Fiji in developing a sustainability chapter in its building code – addressing adaptation, resilience and resource efficiency.

More broadly, New Zealand is a donor to the Pacific Regional Infrastructure Facility, which enables a co-ordinated approach to infrastructure in the region and invests in technical capacity to develop country-level Infrastructure Strategic Plans. Effective infrastructure planning is a critical enabler of quality infrastructure that supports environmentally sustainable, low-emissions and climate-resilient development pathways.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

This example is taken from page 6 of New Zealand's International Development Co-operation 2019-20, the annual programme-wide results report:

> ***Supporting Tonga's transition to renewable energy and a more resilient electricity network***
>
> *New Zealand support for the Nuku'alofa Network Upgrade Project is helping Tonga reach its goal of 50% renewable energy by 2020. As a result of the project, distribution losses and diesel consumption have reduced, which is contributing to more cost-effective power for consumers, resilience to natural disasters and reduced carbon emissions. New Zealand's significant support for improving electricity networks in Tonga over recent years has helped ensure that the upgraded sections of the network have sustained less damage, and were much more quickly repaired than the sections not yet upgraded.*

How are development programmes supporting SIDS to achieve sustainable development?

The foundational policy for New Zealand's development co-operation is their International Co-operation for Effective Sustainable Development (ICESD) Policy Statement. In this statement, they commit that:

- "New Zealand will work with SIDS to support their voice and advance their sustainable development interests."
- New Zealand will provide at least 60% of their total official development assistance (ODA) to PICs, either bilaterally or through regional initiatives. All Pacific Island Countries are SIDS.

New Zealand also has development programmes in non-Pacific SIDS. The largest is in Timor-Leste, a Least Developed Country (LDC).

Given that the majority of New Zealand's development co-operation is provided to SIDS, their policies and strategies are configured to their particular needs. They recognise that all initiatives in SIDS must recognise that small states have small administrations and that multiple donors, projects and accountabilities remain significant burdens on governments that can easily limit their ability to focus on and lead the domestic development agenda. It is a critical responsibility for all development partners to emphasise core development effectiveness principles in SIDS, in particular harmonisation wherever possible, to seek to minimise these burdens. New Zealand has experienced very strong benefits from work to strengthen public

administrative and finance systems in SIDS and they are using these strongly in Pacific countries where progress has been made. This means that in some SIDS, local government delivery is now the primary delivery modality with gains in efficiency and local ownership. Flexibility in the choice of modality is also emphasised to promote local ownership and seek not to overburden small administrations.

Other important challenges/lessons learned include:

- The importance of bolstering and supporting local capacity to analyse, plan and lead development initiatives – an example has been in the climate change area where thin local capacity has meant it is difficult for SIDS to plan and design the most effective initiatives to submit for climate finance.
- Aligning to local reporting frameworks wherever possible. In the Pacific region, The Pacific Roadmap for Sustainable Development developed and adopted by the Pacific Islands Forum has been an extremely useful product. The Roadmap uses a subset of SDG indicators to report progress against multiple United Nations (UN) and other agendas, including the 2030 Agenda, the SAMOA Pathway, and the Global Partnership for Effective Development Co-operation. Periodic reports are produced every four years, with the first second quadrennial report to be completed in 2022. The regional approach to reporting shares the burden of reporting away from the small administrations of Pacific SIDS, making use of shared capacity and regional organisations.

For more detail, please refer to the response that New Zealand provided to the UN Secretary-General's 2021 questionnaire on implementation of the SAMOA Pathway, attached to the survey response. This questionnaire was submitted in early May 2021. It is yet to be published but will be later in the year.

Responding to the particular needs of SIDS

A number of responses to earlier questions on climate changes focus on the Pacific, where they have committed to providing at least half of their climate finance. All PICs that are provided development co-operation to are SIDS – therefore, this material is also relevant to this question.

Supporting SIDS' access to finance

SIDS' access to development finance is supported through a wide variety of approaches. Initiatives include:

- Ongoing advocacy for SIDS voice, issues and responsiveness within the multilateral system, including specifically advocating for SIDS financing for development through, among others, increases to multilateral development bank (MDB) base allocations to member countries and in global funds, such as the Green Climate Fund and the Adaptation Fund.
- Commitment to deliver 20% of their ODA as Aid for Trade to Pacific SIDS.
- Support is provided to an ongoing programme of public financial management reform and capacity building within Pacific SIDS. Since COVID-19 hit the focus of this, programming has been helping Pacific SIDS to weather the crisis caused by the pandemic rather than to engage in major reforms. In due course, it is expected that this programme will revert to a focus on reforms that will strengthen the development finance available to Pacific SIDS.
- Support to achieve long-term debt sustainability: New Zealand's engagement is through both reform-linked budget support programmes in a range of Pacific countries discussed above, which involve significant policy dialogue, and technical assistance via the International Monetary Fund (IMF)'s Pacific Financial Technical Assistance Centre, which they are a long-standing donor towards. They have also sought to stimulate regional discussion on the issue, e.g. collaborating with Pacific island revenue practitioners on an article on debt sustainability in the December 2018 Asian Development Bank (ADB)'s Pacific Economic Monitor.

- Activities to strengthen domestic revenue mobilisation: A major example is a decade-long public revenue strengthening activity in the Solomon Islands from 2009-19, which included significant technical assistance from New Zealand's Inland Revenue Department.
- Technical advisory support for Pacific islands to attract foreign direct investment through funding to Pacific Islands Trade and Invest.
- A range of initiatives to improve the business enabling environment in Pacific countries, including support to the International Finance Corporation (IFC) and ADB's Pacific Private Sector Development initiative. This work helps LDCs in the Pacific attract foreign direct investment.
- Ongoing policy dialogue on economic governance issues through the Pacific Islands Forum Economic Ministers' Meeting.

Financing that targets low-emissions, climate-resilient development is sought through the above engagements, which are partner-led through their transition plans. Work through the NDC Hub and LECR is aimed to strengthen countries' national and sectoral planning to leverage the above financing towards sustainable and resilient development.

Norway

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Norway's political commitments

Norway is part of the High Ambition Coalition, the Global Ocean Alliance and the Leaders Pledge for Nature.

The Norwegian Development Agency, Norad, has been tasked with starting efforts to ensure that Norwegian development assistance supports the aims of the Paris Agreement to a greater extent. An action plan has been developed and will be published shortly. The action plan has five action areas: 1) reducing the environmental impact of Norad's own activities; 2) making climate and environmental development assistance more effective; 3) ensuring that development assistance in all sectors contributes to international development goals, inter alia, through improved handling of climate risk, reduced environmental impact of development assistance and climate and targeted enhanced climate and environment co-benefits; 4) contributing to their main partners' green transition; 5) supporting national implementation of international environmental agreements.

Targets

Norwegian climate finance is at approximately 0.2% of their gross domestic product (GDP). Norway has decided to double its annual climate financing by 2026, from NOK 7 billion in 2020 to NOK 14 billion by 2026, and at least triple its support for adaptation by 2026.

Norway has a national goal to contribute to reduced and reversed loss of tropical forests (National Environmental Goal 5.5). In addition, all strategies and programmes have defined goals and targets that are tracked in national reports and evaluated.

Strategies and policies for systematic integration

Norway's overall strategies on green recovery from the coronavirus (COVID-19) pandemic are presented in Norway's Green Recovery from COVID-19 Platform for redesign in 2020. Point 4 concerns international co-operation related to climate and forests.

Climate, environment and the ocean are together one of five main priority areas of Norwegian development assistance.

Norway has a strong commitment on environment and sustainable development. Climate and the natural environment are to a large degree handled together. Measures for poverty reduction, health, food security

and business development are increasingly seen in connection with climate resilience and management of natural resources.

Prioritised sectors for integration of climate and environment objectives in development are clean energy, food security, forest protection and oceans. Environmental objectives are also to some extent integrated in programmes for job creation, tax systems and vocational training.

The following strategies and policies integrate climate and environmental objectives:

- Strategy on Climate Change, Hunger and Vulnerability
- Norway's International Climate and Forest Initiative (NICFI)
- Food, People and the Environment: The Government's Action Plan on Sustainable Food Systems in the Context of Norwegian Foreign and Development Policy
- Norway's Humanitarian Strategy
- The Norwegian Development Program to Combat Marine Litter and Microplastics
- The Security Council: Norway's Priorities
- Blue Ocean, Green Future
- The Place of the Oceans in Norway's Foreign and Development Policy
- Panorama: Strategy for Co-operation on Research and Higher Education with Brazil, Canada, China, India, Japan, Russia, South Africa, South Korea and the USA (2021–2027)
- Better Health, Better Lives
- Digitalisation for Development: Digital Strategy for Norwegian Development Policy
- Strategy for Norway's Efforts in the Sahel Region (2021–2025)
- Norad's Strategy towards 2030.

Key provisions and pillars

- Strategy on Climate Change, Hunger and Vulnerability: The strategy supports climate-vulnerable societies to adapt to a changing climate. Developing countries are assisted in improving their adaptive capacity to climate change and their capacity for disaster risk reduction and for dealing with climate-related and natural disasters. It is also intended to play a part in ending hunger, achieving food security, improving nutrition and promoting sustainable food systems built on agriculture, aquaculture and fisheries.
- Norway's International Climate and Forest Initiative (NICFI) strategic areas: Contribute to the reduction and reversal of tropical forest loss to enable a stable climate, preserved biodiversity and sustainable development. There are seven strategic areas: land-use policies, rights of indigenous peoples, carbon markets and international support structures, transparency, deforestation-free commodity markets, deforestation-free financial markets and international forest crime.
- Food, People and the Environment: The Government's Action Plan on Sustainable Food Systems in the Context of Norwegian Foreign and Development Policy: Increased sustainable, climate-resilient food production and increased productivity from agriculture, fisheries and aquaculture sectors. Increased sustainable value creation and private sector development in the food sector that ensures stable access to healthy and safe food and reduces food waste. Improved nutrition and sustainable consumption patterns due to improved knowledge and access to healthy and varied diets, safe food and clean drinking water. Sustainable food systems are promoted at national, regional and global levels, and strengthened through institution building.
- Norway's Humanitarian Strategy: Support efforts to promote preparedness, disaster risk reduction and climate change adaptation as part of an integrated approach to reducing vulnerability and humanitarian needs. Promote green humanitarian response and will seek to ensure that climate

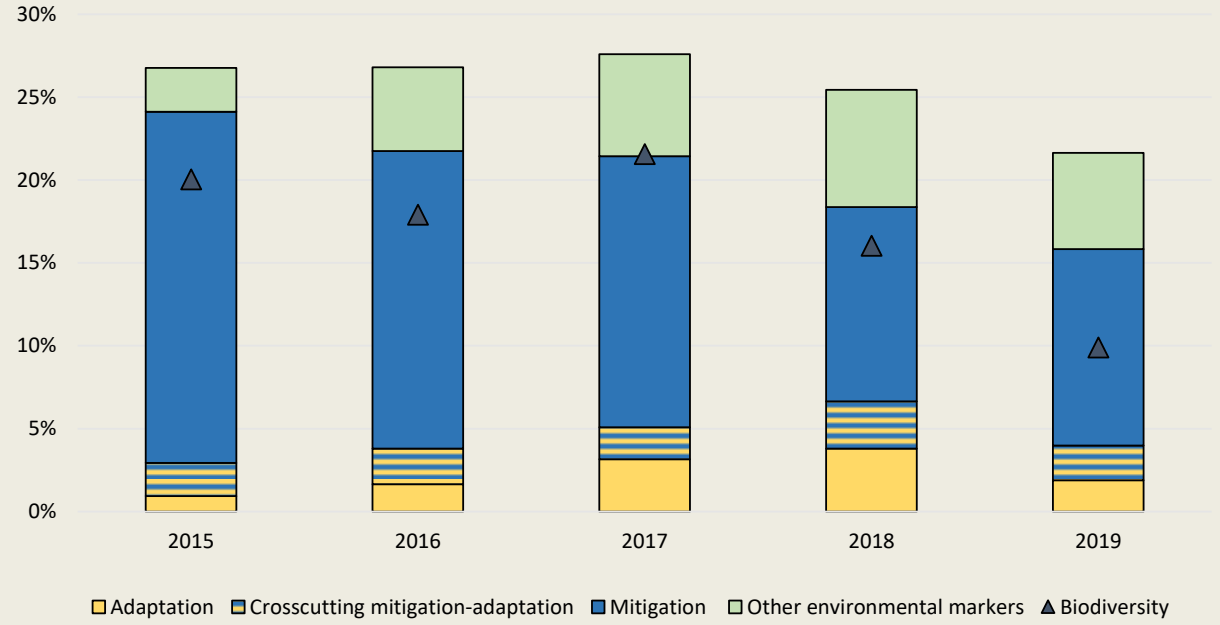
change and environmental considerations are better integrated into humanitarian efforts. Require Norway's partners to choose sustainable and more environmentally friendly solutions for their humanitarian operations.

- The Norwegian Development Program to Combat Marine Litter and Microplastics: Prevent and greatly reduce the extent of marine litter from large sources in developing countries.
- The Security Council: Norway's Priorities: Ensure that the Security Council discusses climate-related security threats and that it assesses, on a continual basis, the possible impact of climate change on other issues on its agenda.
- Blue Ocean, Green Future: Promote a sustainable blue economy in developing countries and contribute towards achieving the United Nations (UN) Sustainable Development Goals (SDGs).
- The Place of the Oceans in Norway's Foreign and Development Policy: This White Paper aims to highlight the opportunities the oceans offer for Norway and the challenges that will need to be dealt with, and to describe how Norwegian foreign and development policy can be used to safeguard Norway's ocean interests and promote the achievement of the UN SDGs. It shows how Norway seeks to support implementation of the recommendations of the high-level panel for sustainable ocean economy, both taking an integrated approach for environment natural resources and development.
- Panorama: Strategy for Co-operation on Research and Higher Education with Brazil, Canada, China, India, Japan, Russia, South Africa, South Korea and the USA (2021–2027): Research-based knowledge to achieve the UN SDGs is a prioritised area. Increase internationalisation without increasing the carbon footprint.
- Better Health, Better Lives: Help to prevent non-communicable diseases through development co-operation by contributing to healthy and sustainably produced food; a healthy environment with clean air and clean energy; […] strengthen efforts to reduce the number of deaths caused by air pollution.
- Digitalisation for Development: Digital Strategy for Norwegian Development Policy: Digitalisation will be integrated into the Government's existing thematic priorities for Norway's development policy, climate, the environment and oceans.
- Strategy for Norway's Efforts in the Sahel Region (2021–2025): Promote more sustainable, climate-resilient and productive food production. Strengthen analysis of climate-related security risks. Strengthen efforts to create sustainable, decent jobs.
- Norad's Strategy towards 2030: Climate and the environment will be integrated into all Norad's work and be a leading principle when developing new partnerships and initiatives.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Norway's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

The grant management manual for Norwegian development assistance provides requirements and guidance related to environment and climate. Climate and environment are one of four crosscutting issues in Norwegian development assistance (in addition to gender equality, human rights and anti-corruption). All grant recipients must assess potential negative effects of the projects and programmes on the climate and the environment and implement relevant mitigating measures. Grant managers must assess whether the grant recipients manage this risk sufficiently and follow this up with grant recipients as needed before concluding a grant agreement and before approving reporting on implementation. Requirements on management and reporting of crosscutting issues are included in the agreements with grant recipients. For large and complex projects, typically infrastructure projects, grant recipients must also carry out an Environmental Impact Assessment. Grant managers must ensure that this assessment is satisfactory and follow up with grant recipients when needed. Grant agreements also include provisions that oblige grant recipients to take into account the environmental impact of all planned procurements.

Some grant scheme rules may, in addition, require proactive components on one or more of the crosscutting issues. Proactive components may also be a requirement in annual government budget proposals (Prop. 1 S) as well as allocation letters for specific geographical or thematic areas. In these cases, more specific objectives must be formulated and followed up. Grant managers are not required to

assess the grant recipient's environmental management except for the management of potential negative effects of the project/programme on the climate/environment. It can still be relevant and important to assess the quality of the grant recipient's environmental safeguards, environmental objectives for programmes and operations, environmental requirements to sub-grantees and suppliers, and/or other elements of the grant recipient's environmental management system. This can be done in partner assessments, dialogue in relation to annual meetings or other contacts with grant recipients or through inputs to Norwegian participation in board meetings of multilateral grant recipients. More specific information on requirements related to Norwegian grant management may be found in Norad's grant schemes and programmes.

Monitoring, evaluation and learning frameworks

Assessing environmental indicators is mandatory in all programme assessments as one of the crosscutting issues. In programmes with primary environment and climate change objectives, the monitoring of results on those aspects is the core of all monitoring, evaluation and learning (MEL) activity.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Norway is and has been a donor to the financial mechanisms (e.g. Green Climate Fund [GCF], Global Environment Fund [GEF], Adaptation Fund, Ozonfund) of the international agreements regarding climate and environment with the aim of supporting partner countries' own strategies.

Norway is in the process of establishing a major funding agreement with the NDC Partnership through the United Nations Office for Project Services (UNOPS) as the funding channel. The key purpose of this is to assist countries in the process of establishing high-quality Nationally Determined Contributions (NDCs) and support their implementation. Norway has previously provided support to the Climate Action Enhancement Package of the NDC Partnership to enhance the quality, increase the ambition, and implement NDCs.

Norway is planning a major programme for bilateral NDC co-operation with selected partner countries. This co-operation will contain, among others, policy development support, institutional strengthening, joint research and education activities, private sector initiatives, greenhouse gas (GHG) monitoring and reporting capacity and support to implementation of green transition strategies, etc.

Examples of projects to support national transition plans

Norway supports initiatives such as the Biodiversity Finance (BIOFIN) Initiative of the United Nations Development Programme (UNDP), which assists developing countries in incorporating biodiversity comprehensively into their national development planning and financial strategies, including their National Biodiversity and Strategy Action Plans (NBSAPs).

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Through Norway's International Climate and Forest Initiative, (NICFI), the country supports REDD+ (Reducing Emissions from Deforestation and Forest Degradation) strategies and other national strategies aimed at reducing GHG emissions and promoting green growth.

Norway supports access to affordable, sustainable and clean energy in many developing countries, both bilaterally and through multilateral partners.

Norway's Action Plan for Sustainable Food Systems is designed to assist low-income countries in feeding their own population by focusing on: 1) increased sustainable climate-resilient food production; 2) higher sustainable value-creation and improved markets; 3) healthier nutrition and diets; and 4) better policy and governance. Norway supports more than 50 projects and programmes in developing countries in the implementation of the Action Plan. The main result is increased food security for millions of poor people.

Norway supports international measures to reform subsidies for fossil fuel consumption, and supports international environmental agreements aimed at increasing professional capacity and strengthening institutions' development of strategies for green growth and economic development.

Norway contributes to a sustainable and inclusive ocean economy both nationally and internationally, including through capacity-building programmes in fisheries and ocean management. Norway has ambitious goals to assist developing countries in reducing ocean plastic pollution.

Norad's Strategy, Environmental Policy and forthcoming Environmental Action Plan aim to strengthen Norwegian support to developing countries' transitions to a resilient, low-carbon society. Efforts will be made to identify types of development assistance that can have transformational effects, contributing to broad changes in society beyond the immediate results of projects and programmes.

Support for sustainable, quality infrastructure

Infrastructure support is included in some of the Clean Energy programmes, in addition to support through multilateral institutions.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- In collaboration with the Global Green Growth Institute (GGGI), Norway supports, for example, the Climate-Resilient Green Economy Strategy in Ethiopia. This type of support is also offered in other partner countries in Latin America and Asia.
- The UN-REDD programme, where Norway is the main donor, supports transition strategies with a focus on forest conservation and management in a high number of countries. Other investments through multilateral agencies (e.g. Forest Carbon Partnership Facility [FCPF], BioCarbon Fund, GGGI) support similar processes.
- The Norwegian Investment Fund for Developing Countries (Norfund) is one of the main instruments for investments in, among others, energy production in low- and middle-income countries. Norfund's largest business priority sector is clean energy with a committed portfolio of NOK 12.9 billion (USD 1.4 billion) by the end of 2020 – almost half of Norfund's total portfolio. Norfund's total investments in new renewable energy since its inception contribute to 8 million tonnes of CO_2 in avoided annual emissions of greenhouse gases, which is equivalent to one-sixth of Norway's annual emissions, or all Norwegian passenger cars and heavy vehicles. The power plants Norfund invested in 2020 produced 17.5 Terawatt-hours of electricity; this corresponds to the total annual consumption of Uganda, Tanzania and Kenya.
- The Norwegian government has decided to allocate NOK 10 billion over a period of five years for a new fund that will invest in renewable energy in developing countries with the aim of reducing greenhouse gas emissions. The Climate Investment Fund is an essential part of Norway's contribution to achieving the goals set out in the Paris Agreement and the SDGs. The Fund's objective is to invest in renewable energy projects, particularly in countries with high emissions from coal-fired power plants and thus contribute to the efforts to phase out coal. The Fund will be managed by Norfund.

- Norway supports several clean energy programmes implemented by, among others, Energising Development (EnDev), Clean Cooking Alliance (CCA), Sustainable Energy Fund (SEFA), Energy Sector Management Assistance Program (ESMAP) and Clean Energy Fund (CEF). These programmes provide clean cooking stoves and access to electricity. Norway also supports competence development programmes, including institutional co-operation between Norwegian and partner country institutions, in the fields of hydropower, energy data, energy market reform and e-mobility.
- In 2018, Norway established a development aid fund to combat marine litter and microplastics that will run for six years. Norway contributes to the UN Decade on Ocean Science, and is a member of the Ocean Decade Alliance, of which the Norwegian Prime Minister is patron. In 2020, Norway entered into a four-year agreement with the Division for Ocean Affairs and the Law of the Sea (DOALOS) on co-operation on capacity-developing activities in the Caribbean, Pacific and African regions. In 2018, Norway initiated an international declaration against transnational organised crime in the global fishing industry and launched the Blue Justice Initiative in 2019.
- Through the Nordic Development Fund (NDF), Norway supports adaptation and mitigation projects in the Least Developed Countries (LDCs). NDF committed EUR 40 million to new projects in 2019 and has a total portfolio of EUR 410 million.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The Strategy on Climate Change, Hunger and Vulnerability refers specifically to the needs of Small Island Developing States (SIDS). SIDS are also a geographical focus of the marine litter programme. The UN-REDD programme (mainly funded by Norway) includes several SIDS in its programmes. Norway also supports the Alliance of Small Island States (AOSIS) with NOK 21 million over three years to support capacity building and facilitation for the group in negotiations. Through the International Renewable Energy Agency (IRENA), Norway provides support to the SIDS Lighthouses Initiative. Norway furthermore supports the Pacific Center for Renewable Energy and Energy Efficiency (PCREEE) in Tonga.

Supporting SIDS' access to finance

Norway did not report activities in this area.

Poland

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Poland's political commitments

Polish development aid is strongly linked with the 2030 Sustainable Agenda. The Polish Multi-annual Development Co-operation Programme 2021-2030, in the context of climate, is based on several international frameworks and agreements, such as the:

- Addis Ababa Action Agenda
- Strategic Plan for Biodiversity (the so-called Aichi Objectives)
- Sendai Framework for Disaster Risk Reduction 2015–2030
- New European Consensus on Development.

According to the Multi-annual Development Co-operation Programme 2021-2030, Polish official development assistance (ODA) recognises that climate change is the biggest threat that mankind has faced in the last decades. Within this Multilateral Development Co-operation Programme, Polish ODA will support all levels of public administration in partner countries, in developing their ability to plan and implement sustainable development.

The Ministry of Finance participates in the Coalition of Finance Ministers for Climate Action. The Coalition brings together fiscal and economic policy makers from over 50 countries in leading the global climate response and in securing a just transition towards low-carbon, resilient development. It adopted six aspirational principles called the Helsinki Principles, whose main aim is to promote national climate actions, especially through fiscal policy and the use of public finance. As part of the works of the Coalition, Ministry of Finance representatives participated in regular Sherpa's meetings, carried out both independently and during COP and International Monetary Fund (IMF)/World Bank meetings.

Furthermore, the European Union has set out the Green Deal to become its new growth strategy and the cornerstone of its external action. Thus, Poland has also committed to redoubling its efforts to align all its policies, including development efforts and foreign aid, with the goal of climate neutrality. In the context of the coronavirus (COVID-19) pandemic, this engagement also translates into the commitment to make economic post-pandemic policies sustainable.

Targets

Climate is one of the Policy Coherence for Development (PCD) priority areas established in Poland. In this context, the target is to take into account climate in sectoral policies, which have an impact on developing countries. The main target is to ensure that the development efforts are in line with the Sustainable

Development Goals (SDGs) and global goals. Concrete areas of possible activities and concrete actions of aid in developing countries within the Polish development co-operation aligned with the 2030 Agenda as far as environment and climate are concerned are listed in the Polish Multi-annual Development Co-operation Programme 2021-2030 and in the Polish Plan of Development Co-operation for 2021 (with the expected results).

Strategies and policies for systematic integration

The Polish development co-operation programme has long sought to address international challenges of a various nature. The Multi-annual Development Co-operation Programme 2016–2020 and the Multi-annual Development Co-operation Programme 2021-2030, encompassing the entire Polish ODA, underlines that Polish ODA aims to address global challenges (such as the implementation of the 2030 Agenda for Sustainable Development), European challenges (New European Consensus on Development) and regional challenges (especially in the Eastern Partnership countries and Africa).

Polish assistance is aligned with the 2030 Agenda, addressing the economic, social and environmental aspects of sustainable development, aiming to reduce the negative effects of climate change on the planet and societies, such as natural disasters, changing geopolitical conditions and human displacement.

In the Polish Multilateral Development Co-operation Programme for 2021-2030, climate is one of the priority areas of Polish development co-operation and climate is also a cross-sectoral topic. It means that Poland committed to promote tackling climate-change-related issues in all Polish aid actions, in both bilateral and multilateral co-operation, operational plans, inventing new tools, and regulatory mechanisms. Due to the priority nature of the climate issue, Poland also supports the design and implementation of policies related to mitigating climate change, including emissions trading and monitoring as well as the prevention of natural disasters. Moreover, in line with the SDG Agenda, Polish aid helps partner countries in developing their renewable energy sources, infrastructure and deployment; protecting their biodiversity; ensuring water security and availability; and designing sustainable cities. In addition, Poland supports its closest neighbours from the Eastern Partnership in their convergence with EU regulations and standards.

In the previous programming and financial perspective (the Multi-annual Development Co-operation Programme 2016-2020), Poland established two priority areas in its Policy Coherence for Development programme, which is part of a broader process, namely Policy Coherence for Sustainable Development (PCSD), i.e. fighting illicit financial flows (IFF) (tax avoidance/tax evasion and money laundering) and the promotion and implementation of corporate social responsibility/responsible business conduct (CSR/RBC) standards. Poland considers that these two PCD areas are connected with climate issues. Fighting IFF has the aim of ensuring better domestic resources mobilisation, which can be used for fighting climate change, whereas the implementation of CSR/RBC standards has environmental elements, such as, for example, global supply chains or responsible production and consumption.

New priority areas under PCD, namely climate and sustainable cities and societies, have been added to the current programming and financial perspective of Poland's development co-operation (2021-30). This means that climate mitigation and climate change, also focussing on developing countries, should be taken into account by other ministries in their domestic policies. The very horizontal aspect of these priority areas will ensure a whole-of-government approach.

Key provisions and pillars

In the Polish Multilateral Development Co-operation Programme for 2021-2030, climate is one of the priority areas of Polish development co-operation and is also a cross-sectoral topic**.**

As far as Policy Coherence for Development (PCD) is concerned, public administration bodies will compile annual reports on implementing the established priority areas in PCD, such as climate. The documents will be submitted to the Development Co-operation Program Council affiliated with the Minister of Foreign

Affairs. This Council consists of representatives of ministries, non-governmental organisations (NGOs), business and academia. In this way, the principle of inclusiveness is ensured. Moreover, the participation of a representative from the Ministry of Development, Labour and Technology (responsible for the co-ordination of the 2030 Agenda and PCSD) in the Development Co-operation Programme Program Council is a guarantee for a connection between two processes: PCD and PCSD.

As far as multilateral co-operation is concerned, representatives of the Polish Ministry of Finance participating in the work of the European Union and international financial institutions, in particular the European Investment Bank (EIB), as well as the European Bank for Reconstruction and Development (EBRD) and the World Bank Group, support the adjustment of their policies to the provisions of the Paris Agreement.

According to the Multi-annual Development Co-operation Programme 2021-2030, Polish multilateral development aid should consider development priority areas and development objectives set up in this programme, among which is climate.

Poland uses multilateral channels to raise additional financing for development. This includes contributions to trust funds managed by international financial institutions. For instance, by participating in the Eastern Partnership Technical Assistance Trust Fund (EPTATF) managed by EIB, Poland co-financed technical assistance operations related to climate change mitigation and adaptation in Eastern Partnership countries. Additionally, through participation in the Eastern Europe Energy Efficiency and Environment Partnership (E5P Fund) managed by EBRD, Poland as a donor to this fund supported a number of municipal investments in energy efficiency and environmental projects in the Eastern Partnership region. This includes projects concerning district heating; energy efficiency in public buildings (schools, kindergartens, hospitals); energy-saving measures in residential housing; renewable energy (including biomass); street lighting; water and wastewater treatment; and solid waste management in Armenia, Belarus, Georgia, the Republic of Moldova and the Ukraine.

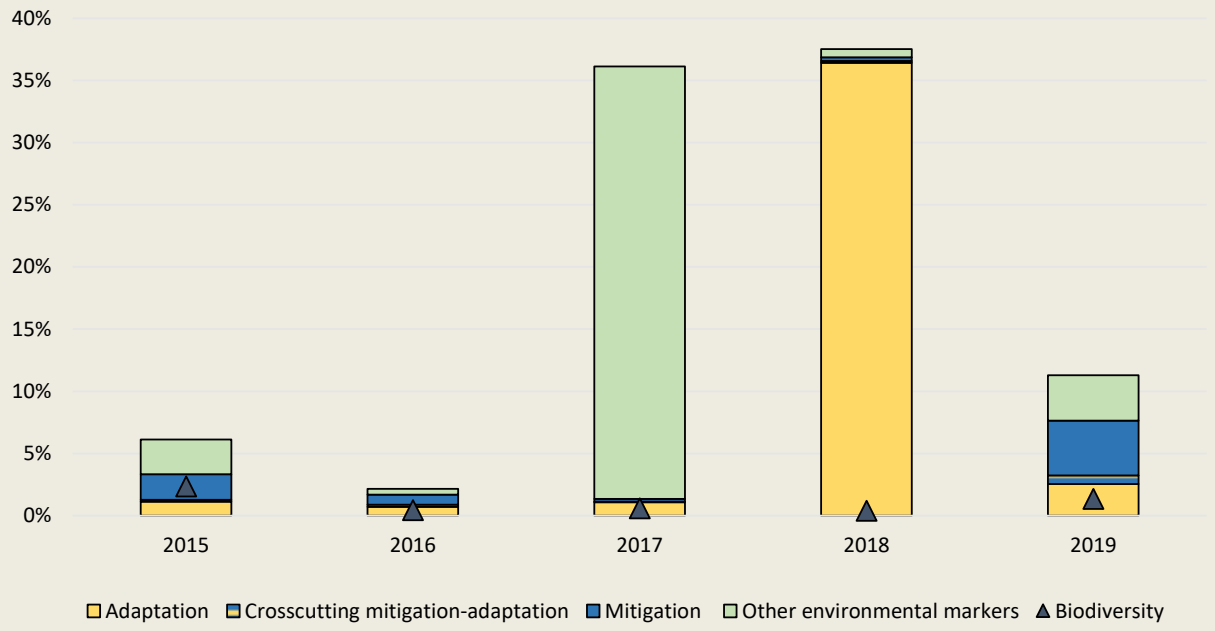
Moreover, climate and environmental issues are included in the projects realised within the Economic Resilience Initiative Fund (ERIF), a financial vehicle managed by the EIB designed to boost economic resilience in the European Union's Southern Neighbourhood and the Western Balkans. By providing concessional capital to ERIF, Poland as a donor supports projects by way of co-financing: investment grants, interest rates subsidies, equity participation and guarantees. ERIF sectoral priorities include support for private sector development, infrastructure, and climate action, viewed as important to improving the provision of basic public services and creating an enabling environment for private-sector-led growth.

In 2019, Poland launched, in co-operation with the United Nations Development Programme (UNDP), a competitive scheme (challenge fund) to allocate financial support to innovative projects aligned with SDGs in partner countries. This instrument also helps implement projects with a climate and environment dimension. It aims to solicit market solutions that bring measurable development impact. Eligible applicants include private sector entities and academia (universities, research centres) that can transfer know-how and solutions in response to development challenges. The funding is provided up to USD 40 000 per initiative. Applicants are expected to contribute with a minimum of 20% co-financing, which counts for the private sector's investment in support of SDGs. The awardees are required to engage local partners to assure viability and sustainability. The Fund was in operation in 2019 and 2020 (in Belarus and the Ukraine). Two additional editions are planned for Armenia, Georgia and the Ukraine, with an approximate ODA allocation of USD 0.85 million.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Poland's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

In accordance with the new Multi-annual Development Co-operation Programme 2021-2030, the Development Co-operation Department plans to prepare development co-operation country strategies for individual priority countries of Polish Aid, with an initial three-year period of validity, in which climate as a crosscutting issue will be of course taken into consideration.

As far as Poland's participation as a donor in the EIB and EBRD trust funds (EPTATF and E5P) is concerned, environmental risk assessment is conducted by the above-mentioned financial institutions.

Monitoring, evaluation and learning frameworks

According to the Multi-annual Development Co-operation Programme 2021-2030, by conducting evaluation tasks, Poland follows the principles and evaluation standards drawn up primarily by the OECD and the European Union.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Poland's support to developing countries to achieve their own transitions translates into financial aid and logistical support. Poland is not one of the Parties listed in Annex II to the Climate Convention; therefore, it is not obliged to fulfil the commitments under Articles 4.3, 4.4 and 4.5 of the Convention related to providing financial aid and assistance to developing countries in their path to comply with the Convention requirements. However, Poland implements a considerable number of assistance programmes and actions strictly on a voluntary basis, granting financial assistance to developing countries through bilateral and multilateral channels as part of its ODA. Multilateral assistance is granted mainly through contributions to the assistance budget of the European Union. In addition to the European Union, United Nations Funds and Programmes and the World Bank Group are important intermediaries in the transfer of Poland's multilateral assistance.

Examples of projects to support national transition plans

Poland did not report activities in this area.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Poland is committed to providing partner countries with the right tools and knowledge on how to conduct a successful transition towards net-zero. According to the Solidarity and Just Transition Silesia Declaration, adopted by world leaders on the initiative of the Polish Presidency of the United Nations Framework Convention on Climate Change (UNFCCC) COP24, the social aspect is crucial to an effective transition towards a low-emissions economy and to gaining broad social acceptance of the changes that are taking place, while development instruments have the potential to create decent jobs and increase resilience to climate change. Therefore, in all its development policies, Poland is vigilant to ensure that the social aspect of the transition is not forgotten and that no one is left behind.

One of the objectives of Poland's development assistance is environmental protection, including the mitigation and adaptation to climate change. Poland provides financial support to organisations taking action to protect the climate, such as the UNFCCC, the UN Convention to Combat Desertification (UNCCD), the UN Environment Programme (UNEP), the Montreal Protocol, the International Atomic Energy Agency-Technical Cooperation Fund (IAEA-TCF), the Convention on International Trade in Endangered Species (CITES), the World Meteorological Organization (WMO), the International Renewable Energy Agency (IRENA), the European and Mediterranean Plant Protection Organization (EPPO), the International Union for Conservation of Nature (IUCN), the World Bank, the Asian Infrastructure Investment Bank (AIIB) and the Council of Europe Development Bank.

Areas of support include a broad range of aspects: basic drinking water supply and management; fire and rescue services; disaster prevention and preparedness; exchange of experience on climate policies; raising awareness; waste management/disposal; environmental policy and administrative management; popularisation of innovative energy efficiency technologies; and development of renewable energy sources.

Article 16 of the EU greenhouse gas Monitoring Mechanism Regulation (MMR) requires EU member states to report financial and technology support provided to developing countries, including information on

support for mitigation, adaptation, capacity building and technology transfer and, if possible, information as to whether financial resources are new and additional.

Climate-related bilateral assistance is granted primarily to the Eastern Partnership and African countries. The main beneficiaries of this assistance in 2019 included: Georgia, Iraq, Jordan, Kenya, Lebanon, Myanmar, the Republic of Moldova, Palestinian Authority, Tanzania and the Ukraine.

More information can be found in the Biennial Reports, submitted by Poland to the UNFCCC Secretariat every two years. Poland also develops a number of programmes, platforms and exchanges of good practices to help developing countries in their transition pathways. Information about Poland's climate-related assistance in 2013-18 can be found on page 153 of the 4th Biennial Report.

Lastly, the National Fund for Environmental Protection and Water Management (Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej) participated in the efforts to support partner countries' transitions. The mission of the Fund is to improve the environment and sustainable management of its resources by means of stable, efficient and effective support for projects and initiatives for the environment. It finances several projects outside of Poland. Furthermore, works are ongoing to extend the scope of activities financed by the Fund in developing country Parties in the form of a "Polish Climate Support" mechanism, which is due to constitute an additional instrument of Poland's climate finance. Conceptual works on this matter are expected to be finalised soon.

Support for sustainable, quality infrastructure

Poland supported the preparation of the OECD report, Strengthening of the Role of Private Finance in Infrastructure Development in the Eastern Partner Countries, which was presented during a webinar on 25 November 2020 within the framework of the OECD Eurasia Competitiveness Programme. The report was financed by voluntary contributions provided by the Ministry of Foreign Affairs and the Ministry of Development, Labour and Technology. The report includes detailed recommendations for institutional reforms that may help attract private or public-private partnership (PPP) investments to the Eastern Partnership countries. This is an important report as it is the first to conduct an analysis on this subject with regard to all Eastern Partnership Countries.

Poland also allocates funds to promoting technological development in developing countries. The Ministry of Environment, in the framework of the UN Climate Conference, which took place in Poland in December 2008, prepared the Green Technology Accelerator (GreenEvo) project. The programme aimed to create favourable conditions for the dissemination of environmental protection technologies in Poland and abroad, offered by Polish entrepreneurs. GreenEvo supports the identification of the technological needs of developing countries and assesses the ability of these suppliers to meet these needs. In 2013–16, almost 40% of GreenEvo's projects were deployed to developing countries (3rd Biennial Report).

As shown in the 4th Biennial Report (Table 8), Poland also transfers technology and support to developing countries to help them mitigate climate change. Technology and innovation are key to mitigating the impact and adapting to the consequences of climate change.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

As a strong defender of closer ties between the Eastern Partnership and the European Union, Poland has initiated many programmes supporting these countries' transformation. A flagship programme that was recently conducted is the Energy Efficiency Training and Auditing Project (E-ETAP) in the Ukraine.

The programme aims to create a training system for energy auditors in the Ukraine. In their daily work, auditors provide knowledge about the process of thermo-modernisation, which makes it possible to increase the energy efficiency of buildings and, consequently, to decarbonise this sector of the economy.

The programme offered training on energy efficiency, co-operation with Ukrainian and international institutions and assistance in the development of a Ukraine-wide energy auditor training programme with training materials in Ukrainian by trainee energy auditors trained in Poland. In 2019 and 2020, 200 people per session were trained.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Bearing in mind the principles of development co-operation, including the criterion of effectiveness, and considering previous experiences, comparative advantages and alignment with Poland's foreign policy priorities, Polish development co-operation activities focus on selected geographical areas: the European Neighbourhood Policy, including the Eastern Partnership Countries and selected Middle Eastern, North African and Sub-Saharan countries However, with the European Union, Poland recognises that adaptation and resilience to climate change is a matter of priority and even survival for Small Island Developing States (SIDS) and Least Developed Countries (LDCs).

Supporting SIDS' access to finance

Poland planned contribution to the Voluntary Technical Assistance Trust Fund to support participation of LDCs and SIDS in the work of the Human Rights Council. The aim of the Trust Fund is to ensure contribution to the work of the Council by LDSs/SIDS, especially those without permanent representation in Geneva. This in turn supports their capabilities to raise climate-related topics in line with their particular interests (such as implications of climate change on the enjoyment of human rights or recognising the right to a clean environment as a human right) and successfully includes them in the Council's deliberations.

Portugal

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Portugal's political commitments

Portugal's development co-operation activities and objectives are based on the respect of environment and climate action international principles, objectives and approaches to which the country has committed. Portugal has been co-ordinating approaches to implementing and achieving international climate and environment goals in various regional and international fora, not least with regard to the framework of the United Nations Framework Convention on Climate Change (UNFCCC). Portugal is eager to enhance this co-ordination concerning the alignment of development co-operation approaches with international agreements on environment protection and climate action.

Targets

Portugal does not have specific targets in addition to the ones agreed to in the framework of international agreements and commitments under the UNFCCC.

Strategies and policies for systematic integration

Given Portugal's decentralised co-operation system, Camões – Instituto da Cooperação e da Língua, I.P. (Camões IP), within the Ministry of Foreign Affairs, and the Ministry of Environment and Climate Action work closely together to fully align development policies and programmes with international climate and environment objectives, while also taking into account the priorities and strategies of its partner countries. There is a permanent and regular dialogue and co-ordination mechanisms in place to ensure that development policies and programmes meet the international targets and goals to which Portugal has committed.

Following OECD Development Assistance Committee (DAC) policy guidelines regarding the mainstreaming of environment and climate change into co-operation for development, Portugal has been regularly strengthening and refining its action in this regard, including the incorporation of these guidelines into the existing mechanisms, such as the Interministerial Commission for Co-operation and the mandatory prior assessment by Camões IP on the quality, relevance and adequacy of projects supported by the Portuguese Environment Fund.

Although environment and climate change objectives are already part of the current co-operation for development strategy, the new Co-operation for Development Strategy for 2021-2030, which is being developed, will further improve the ambition of the Portuguese development co-operation in this area, to

better align development policy with the latest environmental and climate change international objectives, including a new set of goals, commitments and instruments.

Besides the permanent and regular dialogue and co-ordination mechanisms in place mentioned above, some sectoral and specific national strategies include international co-operation components, such as the National Climate Change Adaptation Strategy, as well as of the National Strategy for Nature Conservation and Biodiversity 2030, Council of Ministers Resolution No. 55/2018, 7 May (4.2.9).

Additionally, all sectoral development co-operation protocols are aligned with the Development Co-operation Strategy and the Co-operation Strategic Programmes established with the developing partner countries.

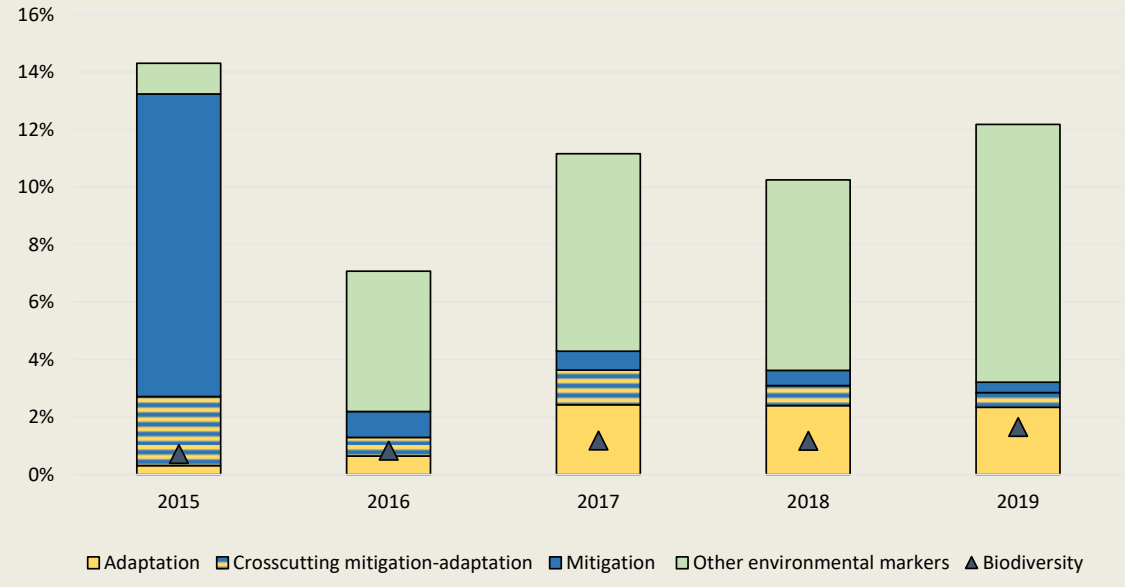
Key provisions and pillars

- National Climate Change Adaptation Strategy: The international co-operation component's main objective is focused on responding to international commitments and supporting developing countries within the frame of the UNFCCC and Paris Agreement ("development co-operation action should take into account priorities, principles and international commitments").
- National Strategy for Nature Conservation and Biodiversity 2030: The international co-operation component is mainly focused on integrating the conservation of nature and biodiversity principles within external co-operation, namely through the strengthening of green diplomacy and the development co-operation action.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Portugal's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

All forms, guidelines and procedures used by Camões IP to assess new programmes and activities consider their alignment with environment and climate change objectives and the relevance and environmental sustainability of each programme, project or activity.

The support to any development co-operation programme, project or activity by any public administration agency, which may be counted as official development assistance (ODA), is conditional to a favourable prior opinion by Camões IP as the agency responsible for steering, co-ordinating and supervising all development co-operation activities. The assessment of such programmes and activities follows the same guidelines as the ones used to assess the programmes and activities led by Camões IP referred to above.

All programmes, projects and activities must be in accordance with the priority intervention areas of the Strategic Co-operation Programmes they are part of.

Monitoring, evaluation and learning frameworks

Environment sustainability indicators are part of the forms, guidelines, and requirements that every programme, project or activity needs to comply with. Monitoring reports assess the performance and results of each programme and activity against those guidelines and requirements. The evaluation of environment or climate-related programmes, projects and activities are assessed within the framework of the evaluation of the Strategic Co-operation Programme established with each partner country.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

At the bilateral level, the Strategic Co-operation Programme signed with each of the partner countries constitutes the main guiding document, which establishes the sectoral priority intervention areas, such as energy and environment. In addition, a specific Memoranda of Understanding (MoU) on environmental activities details the areas where projects are to be developed in line with the partner country's own needs and national plans. Under these two complimentary frameworks, each partner country is invited to present applications for funding to Camões IP or the Ministry of Environment and Climate Action.

The project applications need to follow a pre-established template and comply with the criteria set by Camões IP and demonstrate that the project contributes to meeting partner country needs. It should also comply with its specific policies, priorities and strategies. The partner country is responsible for the designing of the proposal/application.

For the most part, environment projects supported by Portuguese development co-operation have a strong technical assistance component, particularly targeted at building institutional capacities. This explains why, in general, projects do not require an Environmental Impact Assessment (EIA). However, where applicable, Environmental Assessment considers local regulations and frameworks, such as action plans or national strategies.

Examples of projects to support national transition plans

The Carbon Sustainability and Ecosystem Services Roadmap for Príncipe Island in São Tomé e Príncipe aims to promote economic growth through the establishment of a strategic framework for the elaboration of a Roadmap for Carbon Sustainability that considers the sinking effect of the island.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Portuguese development co-operation prioritises larger and structural programmes, according to strategic priorities defined jointly with each partner country, and enhances the effectiveness and impact of development co-operation programmes and development results. The transition to environmentally sustainable, climate-resilient, and low-emissions development pathways towards net-zero are part of this structural and strategic approach.

Each Strategic Co-operation Programme is negotiated with the Portuguese line ministries involved and each partner country government and administration, and is closely linked to the respective policy priorities and national development plans.

In line with the agreed Strategic Co-operation Programme each developing partner country is expected to submit project applications that contribute to achieving its own targets and implementing its own strategies and commitments regarding environmental sustainability, climate resilience and low- emissions development pathways.

As mentioned above, Portugal does not have a specific climate change and biodiversity development co-operation strategy. It is expected that the new Co-operation for Development Strategy for 2021-2030, which is currently being developed, includes more structured guidance to mainstreaming climate change mitigation and adaptation and biodiversity protection objectives in development co-operation.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Technical Assistance to National Agency for Water and Sanitation (ANAS) on Preparation of the Circular Economy Roadmap in the Urban Water Cycle in Cabo Verde is crucial to supporting an environment and climate-resilient pathway transition in Cabo Verde.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Most of Portugal's development co-operation partner countries are Small Island Developing States (SIDS) – Cabo Verde, Guinea-Bissau, Sao Tome and Principe, and Timor-Leste. Co-operation with these countries follows the specific country approach described above.

In recent years, in addition to this specific approach, encompassing many different activities from institutional peer-to-peer technical assistance and capacity building to general and sectoral budget support, Portugal has been supporting the study and analysis of SIDS' specific vulnerabilities, namely those related to environment and climate change, as well as the research on blue economy development pathways for countries heavily reliant on ocean-based sectors, such as fisheries or tourism, for income and jobs. As part of these activities, Portugal supported the OECD Sustainable Ocean for All report and has been an advocate of SIDS' unique endeavours in various multilateral fora.

Examples of projects in support of SIDS' sustainable development

- Technical Assistance to National Agency for Water and Sanitation (ANAS) on Preparation of the Circular Economy Roadmap in the Urban Water Cycle in Cabo Verde: The project aims to assess the potential for reuse of wastewater from Cabo Verde's sewage treatment plant, compatible

purposes (irrigation of agricultural land) and the valorisation of sludge for application on agricultural land, through the implementation of a pilot project at the sewage treatment plant of Santa Cruz.

- EU-ACTIVA – Collective and Territorial Integrated Actions for the Valorisation of Agriculture in Guinea-Bissau: The initiative contributes to the improvement of the economic and social conditions of the population of Guinea-Bissau and, in particular, the regions of Cacheu, Bafatá, Gabu, Quinara, and Tombali. It aims to ensure the sustainable intensification of agricultural production with economic valuation. This project will enable the approximately 4 000 families living in those regions to raise awareness and demonstration of agricultural practices adapted to local soil and climate patterns, paying particular attention to the effects of climate change.
- Carbon Sustainability and Ecosystem Services Roadmap (Principe Island) in Sao Tome: An inventory of greenhouse gas (GHG) emissions of the economic activities sectors, alternatives and forecast for their mitigation, as well as an accounting of carbon removal by the natural sinks existing in the island. Thus, it will be possible to create a decision support tool, defining socio-economic growth scenarios, and calculating the differentials associated to the referred sinks, placing at the disposal of the global community services of compensation of its carbon emissions, through the rendering of services of the existing ecosystems and making Principe an example at the world level.

Supporting SIDS' access to finance

Portugal did not report activities in this area.

Slovak Republic

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Targets

The Slovak Republic reports that there is no quantitative target for the size of the official development assistance (ODA) portfolio addressing climate and the environment, the reason being that such focus has consistently not been allowed for by long-term comparative advantages of the Slovak Republic, which are found in other sectors.

Strategies and policies for systematic integration

The 2019-2023 Medium-term Strategy of the Slovak Republic for Development Co-operation is aligned with the 2030 Agenda, the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement and the New European Consensus on Development (Our World, Our Dignity, and Our Future from 2017). Support for activity having a negative impact on the environment is ruled out by the Strategy.

Development co-operation of the Slovak Republic has four strategic objectives. Objective 3 is defined as:

> *Improving the environment of people living in partner countries through various measures aimed at mitigating climate change, supporting sustainable use of natural resources, supporting effective water and forest management, securing access to water and sanitation, and supporting energy security and use of renewable energy sources.*

As stipulated in the Strategy, the crosscutting theme of the "Environment and climate change" is implemented across the development co-operation portfolio of the Slovak Republic. This includes supporting mitigation of climate change; strengthening capacity to adapt to climate change and increasing the resilience of ecosystems; protecting nature, biodiversity and land; monitoring the environment; and supporting the protection and sustainable use of natural resources.

The Slovak Republic has not undertaken developing any sectoral strategies in conducting development co-operation.

Key provisions and pillars

Key provisions and pillars include:

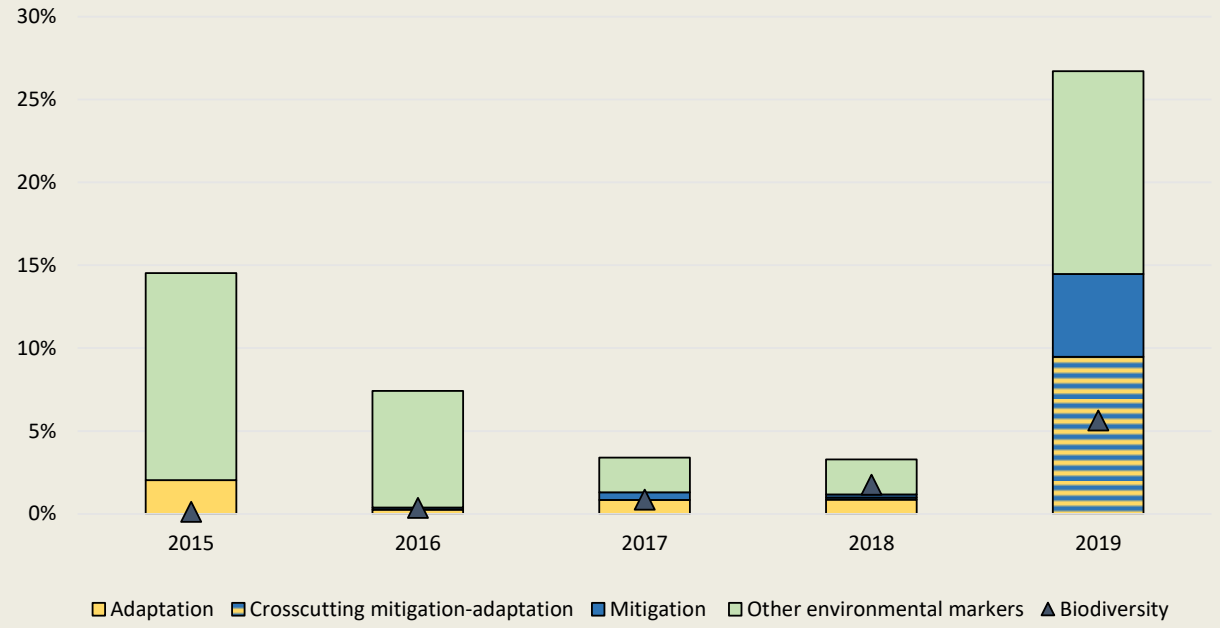
- guidance for project applicants and decision makers
- regular public outreach on required standards and recommended approaches for compliance
- an obligatory compliance checklist for applicants

- optional key performance indicators for environmentally oriented co-operation projects
- inclusion of environmental impacts in the content of project monitoring.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Slovak Republic's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Development co-operation project proposals are screened to comply with "do no harm" standards on climate and the environment, and projects supporting the UNFCCC goals on climate mitigation, adaptation, and prevention of desertification as well as on the protection of biodiversity are encouraged.

Guidelines for Integrating the Environment and Climate Change as a Crosscutting Issue in Development Co-operation Instruments of the Slovak Republic, are being drawn up within the framework of the Ministry of Foreign and European Affairs of the Slovak Republic (SK-MFEA) and United Nations Development Programme (UNDP) partnership project (to be published).

Instructions for applicants regarding alignment and screening are published on line at the SlovakAid website:

- Guidance on Environmental and Climate-related Aspects for ODA Project Proposals
- Ex ante Compliance Checklist

More specific internal procedures for environmental risk assessment are in the process of being developed, and have previously been applied more generally.

Monitoring, evaluation and learning frameworks

Monitoring, evaluation and learning (MEL) processes happen mostly through reviewing the project accounting records and carrying out specialised monitoring visits.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

This approach is piloted at the project level in two of the priority countries (Georgia and the Republic of Moldova) and is incorporated into mutually agreed Country Strategy Papers (to be published). It focuses selectively on water and wastewater management.

Examples of projects to support national transition plans

The Slovak Republic did not report activities in this area.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

These objectives are incorporated in relevant development co-operation calls for proposals as one among the elective co-operation objectives that are eligible under such calls.

Additionally, specific development co-operation modality for technical assistance (called “Sharing Slovak Expertise”) provides demand-driven assistance to public sector applicants in partner countries, which is frequently employed in support for transition policies and reforms.

A sectoral priority on “Infrastructure and sustainable use of national resources” is available as an eligible development co-operation objective in most calls for proposals addressing most eligible partner countries of SlovakAid. This priority seeks alignment and tangible contributions to Sustainable Development Goals (SDGs) 6, 7, 11 and 15, while also requiring compliance with the crosscutting objective on climate action (SDG 13).

Projects under this priority address action on water management; integrated management of water and other natural resources; protecting and restoring dwindling water resources; supply of safe drinking water; treatment and management of wastewater; increasing environmental awareness; energy security and use of alternative sources of energy; sustainable development of living areas; increasing resilience to natural disasters, including climate change; land protection; reversing land degradation and desertification; halting biodiversity loss; protecting and restoring ecosystems and their services; and rehabilitation of degraded ecosystems.

Support for sustainable, quality infrastructure

The Quality Infrastructure Principles are not directly implemented. They are implicitly consulted for the purpose of assessing certain projects according to certain selection criteria related to effectiveness and sustainability, mostly for investment projects.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Environmental and Energy Efficiency of Water Management in Žovkva, Ukraine
- Replacement of Diesel Generators with Solar-powered Micro-grids in Kenya
- Ecological Recycling of Organic Waste into Amino Acid Fertiliser in Rwanda

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Pursuant to the 2019-2023 Medium-term Strategy of the Slovak Republic for International Development Co-operation, Small Island Developing States (SIDS) are not included among target groups or objectives of the Slovak Republic's development co-operation.

Supporting SIDS' access to finance

The Slovak Republic did not report activities in this area.

Slovenia

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Slovenia's political commitments

In 2017, the National Assembly of the Slovenia adopted a Resolution on Development Co-operation and Humanitarian Assistance of the Republic of Slovenia (2017 Resolution), a long-term strategic document, which defines two general thematic priorities for development co-operation and humanitarian aid, one of them being the "fight against climate change, focused on the sustainable management of natural and energy resources".

Targets

In 2018, the Slovenian government adopted the Development Co-operation and Humanitarian Aid Strategy of the Republic of Slovenia until 2030 (2018 Strategy). The 2018 Strategy sets a target of 35% of country programmable aid (CPA) for climate-related interventions (mitigation and adaptation, marker score 1 or 2) by 2022 and 40% by 2030. The target for environmental protection is set to 50% of CPA by 2022 and 60% of CPA by 2030. The progress is tracked every year in the framework of an annual report on development co-operation and humanitarian aid (level in a given year and trend compared to the previous year). The Annual Report 2019 is available in Slovene language; see Annex 11, e.g. Share of CPA for climate interventions:

- Baseline: 34% (2017).
- Target: 35% (2022); 40% (2030).
- Status 2019: 40%; trend: upward.

Strategies and policies for systematic integration

The 2018 Strategy sets the fight against climate change and adaptation to it (Sustainable Development Goal [SDG] 13) as one of four thematic priorities of development co-operation. One of the humanitarian priorities (the preventive arm) is to guarantee a stable supply of drinking water and safe, adequate and good-quality food, especially for children, which is also closely linked to adaptation to climate change. At the project level, this is, for example, pursued through awareness-raising and supply of seeds which are resilient and adapted to extreme weather conditions.

The 2018 Strategy also states that environmental protection, including climate change, are to be mainstreamed through development co-operation and humanitarian aid.

The methodology, used since April 2019, to assess project proposals to be financed from the official development assistance (ODA) budget, takes this into account and scores development and humanitarian projects according to their contribution to environmental protection, mitigation and adaptation to climate change (plus gender equality). Guidelines for implementing partners on this aspect of project design, implementation and monitoring have been drafted and discussed in workshops.

Additionally, the 2018 Strategy provides general directions for financing institutions and implementing partners on how to mainstream environment and climate change (besides gender equality) and it places the crosscutting themes in the general framework, right after the development co-operation and humanitarian aid principles. It also lists measures to be taken to promote mainstreaming (see the 2018 Strategy, Chapter 3.3).

Furthermore, a comprehensive approach to water in development and humanitarian action was set as a priority for the Slovenian Presidency of the Council of the European Union in the second half of 2021, placing a significant weight on environment and climate change considerations and their interlinkages with access to sufficient and adequate supply of (drinking) water, which is also of key importance in the current health crisis.

In this respect, several official statements were given, for example the recent State Secretary's Raščan presentation of priorities of the Presidency of the Council of the European Union in the European Parliament on 13 July 2021.

Key provisions and pillars

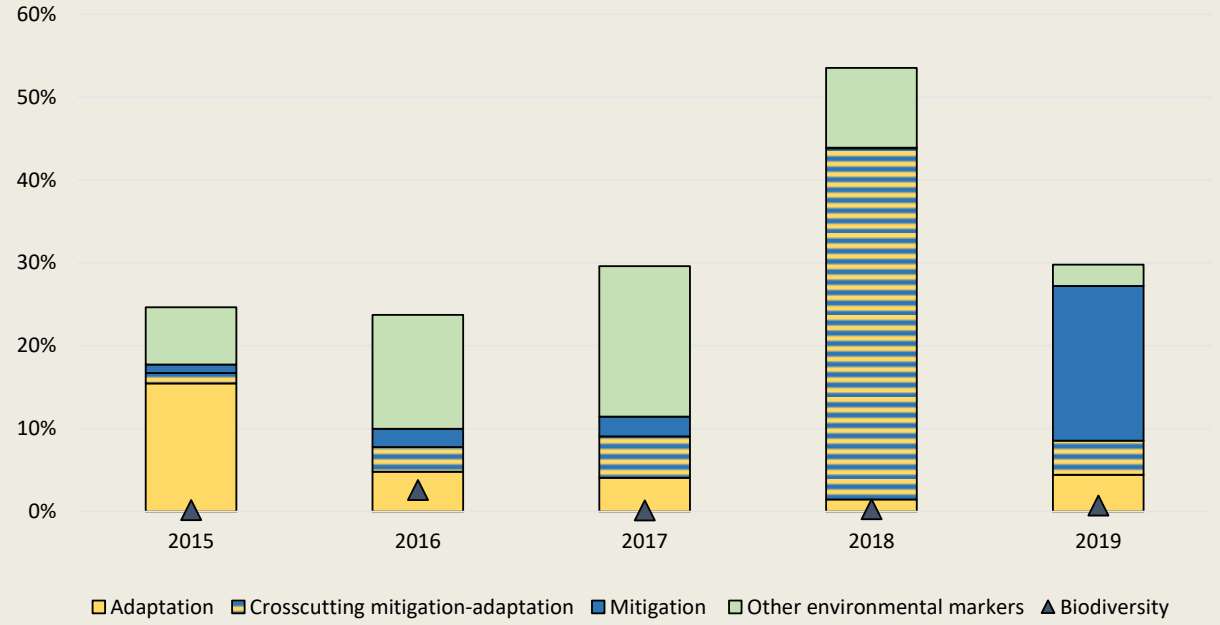
Key provisions and pillars of the 2018 Strategy on environment protection and climate change mainstreaming include:

- awareness-raising among diverse financing institutions and implementing partners
- presentation of possible levels of incorporation
- partnerships among implementing partners to promote mainstreaming
- introduction of ex ante impact assessments
- preferential treatment of activities with positive impacts on environment/climate/gender
- exchange of best practices and knowledge, adoption of guidelines
- allocation of earmarked voluntary contributions to international organisations.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Slovenia's integration of climate objectives

As a share of bilateral allocable aid (commitments)



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Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

General directions are contained in the 2018 Strategy and the guidelines on mainstreaming environment protection into development co-operation and humanitarian aid projects have been drafted. The draft includes the climate change aspect of environmental protection and provides practical tools for the financing and implementing institutions for the integration of environment protection and climate change considerations in the planning, design, implementation, monitoring and evaluation of projects.

Monitoring, evaluation and learning frameworks

The integration of environment and climate objectives has been foreseen by the 2018 Strategy, and has been monitored by the individual contract caretakers. The evaluation of the mainstreaming has been planned for 2021 as part of the annual evaluations, starting with gender mainstreaming, and should be followed by other mainstreaming priorities in the coming years.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

In 2019, a study was commissioned to identify possibilities for Slovenia's support to partner countries in the Western Balkans in the area of climate change. The study includes interventions in the policy area (strategy setting, regional networking for exchange of knowledge and best practices) and in implementation (co-financing of climate change interventions of the partner countries). Concrete interventions based on the options, identified in the study, are yet to be implemented. The consultations are progressing particularly well with Montenegro. Nevertheless, individual mitigation and adaptation projects, based on the partner countries' own national transition strategies have already taken place in the last few years, e.g. Afforestation in the Municipality of Erseke (Albania), Installation of energy-saving light-emitting diodes (LED) lighting in several municipalities (Republic of North Macedonia, Montenegro, Serbia), Sustainable Forest Management in Adigeni Municipality in co-operation with the World Wide Fund for Nature (WWF) (Georgia), and construction of wetlands for natural treatment of wastewaters in different municipalities (Albania, Kosovo).

Examples of projects to support national transition plans

The implementation of the interventions, foreseen or suggested in the study, prepared in 2019, was stalled, also due to the coronavirus (COVID-19) pandemic, so currently such examples cannot be reported. Slovenia, however, stands ready to respond to bilateral requests from partner countries for technical assistance, also in the framework of alignment of the standards with the European Union. So far, no such requests have been received.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

Slovenia bases its development co-operation strategy on niches. In order to limit its focus to selected areas, it set two general priorities in the 2017 Resolution (one focused on socio-economic development and the other on environment) and four priority SDGs in the 2018 Strategy, of which two are environment-specific. One (SDG 12) focuses on sustainable production and consumption patterns and builds around the circular economy concept, and the other (SDG 13) focuses on climate. Combined with mainstreaming of environment protection and climate change, as well as with a legal ban (defined in a decree) to finance programmes or projects that contribute to an increased use of fossil fuels, it sends a message regarding its approach to supporting the development pathways of its partner countries.

The study mentioned in previous sections that set out the opportunities and possible modalities to support partner countries in the Western Balkans in their climate change policies and interventions builds on this general development co-operation framework and upgrades it in the climate change area.

Support for sustainable, quality infrastructure

Slovenia has a relatively long track record of co-financing environmental infrastructure, especially in the Western Balkan countries. This ranges from design and construction of waste-sorting plants; construction of wetlands for treatment of wastewaters; sustainable remediation of a waste landfill; design and rehabilitation of dumpsites; setting up a methodology to assess quality infrastructure for small hydropower plants and other renewable energy sources; setting up a methodology to evaluate infrastructure for providing for wind renewable energy technologies, and a methodology to evaluate infrastructure for quality

assurance for photovoltaic renewable energy technologies; piloting of decentralised composting models for alternative management of organic waste; to automation of primary heat stations and reconstruction of public lighting.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

Examples include:

- Reconstruction of Public Lighting in Kraljevo, Serbia.
- Design and Construction of Wetlands in Andrijevica, Montenegro.
- Construction of Wetlands in Prrenjas, Albania.
- Modernisation and Reconstruction of Public Lightning System in the Municipality of Žabljak, Montenegro.
- Sustainable Forest Management in Adigeni Municipality, Georgia.
- More Efficient Resource Use to Ensure Sustainable Survival in the District of Karongi, Rwanda.
- Empowerment of Female Refugees - Say NO to Inequality, Vulnerability and Poverty, Uganda.
- Sustainable Management of Water and Other Resources towards Better Health and Life Conditions in the Karongi District, Rwanda.
- Water for Decent Life, Uganda.
- Water, Hygiene, Food for Decent Life of Darfur People, Sudan.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

In the last decade, Slovenia co-operated with Cabo Verde, where it implemented an e-Health and Telemedicine project, one of the biggest projects in Sub-Saharan Africa financed by Slovenia so far. Other than that, Slovenia's limited reach of bilateral development co-operation has not provided much space for specific climate-change-oriented co-operation with Small Islands Developing States (SIDS). In this respect, Slovenia relies on the multilateral system, and as a member of a variety of international organisations and international finance institutions, e.g. the European Union, the European Investment Bank (EIB), the World Bank, the International Renewable Energy Agency (IRENA) and the Green Climate Fund, among others, contributes to the policy setting and financing of climate-specific interventions in SIDS.

Supporting SIDS' access to finance

Slovenia did not report activities in this area.

Spain

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Spain's political commitments

The Spanish Climate Change and Energy Transition Law, recently approved by the Parliament, mandates the adoption of an International Climate Finance Strategy with several objectives, among others, to:

- comply with Spain's international climate finance commitments
- ensure that the action developed by the Spanish Co-operation is coherent with the objectives of the fight against climate change and integrates the climate agenda and the Sustainable Development Goals (SDGs), incorporating these principles into its regulatory and planning framework
- orient international financing, co-operation and investment instruments in developing countries to preferably favour the ecological transition.

Targets

With regard to climate change, Spain announced in 2015 its commitment to double, by 2020, its international climate support from 2014 levels, by mobilising an amount of EUR 900 million. It is working to ensure the achievement of this commitment. In this context, the reported Spanish public climate support for the year 2019 amounted to EUR 740 million, showing a clear commitment to its 2020 goal, and a clear trajectory towards achieving it. At COP26, Spain announced that it will increase climate finance in order to reach EUR 1.35 billion a year by 2025, with a 50% increase in the current commitment.

Spain is making a significant effort to increase climate finance while reinforcing the following areas at the same time: aligning the support with the needs and priorities of developing countries as reflected in their Nationally Determined Contributions (NDCs) to the Paris Agreement; and mainstreaming climate change in all international instruments.

The national reports to United Nations Framework Convention on Climate Change (UNFCCC) particularly, and other OECD reports and official questionnaires, are good opportunities to track their environment commitments in development co-operation.

Strategies and policies for systematic integration

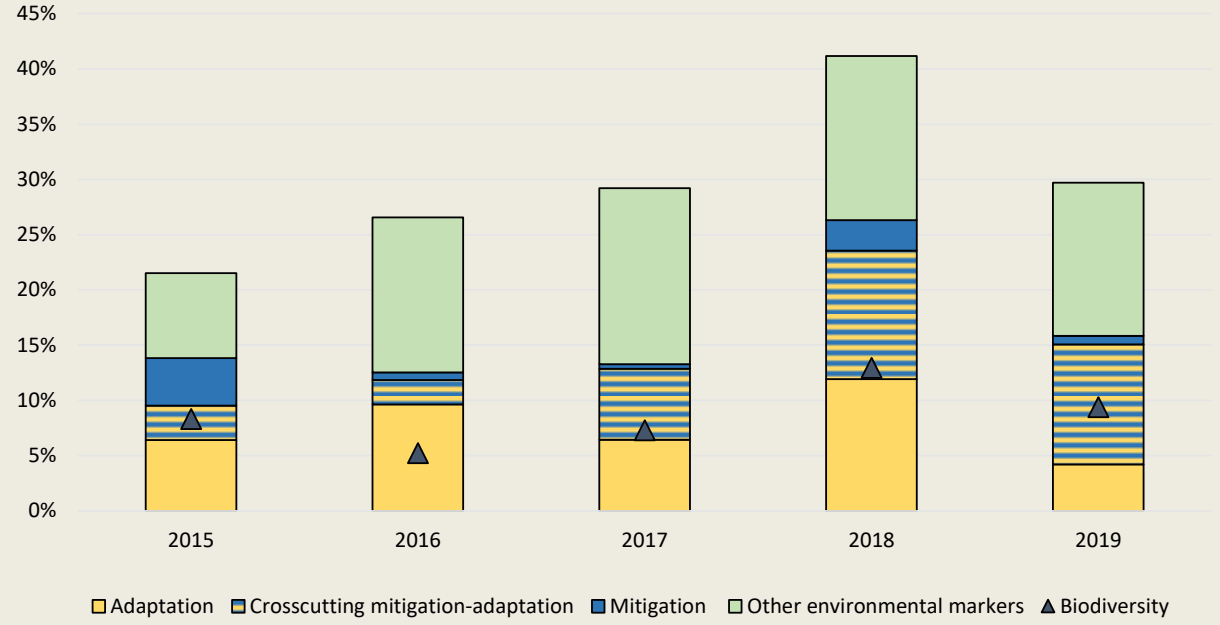
The Fifth Spanish Co-operation Master Plan (SCMP) 2018-2021, as the main planning document for guiding Spanish development actions, integrates the new holistic vision inherent to the 2030 Agenda for Sustainable Development and the Paris Agreement as core elements. In this regard, it focuses on

responding to the international commitments and including co-operation activities in support of partner countries' efforts and priorities, such as the implementation of countries' NDCs to the Paris Agreement.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Spain's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Within Spanish development co-operation, several guidelines have been elaborated for this purpose, particularly for regional and bilateral actions. These include the Resilience Guidelines and the Environmental and Climate Change Mainstreaming Guidelines. The Spanish Agency for International Development Co-operation (Agencia Española de Cooperación Internacional para el Desarrollo, AECID) Guidelines to Mainstreaming contains a toolbox with reference to: environmental OECD markers, Environmental Impact Assessments (EIAs), climate change risks assessments, etc. (pp. 99-193). These guidelines are under review and have inspired other guidelines used by non-governmental organisations (NGOs). In 2021, new guidelines focused on Humanitarian and Emergency Aid are also under development aiming to integrate environmental issues, including climate change.

On the other hand, contributions to multilateral development banks and agencies very much take into account climate change financing priorities. Spain, through its board representatives, has traditionally supported a high priority for climate change in the country strategies of those institutions. In the case of Other Official Flows (OOF), and specifically regarding FIEM (a Spanish Fund that supports company

internationalisation), different measures to strengthen the financing of sustainable projects are being studied, such as launching a responsible and sustainable financing code with which companies will have to comply.

Monitoring, evaluation and learning frameworks

Spain tries to include in its monitoring, evaluation and learning frameworks several questions in this regard. Also, Spain requests that partners and beneficiaries include environmental indicators in the logical frameworks of operations, whenever possible.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

During policy dialogues, or in other contexts, Spain shares its experience in this regard, which is specially referred to in the coal transition.

Examples of projects to support national transition plans

Several instruments of Spanish development co-operation encourage and support transition plans in partner countries.

In terms of financial co-operation:

- Fondo para la Promoción del Desarrollo (FONPRODE): Energy transition has an important role in this portfolio. The annual budget is EUR 200 million associated with endowments and disbursements. Commitments are: 30% in 2022 of EUR 60 million; 40% in 2023 of EUR 80 million; and 50% in 2024 of EUR 100 million.

In terms of multilateral funds:

- NDC Partnership: AECID has been aligned with it since 2015, resulting in synergies between funds from the NDC Support Programme with the United Nations Development Programme (UNDP), EUROCLIMA+ and Covenant of Mayors in Sub-Saharan Africa (COMSSA).
- NDC Global Support Programme, with UNDP: Since 2015, AECID has been supporting partner countries in their adaptation and mitigation goals set in their NDCs. At the regional level, the agency supported the celebration of LEDSLAC (a network of organisations and individuals working in the promotion, design and implementation of Low Emission Development Strategies [LEDS] in Latin America and the Caribbean), and the Climatic Weeks in Latin American countries, among many other events. Some of the products include:
  - Experiences and tools of the Latin American region for monitoring climate spending in the framework of the Paris Agreement.
  - Report LEDS en LAC.
  - Digital tool NDC LAC.

In terms of delegated co-operation (EU Funds and co-finance from Spain):

- Latin American Investment Facility (LAIF, Regional EU Programme): Delegated funds from the European Union of EUR 15.3 million to promote investments in climate change adaptation and integrated management basin. It has an associated portfolio investment of EUR 888 million

(EUR 323 million of which are related with the Spanish Water Fund and EUR 545 million with Bid Loans).

- EUROCLIMA+ Programme (regional climate change and environmental sustainability programme for Latin America) (EU-delegated funds): AECID channels approximately EUR 24.3 million to be managed in 2017-23 in 18 countries in Latin America (including Cuba). Approximately EUR 400 000 is co-financed by AECID. There are three priority sectors: 1) risk management and reduction: EUR 7.2 million; 2) energy efficiency: EUR 4.9 million and 3) Water management in the urban context: EUR 4.5 million. A new EUR 3 million agreement will take place bilaterally and will mainly depend on the partner country demand.
- Covenant of Mayors in Sub-Saharan Africa (COMSSA) (EU Programme for energy access and energy transition and energy efficiency): Delegation agreement with the European Union for EUR 9 908 662, of which EUR 8 908 000 is European Union and EUR 1 000 662 is co-financed by AECID.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

NDCs are the main references as they are national commitments. On Biodiversity, they also refer to National Strategies. However, support on biodiversity issues is not so much required by partner countries. Spain rather works on biodiversity through climate change perspectives, such as Ecosystem-Based Adaptation.

Support for sustainable, quality infrastructure

International Finance Corporation (IFC) guidelines are the reference for FONPRODE, AECID's financial co-operation instrument. Inter-American Development Bank (IDB) guidelines are the reference for some of AECID's Water and Sanitation Fund. Spain also supports the activity of multilateral actors active in the sector, like the Green Climate Fund, the Global Environmental Facility, and the Adaptation Fund. In addition, it also supports specific climate change multilateral and regional initiatives and programmes, such as:

- United Nations Environment Programme (UNEP) – Regional Gateway for Technology Transfer and Climate Change Action in Latin America and the Caribbean (REGATTA).
- Economic Community of West African States (ECOWAS) Regional Centre for Renewable Energy and Energy Efficiency (ECREEE) supporting renewable energy and energy efficiency projects with a gender focus as well as general support to the Centre.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- Several examples are activities within the RIOCC (Iberoamerican Network of Climate Change Offices) initiative, always focusing on countries' priorities to tackle climate change, both on adaptation and mitigation.
- ARAUCLIMA Programme: ARAUCLIMA is a programme of the Spanish Co-operation to fight against climate change and for sustainable development in Latin America and the Caribbean. The programme seeks to support the countries of the region in their actions to mitigate the effects of climate change and to adapt to changes in the environment, with the objective of preserving the environment and promoting sustainable development. The regional programme will provide continuity and strengthen the good practices that are already underway, making them more coherent, complementary and, if necessary, with greater regional projection. Institutions, organisations and regional platforms already consolidated and of recognised prestige in the region

(RIOCC, REGATTA, Central American Commission for Environment and Development [CCAD], Centro de Coordinación para la Prevención de los Desastres en América Central y República Dominicana [CEPREDENAC], etc.) will be strategic partners to develop supranational actions/interventions that are part of the Programme. For the execution of these initiatives, the Programme will provide both technical and financial support. Among them, are: 1) knowledge management; 2) institutional strengthening; 3) technical advice and support; and 4) articulation of actors and instruments of Spanish development co-operation.

- EUROCLIMA+: The European Commission approved in 2016 a new EU regional programme to support environmental sustainability and climate change mitigation and adaptation measures in Latin America. The new programme, EUROCLIMA+, builds on the existing and successful EUROCLIMA programme, but also goes further by providing funding for a number of pilot projects in selected sectors. The overall objective of the programme is to contribute to environmental sustainability and climate change resilient development in Latin America. Specifically, EUROCLIMA+ will assist countries in the implementation of commitments made at climate change conferences. Within EUROCLIMA+, AECID manages the programme components "Disaster Risk Reduction and Management: Droughts and Floods" and "Renewable Energy and Energy Efficiency". In terms of programme activities, the choice of sectors and activities for EUROCLIMA+ is based on demand. EUROCLIMA+ programme activities include policy dialogue as well as technical and financial support for the development and implementation of climate change adaptation and mitigation policies in Latin America. The programme aims to support the integration of climate change mitigation measures into the policy framework that would provide economic growth and social development alongside environmental and climate protection. In its horizontal component, EUROCLIMA+ focus on providing demand-driven services to Latin American countries. Particular attention is given to communication and knowledge management as well as capacity building with a focus on improving access to climate finance. Other activities include climate services and measures for improved policy dialogue in key sectors.
- UNEP-REGATTA: UNEP's REGATTA project has among its objectives to support initiatives that show progress in concrete processes of adaptation to climate change, which it does by supporting pilot projects of different scales. REGATTA currently supports, among others, the following projects in adopting an Ecosystem-Based Adaptation approach:
  - Bolivia: The general project objective is to strengthen the technical and practical capacities of agricultural producers in the application of adaptation measures to climate change and the conservation of their ecosystem in order to reduce the economic and social vulnerability of families living in the south and northeast of the Municipality of Entre Ríos. Specific objectives include: 1) to have an impact on the conservation of the ecosystem through a rational and sustained use of natural resources (water, soil, vegetation) avoiding the desertification of the productive capacity of soils, erosion and deforestation; 2) contribute to the management of sustainable livestock production through the application of measures to adapt to climate change, ensuring productive activity.
  - Guatemala: Adaptation to climate change by strengthening livelihoods associated with mangrove and cloud forest ecosystems in the Pacific slope of Guatemala. The general objective is to promote ecosystem-based adaptation in communities neighbouring a cloud forest and a mangrove forest on the Pacific slope of Guatemala. Specific objectives include: 1) analyse vulnerability, climate hazards and potential adaptation measures in two sites located in cloud forest and mangrove ecosystems; 2) to develop ecosystem-based adaptation plans focused on the prioritised livelihoods in the two project sites; 3) implement ecosystem-based adaptation demonstration actions at both sites; 4) pilot action on water storage, with emphasis on fog water in cloud forest in the municipality of Acatenango, Chimaltenango – and experience and establishment of 15 hectares of agroforestry systems with 40 direct beneficiaries in the village of La Soledad, Acatenango, Chimaltenango; 5) capacity building of 50 participants in

water collection and harvesting, with emphasis on fog water (directed especially to a mostly indigenous group in the village of La Soledad, Acatenango).

- INTERCOONECTA Programme: This programme supports the institutional strengthening of partner countries in transition-related matters.
- Fondo de Transición Ecológica (FONTEC): This programme prioritises nature-based solutions (NbSs) and circular economy. It had a budget of EUR 1 million for the first time in 2021. It is to be up scaled.
- Non-governmental development organisations call for proposals and innovation in 2021 prioritising circular economy and nature-based solutions.
- ECREEE support in the ECOWAS region to promote renewable energy and energy efficiency.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

When Small Island Developing States (SIDS) partners request that Spanish development co-operation focus on environmental issues, Spain tries to find ways to do so. Spain has, for instance, some recent experience with the International Union for Conservation of Nature (IUCN) in Oceania, supporting renewable energy in several SIDS.

Many organisations and funds, to which Spain contributes, have their own access programmes to improve SIDS access to finance for sustainable and resilient development. Moreover, Spain is a long-term contributor to the Adaptation Fund, the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Least Developed Countries Fund (LDCF), which all fund climate action in SIDS. Spain also supports Latin American and Caribbean SIDS through support to the activities of RIOCC, the Conference of Directors of Iberoamerican National Meteorological and Hydrological Services (CIMHET) and Conference of Ibero-American Directors of Water (CODIA) institutional networks on climate change, meteorological and hydrological issues, which gather professional technical national authorities.

Spain is also active on coastal risks management and reduction associated with climate change in Latin American countries. With this work, AECID tries to respond to SIDS requests, such as Cuban and Dominican Republican demand, which are priority countries for Spain. In Haiti, Spain also has several projects on biodiversity and forest and soil conservation. In Oceania, Spain supports the IUCN's Climate Change Mitigation and Risk Reduction Programme.

Supporting SIDS' access to finance

REGATTA project, financed by AECID and managed by UNEP, provides support in this sector. Spain has also developed open, online training activities in this regard, such as a webinar with the Climate Adaptation Fund. Spain also carries out other capacity building activities in this area.

Sweden

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Sweden's political commitments

Sweden's commitment to aligning development co-operation with international climate and environment commitments is shown in the vast amount of international agreements and pledges to which it has committed. Some of them include the High Ambition Coalition and the Leaders Pledge for Nature. In addition, The Swedish International Development Cooperation Agency (SIDS)'s Instruction by the Swedish government explicitly spells out that environment and climate change should permeate all Swedish development co-operation.

Targets

In June 2017, the Director General of Sida decided on an Environmental Action Plan for 2017-2020.The plan has been extended until 2021 and a new plan is currently under development. The current plan builds on the Environment Policy and is a central part of the environmental management system. The plan describes what should be achieved, when and by whom.

On a central level, Sida should by 2020 (see also Table 1, Chapter 5.3):

- increase the share of funding with environment as a principal objective (the main objective) from 11% (2016) to 15% (2020) and environment as a significant objective from 32% (2016) to 45% (2020)
- increase the share of funding to climate change ("climate financing") to 28 %.
- increase the share of funding where biodiversity is a principal objective to 4% and biodiversity as significant objective to 15%.
- increase the number of guarantees where environment is a principal objective to eight guarantees, with a volume of at least SEK 3 billion.

Moreover, an environmental (including climate) analysis should be included as a prerequisite in routines and guidelines for the development of strategies and their operationalisation. This should then also be translated into the operational planning of the "strategy owners". Adequate environment/climate assessment should also be made for all contributions during planning, appraisal and performance monitoring. As described in the Green Toolbox, the environmental assessment should include an analysis of and measures to manage:

- the opportunities for the project/programme to enhance environmental sustainability (including climate change mitigation and adaptation)

- the risks from the project/programme in the environment/climate (safeguard, or “do no harm” dimension)
- the risks from climate change/environmental degradation on the project/programme.

A new plan is under development, and from 2022-24, Sida’s Operational Plan will integrate environment and climate change into goals for planning and implementation.

Strategies and policies for systematic integration

The objective of Swedish international development co-operation is to create opportunities for people living in poverty and under oppression to improve their living conditions.

The Swedish Development Policy Framework presents the direction of Swedish development co-operation and humanitarian assistance and identifies how Sweden can best contribute to achieving these objectives. Sweden’s development co-operation shall be characterised by two overarching perspectives: the perspective of poor people on development; and the rights-based perspective. These two perspectives shall be integrated throughout Sweden’s development co-operation. In addition to these two overarching perspectives, the Policy Framework also highlights three thematic perspectives: a conflict perspective; a gender perspective; and an environmental and climate perspective. Together these five perspectives are tools for identifying and managing conflicting objectives and for promoting synergies between different thematic areas of development co-operation. They shall also be integrated in decision-making, planning, implementation and in the follow-up of operations.

In addition, the government’s instruction describes on an overall level how Sida should perform its work, for instance how Sida should assist the Swedish government, which organisations the agency should co-operate with and how it should organise its work in partner countries. Under §2, it is stated that Sida shall integrate environment and climate change in its operations.

Specific strategies provide more comprehensive instructions to Sida's work and define priorities, goals, targets, etc. in different geographical contexts (countries, regions, as well as at the global level) and fields of work. They are proposed by Sida to the Swedish government, which then decides upon them. The strategies are usually valid for a period of five years. They either have a geographic or thematic focus, such as human rights, democracy and rule of law as well as sustainable economic development and environmental sustainability, sustainable climate and oceans, and sustainable use of natural resources. As mentioned above, the guidelines strongly emphasise that Swedish development co-operation shall be based on three thematic (or crosscutting) perspectives, e.g. a gender perspective, an environmental and climate perspective and a conflict perspective, and that all perspectives should be integrated into decision making, planning, implementation and follow-up of the Swedish development co-operation. Thus, all bilateral, regional, global as well as thematic strategies must integrate environmental and climate issues even though a strategy itself may not directly address these sectors.

Key provisions and pillars

Sida has developed an environmental policy as a part of its environmental management system, with clear objectives and targets for environmental integration, which takes into account both direct as well as indirect environmental impacts in a systematic manner. Sida’s Environment policy was decided by Sida´s Director General in June 2017, as mentioned above. The policy outlines:

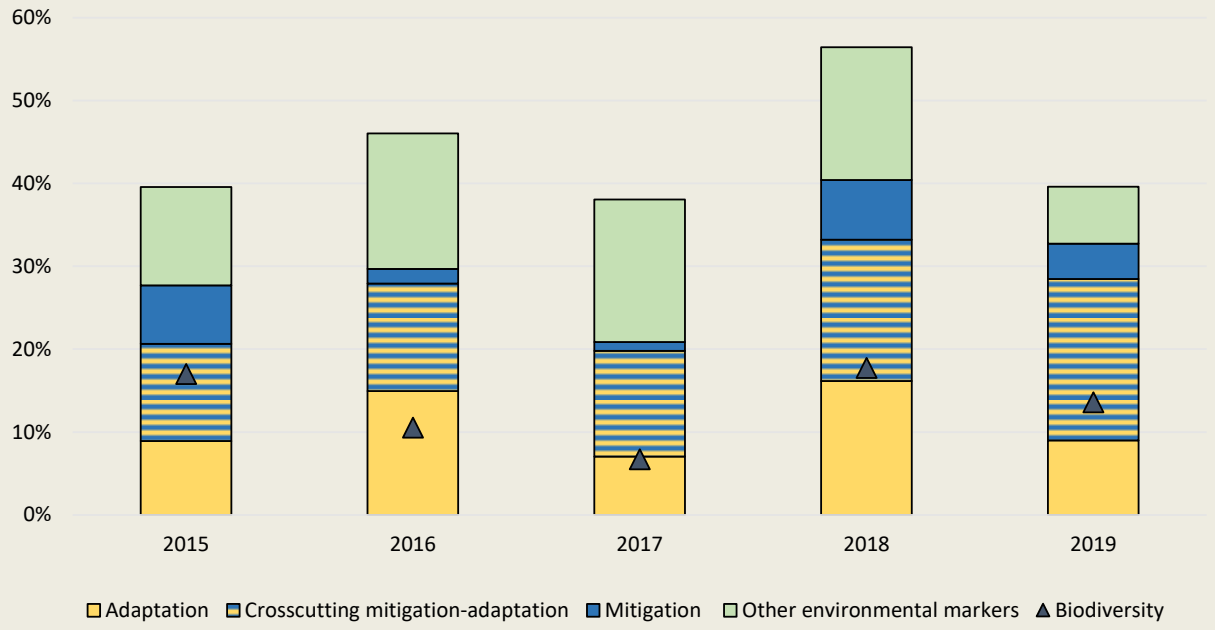
- actions committed to Sida to protect the environment and proactively promote a transformation to an environmentally sustainable development by integrating environmental aspects in all operations and sectors
- Sida’s *modus operandi* on how environmental work within long-term development co-operation and humanitarian support will be undertaken in its operations

- how Sida's direct negative environmental impacts shall decrease continuously, with sustained efforts for a greener office and a specific focus on reducing greenhouse gas emissions from travel.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Sweden's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

Environmental management systems are used to systematise and rationalise the environmental performance of an organisation. This yields constant improvements and gradually reduces the overall environmental impact of an organisation. The Swedish government decided in 1996 that government agencies were to implement an environmental management system (EMS) with annual reports on progress made. Environmental management systems are intended to help Sweden achieve its national environmental quality objectives by integrating environmental consideration into all government activities:

- government proposals, decisions and action
- in conjunction with procurement and other exercises of government authority
- in the government administration's own activities.

Over the last five to six years, Sida has developed a comprehensive approach to integrating environment and climate change in its development co-operation with guiding documents (Green Toolbox) and instructions (Statistical Handbook).

Monitoring, evaluation and learning frameworks

At the strategic level, Sida developed a new framework for poverty analysis, the Multi-Dimensional Poverty Analysis (MDPA) in 2017. The aim of the MDPA is to contribute to a shared and deeper understanding of multi-dimensional poverty, better knowledge about how Sida's operations affect people living in poverty and better operational decisions that reflect the perspective of people living in poverty. The MDPA includes an assessment of the environmental context, trends and their consequences on people living in poverty.

The Environmental Management System is closely integrated with Sida´s internal system for contribution management, Trac (Tool for Results management and Appraisal of Contribution). Trac is an information technology (IT) application meant to guide users through the contribution management process and provide support and guidance for assessments and documentation. Trac is based on and follows the Rule for Managing Contributions, which aims to ensure legitimate, efficient, coherent and results-based management of contributions. The term contribution is an umbrella term that refers to activities that are financed by Sida, with the purpose of contributing to the objectives decided by the Government in its strategies for development co-operation currently in force.

Sida uses OECD Development Assistance Committee (DAC) sector codes to categorise interventions. Sida also uses 11 OECD DAC policy markers to track its contributions to specific policy objectives, whereof 5 specifically target environment: the 4 Rio Markers for desertification, biodiversity, climate change adaptation and climate change mitigation, and the policy marker for environment.

In Sida, the programme officer applies the DAC environment policy marker (as well as the Rio Markers) once a new programme is agreed. The agency's statistics team goes through all new programmes on a weekly basis, checking the programme descriptions and, when needed, programme documentation to ensure that the marker score is correct. Should any questions arise, the statistics team liaises directly with the programme officer using the Statistical Handbook as the basis. Ahead of the annual reporting to the OECD, additional spot-checks are undertaken. The agency also organises trainings for staff around the DAC markers, including around why reporting is helpful and important. This approach allows for correct reporting but also for dialogue and awareness-raising around the environment and climate markers and around environment and climate more broadly within Sida.

The Environment and Climate Change Perspective is integrated in the whole process of implementation and follow-up of programmes and projects.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

In the letter of appropriation for 2020, Sida was instructed by the Government to analyse how aid could be even more in line with the Paris Agreement. Sida conducted an in-depth analysis. Part of the in-depth analysis included undertaking an overview of targeted climate programmes (Contributions marked with a "2" for environment or climate). This exercise showed that Sida is working in a transformative manner and contributes to the necessary transition. Activities not only avoid "do no harm" but also contribute positively to a systematic shift towards reducing greenhouse gas emissions, support climate adaptation and a climate-resilient development.

Examples of projects to support national transition plans

- The United Nations Development Programme (UNDP)'s Climate Promise: This initiative aims to support at least 100 countries in undertaking an inclusive and transparent process to revise and submit enhanced Nationally Determined Contributions (NDCs). Building on UNDP's extensive climate and sustainable development portfolio and partnerships with the United Nations (UN), the NDC Partnership, coalitions, Multilateral Development Banks (MDBs), the private sector, academia and civil society organisations (CSOs), the initiative will provide technical and financial support to help countries take bold action to reduce their emissions, increase their resilience to climate impacts and support sustainable development priorities.
- UNDP and Stockholm+50: The overall objective of this initiative is to help at least 100 countries move from commitment to action and scale up support around the themes of the Stockholm+50 meeting. This will be done through a whole-of-society and whole-of government approach building on existing engagement processes, including those established through UNDP's Climate Promise with Swedish support for NDCs. Although the focus of the platforms will go beyond climate change, UNDP will help leverage the NDCs, which reflect prioritised sovereign plans for investment in areas relevant to the meeting, including energy, nature-based solutions, forests, agriculture, transportation, and green and circular economy.
- Sustainable Colombia-Inter-American Development Bank (IDB): This initiative supports the establishment of the Sustainable Colombia Facility, which is a multi-trust fund of support projects and programmes aimed at maximising the environmental, economic and social dividends of peace in Colombia, primarily in territories at the intersection of armed conflict incidence, strategic areas for sustainable rural development and environmental conservation. The Facility is expected to support the implementation of the Sustainable Development Goals (SDGs) and Colombia's Intended Nationally Determined Contributions (INDCs). The Facility will address four main challenges that are inter-related: 1) deforestation and loss of natural capital; 2) rural poverty and territorial development; 3) low local capacity and lack of co-ordination; and 4) climate change challenges. The IDB, which leads the Facility and manages all contributions from the different donors (USD 100 million from Norway, USD 5 million from Switzerland and USD 5 million from Sweden, as of November 2017), as well as the loan offered to the Colombian government to act as the Fund's counterpart.
- Global Capacity-Building Programme, Sustainable Cities: This global capacity-building programme takes its starting point in the 2030 Agenda, the Paris Agreement, the New Urban Agenda and the Aichi targets in the Convention for Biological Diversity. The overall objective of the programme is an improved institutional capacity for climate mitigation and adaptation, particularly benefitting poor and vulnerable people. Through this contribution, Sida will support innovative methods for collaboration between Swedish authorities and their counterparts in four African countries. The global programme will contribute to strengthening the institutional capacity of government agencies and institutions, with a focus on their national transparency systems and NDCs under the Paris Agreement. It will also contribute to increasing the institutional capacity regarding processes for inclusive urban planning with an ecosystem perspective and based on the rule of law. The programme will contribute to strengthening the administrations' capacity on good governance. It includes both climate mitigation and adaptation.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

In the Sida Environmental Policy (2020), transformation is called for in the following way, "proactively promote a transformation to an environmentally sustainable development by integration environmental aspects in all operations and sectors." The following directions are pointed out in the policy: climate change

adaptation and mitigation; sustainable use of natural resources, secure biodiversity and ecosystem services; reduced pollution; and the promotion of circular economy.

The main government agency responsible for the implementation of bilateral, regional, and thematic strategies is Sida. In bilateral strategies, the Swedish government sets goals for the bilateral co-operation with a specific country. In most bilateral countries, the goals include climate and or environmental issues. The focus of these goals varies between contexts.

The Swedish government presented the Policy Framework for Swedish Development Co-operation and Humanitarian Assistance in 2016. One of the main thematic areas is environmentally and climate-related sustainable development and sustainable use of natural resources. The long-term policy direction for this thematic area is quite broad and includes providing support to low- and middle-income countries' accession to and implementation of commitments under international environment and climate conventions, as well as to provide support to countries in implementing their NDCs under the Paris Agreement on Climate Change.

Support for sustainable, quality infrastructure

When applicable, Sweden supports the G20 Principles for Quality Infrastructure Investments and that all infrastructure investments should be in support of and consistent with the transition to environmentally sustainable, low-emissions and climate-resilient development pathways in partner countries.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- World Bank Energy Sector Management Assistance Program (ESMAP): Sida supports the strategic partnership ESMAP to bring about broad change at scale by focusing on much-needed environmentally sustainable energy solutions. The programme is characterised by all four criteria for what could be considered Paris Agreement-aligned: transformative, catalytic, supportive and responding. ESMAP helps to create the sustainable energy system of the future. This, among other things, occurs via support of national reform processes to create incentives for investment in renewable energy; reforms to integrate solar and wind power into national electricity grids; the development of electrification plans for both network connections and local solutions; processes for introducing clean/improved stoves; mapping and analysis of partner countries' potential for renewable energy, etc. The work on reform processes is complicated and often politically sensitive, but it is, at the same time, critical to achieving change.
- Support to Rwanda's National Fund for Environment (FONERWA): FONERWA is Rwanda's national Fund for Environment and Climate Change. Set up in 2012, the Fund aims to mobilise domestic and international climate finance, and secure sustainable financing to support projects that contribute to environmental sustainability, resilience to climate change and green growth. The Fund is open to line ministries and districts, civil society organisations, private entities and research institutions. The intervention aims at an overall level of support for FONERWA, to contribute to such that Rwanda's economic growth is environmentally sustainable, low-carbon and climate-resilient and contributes to wealth creation and poverty reduction; that adaptive capacity of communities is increased; and vulnerability to climate change is reduced. Sweden will contribute to the following expected outcomes of the intervention: sustainable and equitable finance supports national programmes and private initiatives to address climate and environment priorities; skills acquired by national stakeholders and CSOs, in particular applied in the design of project proposals; bankable projects developed and approved for funding by the FONERWA board; and completed projects, successfully implemented and lessons learned shared.
- Energy Efficiency, the green economic development project with UNDP: Bosnia and Herzegovina is one of the most energy-inefficient countries, as it lacks a systematic approach, available financial

mechanisms and allocation of investments into energy efficiency and the utilisation of renewables. Sweden's intervention is supplementary to the ongoing five-year (2014-18) UNDP Green Economic Development (GED) project, which aims to assist Bosnia and Herzegovina's Environmental Protection Funds in institutionalising energy management and decision-making processes of energy efficiency investments, as well as in establishing sustainable financial mechanisms for the implementation of energy efficiency projects within Bosnia and Herzegovina's public sector. The GED Project will help Bosnia and Herzegovina meet its energy-related obligations under multilateral agreements (Energy Charter Treaty [ECT], United Nations Framework Convention on Climate Change [UNFCC]), and support it in complying with the European Union's directives for energy efficiency and approximation of the EU environmental acquis.

- Inclusive Green Economy (IGE) (**global**): Sida supports the IGE programme, contributing to a transformation shift towards an inclusive green economy in Ethiopia, Kenya, Rwanda, Tanzania and Uganda. The programme builds on the participating countries' own current work on inclusive green economy and focuses on enhancing governmental capacities to successfully combine environmentally friendly and economically successful policies. Activities include sharpening present policy and practice instruments, such as taxes, fees, pollution charges, green investments and subsidies. Participants include senior civil servants in government, high-level policy and decision makers as well as academics and civil society representatives. After the end of the programme, participants will be accredited IGE fellows, with a regional network to share best practices and the possibility of training colleagues in the successful implementation of IGE practices.
- Local Government Initiative on Climate Change (LoGIC), Bangladesh: This project's goal is improved and inclusive local-level planning and a strengthened financing mechanism for community-based climate change adaptation solutions through local governments. The project is expected to result in: 1) strengthened capacity of local governments, households and other local stakeholders to develop local plans that integrate climate change adaptation measures and disaster risk management; 2) established financing mechanism to fund local governments and communities to implement climate change adaptation measures; and 3) experience and evidence to inform and contribute to further improvements in policies and practices for Union Parishads and national systems in relation to climate change adaptation.
- Blue Action Fund: The Fund provides grants to selected conservation projects in marine protected areas (MPAs) and their buffer zones, targeting the most sensitive coastal waters of Africa, Latin America and the Asia Pacific, and focusing on projects with measurable outcomes in two areas: 1) newly established or better managed MPAs or networks of MPAs that result in biodiversity conservation; 2) enhanced livelihood conditions and food security. Through ecosystem-based adaptation, the Fund helps in reducing or avoiding climate change impacts.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Sweden's approach to addressing the needs of Small Island Developing States (SIDS) is outlined in the Strategy for Sweden's Regional Development Co-operation in Asia and the Pacific Region 2016-2021. One example of engagement is the Pacific-European Union Marine Partnership Programme, 2017-2023 (PEUMP). PEUMP's overall objective is to improve the economic, social and environmental benefits for 15 Pacific members of the African, Caribbean and Pacific group through stronger regional integration and the sustainable management of natural resources and the environment. The purpose of the programme is

to support improved sustainable management and development of fisheries for food security and economic growth, while addressing climate change and conservation of marine biodiversity.

Supporting SIDS' access to finance

Sweden did not report activities in this area.

Switzerland

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

Targets

A specific target has been set at the level of funding for Objective B of the Swiss International Co-operation Strategy 2021-2024. Switzerland's international co-operation funding in this field is set to increase gradually from CHF 300 million per year in 2017-20 to CHF 400 million per year by the end of 2024. This will be equivalent to around 15% of the total international co-operation resources.

At the level of the Swiss Agency for Development and Co-operation (SDC), progress towards achieving the goal is being tracked by its statistical unit associated to the Directorate and reported to the Board of Directors in the frame of the comprehensive semi-annual steering report that includes a visual "traffic light system" for quick reference whether things are on track.

The Swiss State Secretariat for Economic Affairs (SECO) monitoring system is comparable to SDC's. Progress towards achieving the goal is monitored by a Climate Network that reports to the Directorate of the SECO Economic and Development Co-operation Division on a semi-annual basis.

Strategies and policies for systematic integration

Climate change and environment were set as one of four overarching objectives of the current Swiss International Co-operation Strategy 2021-2024. Objective B, titled "Addressing Climate Change and its Effects and Managing Natural Resources Sustainably", addresses the environmental dimension and complements the other three objectives on: 1) contributing to sustainable economic growth, market development and the creation of decent jobs (economic development); 2) saving lives, ensuring quality basic services – especially in relation to education and healthcare – and reducing the causes of forced displacement and irregular migration (human development); and 3) promoting peace, the rule of law and gender equality (peacebuilding/governance).

In addition to the activities that specifically target climate change and environmental concerns (referred to as "targeted activities"), the subject of climate change and environment is factored into most of Switzerland's international co-operation programmes by means of mainstreaming efforts (representing a "climate proofing" of investments and application of the "do no harm" approach as the strict minimum).

At the level of the Swiss Agency for Development and Co-operation, since April 2019, as per a communication by its Director General, climate risks have to be systematically considered and incorporated into co-operation programmes (strategic level) and considered at the level of operational work (projects and programmes). This consideration always includes two mutually reinforcing perspectives –

the risk perspective about how the working domain/programme/project might be impacted by the negative impacts of climate change; and the impact perspective, about how the work supported might negatively contribute to further aggravating the environmental situation.

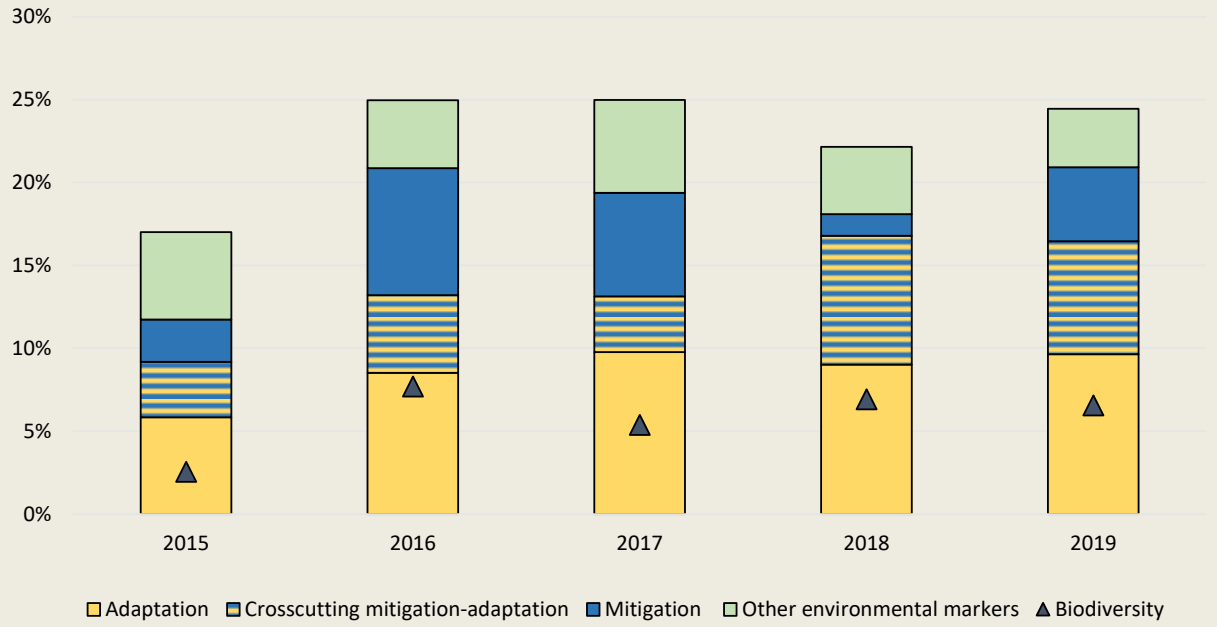
At the level of the State Secretariat for Economic Affairs, new projects are as well checked against climate and environmental risks. Where risks are identified, measures for mitigation must be proposed.

Poverty reduction and sustainable development are – and remain – the *raison d'être* of Switzerland's international co-operation. The funds deployed for climate change mitigation and adaption therefore always have to make a tangible contribution to the mandate to reduce poverty and promote sustainable development. To encourage more pro-climate private sector investment in developing countries, Switzerland is promoting partnerships, some of them multilateral, aimed at mobilising additional private funds to this end.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. Switzerland's integration of climate objectives

As a share of bilateral allocable aid (commitments)



Note: "Other environmental markers" include biodiversity, environment and desertification that do not overlap with mitigation and adaptation. Biodiversity-related ODA is integrated in the columns, as well as presented separately for better visibility.
Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

At the level of the SDC, systematic use of the Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) tool has been prescribed. This instrument jointly developed by SDC's thematic networks on climate change and environment and disaster risk reduction helps development co-operation providers assess whether their strategies, programmes and projects are at risk from climate

change, environmental degradation and natural hazards. Moreover, it helps identify whether these interventions could further increase greenhouse gas emissions, environmental degradation or disaster risks.

Monitoring, evaluation and learning frameworks

At the level of the SDC, the integration of environment and climate objectives is being done through the application of so-called Aggregated Reference Indicators (ARI) and Thematic Reference Indicators (TRI) that have been developed by the concerned thematic divisions and networks for a systematic application throughout the institution. Country and regional programmes are requested to include these indicators in their respective results framework – where it is expected that they represent at least 50% of the indicators for newly developed country/regional co-operation programme frameworks. The information obtained by the application of ARIs/TRIs will feed into an institution-wide Results Data Management (RDM) system that is currently being developed and tested, and which should become operational by the end of 2021.

The Economic Co-operation and Development Division of SECO monitors environment and climate objectives in its projects through specific standard indicators, which provide the basis for reporting at the level of the division for Parliament and the wider public. As one of only two key transversal themes, climate and resource efficiency are a focus for monitoring, as well as evaluation and learning within the institution. A portfolio evaluation on SECO's efforts to mainstream and promote climate and environment objectives is scheduled for 2022.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

With regard to country ownership and the role of priority country governments, under the bilateral co-operation modality, primary responsibility for development in a priority country lies with its government (partner government), and Switzerland prioritises direct co-operation with government agencies at the national, regional and local levels. The willingness of the country to undertake reforms and potential impact of the action are key aspects for the decision of a Swiss engagement. Regular dialogue with the government partners provides Switzerland with an opportunity to review and, where necessary, adapt the partnership.

Examples of projects to support national transition plans

Climate Change Management Support (Peru): The overall objective of this project is to help improve Peru's capacity to implement its Nationally Determined Contributions (NDCs) under the Paris Agreement and their national Framework Law on Climate Change, and to influence the development of more ambitious regional and international climate change and mitigation goals.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

SECO, in its economic development co-operation for Switzerland, systematically takes into account climate risks, as well as reduction and adaptation measures in the design and monitoring of its activities. The main goal is to establish an integrated urban development and develop resource-efficient production processes as well as sustainable value chains and financing solutions.

Support for sustainable, quality infrastructure

SECO conducts a dialogue with authorities and interest groups and helps them to develop forward-oriented strategies for the development of their cities. Experts advise urban and national authorities on how to analyse their urban areas and how to set development objectives, enabling them to select, plan and implement infrastructure projects. SECO also helps cities to put together funding packages and include local sources of financing.

SECO prioritises the following areas:

- expanding public and non-motorised transport in the interests of efficient and sustainable mobility (e.g. by introducing express bus corridors)
- reinforcing the protection and resilience of cities against climate-related natural hazards and other extreme events (e.g. through monitoring systems and the training of authorities)
- improving urban energy management and expanding renewable energy (involving the Swiss label "Energy Cities", or the European Energy Award as part of this).

In order to tackle the lack of basic public services in developing countries, SECO assists utilities in managing their facilities professionally and introducing innovative technologies. It also promotes renewable energy in its partner countries, for example, hydropower and solar power. Furthermore, SECO supports skills development in public utilities to ensure the availability of qualified personnel. In addition, it helps national and local authorities develop viable funding solutions and implement favourable regulatory framework conditions, for example, in the area of tariffs.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

One such example is: Project Example: City Resilience Program.

Another example is the "Solar Power Project" in Viet Nam: Project example: Solar Power Vietnam.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

Switzerland does not have a special focus on Small Island Developing States (SIDS) and none of its priority countries for bilateral co-operation efforts falls into this category. SECO is active through its bilateral economic development co-operation in 13 priority countries (no SIDS).

SECO's bilateral measures are enhanced by measures addressing global challenges, such as finance and trade, migration, climate change and environment, and water. Global measures are usually supported by several donor states and are implemented by international organisations, such as multilateral development banks. SIDS may also be beneficiary countries of global measures.

There has been some targeted support in the past, notably an SDC co-financing of the Pacific Climate Change Roundtables (PCCR). This bi-annual climate change co-ordination mechanism for the Pacific has been established to co-ordinate and facilitate climate change dialogue and networking in the region.

Supporting SIDS' access to finance

There are no specific programmes or approaches happening in the frame of SDC's bilateral co-operation efforts. It is important, however, to highlight the efforts undertaken in the frame of multilateral (climate)

funds to which Switzerland contributes (Adaptation Fund, Green Climate Fund, etc.) and which have dedicated programmes and approaches regarding access to finance for SIDS.

United Kingdom

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

United Kingdom's political commitments

The UK government has stated that tackling climate change and biodiversity loss is its top priority in the Integrated Review for Security, Defence, Development and Foreign Policy (Integrated Review), aligning official development assistance (ODA) spend with the Paris Agreement. In the Government Response to The Economics of Biodiversity: The Dasgupta Review, the UK government committed to ensuring that all new UK bilateral aid spending does no harm to nature. This is a step towards delivering on the UK commitment in the Integrated Review to investing in nature and a nature-positive economy. The United Kingdom also reiterated this commitment through the G7 2030 Nature Compact, where alongside other G7 countries, they are committed to working to ensure that their international development assistance does no harm to nature, and delivers positive outcomes overall for people, climate and nature.

Targets

The United Kingdom has committed to doubling its International Climate Finance (ICF) to GBP 11.6 billion over five years from 2021/22 to 2025/26 (ICF3). Within this, at least GBP 3 billion will be invested in climate change solutions that protect, restore, and sustainably manage nature, delivering strong outcomes for poverty reduction, biodiversity and climate (mitigation and adaptation), creating jobs and sustainable economic growth for those communities acutely at risk.

The United Kingdom will continue to aim for a balance between adaptation, helping countries and people build resilience to the current and future effects of climate change; and mitigation, reducing greenhouse gas emissions and supporting clean growth.

The United Kingdom monitors the ICF portfolio's contribution to Paris Agreement goals through the ICF monitoring framework. This comprises a set of 11 key performance indicators (KPIs), covering benefits on adaptation and resilience; low carbon development and sustainable energy; deforestation and sustainable resource management; and mobilised finance. ICF KPI 11 on mobilised public finance, and ICF KPI 12 on mobilised private finance track progress towards developed countries' commitments to collectively mobilise USD 100 billion annually by 2020 to support developing countries adapt to climate change. Results are compiled annually, and published under voluntary compliance with the UK Statistics Authority's Code of Practice for Statistics.

Strategies and policies for systematic integration

The Integrated Review builds on strategies already being delivered within UK policy, such as the Green Finance Strategy (GFS). The GFS stipulates that all UK ODA will start to align with the Paris Agreement ("Paris alignment"). Through the G7 Presidency, the United Kingdom has championed the need to support countries in building their resilience to climate change, through increased support for disaster risk finance and increased investment in adaptation and resilience by bilateral Development Finance Institutions (DFIs).

The introduction of the United Kingdom's Fossil Fuels Policy from 31 March 2021 will end UK support to the fossil fuels energy sector overseas, with a few limited exceptions. These efforts, alongside the United Kingdom's domestic commitment to net-zero and the Ten Point Plan for a Green Industrial Revolution, are significant evidence of the United Kingdom's commitment to action.

The United Kingdom is also working with multilateral development banks (MDBs) on how their spending aligns with the Paris Agreement and how they can mainstream nature across all their operations, including by scaling up finance, better valuing natural capital, and developing tools and methodologies to track "nature-positive" finance.

UK International Climate Finance from 2021/22 to 2025/26 (ICF3) is focused on driving the systemic shifts required to achieve the Paris Agreement goals on clean energy; nature; resilience; and sustainable cities, infrastructure and transport. It supports international climate and environment policy objectives, including the United Kingdom's commitments to the Convention on Biological Diversity, the Call to Action on Adaptation and Resilience and the Global Oceans Alliance.

The United Kingdom's Green Finance Strategy commits the Government to Paris alignment of ODA, and in the UK government response to Dasgupta, includes the commitment that all new UK bilateral aid spending does no harm to nature.

CDC, the UK Development Finance Institution, is at the forefront of encouraging climate-resilient investments. In July 2020, CDC published an ambitious Climate Strategy, which set out a comprehensive approach to aligning all of CDC's investing activities with the Paris Agreement, based on the core principles of reaching net-zero by 2050, strengthening adaptation and resilience and enabling a just transition.

Key provisions and pillars

The UK Fossil Fuel Policy commits the United Kingdom to no longer providing any new direct financial or promotional support for the fossil fuel energy sector overseas. This applies to any new ODA and investment, including support provided by UK Export Finance. The policy also determines the United Kingdom's voting position at the boards of MDBs and is used to influence the investment policies of other development financial institutions (such as CDC Group PLC and the Private Infrastructure Development Group) that receive UK government funding. There are a few limited exemptions allowed for activities that support health and safety improvements, form part of wider clean energy transitions, support decommissioning, or are associated with a humanitarian response.

Following the policy announcement, the United Kingdom has been engaging closely with key affected countries, and influencing MDBs and international partners to make a similar move away from funding fossil fuel projects in third countries.

The Green Finance Strategy commitment on Paris alignment of ODA specifically states that the United Kingdom will:

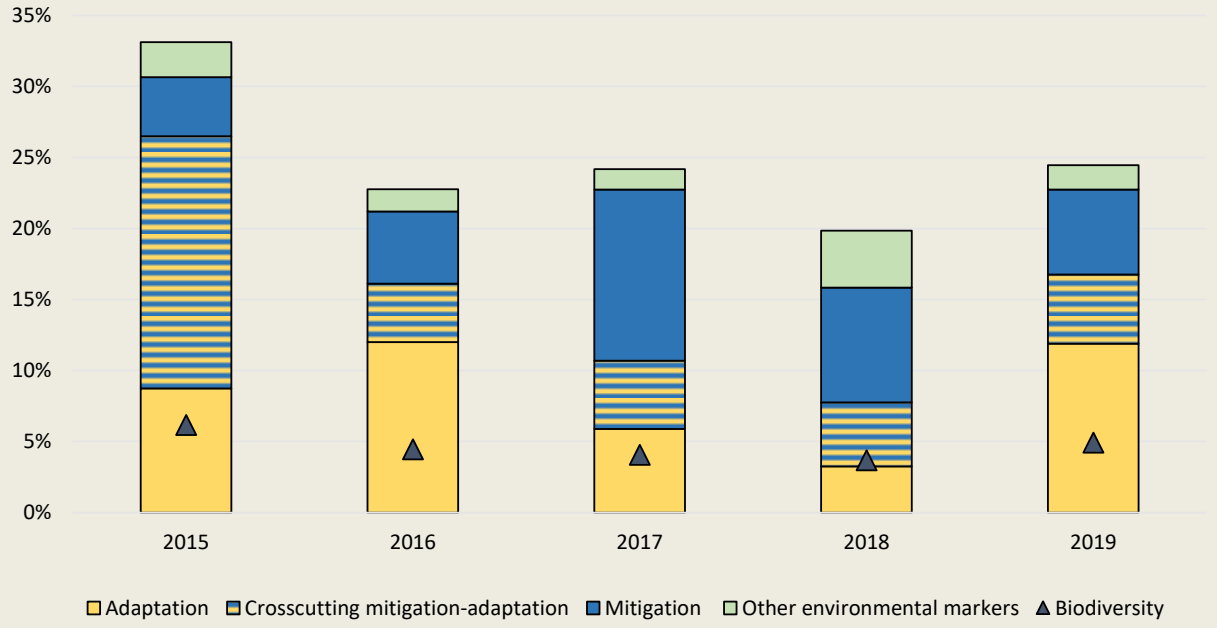
- use an appropriate carbon price in relevant bilateral programme appraisal
- ensure any investment support for fossil fuels affecting emissions is in line with the Paris Agreement temperature goals and transition plans

- implement a proportionate approach to climate risk assurance
- ensure that relevant programmes do not undermine the ambition in countries' Nationally Determined Contributions (NDC) and adaptation plans.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. United Kingdom's integration of climate objectives

As a share of bilateral allocable aid (commitments)



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Operational tools for systematic integration

The Foreign, Commonwealth and Development Office (FCDO) has taken steps to implement Paris alignment and do no harm to nature for UK ODA through the FCDO Programme Operating Framework (PrOF).

They have undertaken internal training sessions on the PrOF within the FCDO and with other ODA-spending UK government departments to ensure that the approach is being embedded throughout all geographic and thematic activity.

To support delivery of key international nature policy in the lead up to COP26 (2021 United Nations Climate Change Conference) and beyond, FCDO is running the International Nature Learning Journey. This is a series of sessions delivered by experts with the aim of increasing knowledge and capacity, across UK government. To date, sessions have covered thematic areas such as deforestation, agriculture, the ocean, finance and mainstreaming nature.

CDC also has a Climate Change Strategy that is aligned to the Task Force on Climate Related Financial Disclosures (TNFD) international framework for integrating climate change opportunities and risks in management systems of financial institutions and businesses.

Monitoring, evaluation and learning frameworks

Under the new UK FCDO PrOF, new bilateral and multilateral programmes wholly or partly funded by ICF are required to include all relevant portfolio KPIs in their monitoring framework. This is a more stringent requirement for ICF3 than previously, which they have introduced to improve the coverage and comprehensiveness of reported results. Where possible, beneficiary counts for ICF KPI 1 (people supported to cope with the effects of climate change), ICF KPI 2 (people and social institutions with improved access to clean energy) and ICF KPI 4 (people whose resilience has been improved) are disaggregated by sex, age, disability and geography, in line with commitments under the Inclusive Data Charter (2018).

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

The United Kingdom is playing a leading role on the Taskforce on Access to Climate Finance, as Co-Chair with Fiji. The Taskforce aims to deliver a step change in accessing international climate finance by delivering a new, programmatic approach to support the delivery of countries' national climate action plans and priorities. The approach should enable partner countries to access longer term, predictable funding with which to implement their national climate, growth/development and investment plans, while ensuring climate action is mainstreamed into these other national strategies and budgeting/fiscal frameworks. The Taskforce is working on a set of principles and recommendations on access to climate finance to be agreed by COP26, where there will also be an announcement of the five pioneer countries, who alongside providers of climate finance, will trial the new approach.

Through the UK COP26 and G7 Presidencies, the United Kingdom will seek to secure greater global ambition including through increased net-zero commitments; enhanced adaptation action – driving greater action on the ground; and raising more finance to support climate action. For example, the G7 have reiterated their commitment to the collective developed-country goal of jointly mobilising USD 100 billion annually through to 2025.

The United Kingdom's COP26 Nature Campaign is driving forward global action to protect and restore forests and critical ecosystems, and global reform of agriculture and sustainable land use.

The United Kingdom is supporting this transition through its support for a number of investments, including the NDC Partnership, CDC and Partnering for Accelerated Climate Transitions (PACT).

Examples of projects to support national transition plans

- The United Kingdom is currently Co-Chair with Jamaica of the NDC Partnership – a membership group bringing together 115 countries, 44 institutions and 38 associate members (as of September 2021) to help developing countries implement their NDC climate plans and to access climate finance. The NDC Partnership has already supported more than 70 countries on the submission or enhancement of their NDCs. The NDC Partnership co-ordinates major climate donors' technical assistance support on NDC implementation, for example co-ordinating NDC facilitators who support with planning, reporting and implementation, and embedding economic advisors into

finance/planning ministries to support with green recovery packages in response to the coronavirus (COVID-19) pandemic. The United Kingdom is also one of the major funders of the NDC Partnership and directly provides funding to countries for embedded advisors, including supporting economic advisors in Antigua and Barbuda and the Dominican Republic, and facilitators in Dominica, Grenada and Saint Lucia.

- The United Kingdom has approved an allocation of GBP 4.8 million to the World Bank's Climate Support Facility (CSF). Among other things, the CSF provides technical assistance to World Bank country offices and partner country governments to help develop plans for a green recovery from the pandemic.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

As set out above, the United Kingdom remains committed to aligning its ODA spend to the Paris Agreement and supporting the transition to environmentally sustainable, low-emissions and climate-resilient development pathways. The United Kingdom's approach to the use of ODA in this regard will be outlined in the upcoming UK International Climate Finance Strategy.

Support for sustainable, quality infrastructure

The United Kingdom's infrastructure work helps tackle climate change, build resilience and accelerate a global transition towards net-zero emissions, strategic priorities set out in the Integrated Review. The FCDO supports sustainable, quality infrastructure by:

- Co-ordinating action among G7 countries to promote adoption of higher standards and improved disclosures that build on agreed standards on quality infrastructure, such as the G20 Principles for Quality Infrastructure Investment.
- Providing technical advice, supporting governance institutions and accelerating investment in research and new technologies.
- Improving the investment climate and accelerating the development, demonstration and deployment of high-quality, low-carbon and climate-resilient urban and wider infrastructure and transport projects.
- Utilising UK expertise in conjunction with UK Export Finance to realise major high-quality infrastructure investments and create opportunities to UK firms, as outlined in the UK Infrastructure Strategy.
- The CDC, as mentioned above, is at the forefront of encouraging climate-resilient investments, including for quality infrastructure through the implementation of their ambitious Climate Strategy.
- The United Kingdom is the largest funder of the Private Infrastructure Development Group (PIDG), which encourages and mobilises private investment in infrastructure in Sub-Saharan Africa and South and Southeast Asia. PIDG is committed to the goals of the Paris Agreement and takes climate change into account in every investment and operation decision.
- The United Kingdom is supporting the Coalition for Climate Resilient Investment (CCRI), a United Nations Climate Action Summit and COP26 flagship initiative representing the commitment of the global private financial industry, in partnership with key private and public institutions, to foster the more efficient integration of climate risks in investment decision making.
- Finally, UK businesses, universities, professional bodies and government organisations are world leaders on planning and design as well as better use of data, and developing new technologies – for example, around building information modelling (BIM), smart cities, digital twins, etc.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

- UK PACT is a GBP 70 million programme that works with ODA-eligible partner countries, supporting them to accelerate their clean growth transitions.
- The United Kingdom is also supporting post-COVID-19 green recovery efforts, such as through its support of the World Bank Climate Support Facility.
- The Transforming Energy Access (TEA) project targets areas of Sub-Saharan Africa and South Asia with no or unreliable access to clean, modern energy services, and limited opportunities to participate in the energy sector through employment and income generation opportunities.
- The Just Rural Transition initiative, launched at the United Nations Climate Action Summit (UNCAS), aims to drive a global transition towards sustainable and climate-resilient agriculture.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The United Kingdom is currently Co-Chair with Jamaica of the NDC Partnership, which has recently approved funding to continue supporting Small Island Developing States (SIDS), including supporting advisers in Jamaica, Antigua and Barbuda and Saint Lucia, and funding for a new adviser in the Maldives, in fiscal year 2021-22.

At the 2018 Commonwealth Head of Government Meeting, Commonwealth leaders endorsed the establishment of the Commonwealth Blue Charter (CBC) to help protect the oceans of the Commonwealth and their surroundings. The UK has provided funding to the CBC from 2018 to 2021. The CBC consists of ten (10) Action Groups covering different ocean-related themes. Each of the action groups has a Commonwealth champion or co-champions. The UK are co-champions of the Commonwealth Clean Ocean Alliance (CCOA) with Vanuatu.

The United Kingdom has a GBP 30 million Commonwealth Marine Economies Programme, which is assisting SIDS to develop climate-resilient, sustainable economies while safeguarding their marine environment.

The United Kingdom is also scaling up its support, establishing a new GBP 500 million Blue Planet Fund, launched by the Prime Minister at the G7 Summit, to help countries protect and restore the marine environment and reduce poverty, including in SIDS.

The United Kingdom is a leader in disaster risk finance (DRF), and there is strong appetite for DRF support from climate vulnerable countries such as those in the Caribbean. The United Kingdom announced new support for DRF alongside the G7 at Carbis Bay (GBP 120 million from the United Kingdom, EUR 125 million from Germany). This will allow the United Kingdom to continue to expand its support – for example, enabling Caribbean and Pacific countries to increase their cover against hurricanes.

Supporting SIDS' access to finance

The Commonwealth Climate Finance Access Hub (CCFAH) was established at the Commonwealth Heads of Government Meeting (CHOGM) 2015 in Malta and began its operation in October 2016 with the central hub located at Port Louis in Mauritius. The CCFAH embeds Commonwealth National Climate Finance Advisers within governmental institutions to work specifically with ministries and other stakeholders focused on climate change to strengthen institutional capacity by bridging gaps in institutional and financial

knowledge, skills and technical capabilities. Since 2018, the United Kingdom has supported advisers in Jamaica, Antigua and Barbuda and Saint Lucia, and these advisers have helped to secure over USD 36 million of climate finance across these countries, with further projects under development. The United Kingdom has recently approved funding to continue supporting the advisers in Jamaica, Antigua and Barbuda and Saint Lucia, and funding for a new adviser in the Maldives, in fiscal year 2021-22.

As mentioned above, the United Kingdom is co-chairing the Taskforce on Access to Climate Finance with Fiji. The approach should enable partner countries to access longer term, predictable funding with which to implement their national climate, growth/development and investment plans, while ensuring climate action is mainstreamed into these other national strategies and budgeting/fiscal frameworks. The Taskforce is working on a set of principles and recommendations on access to climate finance to be agreed by COP26, where there will also be an announcement of the five pioneer countries, who alongside providers of climate finance, will trial the new approach.

Since the SIDS Summit (United Nations General Assembly [UNGA] 2019), the United Kingdom has worked with Belize and Fiji (and now the Alliance of Small Island States [AOSIS]) on a SIDS Access to Concessional Finance Roundtable process that has focused on three major themes raised by SIDS: eligibility criteria (e.g. Gross National Income [GNI] per capita), debt, and overly bureaucratic funding mechanisms.

United States

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

United States' political commitments

The United States joined other G7 members in statements on climate, environment and biodiversity in the 2021 Carbis Bay Summit Communiqué.

The Biden-Harris Administration is in the process of developing its policies and programmes, and is committed to mobilising a whole-of-society approach that enlists states, cities, businesses large and small, civil society groups, and others to create a net-zero clean energy economy that benefits all. At the 76th session of the United National General Assembly (UNGA 76), President Biden committed to making the United States a leader in public climate financing for developing countries.

The United States has also re-entered the Paris Climate Agreement, convened a Leaders Summit, and appointed a Special Presidential Envoy for Climate. It aims to make the clean energy transformation a central pillar of its economic recovery efforts at home, generating both domestic prosperity and international credibility as a leader of the global climate change agenda. Alongside these efforts, the United States will help partners around the world mitigate and adapt to the effects of climate change, and will stand prepared to provide humanitarian and development assistance to nations and communities.

Targets

The United States Agency for International Development (USAID) intends to include specific targets in the new agency-wide climate strategy, which is currently being drafted. The US government included a set of targets in its Climate Summit Announcements, including the following:

- The United States intends to double, by 2024, its annual public climate finance to developing countries relative to the average level during the second half of the Obama-Biden Administration (fiscal year 2013-16). As part of this goal, the United States intends to triple its adaptation finance by 2024.
- At least one-third of new investments through the Development Finance Corporation will be linked to addressing the climate crisis.
- USAID will leverage an investment of USD 250 million to attract USD 3.5 billion in private sector financing to address the climate crises over the next three years.
- USAID will support pathways to net-zero emissions for up to 20 fast-growing economies by dramatically scaling up USAID's private sector climate finance programmes, including through policy reform and institutional strengthening to achieve dramatic reductions in emissions by 2030.

Specific targets for the next five years include helping 20 countries to mobilise up to 20% of needed funding to implement their Nationally Determined Contributions (NDCs), and helping 20 vulnerable countries double the private sector funds leveraged toward resilience and adaptation goals by 2025.

- USAID will blend forest protection, forest ecosystem restoration, and reforestation through commercial timber to protect and reforest 20 million hectares by 2025.

Strategies and policies for systematic integration

USAID is in the process of developing a new Climate Strategy; the draft will be released for public comment in November 2021. Other forthcoming documents, such as the USAID-Department of State Joint Strategic Plan: 2023-2027, will address the US approach to combating climate change in an integrated, whole-of-government way.

The United States, through USAID, works at the country level to systematically assess, address, and adaptively manage climate risks in Regional or Country Development Co-operation Strategies. Moving forward, the United States is defining further actions to integrate climate mitigation and adaptation into the overall development programming. This includes working to address risk and promote adaptation/mitigation more broadly in sectors such as food security, water, health, humanitarian assistance, democracy and governance, human rights, conflict mitigation, disaster risk reduction, energy and biodiversity conservation.

USAID created its Environmental and Natural Resources Management (ENRM) Framework to co-ordinate, unify, and elevate environment, climate change, and natural resource management work across the Agency. In addition, USAID implementation of the US Indo-Pacific Strategy includes a Natural Resources Safeguards and Security (NRSS) Framework for addressing nature-based solutions for climate change, environmental crimes, sustainable agri-commodity production, green investment, biodiversity conservation, natural resource management, and resilience of people, places, and economies to climate shocks.

Key provisions and pillars

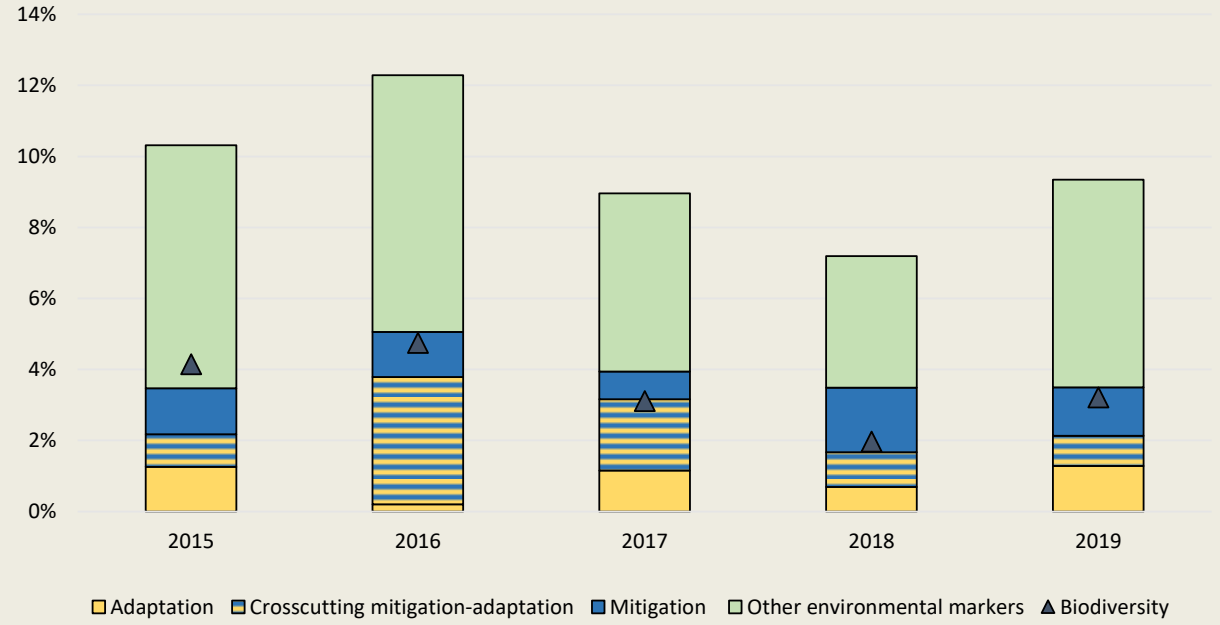
USAID's ENRM Framework responds to global trends and highlights opportunities to strengthen positive linkages in two priority areas: 1) improving natural resource management for self-reliance; and 2) improving urban systems for a cleaner environment and enhanced human well-being. The Framework also explicitly identifies approaches to promote country progress; seek sustainable, resilient results; and invest for measurable impact in environmental and natural-resource management.

The NRSS Framework includes policy and regulatory frameworks for the application of environmental and social safeguards; consistent enforcement of laws against environmental crime; and encouragement of business models for sustainable production of agricultural commodities throughout the Indo-Pacific region.

Box 1. Creditor reporting system's environmental and climate markers

Figure 1. United States' integration of climate objectives

As a share of bilateral allocable aid (commitments)



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Source: OECD (2021), Creditor Reporting System (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1

Operational tools for systematic integration

For international development work, all foreign assistance authorised by the Foreign Assistance Act of 1961, as amended, has legal (FAA Section 117) and regulatory requirements (22 CFR 216) for the examination of the environmental impacts of its actions. These are supplemented in USAID by Agency operational policy (ADS 204) and by over 20 environmental guidelines for specific sectors, such as roads, healthcare waste and mining. USAID's website on environmental safeguards provides guidance, tools and regulations regarding Environmental Impact Assessments (EIAs). USAID also has an extensive programme to ensure that mitigation and monitoring plans are designed and implemented. USAID ensures that staff are trained on EIA and allocates EIA experts to each mission (over 80) to support the development, review and implementation of the impact assessment and the mitigation measures. In order to ensure that the USAID considers climate impacts on its actions, USAID performs climate risk management (CRM).

Furthermore, FAA Sections 118 and 119 require that each country strategy statement or other country plan prepared by USAID include an analysis of the actions needed to conserve biodiversity and support the sustainable management of tropical forests and the extent to which USAID addresses the actions identified. Additionally, USAID pays particular attention to projects in national parks and protected areas, those involving Indigenous Peoples and those that affect vulnerable populations.

The regulations, policy, support tools, training, and methodologies uphold USAID's commitment to climate-resilient and environmentally sound decision making throughout the programme lifecycle.

Monitoring, evaluation and learning frameworks

USAID integrates environmental and climate objectives into monitoring, evaluation and learning (MEL) frameworks through the USAID programme cycle and in accordance with relevant regulatory requirements. It is USAID policy (ADS 201) that any needs for MEL or collaborating, learning, and adapting (CLA) be incorporated into the design of all activities and programmes. Using tools such as the 118/119 analyses, CRM screenings, and other environmental guidelines as discussed above, USAID staff and implementing partners are able to develop MEL/CLA frameworks that integrate environment and climate objectives (and mitigate environmental and/or climate risks).

USAID collects standard data on important programme and operational results achieved worldwide, which can then be aggregated to show overall results for foreign assistance. These are used internally as well as for accountability to Congress and the public. These indicators include specific standard indicators for environment (biodiversity), clean energy, climate adaptation and natural climate solutions. USAID and partner staff develop additional custom indicators to meet remaining MEL/CLA needs.

USAID conducts activity performance and/or impact evaluations. For examples, please refer to the MEL sections of the Agency's knowledge portals: climatelinks, biodiversitylinks, and landlinks.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Through the Global Climate Ambition Initiative, the US government is committed to supporting developing countries in establishing net-zero strategies, implementing their NDCs and national adaptation strategies, and reporting on their progress under the Paris Agreement. The Department of State and USAID, working with other agencies, co-ordinate US government efforts to support countries around the world to enhance and meet their climate goals in ways that further their national development priorities. This includes engaging strategically with governments, the private sector, civil society, and communities to support transformational policies and programmes, build human and institutional capacity, and create momentum toward a zero-emissions, climate-resilient future.

USAID's new Climate Strategy will outline how the Agency plans to elevate and integrate key and emerging issues around justice and equity, including increased and active collaboration with Indigenous Peoples, women and girls, youth, and others who face the brunt of the climate crisis, have limited access to or influence over decision making, yet are pivotal to addressing climate change effectively. The United States will take steps to ensure that its climate change activities do not perpetuate inequality or cause or exacerbate stressors of conflict, corruption or injustice.

At the G7 Leaders' Summit in Carbis Bay, the United States, along with other G7 members, also welcomed the work by the Climate Investment Funds' (CIFs) Accelerating the Coal Transition (ACT) Program and announced that donors plan to commit up to USD 2 billion in the coming year to support this and other Integrating Renewable Energy programmes. These concessional resources are expected to mobilise up to USD 10 billion in co-financing, including from the private sector, to support renewable energy deployment and transition in developing and emerging economies.

Examples of projects to support national transition plans

- The Transparency and Long-Term Strategies (T-LTS) project supports countries in developing robust, transparent, long-term strategies (LTS) for low-emissions development. This two-year project focuses on building regional and country capacity to model and report on development, economic, and greenhouse gas emissions scenarios to the year 2050. LTS helps to define country priorities and inform the development of near-term activities, such as five-year mitigation targets, to achieve mid-century goals.
- The United States worked with Indonesia on the Climate Change Adaptation and Resilience (APIK) project, contributing to the development of Indonesia's National Action Plan for Climate Change Adaptation. This plan was later integrated into the Government of Indonesia's 2020-2024 National Development Plan, which mobilised over USD 3 billion in funds for climate change adaptation.
- USAID's Vietnam Low Emissions Energy Project(V-LEEP) has been advising the Government of Viet Nam on policies and strategies to facilitate investment in renewable energy development. Thanks in part to this technical assistance, Viet Nam grew from producing less than 10 megawatts of solar power in 2017 to 16 500 gigawatts of solar power by December 2020, with solar energy now making up nearly 24% of the country's power capacity.

Implementing the transition to environmentally sustainable, low-emissions and climate-resilient development pathways

The United States is committed to a whole-of-government approach to tackling the climate crisis, including integrating climate considerations across its foreign assistance and development portfolio. A number of interagency strategies, which integrate climate change considerations, are under development or revision — including, but not limited to, the Global Food Security Strategy, the Global Water Strategy, and the Global Fragility Strategy.

A full Biden-Harris Administration National Security Strategy is under preparation in a process managed by the National Security Council. The Department of State and USAID are jointly preparing the next multi-year Joint Strategic Plan to be finalised and released by February 2022. USAID is capturing its approach to helping countries adapt to climate-resilient, low-emissions development pathways in its new Climate Strategy and subsequent implementation plan. At the Agency level, USAID and other foreign assistance agencies and programmes develop and release a range of development policies and strategies based on Administration priorities and leadership, which will include a forthcoming Climate Change Strategy.

The US International Climate Finance Plan outlines several goals related to the provision or mobilisation of financial resources to assist developing countries to reduce and/or avoid greenhouse gas emissions and build resilience and adapt to the impacts of climate change.

The United States intends to double, by 2024, its annual public climate finance to developing countries relative to the average level during the second half of the Obama-Biden Administration (US fiscal year 2013-16). As part of this goal, the United States intends to triple its adaptation finance by 2024. The Biden Administration will work closely with Congress to meet these goals. USAID's forthcoming Climate Strategy, as well as a forthcoming resilience policy, will outline goals and frameworks for achieving climate mitigation and adaptation aims.

USAID's Biodiversity Policy envisions a future in which biodiversity thrives and human well-being increases through improvements in economic prosperity, social equity, and environmental stewardship. USAID works toward two mutually reinforcing goals in pursuit of this vision: 1) conserve biodiversity in priority places; and 2) integrate biodiversity as an essential component of human development.

Support for sustainable, quality infrastructure

At the G7 Leaders Summit in Carbis Bay, President Biden and other G7 Leaders launched the Build Back Better World (B3W) Partnership. Build Back Better World is an initiative for meeting the tremendous infrastructure needs of low- and middle-income countries, by creating a values-driven, high-standard, and transparent infrastructure partnership led by major democracies to help narrow the USD 40+ trillion infrastructure need in the developing world, which has been exacerbated by the coronavirus (COVID-19) pandemic. Through B3W, the G7 and other like-minded partners will co-ordinate in mobilising private-sector capital in four areas of focus — climate, health and health security, digital technology, and gender equity and equality — with catalytic investments from the US respective development finance institutions. B3W efforts will be guided by high standards and principles, such as those promoted by the updated Blue Dot Network (see below). At the QuadSummit in September 2021, the United States and other Quad members advanced several climate and infrastructure-related actions in support of developing countries in the Indo-Pacific region.

The United States, along with Australia's Department of Foreign Affairs and Trade and the Japanese Bank for International Co-operation launched the Blue Dot Network concept, which aims to promote quality infrastructure investment that is open and inclusive, transparent, economically viable, financially, environmentally and socially sustainable, and compliant with international standards, laws, and regulations.

USAID supports the design, rehabilitation, and construction of energy, water, sanitation, and transportation infrastructure, as well as schools and health facilities in more than 60 countries. Through investments abroad, USAID builds local capacity to operate and maintain infrastructure, making countries more resilient to shocks and reducing the need for emergency humanitarian assistance.

USAID infrastructure development goes beyond hardware. USAID helps develop and build the systems that sustain people, their knowledge, their institutions and their resources. These construction activities, overseen by the Agency's professional engineers, are guided by local knowledge, regulations, best practices, and context in order to create systems that are more easily operated and maintained by local entities and experts.

One example of USAID's commitment to quality infrastructure is its collaboration with Japan on the Japan-United States Clean Energy Partnership. The United States and Japan have agreed to the principles of high-quality energy infrastructure, including environmental and social safeguards. Another example is its work under the Asia Enhancing Development and Growth through Energy (EDGE) Indo-Pacific initiative. Asia EDGE promotes open, competitive, and transparent procurements, which lead to high-standard, best-value energy projects.

USAID is also supporting the Coalition for Disaster Resilient Infrastructure (CDRI) to develop and share innovations, policy recommendations and best practices in developing disaster and climate-resilient infrastructure worldwide. USAID will also help countries incorporate best practices into their infrastructure planning, as well as foster partnerships between governments and the private sector to scale up disaster- and climate-resilient infrastructure development.

Examples of projects in support of environmentally sustainable, low-emissions and climate-resilient transitions

USAID has on-the-ground networks across the globe that are delivering direct technical assistance programmes for climate change mitigation and adaptation in more than 45 countries, totalling USD 362.5 million in fiscal year 2020.

- The Asia (EDGE) programme supports regional energy market integration, advances innovative energy solutions and systems and modernises utilities. The programme also supports India's

climate finance goals by increasing private sector participation in the energy sector through project financing and public-private partnership models.

- Green Invest Asia is supporting the transition of agricultural commodity production in Southeast Asia toward low-emissions, climate-resilient production models by engaging with private sector companies with industry-scale influence to implement zero-deforestation commitments across their commodity chains. The programme also works with banks and other financial institutions to apply standardised tools for assessing and reducing emissions across their investment portfolios.
- Under the Power Africa Initiative, the United States is committed to transforming the Southern Africa region's reliance on fossil fuels and assisting in a path to decarbonisation. As part of this effort, USAID will partner with the Governments of Botswana and Namibia, the International Finance Corporation, the International Bank for Reconstruction and Development (World Bank), and the African Development Bank to support the largest solar-generation project in Southern Africa – estimated at 2 to 5 gigawatts. This project will aim to reduce an estimated 6.5 million tonnes of CO_2 annually – the equivalent of taking almost 1.5 million cars off the road – by displacing imported coal-generated electricity from South Africa. The Power Africa Initiative has already worked with the Government of South Africa to achieve nearly 2 million new on- and off-grid connections, over USD 4.3 billion of power sector investment mobilised through US Government assistance, and an increase of 662 megawatts of on-grid electricity delivery capacity.

Additional examples can be found in the climate change country profiles found here.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The United States has launched the Small and Less Populous Island Economies Initiative (SALPIE) to counter COVID-19 economic challenges, promote economic recovery, respond to the climate crisis, and advance longer-term shared interests.

USAID partners work with 12 Pacific Island nations to bolster their ability to lead their countries to stable, prosperous futures. The United States focuses on strengthening disaster preparedness and environmental resilience, health and democratic governance. More information on USAID programming in these nations can be found here.

In the Caribbean, the USAID/Eastern and Southern Caribbean (USAID/ESC) Mission's goal for the 2020-25Regional Development Co-operation Strategy (RDCS) is to support the ESC in creating a safe, prosperous, and resilient Caribbean region that supports its vulnerable populations, withstands external shocks, and promotes accountable institutions, economic development and private sector-led growth.

USAID/ESC directs regional programming in 11 countries, 10 of which are in the ESC region: Antigua and Barbuda, Barbados, Dominica, Grenada, Guyana, Saint Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. In April 2020, USAID/ESC also was conferred programmatic oversight of the Bahamas, given USAID's role in disaster preparedness and response programming.

Strengthening the ability to recover from adverse shocks and adapt to climate variability and change is critical to promoting sustainable development. Given ESC countries' commitment to collaborating on shared approaches and outcomes to reduce risk, USAID has an opportunity to focus on increasing information sharing, developing standard practices and policies, strengthening operational systems and increasing community participation and resilience. Efforts will also build on the strong partnerships with regional higher education institutions and government partners, such as the Caribbean Disaster

Emergency Management Agency (CDEMA), to ensure appropriate regional training and awareness regarding climate change. Resilience programming will support key sectors, such as clean energy, agriculture, and water that are critical to supporting economic stability and growth, as well as contingency planning with regard to at-risk youth, who are most likely affected by the knock-on effects of climate change.

Examples of projects in support of SIDS' sustainable development

Through SALPIE, USAID also supports various regional activities that highlight the US commitment and long-standing partnership with eight Caribbean nations: Bahamas, Barbados, Dominican Republic, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines. This programming focuses on climate and energy resilience, disaster risk reduction, development finance and economic growth.

To support sustainable development, the USAID Oceans and Fisheries Partnership (USAID Oceans) combats illegal, unreported, and unregulated fishing; strengthens fisheries management; and engages the private sector to promote a sustainable and transparent seafood supply chain in the Asia Pacific region.

Supporting SIDS' access to finance

The US InternationalClimateFinance Plan encourages agencies to track US climate finance flowing to Small Island Developing States (SIDS) and Least Developed Countries (LDCs) and to efforts supporting Indigenous Peoples, women, and girls and other affected communities. USAID also works with SIDS to build readiness to access climate funding.

The US government, through USAID, has supported partners to access over USD 200 million in climate finance from international organisations such as the Green Climate Fund (GCF), the Adaptation Fund and the Global Environment Facility .This is done through targeted technical support for the development and submission of bankable project proposals that are translated into country-driven actions to respond to the urgent climate change priorities of Pacific Island Countries. For example, the USAID Climate Ready Activity supported capacity-building efforts in the Federated States of Micronesia and Palau, which secured USD 10.4 million in climate change-related grants from the GCF in 2021. This funding will increase the two countries' resilience to the impacts of climate change. USAID Climate Ready continues to support additional Pacific Island Countries and regional organisations with pipeline projects worth USD 393 million, which will result in further resources mobilised for climate action in the Pacific.

The USAID Climate Ready Project works with target Pacific Island Countries to achieve their climate change adaptation goals and become more climate resilient in ways that are country-driven, co-ordinated, inclusive and equitable. Headquartered in Suva, Fiji, with regional offices in Pohnpei, Federated States of Micronesia and Port Moresby, Papua New Guinea, USAID Climate Ready supports Pacific governments to develop climate change adaptation policies and legislation.

Additionally, the US Development Finance Corporation (DFC) has operations in multiple countries, including SIDS. For example, in Tuvalu, the DFC has an investment incentive that establishes a framework that permits DFC's mobilisation of private sector investment, advancing economic growth and development. Under the agreements, DFC may make available its investment tools — including debt and equity financing, insurance, and technical support — to advance economic prosperity.

Annex A. DAC HLM Communiqué 2020

10 November 2020

1. We, the Members of the OECD Development Assistance Committee (DAC), met virtually at high level on 9-10 November 2020. Progress towards implementing the 2030 Agenda for Sustainable Development in developing countries was off-track before the onslaught of the COVID-19 pandemic and consequent economic downturn. Our shared endeavour to end poverty, leave no one behind, protect the planet, and improve the lives and prospects of everyone, everywhere has suffered a severe setback. For the first time in decades, poverty is increasing - especially for women and girls. Between 83 and 132 million more people are hungry this year.

2. The COVID-19 pandemic and resultant crises now define the start of the Decade of Action to achieve the Sustainable Development Goals (SDGs), called for by the UN Secretary General. The OECD launched its Global Outlook on Financing for Sustainable Development, which concludes that hundreds of millions of people in developing countries will lose their livelihoods and fall back into poverty. The Global Outlook estimates that external finance to developing countries may drop by USD 700 billion this year - more than four times the value of DAC Official Development Assistance (ODA). In response to these multiple challenges, they will endeavour to recover and rebuild more sustainably and more equitably - between countries, regions, women and men and generations, as well as reducing the risk of future crises. Inclusive, resilient and sustainable growth, job creation, social protection and reducing inequality are more critical now than ever.

3. In these exceptionally stressed times, the DAC's priority remains championing the 2030 Agenda. As the pandemic evolves, financing for sustainable development risks collapsing: all resources available to developing countries are under pressure. Rising demand and declining resources are having disproportionately detrimental impacts on the societies and economies of developing countries. Renewed efforts by all development actors are needed to meet the outcomes we endorsed in 2015. The pandemic and the ensuing economic crisis epitomise the interdependence of the world's development challenges. Global challenges require a global response and a strong multilateral system. The most vulnerable countries in the world, many of which are in Africa, should not suffer disproportionately.

4. Today's crises are intensifying existing inequalities, making it harder to leave no one behind. We commit to tackling inequality between all people in our ODA policies and programmes more actively. We recognise the inextricable links between gender inequality and poverty, and commit to promoting gender equality and the empowerment of women, adopting gender-responsive approaches, and striving to ensure that the voice, rights and agency of women and girls are included in policies and programmes during the COVID-19 pandemic and recovery, and beyond. Mainstreaming gender equality across all our policies and programmes increases the overall effectiveness of ODA, and we aim to strengthen further direct and targeted financing for gender equality.

Immediate response

5. The crisis is having a deep and lasting impact on countries most in need. It is exacerbating existing vulnerabilities, especially in fragile and conflict-affected states, and creating fertile ground for increased violence and displacement, reversing development and peacebuilding gains. We reiterate the message of our joint statement of April 2020. We reaffirm the important contribution of ODA to the immediate health and economic crises and longer-term sustainable development, particularly in Least Developed Countries (LDCs) and recognise those of us that have met the UN targets of 0.7% of Gross National Income (GNI) as ODA to developing countries. The DAC has demonstrated its flexibility with an exceptional one-year delay to updating the list of countries that are eligible to receive ODA, and has shortened the reinstatement mechanism that allows countries to be eligible again if their GNI drops below the high income threshold.

6. DAC Members' actions since the start of the pandemic have included new and reprioritised flows of urgent financing for developing countries. We reaffirm the importance of safeguarding this funding against the risks of misuse and corruption, and of supporting transparency and accountability measures to ensure resources are used for their intended purpose. We endeavour to continue to protect health, water and sanitation, and social safety net programmes and to support investments in immunisation as a global public good. We will continue working until affordable vaccines, tests and treatments are accessible to all, leaving no one behind, and invest in policies and programmes that take into account the disproportionate socioeconomic burden COVID-19 imposes on women and girls. We welcome public and private initiatives to develop vaccines, including the COVAX facility of the Access to COVID-19 Tools Accelerator (ACT-A) initiative. We also welcome voluntary licensing of intellectual property to facilitate global equitable access to vaccines, therapeutics and diagnostics, and the COVID-19 Global Evaluation Coalition, which will provide credible and independent analysis of our collective response and contribute to shared knowledge and learning.

Building forward better and greener

7. The DAC recognises the important and diverse roles that all development actors play in supporting a sustainable, inclusive and resilient recovery from COVID-19, including partner country governments, non-DAC donors, multilateral agencies, civil society organisations (CSOs) and the private sector. DAC Members, in partnership with other actors, will shape the response and support work towards the SDGs in the following areas.

New sources of finance for sustainable development

8. The 2030 Agenda and the Addis Ababa Action Agenda provide a global framework for recovery and building a more resilient and sustainable world. It is more urgent than ever to mobilise new and more varied sources of finance for the recovery and achievement of the SDGs. We will continue working to find ways to mobilise more official and private resources for sustainable development, including promoting more – and more effective – blended finance, with special attention to LDCs. We welcome the OECD's identification of policy actions to increase financing for sustainable development and support further work on this topic.

9. Debt treatment is an important last-resort mechanism to support countries to restore debt sustainability and free up public resources for sustainable development and we have agreed how to account for it as ODA. Capital outflows from emerging markets in this crisis are twice as large as during

the global financial crisis. Foreign direct investment may decline by up to 40% in 2020. We commit to working with partner countries, the private sector and multilateral organisations to improve business environments, share risks and rewards fairly when collaborating with businesses investing in developing countries. We should also include clear accountability mechanisms and meet social and environmental standards. We welcome continued work on Total Official Support for Sustainable Development as an important measure that promotes transparency and accountability.

10. Given COVID-19 and the challenge of sustainable development financing, we need to make the ODA we have work harder to leverage more resources, achieving more impact and investing in prevention and preparedness to reduce future risks. We can do this by making better use of the resources of the multilateral development banks, funds, national development banks and other development finance organisations in which we invest. We can reduce barriers faced by countries when accessing finance. We can frontload and re programme where appropriate. We can encourage better co-ordination among members, non-DAC donors and the agencies we support in partner countries. We can expand the use of guarantees and other innovative financing instruments, while ensuring rigorous analysis of the development effects across all sectors. We support domestic resource mobilisation and more efficient, effective and accountable use of public resources in developing countries. We will strive to ensure that other public flows – and those mobilised from the private sector – contribute to progress towards the SDGs.

Climate, environment and development

11. The pandemic demonstrates the interconnectedness of our world, and highlights the need for investment to respond to shared global challenges. As we design plans to support developing countries' recovery, we acknowledge the determination of those signatories to the Paris Agreement who confirmed in Buenos Aires and Osaka their commitment to implement it fully, including by updating their Nationally Determined Contributions and communicating long-term plans. We should take this opportunity to strengthen efforts to support our development partners to meet their environment and climate goals, conserve biodiversity, strengthen resilience and enhance global health security. We recognise that low-emissions, climate-resilient pathways and sustainable recovery are a critical component of all countries' ability to achieve the 2030 Agenda. We are supporting our development partners to mitigate and adapt to climate change across sectors, including by promoting more sustainable, secure, reliable, affordable and resilient access to the energy they need to achieve their development priorities. DAC Members are investing more in terrestrial and marine environments, disaster preparedness, risk reduction and management. Ocean-based sectors, such as fisheries and tourism, are at the heart of the economies of many developing countries, and we support a transition to a global sustainable ocean economy.

12. We recognise that we need to go further and faster to ensure that development co-operation takes greater account of all relevant environmental risks. We will work to ensure that our post-COVID-19 development policies and programmes are consistent with international climate and environment objectives, and will work to integrate them systematically. We intend to prioritise investments in – and risk mitigation instruments for – a cleaner, inclusive and resilient recovery. In the spirit of fairness and just transition, we will support developing countries to achieve their own transitions to environmentally sustainable, low-emissions and climate-resilient development pathways, including by promoting sustainable, quality infrastructure. We should take more account of the interactions between the three pillars of the sustainable development agenda – economic, social and environmental – including universal energy access, poverty reduction, climate change, water and sustainable oceans, between biodiversity and economic development, and the nexus between energy, food and water. Strong, sustainable, inclusive and resilient recovery measures should be applied in economic stimulus packages to use the opportunity and build forward better. In this way, we can set the course for sustainable, low-emissions development.

13. The DAC will report, in a format and scope to be agreed by ENVIRONET, on the individual and collective steps we have taken to give effect to the voluntary commitments set out in this communiqué with

regard to climate and the environment before COP26. We will consider options for co-ordinating development approaches with international climate and environment objectives through a member-driven process, according to a calendar to be confirmed by DAC Members. We look forward to working towards successful outcomes in 2021 at COP15 (the Convention on Biological Diversity) and COP26. We acknowledge the importance of increasing the proportion of ODA that is climate, environment and biodiversity sensitive.

14. Small Island Developing States (SIDS) generate a tiny proportion of global greenhouse gas emissions, yet are suffering the harshest and most urgent consequences of climate change and environmental degradation. SIDS are uniquely vulnerable to economic shocks, the adverse impacts of climate change and environmental degradation, extreme weather conditions and natural hazards. Their smaller and less-diversified economies are less resilient in a global recession and they report difficulties in accessing international concessional finance. We commit to improving how our policies and programmes address the particular needs of SIDS, and to working with them to address obstacles they encounter in accessing finance for resilient and sustainable development.

Development effectiveness

15. We reaffirm our commitment to the Busan principles for effective development co-operation – country ownership, transparency and accountability, inclusive partnerships and a focus on results. These principles – and their effective implementation – are more relevant than ever in our shared effort to support achievement of the SDGs and leave no-one behind. We welcome the DAC's work to modernise our narrative to intensify our implementation of these principles and reassert our active engagement in the Global Partnership for Effective Development Co-operation as an equal partner. We will strive to put results and impact at the heart of our development policies, in the spirit of the mutual accountability of both donors and partner countries. Our aim is to build better partnerships, including with the private sector, triangular and south–south co-operation partners, civil society, foundations, local governments and multilateral partners. By applying the principles for effective development co-operation across our partnerships, we generate more impetus for the 2030 Agenda.

Humanitarian–Development–Peace Nexus

16. We welcome progress made by the DAC to improve responses to fragility and prevent conflict. Consistent with the DAC's Recommendation on the humanitarian development–peace nexus endorsed in February 2019, the response to the COVID-19 pandemic should focus on reducing risk and building longer-term resilience to multiple hazards while meeting immediate needs and fully respecting humanitarian principles. We acknowledge the need to redouble efforts to implement the principles of the nexus Recommendation through bilateral and multilateral activity and endorse the outcomes of the October high-level DAC-UN roundtable. We commit to creating incentives in our co-operation structures and policies to this end, including via quality and flexible funding. We welcome the decisions of the International Organisation for Migration, UN Development Programme, UN Children's Fund, UN Population Fund and World Food Programme to adhere to the DAC's nexus Recommendation and invite other multilaterals to follow suit.

Ending Sexual Exploitation, Abuse, and Harassment

17. We welcome the progress made by the DAC to prevent sexual exploitation, abuse and harassment in development co-operation and humanitarian assistance, and in particular the strong signal sent by the agreement of the DAC Recommendation in July 2019. We recognise that we need to do far more to prevent sexual misconduct and to support victims and survivors, including working with the UN and other implementing partners to improve protection and investigation. We should improve transparency

and accountability, and adopt survivor-centred approaches. We commit to creating and strengthening reporting and accountability mechanisms in our co-operation structures and policies to implement the pillars of the Recommendation through bilateral and multilateral action.

DAC outreach and working across the OECD

18. We will promote DAC values, rules, standards and best practice, and learn from others especially partner countries, including through the LAC–DAC and Arab–DAC Dialogues. In order to enhance development effectiveness, we will continue to foster inclusive policy dialogues with other development co-operation providers. We will continue working with key stakeholders, other parts of the OECD Development Cluster and across the OECD. We call on other providers of development co-operation to adhere more closely to international standards and practices, to improve transparency and accountability in the development co-operation globally and as stated at BAPA+40 in 2019.

Partnering with civil society

19. DAC Members value open, democratic and inclusive societies. We will continue to use our development co-operation to support democracy, the rule of law and human rights, including freedom of expression and peaceful assembly and association, as essential elements of sustainable development for any society. We believe that citizens, including through social movements and CSOs must be free to hold their governments to account and contribute to decision-making to make progress towards sustainable development. We will continue our DAC–CSO Dialogue. We commit to redoubling efforts on how DAC Members and CSOs can work together more effectively to respond to the multiple challenges caused by the COVID-19 pandemic, promote an enabling environment and support progress toward the SDGs, including through more locally led and owned action. To this end, we commit to developing a new DAC policy instrument on enabling civil society.

20. We will reconvene in late 2021 or early 2022 and take stock of progress with implementing these decisions.