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CLIMATE CHANGE INFORMATION NOTE

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CLIMATE CHANGE INFORMATION NOTE

1. The Cancún Agreements¹ in December 2010 formalised the climate finance commitment of developed countries to provide new and additional resources for climate actions to developing countries – USD 30 billion over 2010-2012 and a longer term goal of mobilising USD 100 billion per year by 2020 from public and private sources. Another key outcome of Cancún was the agreement to establish the Green Climate Fund, which will be accountable to the United Nations Framework Convention on Climate Change (UNFCCC) and will support projects, programmes, policies and other mitigation and adaptation activities in developing countries. Work is ongoing in several OECD bodies to support continued international discussions on climate finance. This note highlights the activities of the DAC Secretariat on this very topic and provides information on upcoming events where this work can be taken forward.

2. **The long experience of the DAC in monitoring aid efforts, including with climate objectives, will be vital for Monitoring, Reporting and Verifying (MRV) of climate finance in the future.** The DAC through the Creditor Reporting System has been monitoring aid in support of climate mitigation for over 10 years, and for climate adaptation since 2010, using the Rio Markers. Work is ongoing to extend the marker data collection to multilateral agencies, starting with the World Bank and other Multilateral Development Banks (MDBs), and to non-DAC donor countries. A number of aid recipient countries have also begun to use the markers in their budgeting systems. The DAC data collection can provide a fundamental input to efforts under the UNFCCC to establish a system for transparent reporting on climate financing that countries committed to in Cancún.²

3. **The DAC is currently applying 50 years of development experience to develop principles for the effective and efficient use of climate change finance.** This OECD expertise has been made available to discussions of the Transitional Committee for the Green Climate Fund in the form of the attached brief. These key principles for climate change finance will be discussed at the High Level Forum on Aid Effectiveness in Busan.

4. In addition, climate change has been discussed in meetings related to “Innovative Financing for Development” and in regard to the role of the public sector in leveraging private sector finance.

5. There are a number of opportunities in conjunction with several upcoming major events to move this work forward:

- **Working Party on Statistics, 9-10 June in Paris**
 - Update statistical brief on aid flows to climate change (including multilateral flows).
 - Revision of the reporting directives to expand marker data collection to non-concessional official lending.

¹ The Cancun Agreements include a 30-page text on Long Term Cooperative Action and a 2-page Kyoto Protocol text, and are available at <http://unfccc.int/>.

² For more information, please see the recent paper of OECD’s Climate Change Expert Group on “Monitoring and Tracking Long-Term Finance to Support Climate Action”, which will be finalised by mid-2011.

- **UNFCCC Meeting, 6-17 June in Bonn**

- The OECD and UNFCCC are jointly organising a side event on MRV of Climate Change Finance. This side event aims to provide an overview of established climate financing tracking systems to date, such as the Rio Markers, and to discuss to what extent Parties can build on such experiences in their deliberations on a comprehensive future MRV framework to account for the mobilisation of long term climate financing.
- In addition to this Side Event it will be valuable for members to highlight the importance of the Rio Markers and propose relevant text in the negotiations themselves.

- **HLF 4 Session on Climate Change Finance and Aid Effectiveness**

The DAC is tentatively planning a session at HLF 4 on Climate Change Finance and Aid Effectiveness. The EC Commissioner Andreas Piebalgs has preliminarily agreed to chair this session. In order to prepare for this meeting we are having a number of preparatory meetings in Paris and in partner countries in Asia-Pacific and Africa. These include:

- **6 July** - OECD DAC WP-EFF- ENVIRONET Members' Preparatory Meeting on Climate Change Finance and Aid Effectiveness. This will take place in Paris back to back with the WP-EFF discussion of the Busan Agenda and Outcome Documents (7-9 July).
- **12-13 September** - Asia Pacific Climate Change Finance and Aid Effectiveness meeting in Bangkok to further refine the Bangkok Call to Action and Principles for Climate Change Finance in Asia-Pacific.
- **21-22 September** - Africa Climate Change Finance and Development Effectiveness Meeting to take place in Nairobi to develop principles for climate change finance in Africa (tbc).

- **OECD Environment Ministerial**

- Currently scheduled for 2012 where climate change finance could be an issue on the agenda.

- **Other business**

- Linked to OECD's work on a Green Growth Strategy, the DAC is working to identify the specific relevance of the green growth pathway to developing countries. A workshop on Green Growth and Development will take place on 28 June at the OECD Headquarters. Participants from developing countries are invited to share their views on this topic.