

**Development Co-operation Directorate
Development Assistance Committee**

DAC Working Party on Development Finance Statistics

**REVIEW OF THE DEFINITION AND ELIGIBILITY CRITERIA OF THE RIO
MARKER FOR DESERTIFICATION**

This note presents a proposal for revised instructions for reporting desertification-related development finance, using the Rio marker for desertification.

The proposal was developed in consultation with the informal “Rio Marker Expert Group”, constituted by experts from the WP-STAT and ENVIRONET.

The definition and eligibility criteria of the Rio Marker for desertification were reviewed and the group concluded that no change was needed for the definition of the marker, but agreed on selected amendments to the eligibility criteria. The proposal is presented at forthcoming ENVIRONET and WP-STAT meetings:

For COMMENT at the ENVIRONET 15 May 2018 meeting;

For DISCUSSION and APPROVAL at the WP-STAT 13-15 June 2018 meeting.

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1. Review of the definition and eligibility criteria for the Desertification Rio Marker

1.1. Background

1. This note presents a proposal for revised instructions for reporting for desertification-related development finance, using the Rio marker for desertification. The proposal was developed in consultation with the informal “Rio Marker Expert Group” (RMXG) constituted by experts from the WP-STAT and ENVIRONET.
2. The mandate for this work dates back to 2013 when a joint ENVIRONET and WP-STAT Task Team on Rio Marker, Environment and Development Finance Statistics was established with the goal of ensuring that “DAC methodologies and data remain the reference for the international community in measuring Official Development Assistance (ODA) and non-export credit Other Official Flows (OOF) related to climate change, biodiversity, desertification and other environmental concerns”¹. In response to work by the task team, the 2016 Converged Statistical Reporting Directives for the Creditor Reporting System² included a revised definition of climate change adaptation, and an indicative table to guide Rio marking on climate change adaptation and mitigation³.
3. A similar process has been carried out through the RMXG in 2016-2018 to review the Rio markers for biodiversity and desertification, and to develop an indicative table for biodiversity.
4. The objectives of this process is twofold:
 - To facilitate and improve the quality members reporting of desertification-related development finance, by providing more specific and concrete guidance. This reduces the room for interpretation, and ultimately provides greater harmonisation of reporting practices across DAC members.
 - To maintain the definition and eligibility criteria closely aligned to The United Nations Convention to Combat Desertification (UNCCD) and related decisions by the Conference of the Parties (COP).
5. Through a series of conference calls and one informal in-person meeting, no consensus among members of the RMXG could be reached on amending the definition of the Rio marker for desertification, but there was agreement to make some adjustments to the eligibility criteria.

¹ [DCD\(2013\)8/REV2](#)

² [DCD/DAC\(2016\)3/FINAL](#)

³ [DCD/DAC\(2016\)3/ADD2/FINAL](#)

6. Members are invited to review the proposals in paragraphs 7 and 8 at forthcoming ENVIRONET and WP-STAT meetings. Specifically, they are invited to consider the proposals:

- For COMMENT at the ENVIRONET 15 May 2018 meeting;
- For DISCUSSION and APPROVAL at the WP-STAT 13-15 June 2018 meeting

1.2. Proposed adjustments to the definition of the Desertification Rio Marker

7. After a careful analysis of recent COP decisions, noting that the Convention itself has not changed, and in the absence of consensus among members on adjustments needed to the definition, it is proposed that for the time being the definition remains as it is. However, should circumstances under the Convention change, the Rio marker definition can be re-examined. The current wording of the definition is as follows⁴:

“It aims at combating desertification or mitigating the effects of drought in arid, semi-arid and dry sub-humid areas through prevention and/or reduction of land degradation, rehabilitation of partly degraded land, or reclamation of desertified land.”

1.3. Proposed adjustments to the eligibility criteria of the Desertification Rio Marker

8. The current eligibility criteria are as follow:

The activity contributes to

- a) protecting or enhancing dryland ecosystems or remedying existing environmental damage; **or***
- b) integration of desertification concerns with recipient countries’ development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; **or***
- c) developing countries’ efforts to meet their obligations under the Convention.*

*The activity will score “**principal objective**” if it directly and explicitly relates to one or more of the above criteria, including in the context of the realisation of national, sub-regional or regional action programmes.*

9. Members agreed that the eligibility criteria could be adjusted to better reflect recent decisions by the Conference of the Parties (COP) to the UNCCD. The proposed new eligibility criteria are as follow:

“The activity contributes to:

⁴ [DCD/DAC\(2016\)3/ADD2/FINAL](#)

a) protection or enhancement of affected ecosystems through the rehabilitation, conservation and sustainable management of land and water resources or the restoration of existing environmental damage; or

b) integration of desertification, land degradation and drought concerns with recipient countries' development objectives through measures such as institution building, capacity development, strengthening the regulatory and policy framework, or research; or

c) developing countries' efforts to meet their obligations under the Convention and voluntary targets when striving to achieve land degradation neutrality at national and subnational level.

The activity will score "principal objective" if it directly and explicitly relates to one or more of the above criteria, including in the context of the realisation of sub-national, national, sub-regional or regional action programmes".