An Roinn Gnóthaí Eachtracha
Department of Foreign Affairs

Ireland's Climate and Environmental Finance Report

2020

Contents

Glossary

ADB	Asian Development Bank
AF	Adaptation Fund
AIIB	Asian Infrastructure and Investment Bank
BSU	Business Support Unit
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CGIAR	Consultative Group for International Agriculture Research
CRS	Creditor Reporting System
CSU	Civil Society Unit
CSO	Civil Society Organisation
DECC	Department of Environment, Climate and Communications
DAFM	Department of Agriculture, Food and the Marine
DFA	Department of Foreign Affairs
DFIN	Department of Finance
EIB	European Investment Bank
EU	European Union
FAO	Food and Agriculture Organisation
GEMS	Global Environment Monitoring Systems
GCF	Green Climate Fund
GEF	Global Environment Facility
IIED	International Institute for Environment and Development
IPCC	Intergovernmental Panel on Climate Change
LDCF	Least Developed Countries Fund
LEG	Least Developed Countries Expert Group
NGO	Nongovernmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
SPREP	Secretariat for the Pacific Regional Environment Programme
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change
WB-IDA	World Bank International Development Association

Executive Summary

International climate action, including climate finance, is a key priority for the Irish Government. The Programme for Government (2020) sets out a commitment to double the proportion of Official Development Assistance that is climate finance by 2030. At COP26 in November 2021, Taoiseach Micheál Martin committed Ireland to the provision of €225 million per year of climate finance to developing countries by 2025. This report sets out in detail Ireland's climate finance expenditure in 2020 for the information of all interested stakeholders.

There are three overarching international conventions that seek to address climate change and protect the environment, including the United Nations Framework Convention on Climate Change (UNFCCC), the primary multilateral forum for addressing climate change. One of the key elements to the work of the UNFCCC is the provision and mobilisation of financial resources (herein referred to as climate finance) for supporting climate action in developing countries. In line with this requirement, Ireland has committed to provide climate finance to support enhanced action on climate change mitigation, adaptation, technology development and capacity-building.

The two other Rio Conventions aim to protect biodiversity (the Convention on Biological Diversity) and tackle desertification (the Convention to Combat Desertification). In response to the objectives of these Conventions, Ireland also provides international support for the protection of the environment.

This report provides an overview of Ireland's international financial support in 2020 to the objectives of the Rio Conventions on climate change, biodiversity and desertification.

At the outset, it is important to note that there has been a change in methodology for counting and reporting Ireland's international climate finance that has taken effect since the publication of this report for 2019. In line with the *EU Regulation on the Governance of the Energy Union and Climate Action*[1] which came into force in 2020, the new methodology represents an adjustment from 50% to 40% coefficient for any funding that has been Rio marked as 'Significant'. This is outlined further in section 1.4.

Ireland's climate finance in 2019 was €93.6 million. According to the previous methodology, Ireland's total climate finance would be €91.8 million in 2020, representing a 2% decrease in climate finance from 2019. In applying the new methodology and as further detailed below, Ireland's climate finance is approximately €88.3 million, representing a decrease by approximately 5.7% in climate finance as compared to 2019.

The decrease can also be explained by the impact of COVID-19 in 2020 on programming and the delivery of planned activities. The change in methodology had the largest impact on DFA climate finance spend due to the nature of Rio marking across bilateral and NGO programming.

The 2020 figure sets itself apart from the overall trend in Ireland's climate finance, which has steadily increased from 2016 to 2019.

The overall climate finance provided by Ireland in 2020 was €88,341,096 (€88.3 million). This figure represents financing provided by the Department of Foreign Affairs (DFA), the Department of the Environment, Climate and Communications (DECC)[2], the Department of Finance (DFIN), and the Department of Agriculture, Food and the Marine (DAFM).

1 EUR-Lex - 32018R1999 - EN - EUR-Lex (europa.eu)

2 Department of Environment, Climate and Communications was renamed in September 2020. Before then, it was the Department of Communications, Climate Action and Environment (DCCAE).

Climate finance represented 10.18% of Ireland's Official Development Assistance (ODA) in 2020 across all channels. Similarly, approximately 10.4% of ODA delivered through bilateral and CSO channels specifically in 2020 was climate finance.

The respective departments provide funding through various channels: bilateral programming, support to Irish CSOs and NGOs that are operating in developing countries, international climate change funds, multilateral financial institutions and other specialised UN bodies. DFA provided approximately 72% (€63.6 million) of total climate finance in 2020, while DECC and DFIN provided 8% (€6.8 million) and 17% (€15.4 million) respectively. DAFM provided approximately 3% of the total climate finance (€2.4 million).

Climate finance provided through multilateral channels (multilateral development banks and UN agencies and programmes) increased by over 40% from €28.4 million in 2019 to €40.1 million in 2020.

Cross-cutting activities – those which target both climate change adaptation and mitigation – received approximately 53% of overall financial support. 45% of Ireland's total climate finance was channelled to programmes and projects that targeted resilience and adaptation to climate change (only). This brings Ireland's total share of finance for adaptation, including cross cutting activities, to 98% of total climate finance.

Activities focussed solely on mitigation received the least amount of support – approximately 2%.

Ireland focuses most of its international development cooperation and climate action in Least Developed Countries (LDCs). The majority of Ireland's bilateral climate financing (approximately 92%) was channelled to LDCs, while over 85% of climate related support through Irish CSOs went to LDCs in Africa, Asia and the Americas. LDC focused funds such as the Least Developed Countries Fund and the International Development Association of the World Bank received €2 million and €8.87 million respectively.

Going forward, as noted above, the 2020 Programme for Government has committed to "at a minimum, double the percentage of ODA that counts as climate finance" and to develop a strategy to reach this commitment. At COP26 in Glasgow, the Taoiseach announced a commitment to go even further and more than double our existing climate finance to €225 million per year by 2025. These commitments represent Ireland's determination to build on existing efforts outlined in Ireland's international development policy *A Better World* (2019).

DFA, in collaboration with the DFIN, DECC, DAFM and other Government Departments, is leading on the development of a Strategic Roadmap to set out the delivery of the climate finance commitments made in the Programme for Government and by the Taoiseach at COP26 in 2021.

Channel	DFA	DECC	DFIN	DAFM	Total
Bilateral	€25,467,568	€0	€0	€0	**€25,467,568**
CSO	€17,739,063	€0	€0	€0	**€17,739,063**
Multilateral (Funds)	€2,000,000	€5,486,900	€0	€0	**€7,486,900**
Multilateral (MDBs/IFIs)	€1,092,000	€0	€15,482,227	€0	**€17,594,227**
UN Bodies	€12,957,000	€1,301,041	€0	€1,796,495	**€15,034,535**
Other Channels	€4,390,431	€0	€0	€628,371	**€5,018,802**
Total	**€63,646,062**	**€6,787,941**	**€15,482,227**	**€2,424,866**	**€ 88,341,096**

Introduction

1

1.1 Overview

Each year, as required by the United Nations Rio Conventions, the Department of Foreign Affairs (DFA) produces an annual climate and environmental finance report which illustrates quantitatively and qualitatively the levels, sources and channels of Ireland's international climate and environmental finance. The report aims to provide a granular overview of finance provided, including a breakdown by source; by purpose (eg. adaptation, mitigation, cross-cutting); and by channels of support (eg. Civil Society Organisations, multilateral funds and institutions).

The data collection for this year's report was led by the Climate Unit in DFA Headquarters, with input from the Department of Environment, Climate and Communications, the Department of Finance and the Department of Agriculture, Food and the Marine.

1.2
Climate Finance Reporting

The United Nations Rio Conventions – UN Framework Convention on Climate Change (UNFCCC), UN Convention on Biological Diversity and the UN Convention to Combat Desertification – require donor countries such as Ireland to report on an annual basis the financial support that is provided to developing nations for the purpose of achieving the objectives of the Rio Conventions.

Reporting against these conventions is an important measure to demonstrate Ireland's policy commitment to international objectives that seek to address climate change, protect biodiversity and combat desertification. In particular, providing and reporting financial support for climate action illustrates Ireland's commitment to the Paris Agreement on climate change, an international agreement which commits Parties under the UNFCCC to take action on climate change. The Paris Agreement requests that developed countries provide USD$100 billion per year in climate finance up to 2025, to support developing countries to mitigate and adapt to climate change.

In addition to reporting required under the Rio Conventions, as a member of the Organisation for Economic Co-operation and Development (OECD), Ireland is requested to produce annual ODA reports that disclose the development finance that it provides to target the objectives of the Rio Conventions on climate change (mitigation and adaptation), biodiversity, and desertification. The OECD is an intergovernmental organisation made up of 38 member countries, which aims to improve the economic and social well-being of people in non-member countries. The OECD Development Assistance Committee[3] (DAC) is a body within the OECD that establishes definitions and methods for monitoring, assessing and reporting resources contributing to development cooperation, including for achieving Agenda 2030 and the Sustainable Development Goals. The DAC has agreed definitions for reporting environmental expenditures. These definitions are commonly known as the Rio markers.

3 http://www.oecd.org/dac/thedevelopmentassistancecommitteesmandate.htm

1.3
Rio Markers

Rio markers were developed by the OECD to enable consistent measuring and monitoring of climate and environment finance provided by donor countries and multilateral institutions to developing countries. Donors are provided with broad-based definitions and guidance on the application of the Rio markers both through development cooperation and in addition to development cooperation activities. The definitions as applied by Ireland are provided in Table 1.

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 flows from 2010 onwards. Rio markers should be applied to all bilateral ODA and non-export credit other official flows (OOF) excluding general budget support, imputed student costs, debt relief except debt swaps, administrative costs, development awareness and refugees in donor countries.

Activities are marked as ‘Principal’, ‘Significant’, or ‘not relevant’ for each Rio marker, which then corresponds to the percentage of budget attributed to climate finance.

Table 2 provides definitions for each of these Rio marker scores.

Table 1 – Rio marker definitions

Rio Marker	Definition
Mitigation	The activity contributes to the objective of stabilisation of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions or to enhance GHG sequestration.
Adaptation	The activity intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience. This encompasses a range of activities from information and knowledge generation, to capacity development, planning and the implementation of climate change adaptation actions.
Biodiversity	The activity promotes at least one of the three objectives of the Convention: the conservation of bio-diversity, sustainable use of its components (ecosystems, species or genetic resources), or fair and equitable sharing of the benefits of the utilisation of genetic resources.
Desertification	The activity aims at combating desertification or mitigating the effects of drought in arid, semi-arid and dry sub-humid areas through prevention and/or reduction of land degradation, rehabilitation of partly degraded land, or reclamation of desertified land.

Table 2 – Scoring definitions for Rio markers

Rio Marker Score	Definition
Principal	The parameter (e.g. mitigation, adaptation, biodiversity or desertification) is *fundamental* to the design of the intervention and is an explicit objective of the project / programme.
Significant	The parameter (e.g. mitigation, adaptation, biodiversity or desertification) is *important* to the intervention, but *not one of the principal reasons* for undertaking the project / programme.
Not Targeted	The parameter (e.g. mitigation, adaptation, biodiversity or desertification) is not relevant to the intervention or the parameter is relevant but the project / programme has a primarily negative impact.

1.4
Changes to Reporting Climate Finance under the EU Governance Regulation

As of 2020, the *EU Regulation on the Governance of the Energy Union and Climate Action*[4] came into force for all EU Member States, representing a change in how Member States are required to account for and report climate finance. EU Member States are still required to apply Rio markers as agreed at the OECD and in line with reporting to the Rio Conventions. The Regulation aims to streamline climate finance accounting and to provide more comparative and transparent information across the European Commission and all EU Member States.

The Regulation states that: *By 30 September 2021 and every year thereafter, Member States shall report to the Commission information on support to developing countries, including the information specified in Part 2 of Annex VIII and in accordance with the relevant reporting requirements agreed upon under the UNFCCC and the Paris Agreement.*

Part 2 of the Annex mentioned in the Regulation highlights that EU Member States are required to apply a coefficient of 40% for funding provided for which a climate policy marker of 'Significant' has been assigned.

Up to 2020, Ireland applied a 50% coefficient to climate finance marked as 'Significant'. The adjustment from 50% to 40% means that bilateral and CSO funding marked as 'Significant' is lower than previous years. This is because a smaller amount of the total funding reported is counted towards climate action.

According to the old methodology, Ireland's total climate finance would be €91.8 million in 2020, representing a 2% decrease in climate finance from 2019. In applying the new methodology, Ireland's climate finance is €88.3 million, representing a decrease of approximately 5.7% in climate finance as compared to 2019.

4 EUR-Lex - 32018R1999 - EN - EUR-Lex (europa.eu)

1.5
Overall Climate Finance for 2020

The overall climate finance sum provided by Ireland in 2020 was €88,341,096 (€88.3 million). This figure represents financing provided by the Department of Foreign Affairs, the Department of the Environment, Climate and Communications, the Department of Finance, and the Department of Agriculture, Food and the Marine.

The respective departments provide funding through various channels: bilateral programming, support to Irish CSOs and NGOs that are operating in developing countries, international climate change funds, multilateral financial institutions and other specialised UN bodies.

Climate finance represented 10.18% of Ireland's Overseas Development Assistance in 2020 across all channels. Similarly, approximately 10.36% of ODA delivered through bilateral and CSO channels specifically in 2020 was climate finance.

DFA provided approximately 72% (€63.6 million) of total climate finance in 2020, while DECC and DFIN provided 8% (€6.8 million) and 17% (€15.4 million) respectively. DAFM provided approximately 3% of the total climate finance (€2.4 million).

The 2020 figure represents a decrease by approximately 5.7% in climate finance as compared to 2019, setting itself apart from the overall trend in Ireland's climate finance which has steadily increased from 2016 to 2019.

The decrease can be explained by two factors: the impact of COVID-19 in 2020 on programming and expenditure; and the introduction across the EU of the new accounting methodology outlined in Section 1.4. The change in methodology had the largest impact on DFA climate finance spend due the nature of Rio marking across bilateral and NGO programming.

Table 3 – Overall climate finance provided by Ireland's government departments

Channel	DFA	DECC	DFIN	DAFM	Total
Bilateral	€25,467,568	€0	€0	€0	**€25,467,568**
CSO	€17,739,063	€0	€0	€0	**€17,739,063**
Multilateral (Funds)	€2,000,000	€5,486,900	€0	€0	**€7,486,900**
Multilateral (MDBs/IFIs)	€1,092,000	€0	€15,482,227	€0	**€17,594,227**
UN Bodies	€12,957,000	€1,301,041	€0	€1,796,495	**€15,034,535**
Other Channels	€4,390,431	€0	€0	€628,371	**€5,018,802**
Total	**€63,646,062**	**€6,787,941**	**€15,482,227**	**€2,424,866**	**€ 88,341,096**

Breakdown of Channels of Support

Bilateral climate finance in 2020 was €25.5 million.

Some of Ireland's Missions experienced a drop in climate finance support; for example climate finance to Ethiopia decreased by over €2 million in 2020 compared to 2019, partly due to the conclusion of a number of projects in the Tigray region. In addition, the increase in some Missions can be more accurately attributed to a strengthening of mainstreaming and integration of climate action into Mission programming, leading to an application of Rio marker 1 to many of the Mission programmes. Bilateral climate finance to Mozambique, for example, increased significantly from just over €600,000 in 2019, to €1.59 million in 2020.

CSO climate finance in 2020 was €17.7 million, marking a decrease from €19.9 million in 2019. The decrease in CSO climate finance can partially be attributed to the change in reporting requirements as outlined in the EU Governance Regulation and to the impact of COVID-19 on in-country programmes and projects.

Multilateral climate finance – funding to multilateral climate funds, international financial institutions and UN bodies increased by over 40% from €28.4 million to €40.1 million from 2019 to 2020. Funding includes support to multilateral development banks such as the African Development Bank and to UN Agencies such the Food and Agriculture Organisation (FAO).

Other channels of support (€4.5 million in 2020) include the Africa Agri-Food Development Programme (AADP) and the Least Developed Countries Initiative for Effective Adaptation and Resilience (LIFE-AR). These partnerships contribute to objectives such as knowledge, capacity-building, private-sector innovation and climate resilient programming in developing countries.

Breakdown of Ireland's 2020 international climate finance – Mitigation, Adaptation, Cross-cutting

Almost half of Ireland's expenditure on climate finance internationally went towards adaptation only measures and activities (approximately 45%). Cross-cutting activities received the biggest share of financing (approximately 53%), while a very small amount of climate finance (approximately 2%) went to mitigation focused projects. The significant share of funding to adaptation is reflective of the on-going effort to better integrate climate resilience into development programmes, particularly bilateral programming.

The share of funding going to cross-cutting activities has increased over the years 2016 to 2020. The increase can be largely attributed to the growth in Ireland's contributions to multilateral institutions and funds for which Ireland reports in-flows of funding to those institutions. As a point of policy, most multilateral funds and institutions mark their climate finance programming as cross-cutting as these actors seek to target both mitigation and adaptation in their respective programming. Mitigation activities were documented in bilateral and NGO programming, mainly supporting initiatives such as the development of low-carbon energy projects, green skills, fuel efficiency and access to low-carbon energy.

Table 4 – Breakdown of channels of support and focus of funding

Channel of Funding	Mitigation	Adaptation	Cross-cutting
Bilateral	€168,650	€20,834,634	€4,464,285
CSO	€517,335	€13,323,119	€3,898,608
Multilateral – Funds	€0	€2,300,000	€5,186,900
Multilateral – MDBs & IFIs	€0	€0	€16,574,227
UN & Other Bodies	€824,314	€912,000	€14,318,222
Other Channels	€628,371	€2,040,000	€2,350,431
Total	**€ 2,138,671**	**€39,409,753**	**€46,792,672**

Bilateral Programming

2

2.1
Bilateral Methodology

Bilateral climate finance refers to the climate finance administered in-country by Irish Embassies. In the preparation of Ireland's 2020 bilateral climate finance overview, DFA utilised the validated Creditor Reporting System (CRS) dataset to derive the analyses required by the report. The CRS database provides a set of basic data that enables analysis on where aid goes, what purposes it serves and what policies it aims to implement. Data are collected on individual projects and programmes. Focus is on financial data but some descriptive information is also made available. Information in relation to Ireland's Overseas Development Assistance is stored and publicly available via the OECD CRS site.[5] Initially, DFA's Business Support Unit (BSU) prepared the DAC reporting templates that support the creation of the CRS dataset, using information and financial expenditure noted in the DFA internal financial system for 2020.

The Climate Unit in DFA Headquarters prepared the reporting template using information and financial expenditure noted in DFA's database of ODA expenditure for 2020. The template also includes definitions and guidance on Rio markers, and their application for international development spending.

Through key-term analysis of the short descriptions and justifications provided, probability analysis was conducted of how likely a particular score of 0 (Not Targeted), 1 (Significant) or 2 (Principal) was to occur against a particular OECD DAC Purpose Code and whether any prescriptive DAC rules were broken. Scores were validated and any issues flagged were addressed in consultation with Missions.

Once the templates were finalised, climate finance was calculated for each project and classified as either: adaptation, mitigation or cross-cutting spend to avoid double counting. An overall climate finance figure was then calculated for each country in DFA's bilateral programme.

In addition to the calculation of climate finance, the same template requests Missions to indicate the extent to which programme funding supported activities that help to protect the environment. In particular, the Rio markers for biodiversity and desertification are included in the template for Mission focal points to fill in where relevant.

5 Creditor Reporting System (CRS) (oecd.org)

2.2
Bilateral Climate Finance

The total amount of bilateral climate finance provided by DFA in 2020 was just under €25.5 million. The 2020 figure represents a 27% decrease on 2019, which can mainly be attributed to the revised methodology for programming and projects that were marked Significant. Irish Aid Missions are continuing to work on strengthening the integration of climate adaptation into broader development programming.

In 2020, the majority of bilateral climate spending went to climate change adaptation and cross-cutting activities. Out of the total climate finance spent bilaterally, approximately 81.8% was spent on adaptation only related activities and projects while around 17.5% was spent on cross-cutting support. Solely mitigation spending accounted for approximately 0.7% of the overall expenditure through bilateral programming. Adaptation therefore remains a predominant focus across Ireland's bilateral programmes and projects.

As Table 5 indicates, Ethiopia and Malawi reported the largest spend on climate related programming. This is down to the size of climate relevant programmes running in those respective countries. Efforts continue to be stepped up to bring about climate action co-benefits in programming, including capacity-building, vulnerability and risk assessments, and understanding the climate change implications for social inclusion, agriculture, health and gender equality programmes.

Table 5 – Overview of bilateral climate finance by country and by focus

Mission	Mitigation	Adaptation	Cross-Cutting	Total
Ethiopia	€0	€10,009,589	€24,000	**€10,033,589**
Malawi	€850	€6,582,006	€520,000	**€7,102,856**
Kenya	€0	€174,063	€0	**€174,063**
Mozambique	€0	€1,428,200	€162,000	**€1,590,200**
Tanzania	€160,000	€300,000	€300,000	**€760,000**
Uganda	€0	€16,400	€0	**€16,400**
Zambia	€0	€320,000	€0	**€320,000**
Sierra Leone	€2,449	€163,995	€393,607	**€560,051**
Vietnam and Laos	€0	€1,600,380	€164,000	**€1,764,381**
Palestinian Admin Areas	€0	€0	€1,530,000	**€1,530,000**
South Africa	€0	€40,000	€80,000	**€120,000**
SIDS	€0	€200,000	€100,391	**€300,391**
In-Country Micro Projects	€5,351	€0	€2,800	**€8,151**
Fellowships	€0	€0	€1,187,487	**€1,187,486**
Total	**€168,650**	**€20,834,633**	**€4,464,285**	**€25,467,568**

2.3
Bilateral Environmental Finance

In collecting the overall programme spend for 2020, Climate Unit staff also extracted and assessed Rio markers for activities that have contributed to the protection of the environment. In particular, the Rio markers for biodiversity and desertification are included in the template in line with the relevant Rio Conventions.

It is important to note that the financial support targeting the environmental Rio markers (biodiversity and desertification) does not signal additional financing to that of the overall climate finance figure. Some of the reported spend signifies programmes and projects that are targeting all of the Rio Conventions: climate action, biodiversity and desertification. Therefore, the figures for the different thematic areas cannot be combined to get one overall climate and environmental finance figure – doing this would lead to the double counting of some of our expenditure.

Table 6 – Support to Biodiversity (UN-CBD) and Desertification (UN-CCD)

Mission	Biodiversity	Desertification
Ethiopia	€4,137,572	€4,113,600
Malawi	€1,391,812	€1,405,093
Mozambique	€1,193,000	€473,000
Uganda	€16,400	€0
Sierra Leone	€979,317	€279,969
Vietnam & Laos	€120,000	€0
Palestinian AA	€600,000	€0
SIDS	€250,974	€0
In-Country Micro Projects	€27,827.67	€0
Fellowships	€1,187,487	€1,187,487
Total – All	**€9,904,390**	**€7,459,149**

Civil Society Organisation Programming

3

3.1 CSO Methodology

In the preparation of Ireland’s 2020 CSO climate finance overview, DFA utilised the validated CRS dataset to derive the analyses required for the report. The CRS database provides a set of basic data that enables analysis on where aid goes, what purposes it serves and what policies it aims to implement. Data are collected on individual projects and programmes. Focus is on financial data but some descriptive information is also made available. Information in relation to Ireland’s Official Development Assistance is stored and publicly available via the OECD CRS site.[6]

Similar to the approach to Bilateral Programmes, the BSU prepared the DAC reporting templates that support the creation of the CRS dataset, using information and financial expenditure noted in the internal financial system for 2020.

In reporting on programme activities for 2020, CSOs were requested to assess their projects and activities and score them against the OECD DAC Rio markers. The information returned to DFA outlines both financial marking and narrative reporting to describe programme activities, including the projects that supported climate and environmental action.

Once the templates were finalised, climate finance was calculated for each project and classified as either: adaptation, mitigation or cross-cutting spend to avoid double counting.

In addition to the calculation of climate finance, the same template requested CSO focal points to indicate the extent to which programme funding supported activities that help to protect the environment. In particular, the Rio markers for biodiversity and desertification are included in the template for Mission focal points to fill in where relevant.

6 Creditor Reporting System (CRS) (oecd.org)

3.2
CSO Climate Finance

In 2020, DFA funded CSOs reported a total of €17.7 million in climate relevant expenditure through their respective programming and projects. The support was channelled through two grant mechanisms within the Department: Programme Grant which focuses on development projects; and Humanitarian Programming which focuses on supporting humanitarian response measures, including those related to extreme weather events and building longer term resilience against weather related disasters.

€13.3 million (75%) of total funding was channelled to projects that contributed to climate change adaptation. Cross-cutting financing (projects that were both mitigation and adaptation relevant) stood at €3.9 million (22%), while mitigation focused financing was very low at €517,335 (3%).

In comparison with 2019, there is a decrease in overall financing, from €19.9 million to €17.7 million. However, adaptation funding increased as a share of the total CSO funding reported: in 2019, it represented 60% of total funding, whereas in 2020, it represented 75% of total funding. Funding to cross-cutting activities as a share of the total funding reported decreased from 40% to 22% of overall funding.

Mitigation-only support via Irish CSOs continues to be relatively low, representing less than 5% of the overall funding reported.

As was the case in previous years, the highest amount of CSO climate finance from DFA was spent by Concern – in 2020, it channelled almost €8 million to adaptation and cross-cutting programmes and projects. Concern is followed by Trócaire, GOAL and Self Help Africa, with the bulk of their support going to adaptation and cross-cutting projects.

Table 7 outlines a full breakdown of NGO funding and the thematic focus of the funding.

Table 7 – Breakdown by NGO and Rio marked support

CSO	Mitigation	Adaptation	Cross-Cutting	Total Climate Finance
Action Aid	€54,040	€0	€188,959	**€243,000**
Concern	€0	€4,882,812	€3,091,745	**€7,974,557**
Goal	€0	€1,541,544	€0	**€1,541,544**
Misean Cara	€4,205	€593,255	€0	**€597,460**
Oxfam	€0	€376,784	€0	**€376,784**
Self Help Africa	€0	€1,779,897	€0	**€1,779,897**
Trócaire	€390,089	€3,846,034	€617,904	**€4,854,026**
Vita	€69,000	€145,973	€0	**€214,973**
World Vision	€0	€50,060	€0	**€50,060**
War on Want	€0	€46,760	€0	**€46,760**
ODI	€0	€60,000	€0	**€60,000**
Total	**€517,335**	**€13,323,119**	**€3,898,608**	**€17,739,061**

Beneficiary Countries

Beneficiary countries of CSO funding and operations are mainly located on the African continent.

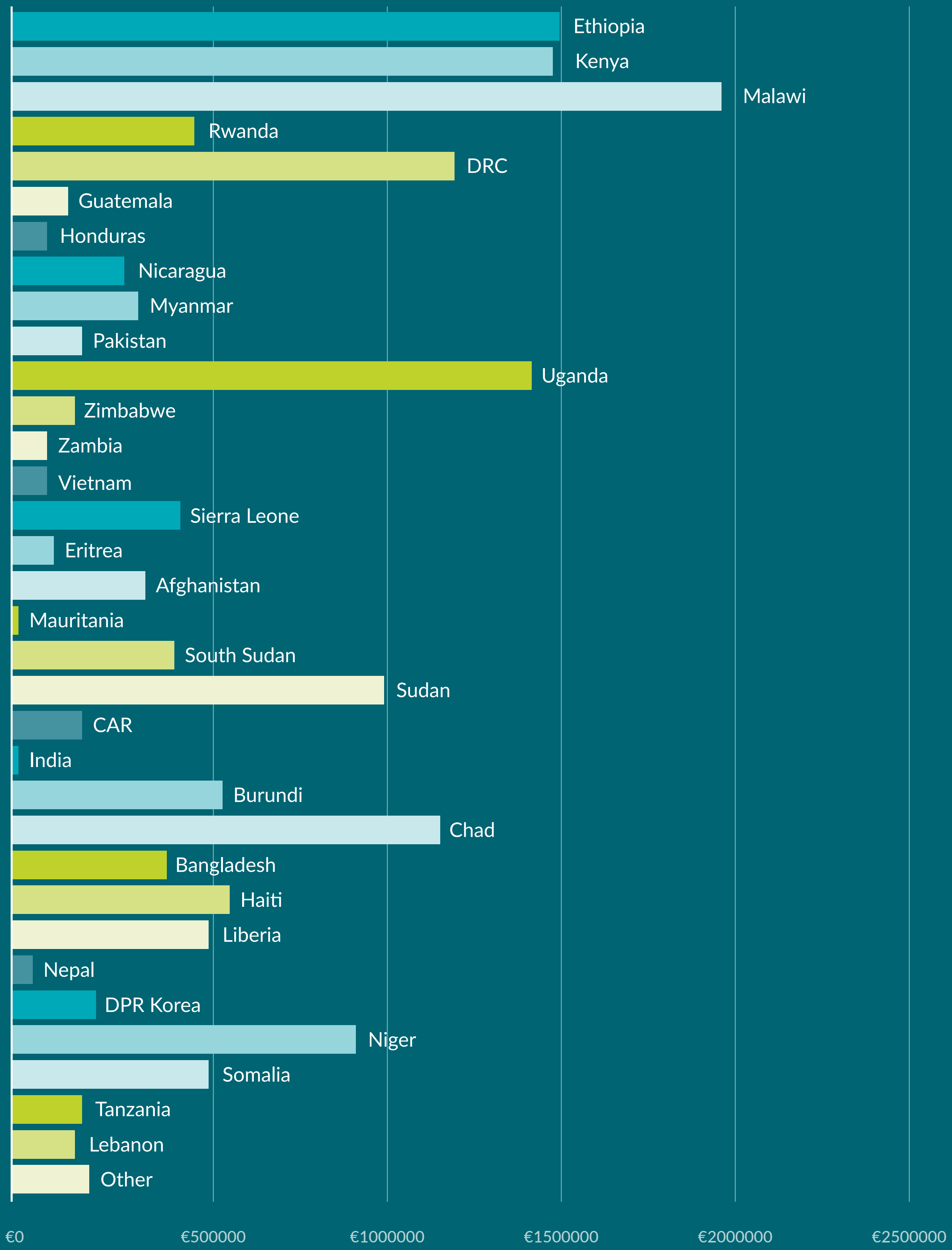
The majority of climate related funding through Irish CSOs went to Malawi, Ethiopia, Kenya, Chad, the Democratic Republic of the Congo and Uganda.

Most of the funding reported by NGOs was reported as targeting adaptation primarily, while cross-cutting funding followed. As with Ireland's bilateral programming, the focus on cross-cutting is reflective of the on-going effort to better mainstream climate resilience and adaptation efforts – that is to assist areas already impacted by climate change – with the integration of climate mitigation activity, to reduce the risk of further negative impacts. Much of these activities take place in countries that are highly vulnerable to climate change impacts, both geographically and socio-politically.

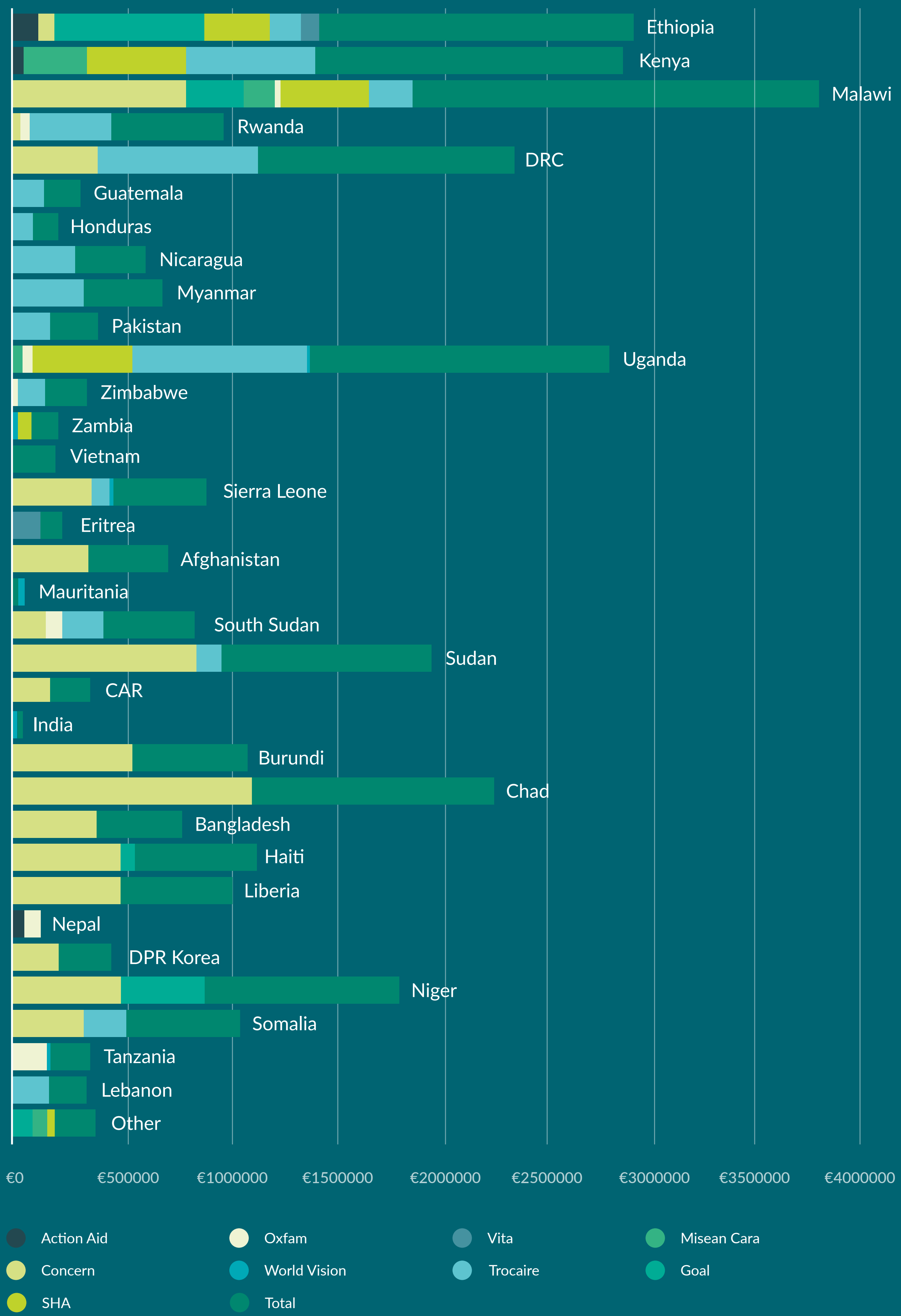
Their geographical location places many countries at adverse risk of weather-related events such as multi-year drought, cyclones, hurricanes and floods. The institutional and governance systems of many countries struggle to withstand and protect their people against the weather-related events and their multiple impacts. As such, resilience-building of local and national systems, community engagement, and sectoral based adaptation are key focus areas of CSO efforts in partner countries.

Graphs 1 and 2 outline the level of funding to the various beneficiary countries and the breakdown of funding from Irish NGOs to the different countries.

Graph 1 – Country support from Irish CSOs – breakdown by level of funding to countries



Graph 2 – Country support from Irish CSOs – breakdown by NGO and country



3.3
CSO Environmental Finance

In collecting the overall programme spend for 2020, CSOs also provided Rio markers for activities that have contributed to the protection of the environment. In particular, the Rio markers for biodiversity and desertification are included in the template for CSO staff to fill in where relevant.

Through the support from DFA, Irish CSOs working in developing countries channelled €5 million to biodiversity protection and €5.5 million to tackling desertification.

Table 8 – Breakdown of support by CSO to Biodiversity (UN-CBD) and Desertification (UN-CCD)

CSO	Biodiversity	Desertification
Action Aid	€210,575	€150,287
Concern	€1,359,809	€1,972,816
Goal	€0	€317,860
Oxfam	€76,839	€0
Self Help Africa	€711,775	€1,220,811
Trocaire	€2,633,901	€1,825,667
Vita	€0	€10,800
World Vision	€51,170	€0
Misean Cara	€23,351	€0
Total	**€5,076,518**	**€5,498,241**

It should be noted that the financial support targeting the environmental Rio markers (biodiversity and desertification) does not signal additional financing to that of the overall climate finance figure. Some of the reported spend signifies programmes and projects that are also targeting biodiversity, desertification and Disaster Risk Reduction. Therefore, the figures for the different thematic areas cannot be summed to get one overall climate and environment finance figure – doing this would lead to the double counting of some of our expenditure.

Multilateral Programming

4

4.1
Multilateral Methodology

The OECD has developed a set of shares[7] (through percentages) that donor countries can apply to the funding that they provide to a number of major international organisations and funds. For 2020 reporting, methodology agreed and approved by the OECD was used to calculate how much of Ireland's multilateral contributions to international organisations and institutions can be counted as climate finance. This approach follows a similar exercise as previous years' reports.

Table 9 summarises the different shares used to calculate multilateral climate finance contributions from Ireland in 2020. For example, the African Development Bank (AfDB) reports a 28% climate relevant share of its portfolio to the OECD. As Ireland contributed €5 million to the AfDB, €1.4 million is counted as climate relevant programming.

The overview includes disbursements to multilateral climate change funds, multilateral financial institutions, and specialised UN funds and agencies, including those which work specifically on climate change and environmental protection. Other climate relevant expenditure is also included, for example research and programme partnerships funded by the Department of Foreign Affairs, the Department of Environment, Climate and Communications, the Department of Finance and the Department of Agriculture, Food and the Marine. As per the OECD guidance, payments to the Montreal Protocol, UNFCCC and IPCC were included in the multilateral climate finance total in 2020, following on from previous years since 2017.

4.2
Multilateral Climate Finance

In 2020, the total amount of climate finance provided by Ireland through multilateral funding was €40.1 million. This represents an increase in multilateral climate financing of approximately 40% in comparison to 2019, which reported €28.1 million.

As a point of policy, most multilateral funds and institutions mark their climate finance programming as cross-cutting as these actors seek to target both mitigation and adaptation in their respective programming. As a result of this approach, the majority – over €36 million – of multilateral programming support was channelled to cross-cutting efforts (both adaptation and mitigation).

€3.2 million of multilateral funding targeted adaptation specifically; this funding was provided through the Adaptation Fund, the Food and Agriculture Organisation (FAO), the Least Developed Countries Fund and through support to the Least Developed Countries Expert Group. €824,314 of multilateral climate finance targeted mitigation specifically, with much of the funding focused on the work of the UN Environment Programme.

7 These shares are referred to as 'Preliminary status of MDBs and other International Organisations' reporting to the OECD-DAC

Table 9 – International organisations, financial institutions and funds subject to climate relevant shares provided by the OECD

International Organisation/Fund	Total Finance Provided by Ireland	Climate-related Share Allocated	Climate Relevant Finance
Adaptation Fund	€300,000	100%	€300,000
Africa Development Bank	€5,006,013	28%	€1,401,684
Africa Development Fund	€8,127,940	33%	€2,682,220
Asian Development Bank (non-concessional)	€1,245,139	28%	€348,639
Asian Development Bank (concessional)	€4,364,000	16%	€698,240
European Investment Bank[8]	€2,730,000	40%	€1,092,000
Food and Agriculture Organisation – Core support	€1,643,839	65%	€1,068,495
Global Environment Facility	€1,430,000	83%	€1,186,900
Green Climate Fund	€4,000,000	100%	€4,000,000
International Bank for Reconstruction & Development	€4,319,965	34%	€1,468,788
International Development Association	€28,620,000	31%	€8,872,200
Least Developed Countries Fund	€2,000,000	100%	€2,000,000
Intergovernmental Panel on Climate Change	€100,000	100%	€100,000
UN Development Programme	€7,750,000	96%	€7,440,000
UN Framework Convention on Climate Change	€841,530	100%	€841,530

8 This refers to Ireland's contribution to the EIB in its operations under the European Development Fund. Ireland further participates in the EIB's climate finance operations through our shareholding in the Bank.

4.3
Multilateral Development Banks and International Financial Institutions

Over the last number of years, Multilateral Development Banks (MDBs) and International Financial Institutions (IFIs) have increased their funding for international climate action. The increase is partly due to requests made by the UNFCCC and from countries that contribute to such funds and institutions. As a result, many international financial institutions have worked to ensure that a minimum amount of their development funding is channelled to climate action.

In 2020, Ireland has counted payments to multilateral development banks and international financial institutions such as the World Bank, the Asian Development Bank and the African Development Bank, which Ireland joined in 2020. The total amount of climate related funding provided through MDBs and IFIs in 2020 is €16.5 million, with all of the funding marked as cross-cutting.

In addition to these annual payments, Ireland is a shareholder in the European Investment Bank and the European Bank for Reconstruction and Development, both of which have a strong climate finance mandate.

The largest share of climate related funding was channelled through the World Bank-International Development Association which is designed to channel funds to the world's poorest countries. The African Development Bank follows the IDA with provision of €4 million to climate related projects. The AfDB is focused on reducing poverty, improving living conditions and mobilising resources for Africa's economic and social development. A more detailed breakdown of funding provided through MDBs and IFIs is provided in Table 10 below.

Table 10 – Overview of climate finance via Multilateral Development Banks and International Financial Institutions in 2020

Multilateral Channel	Cross-Cutting	Adaptation	Mitigation
African Development Bank	€4,083,904	€0	€0
Asian Development Bank	€1,046,879	€0	€0
Council of Europe Development Bank	€10,456	€0	€0
European Investment Bank	€1,092,000	€0	€0
International Bank for Reconstruction & Development	€1,468,788	€0	€0
International Development Association	€8,872,200	€0	€0
Total	**€16,574,227**	**€0**	**€0**

4.4
Multilateral Climate & Environment Funds

Multilateral climate change and environment funds are funding mechanisms which have been established for the purposes of supporting international and national climate and environmental action.

Some funds, in particular the Global Environment Facility (GEF), are mandated to finance the work and effort of the three Rio Conventions – tackling climate change, desertification and biodiversity loss. The GEF also oversees the work of the Least Developed Countries Fund (LDCF) which specifically targets support to Least Developed Countries in the development and implementation of climate change adaptation programming. The Green Climate Fund (GCF) was established in 2010 specifically to serve the UNFCCC and more recently the objectives of the Paris Agreement on Climate Change. It is mandated to support both mitigation and adaptation efforts; to this end, Ireland's support to the GCF, which is provided by DECC, is indicated as cross-cutting. The Adaptation Fund was established to focus support on adaptation projects and programmes in developing countries.

In 2020, Ireland provided a total of €7.5 million in climate finance through multilateral climate and environment funds. A more detailed breakdown of the funding provided is presented in Table 11.

Table 11 – Overview of climate finance provided through Multilateral Climate & Environment Funds

Multilateral Channel	Cross-Cutting	Adaptation	Mitigation
Adaptation Fund	€0	€300,000	€0
Global Environment Facility	€1,186,900	€0	€0
Green Climate Fund	€4,000,000	€0	€0
Least Developed Countries Fund	€0	€2,000,000	€0
Total	**€5,186,900**	**€2,300,000**	**€0**

4.5
UN Agencies & Other International Bodies

In 2020, Ireland supported several UN agencies and international bodies that contribute to both broader and more specific efforts of international climate action. For example, DECC provided core support to the UNFCCC, the United Nations Economic Commission for Europe and the Nationally Determined Contribution (NDC) Partnership, all of which work to strengthen international climate action, national implementation of climate plans, and mitigation activities in particular.

DFA provided specific support to the UNFCCC for its work on gender equality in climate action and the Least Developed Countries Expert Group (LEG) which provides technical support to LDCs in the development of their National Adaptation Plans. Ireland provides both core support and funding for specific activities to the World Food Programme (WFP) and the Food and Agriculture Organisation (FAO). 65% of FAO core funding has been marked as climate relevant by the OECD through its imputed shares exercise.

Other bodies that we have supported for their contribution to international climate action include United Nations Volunteers, United Nations Development Programme and the United Nations Environment Programme. The total level of climate related funding provided through UN agencies and other international organisations is €16 million; the majority of the funding (89%) went to cross-cutting activities, while approximately 6% went to adaptation only and 5% went to mitigation only activities. A more detailed breakdown of the support provided through UN agencies and other international bodies is given in Table 12.

Table 12 – Overview of climate finance provided through UN Agencies & other International Bodies

Multilateral Channel	Cross-Cutting	Adaptation	Mitigation
UNFCCC	€317,584	€0	€0
UNFCCC LDC Expert Group	€0	€500,000	€0
UNDP Core	€7,440,000	€0	€0
UNDP Peacebuilding Fund	€1,680,000	€0	€0
UN Economic Commission for Europe	€0	€0	€41,989
UN Environment Programme	€164,142	€0	€782,325
UN Volunteers	€440,000	€0	€0
UNCLS	€8,000	€4,000	€0
UNMTPFO	€200,000	€0	€0
UNOSGEY	€140,000	€0	€0
NDC Partnership	€95,000	€0	€0
IPCC	€100,000	€0	€0
International Fund For Agricultural Development	€925,000	€0	€0
World Food Programme	€400,000	€0	€0
Food & Agriculture Organisation	€1,388,495	€408,000	€0
Consultative Group for International Agricultural Research (CGIAR)	€1,020,000	€0	€0
Total	**€14,318,221**	**€912,000**	**€824,314**

Other Channels of Climate Finance

5

5.1
Other Funds and Partnerships Supported in 2020

The Climate Unit in DFA maintains a number of partnerships that are funded to support international climate action. The portfolio includes partners who provide technical input and expertise to support DFA's international climate engagement. Some of these partners also address specific climate needs in LDCs and SIDS and UN objectives on climate action.

Among the organisations funded in 2020 were the International Institute for Environment and Development (IIED), the Climate Knowledge and Innovation Community (Climate-KIC), the Least Developed Countries Initiative for Effective Adaptation and Resilience (LIFE-AR) and the Secretariat of Pacific Regional Environment Programme (SPREP).

The total level of climate related funding provided through the partnerships is €5 million; 47% of the funding went to cross-cutting activities, while 41% went to adaptation only activities. A more detailed breakdown of the support provided through the DFA partners is provided in Table 13.

Table 13 – Overview of climate finance provided through other agencies and partners in 2020

Partner	Cross-Cutting	Adaptation	Mitigation
International Institute for Environment & Development	€2,000,000	€0	€0
Secretariat for Regional Pacific Environment Programme	€0	€900,000	€0
Irish Forum for International Agriculture Development	€21,960	€0	€0
LIFE-AR	€0	€1,000,000	€0
Climate-Knowledge & Information Community	€300,000	€0	€0
Africa Agri Food Development Programme	€0	€40,000	€0
Teagasc	€0	€0	€628,371
European Institute for Peace	€0	€40,000	€0
International Alert	€0	€60,000	€0
4SD	€28,471	€0	€0
Total	**€2,350,431**	**€2,040,000**	**€628,371**

Conclusion

6

6.1
Climate Finance Expenditure in 2020 and Overall Trends in Ireland's Climate Finance

While climate finance expenditure in 2020 decreased from 2019, the overall trend of Ireland's international climate support is that of a net increase between 2016 and 2020. The direction of support has largely been consistent year on year, with climate adaptation and cross-cutting activities remaining the predominant areas of support in Ireland's climate finance.

The two contributing factors to the decrease in bilateral and CSO climate finance – COVID-19 and methodology change – are important in considering the 2020 figure. However, the impact of COVID-19 on international programming may not be unique to 2020. It will remain important to ensure that the adverse effects of COVID-19 do not impede on medium and longer term programming that contributes to climate action.

In line with previous years, Ireland has reported climate finance provided through multilateral channels. The growing levels of funding through these channels has led to an increasing share of Ireland's climate finance to be marked as cross-cutting. Further consideration may need to be given to identifying multilateral climate finance options that contribute more directly to climate adaptation and resilience in developing countries, as particular priorities of Ireland's global climate action.

6.2
Future Climate Finance: Preparation & Reporting

Going forward, the 2020 Programme for Government has committed to 'at a minimum, double the percentage of ODA that counts as climate finance' and to develop a strategy to reach this commitment. At COP26 in Glasgow, the Taoiseach announced a commitment to go even further and more than double our existing climate finance to €225 million per year by 2025. These commitments build on the existing efforts outlined in Ireland's international development policy *A Better World* (2019).

The Department of Foreign Affairs, in collaboration with the Department of Finance, the Department of the Environment, Climate and Communications, the Department of Agriculture, Food and the Marine and other Government Departments, is leading on the development of a Strategic Roadmap to set out the delivery of the climate finance commitments made by the Taoiseach at COP26 in 2021 and in the Programme for Government.

The step-change required for Ireland's future action will be captured in Ireland's Climate Finance Roadmap, with a view to delivering on the quantitative targets whilst also building on best practices to scale up effective and impactful climate finance across bilateral and multilateral channels.

The provision of climate change guidance at the strategy and programme development level remains key to effective climate action. Integrating climate adaptation and mitigation at the planning stage will ensure that the climate finance provided by Ireland continues to grow, particularly as the impacts of climate risks and disasters become increasingly pressing and important to address in partner countries.

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