



THE DEVELOPMENT ASSISTANCE COMMITTEE:
ENABLING EFFECTIVE DEVELOPMENT

Measuring and Monitoring External Development Finance for Biodiversity

The OECD Development Assistance Committee
Statistics & Rio Markers

Stephanie Ockenden, DAC Secretariat

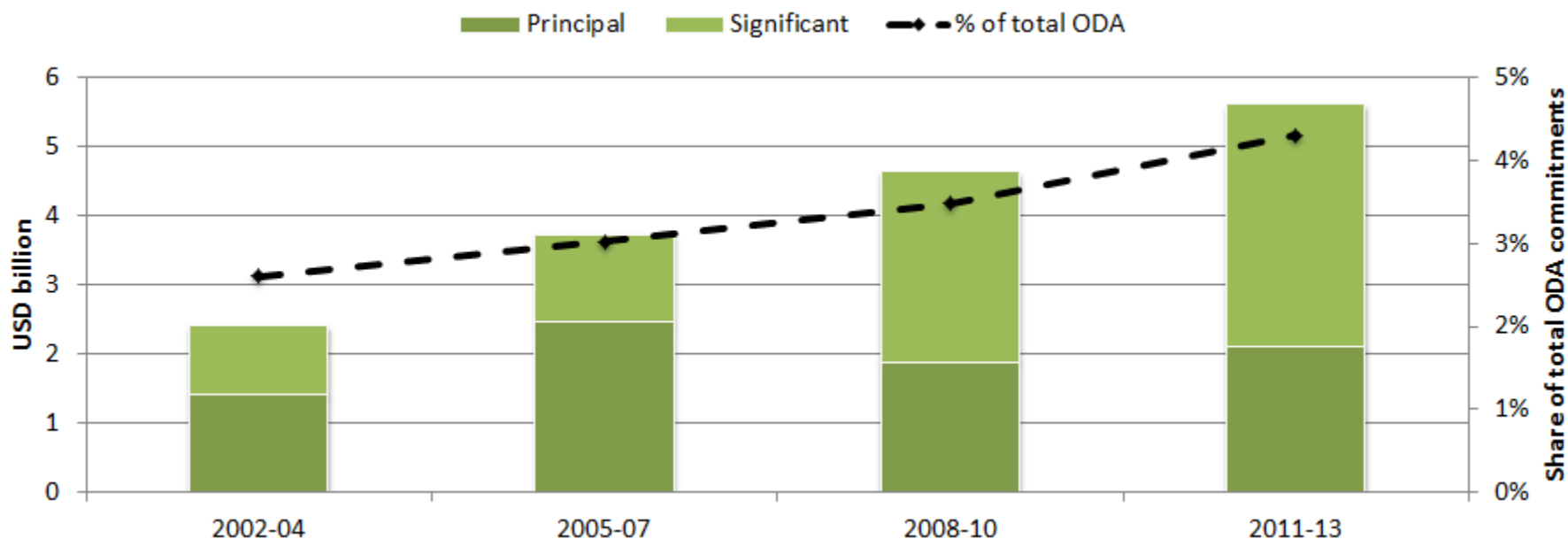
International Technical Expert Workshop on Financing for Biodiversity
5-7 May 2015, Mexico City, Mexico

Outline

- 1. Bilateral development finance to biodiversity**
- 2. OECD DAC Statistical System, Rio markers and fine tuning the Rio marker definitions**
- 3. Use of Rio marker data for reporting to the CBD**
- 4. DAC Task Team on improvements & the DAC modernisation of development finance measurement**
- 5. Impacts and Effectiveness**

Bilateral biodiversity-related ODA commitments by OECD DAC members

Trends in biodiversity-related development finance, three-year averages
2002-2013, bilateral commitments, USD billion, constant 2013 prices



- Most increase in ODA targeting biodiversity as a “significant” objective (63% av. 2011-13)
- Donors increasingly targeting multiple environmental objectives:
 - 76% biodiversity-related development finance also targets climate change objectives (2011-13).



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OECD DAC Statistical System

- Development finance statistics are:
 - **reported** by members, international organisations & some non-DAC and charities
 - **collected** within the Creditor Reporting System (CRS),
 - **monitored** by Secretariat & WP-STAT (quality controls & reviews)
 - **transparent** - activity-level ODA data publically available online
- Reporting guided by standardised definitions and classifications, e.g.
 - commitments, disbursements
 - sector classifications
 - Bilateral / multilateral (avoids double counting)
 - exchange rates
 - ODA definition



Measuring biodiversity-related finance within the CRS

- Biodiversity-related development finance is tracked within the CRS using the biodiversity “Rio marker” (since 1998, mandatory from 2006)
- Rio markers track policy objectives
 - i.e. activities targeting biodiversity as a *principal* objective, a *significant* objective, or not at all
- Marking guided by: Definition, eligibility criteria, typical examples and guidance
- Data allow for an approximate quantification of finance flows to biodiversity & track mainstreaming

Fine-tuning the Rio marker definitions

CURRENT BIODIVERSITY DEFINITION:

- *It 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.*

CURRENT CRITERIA FOR ELIGIBILITY:

The activity contributes to

- a) protection or enhancing ecosystems, species or genetic resources through insitu or ex-situ conservation, or remedying existing environmental damage; or*
- b) integration of bio-diversity and ecosystem services concerns within recipient countries' development objectives and economic decision making, 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 aims to achieve one or more of the above three criteria.

Generic Approach for fine-tuning:

- Headline definitions considered relevant & internationally recognised
 - Modernise descriptive language and check consistency with conventions
 - Improved guidance - sub-sector level examples and rational
 - Working towards common definitions
 - Open and engaging to seek recipient perspectives
- Work to progress Q3/4 2015 under Task Team, and 2016 under WP-STAT to revise statistical directives

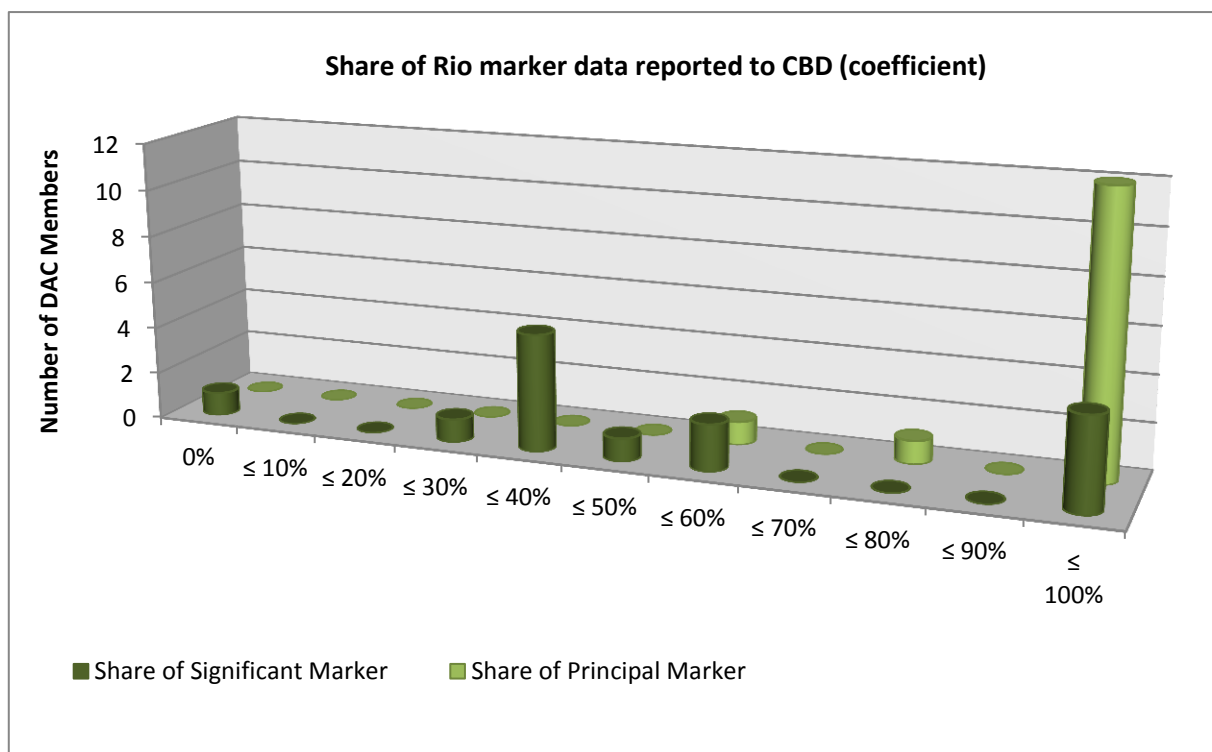


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Use of Rio marker data for Reporting to the CBD:

- Large number of members draw on Rio markers to provide the basis for their reporting to the CBD on bilateral ODA.
 - Most report 100% *principal*
 - Varied treatment of *significant*
- Awareness that Rio marker methodology allows for an approximate quantification of financial flows - many members applying coefficients to adjust the share of finance



- Different approaches and coefficients may relate to the nature of different member portfolios, and how the marker is applied.
- Comparability and the need for harmonisation are pressing concerns



Preliminary Findings on Greater Quantification

- **Different rationales, different approaches...**
 - Recognition that *significant* < *principal*, ranges and approximations
 - Identify biodiversity component
- **Range of views on the reporting of components:**
 - not logical, costs cannot be separated
 - Feasibility challenging, resource intensive and complex
- **Use of coefficients prevalent but limited evidence to inform these**
- More sophisticated approaches exist, need to remain comparable
- **Transparency first step for improvement** – revised CDB reporting framework supports this

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ENVIRONET-WP-STAT Task Team on improvement to the Rio markers, environment and development finance statistics

Goal:

DAC methodologies and data remain a point of reference on Official Development Assistance & Other Official Flows* targeting environmental objectives

Areas for improvement :

- **Quality:** “fine tuning” Rio marker definitions
- **Use:** supporting transparency and exploring the evidence base to support more quantified reporting
- **Coverage:** collaboration with MDBs and multilateral funds to provide integrated picture of bi and multi flows, and imputed multilateral contributions.
- **Communication:** statistical flyers and data visualisation portals



Modernisation of OECD DAC Development Finance Measurement Framework

- **The treatment of loan concessionality:**
 - Grant equivalent system for calculating ODA figures - ODA credit counted will be higher for a grant than for a loan,
 - Concessionality assessed on discount rates differentiated by income group.
 - **Parallel data collection on a grant equivalent basis starting in 2016 (for 2015 flows), standard ODA reporting in 2018**
- **Establishing international standard for measuring the volume of private finance mobilised by official interventions:**
 - First proposals developed for amounts mobilised by guarantee schemes, syndicated loans and shares in collective investment vehicles
 - Further work to explore other institutional and instrument-specific approaches, with data collection expected in 2017 on 2016 flows – incl. use of biodiversity marker.
- **The development of the new statistical measure - Total Official support for Sustainable Development – TOSSD:**
 - To complement, not replace, the ODA measure
 - Parameters to be finalised once the post-2015 agenda has been agreed

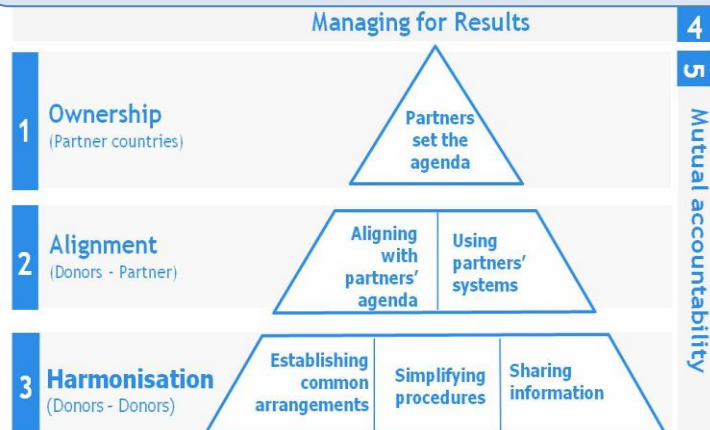


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Biodiversity finance is a means to an end; impacts and effectiveness are key...

Development Co-operation Effectiveness



Financing for Sustainable Development: From Aid to A.I.T.

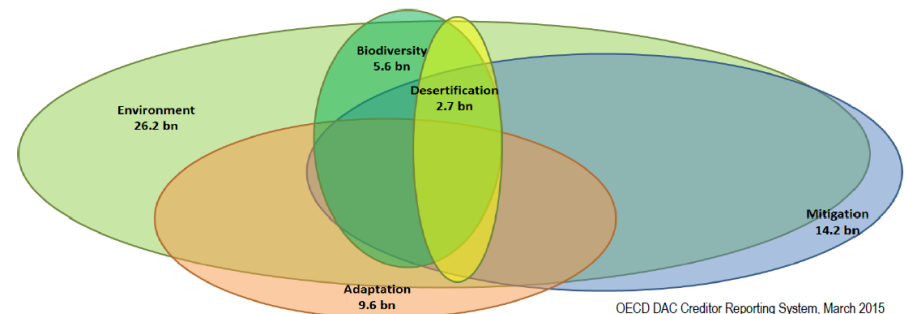
- Aid, Investment, Tax
- Smart use of ODA
 - Mobilise private finance
 - Support domestic resource mobilisation

Recent OECD DCD working paper on Biodiversity and Development Co-operation

Outlines how development co-operation can:

- support mainstreaming biodiversity and ecosystem services into development
- manage for results, particularly trade-offs and synergies
- incorporate monitoring and evaluation approaches into biodiversity-related development co-operation activities
- better align and harmonise providers' activities with partner country priorities

CHART 1. The multiple objectives of environmental ODA, 2011-13
Three-year annual average, bilateral commitments, USD billion, constant 2013 prices



OECD DAC Creditor Reporting System, March 2015

In Summary

- DAC Statistical system and definitions provides a foundation for robust and comparable reporting on biodiversity-related development finance
- Scope for improvement & future work underway:
 - To improve the quality of Rio marker data through fine tuning definitions and guidance
 - To improve use of Rio marker data where reporting to the CBD
 - To improve coverage – collaboration with MDBs and funds to present an integrated picture of bilateral and multilateral flows
 - ***Workshop and Fourth Task Team meeting 19-21st May, OECD, Paris***
 - ***Fifth meeting September/October 2015 tbc.***
- DAC modernisation of ODA and TOSSD may have future implications for the reporting of biodiversity flows
- Quality of finance also important, not just quantity.

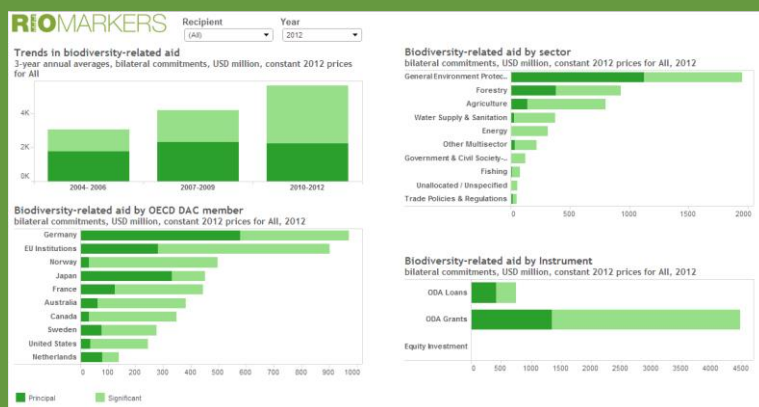


OECD DAC CRS Rio marker statistics, analysis & access to data

<http://oe.cd/RM>

Biodiversity-related statistics, data portal and analysis

<http://www.oecd.org/dac/stats/biodiversity.htm>



Rio markers training workshop:

www.oecd.org/dac/environment-development/training-workshop.htm

OECD Environment and Development Homepage

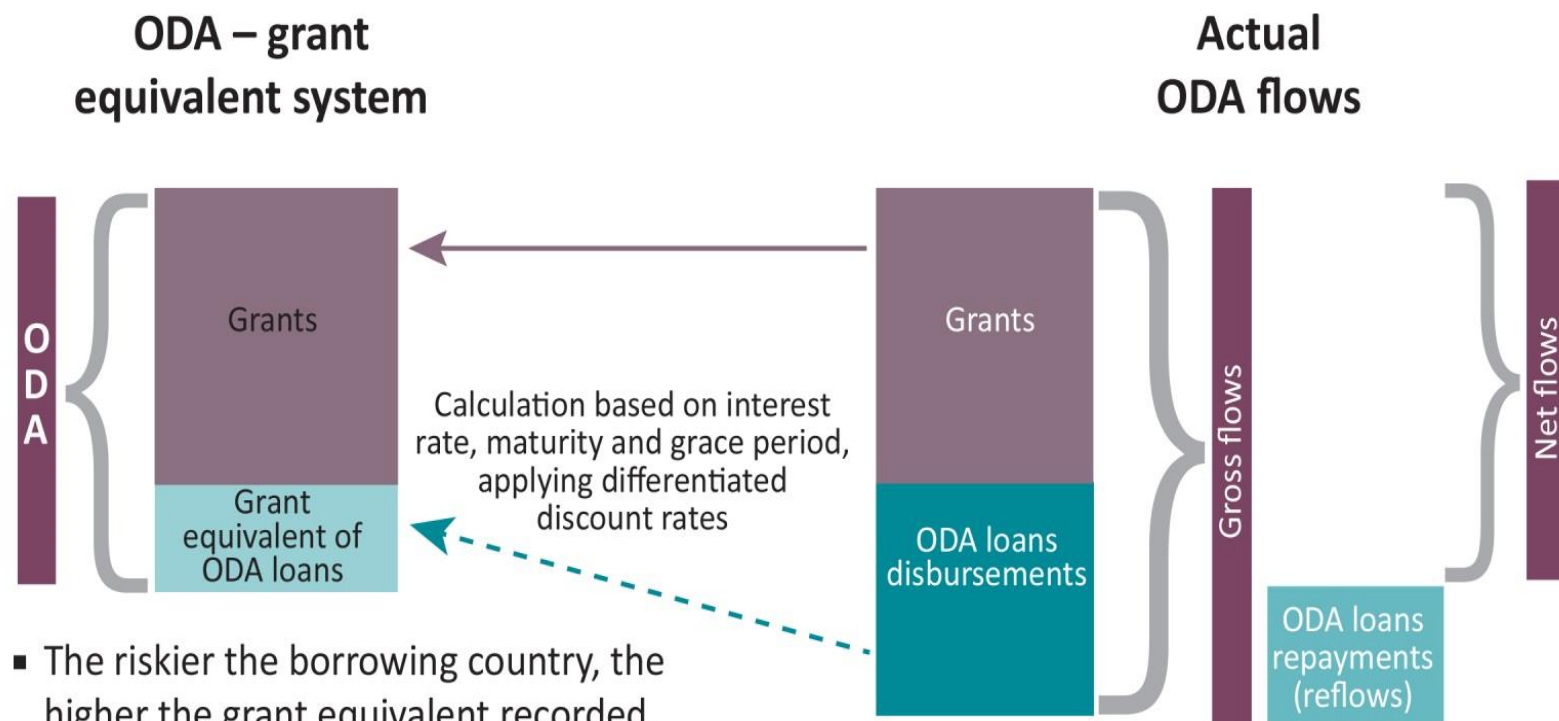
www.oecd.org/dac/environment-development

<http://www.oecd.org/dac/environment-development/green-growth-development.htm#Biodiversity>

Joint ENVIRONET-WP-STAT Task Team:

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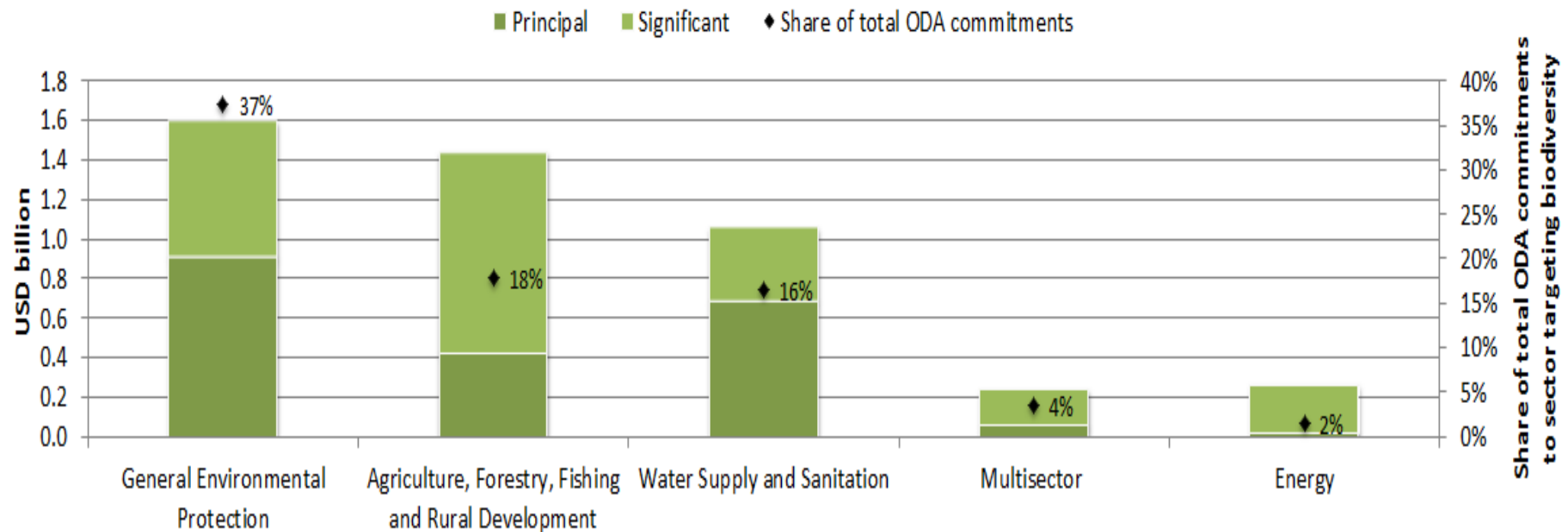
From cash flows to grant equivalents



- The riskier the borrowing country, the higher the grant equivalent recorded.
- The higher the level of concessionality of the loan, the higher the grant equivalent recorded.

Top 3 sectors received 82% of bilateral biodiversity-related ODA in 2007-13

Key sectors receiving biodiversity-related development finance
Average 2007-13, bilateral commitments, USD billion, constant 2013 prices



- The estimated share of capacity-building activities is growing over time, from 24% in 2005-07 to 43% in 2011-13. This supports:
 - Setting the right policy frameworks and strengthening institutions;
 - Research, education and training;
 - Management of, provision of, and access to finance

