

Annex 18. Rio markers

BACKGROUND ON RIO MARKERS

1. The United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD) and the United Nations Convention to Combat Desertification (UNCCD) were conceived in the lead-up to the 1992 Rio Conference on Environment and Development. They are known collectively as the “Rio Conventions” and aim to address global environmental challenges and to ensure sustainable development.
2. The developed country Parties of the three Rio Conventions have committed themselves to assist developing countries in the implementation of these Conventions, providing financial and technical resources for this purpose.
3. Since 1998, the DAC has monitored development finance flows targeting the objectives of the Rio Conventions through its Creditor Reporting System (CRS) through use of “Rio markers”. The Rio markers were originally designed to help members in their preparation of National Communications or National Reports to the Rio Conventions, by identifying activities that mainstream the Conventions’ objectives into development co-operation. DAC members are requested to indicate for each development finance activity whether or not the activity targets environmental objectives.
4. Initially there were three Rio markers that have been in use since 1998: biodiversity, climate change mitigation, and desertification. In 2009, an additional marker was created to capture flows for climate change adaptation. It was implemented in reporting on 2010 flows. Data collection covers ODA and other official flows¹.

FIELD OF APPLICATION

5. Rio markers should be applied to all bilateral ODA and non-export credit OOF², excluding general budget support (type of aid A01), imputed student costs (E02), debt relief (F01) except debt swaps, administrative costs (G01), development awareness (H01) and refugees in donor countries (H02). Multilateral contributions (B02) should not be marked with Rio markers individually by members; instead international organisations report on the actual allocation of their funds (“multilateral outflows”) and apply Rio markers to these outflows³.

SCORING SYSTEM

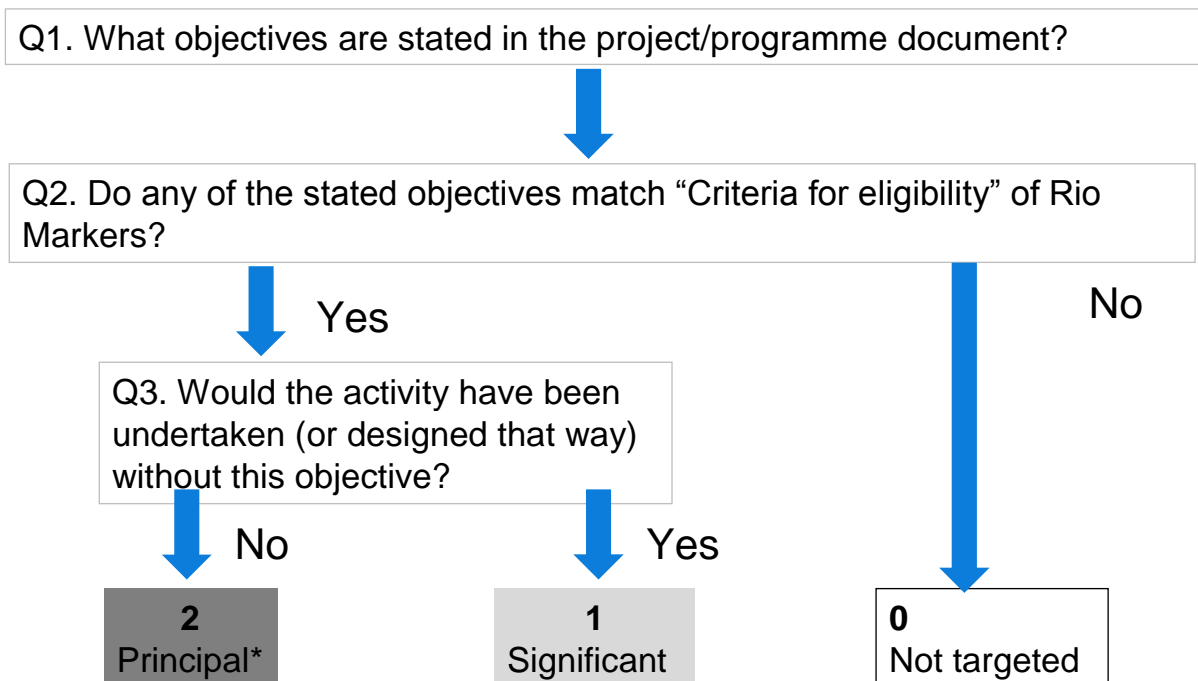
6. A scoring system of three values is used, in which official development finance activities reported to the DAC CRS are screened and “marked” as either (i) targeting the conventions as a “principal” objective (score “2”⁴) or (ii) as a “significant” objective (score “1”), or (iii) not targeting the objective (score “0”). These markers indicate donors’ policy objectives in relation to each development finance activity:

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1. A new data collection on amounts mobilised from the private sector by official interventions is being put in place in DAC statistics whereby Rio markers would also apply to the private amounts mobilised. This data collection excludes export credits.
 2. Reporting Rio markers on OOF is voluntary.
 3. To ensure consistency in reporting, the DAC approach is to avoid members individually marking their multilateral contributions and instead to have international organisations report Rio markers on their outflows (or, in the case of Multilateral Development Banks, components, elements or proportions of climate finance based on the Joint MDB reporting approach); this information is used to estimate members’ contributions to climate through multilateral organisations (“imputed multilateral contributions”, same share applied to all members for the same organisation).
 4. Or “3” in the case of desertification.

- An activity can be marked as “principal” when the objective (climate change mitigation, climate change adaptation, biodiversity, combating desertification) is explicitly stated as fundamental in the design of, or the motivation for, the activity. Promoting the objective will thus be stated in the activity documentation to be one of the principal reasons for undertaking the activity. In other words, the activity would not have been funded (or designed that way) but for that objective.
- An activity can be marked as “significant” when the objective (climate change mitigation, climate change adaptation, biodiversity, combating desertification) is explicitly stated but is not the fundamental driver or motivation for undertaking and designing the activity. The activity has other prime objectives but has been formulated or adjusted to help meet the relevant environmental concerns.
- The score “not targeted” (“0”) means that the activity was examined but found not to target the objective in any significant way. For activities that have not been assessed with the Rio markers in mind, the “0” value should not be used, but rather the marker field should be left empty. This way, there is no confusion between activities that do not target the objective (score =“0”), and activities for which the answer is not known (score=“null”). This important distinction has implications for statistical presentations of Rio marker data.

The following decision tree helps identify for which score a given activity qualifies.

Decision tree for scoring an activity against a Rio marker



**Assigning a double “principal” score (e.g. to both mitigation and adaptation) to the same activity should be considered only upon explicit justification. See paragraph 14.*

Mainstreaming and the integration of environmental concerns into development co-operation

7. If mainstreaming is systematically practiced, the Rio Conventions' objectives will be integrated into projects across a wide range of sectors, such that many development co-operation activities will be considered to make some contribution towards the objectives of the Conventions and are likely to be marked against the "significant" objective score. However, mainstreaming can in some cases transform the activity to the point that it deserves to be scored as a "principal" objective. For example, if mainstreaming has led to the redesign of a traditional power project to now rely on renewable energy and energy savings, the entire activity can be considered as having climate change mitigation as its principal objective. If the mainstreaming of a Rio Convention theme is extremely limited (with regard to the overall scope of the activity), and/or so superficial (vague declaration of intent), it should be marked as "not targeted".

8. Activities that facilitate mainstreaming can also qualify for a "principal score". For example, an activity that is primarily designed to build capacity and develop tools to integrate biodiversity, climate change or land degradation into national and sub-national policies, planning and investment frameworks, should obtain the "principal" objective score.

Activities arising from a national action plan linked to a Rio Convention

9. The Rio Conventions call upon Parties to formulate action plans or strategies to implement the Conventions. A biodiversity, desertification, or climate change mitigation/adaptation arising from such an action plan or strategy (e.g. National Biodiversity Strategy and Action Plan under the CBD; NAPAs, NAPs, NAMAs⁵ or INDCs under the UNFCCC; and National Action Plans under the UNCCD) automatically qualifies as principal objective⁶, as the Conventions provide the motivation for the design of the activity.

PROJECT DESCRIPTIONS

10. To facilitate transparency and in light of public scrutiny of the Rio marker data, it is important that, in activity descriptions reported to the CRS, the relation between the activity and the objective (e.g. climate change mitigation, climate change adaptation, other) is clearly communicated and made explicit, especially for principal score and largest activities (recognising the administrative constraint when numerous small activities are concerned).

IMPORTANT FEATURES OF THE METHODOLOGY

Purpose-based

11. Markers identify activities contributing to meeting the objectives of the corresponding Rio Convention(s). Activities are thus to be marked according to their stated objectives and purpose and not primarily in relation to their relevance or outcomes or possible positive side-effects, i.e. the methodology is **purpose-based**.

12. The emphasis is on the objective pursued in providing support for the activity in question, as described in the activity documentation *i.e.* primarily the written material which forms the basis for the agreement to provide funding. This may be the actual project or programme document, or a proposal for funding an action which is outlined in a partner country document such as national programme, sectoral strategy, climate change strategy or Poverty Reduction Strategy Papers (PRSP).

5. NAPAs: National Adaptation Programmes of Action; NAPs: National Adaptation Plans; NAMAs: Nationally Appropriate Mitigation Actions; INDCs; Intended Nationally Determined Contributions.

6. In other words, score "2". In the case of the Rio marker on desertification, activities arising from National Action Plans under the CCD should be assigned score "3".

- Example: if an activity is designed to improve the capacity of a healthcare system to cope with increased incidence of water and vector borne diseases, due to the impacts of climate change, the adaptation marker can be applied. However, if the objective is to improve the capacity of a healthcare system to treat diseases including water and vector-borne diseases, with no reference to climate change, the marker cannot be applied as climate change is not a factor driving the design of the project.
- Example: a provider contributes to a pooled donor fund that supports a partner country programme in the forestry sector because of its links to climate change adaptation. The specific motivation for contributing to the pooled fund should be made clear in the activity documentation, i.e. in the programme document and in the donor’s supporting documentation: the donor, through its contribution to the pooled fund, intends to address climate change adaptation. It is not enough simply to reference a whole PRSP or sector programme which may have an element of climate change adaptation.

Targeting multiple environmental objectives and overlaps between Rio markers

13. The causes and solutions to global environmental issues under the Rio conventions (biodiversity, climate change adaptation and mitigation, desertification) and other local environmental concerns are intertwined. The Rio Conventions often complement and reinforce each other, and consequently it is possible that the same activity, policy or measure simultaneously addresses climate change, biodiversity and/or desertification objectives. An activity may target multiple objectives and **qualify for more than one Rio marker** (e.g. the same activity can target and be marked for climate change mitigation and biodiversity, or for biodiversity and desertification).

14. For example, a sustainable forest management project can contribute to biodiversity conservation, to capturing carbon (climate change mitigation) and to reducing climate risk (climate change adaptation). In drylands such a project can also help to combat desertification. However, not all score combinations are equally meaningful and assigning a double “principal” score (e.g. to both mitigation and adaptation) to the same activity should therefore be considered only upon explicit justification.

15. While the Rio marker system allows for multiple environmental policy objectives of an activity to be reflected, this needs to be taken into account when aggregating data across several markers. To avoid double or triple-counting the same activity, aggregate figures for biodiversity, climate change mitigation, climate change adaptation and desertification-related development finance should not be added up. Statistical presentations should either be prepared for one marker at a time (and resulting totals for each marker should not be added up) or the overlap should be presented and treated to avoid double counting⁷.

Qualitative methodology allowing an approximate quantification of finance flows

16. By identifying activities targeting climate change as a “principal” or “significant” objective, the markers provide an indication of the degree of mainstreaming of environmental considerations into development co-operation portfolios. Rio markers apply to activities as a whole, and, in marking the full value of development finance activities **the markers are considered descriptive rather than strictly quantitative**, but allow for an approximate quantification of development finance flows that target the Rio convention objectives. In OECD DAC marker data presentations the figures for flows targeting objectives as principal or significant can be shown separately and the sum referred to as the “total” or “upper bound” of environmental-related development finance.

7. Detailed information on how to treat overlap can be found in the Rio marker webpage oe.cd/RioMarkers.

USE OF RIO MARKERS FOR REPORTING TO THE RIO CONVENTIONS

17. The majority of OECD DAC members draw on Rio markers to report internationally on environment-related development finance. However, the figures that can be derived from Rio markers may not be identical to the figures reported to the Rio Conventions, in particular reflecting that the Rio markers were originally intended to track the mainstreaming of environmental considerations into development co-operation rather than providing a quantification of finance. For reporting to the Rio conventions on finance provided in National Communications, National Reports or Biennial Reports under the UNFCCC, members' reporting is often based on, and may not be directly comparable to Rio marker data as some members may apply additional quantitative methodologies. Whilst the majority of DAC members report 100% of finance marked "principal", different Parties often account only for a certain share of finance targeting climate change as a "significant" objective. These shares may range across members (from 0-100%) and there is no common reporting standard and limited transparency in some cases as to the evidence base supporting the approach chosen. Other differences in reporting to the Rio conventions may also arise, for example, use of disbursement data or differences in geographical scope.

AID TARGETING THE OBJECTIVES OF THE CONVENTION ON BIOLOGICAL DIVERSITY

DEFINITION

An activity should be classified as bio-diversity-related (score Principal or Significant) if:

CRITERIA FOR ELIGIBILITY**EXAMPLES OF TYPICAL ACTIVITIES****1. Typical activities take place in the sectors of:**

Water and sanitation
Agriculture
Forestry
Fishing
Tourism

2. Typical non-sector specific activities are:

Environmental policy and administrative management
Biosphere and bio-diversity protection
Environmental education/training
Environmental research

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.

The activity contributes to

- a) protection or enhancing ecosystems, species or genetic resources through in-situ 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.

- Integration of biological diversity concerns into sectoral policy, planning and programmes; e.g.
 - Water resources protection and rehabilitation; integrated watershed, catchment and river basin protection and management;
 - Sustainable agricultural and farming practices including substitution of damaging uses and extractions by out-of-area plantations, alternative cultivation or equivalent substances; integrated pest management strategies; soil conservation; in-situ conservation of genetic resources; alternative livelihoods;
 - Combating deforestation and land degradation while maintaining or enhancing biodiversity in the affected areas;
 - Promotion of sustainable marine, coastal and inland fishing;
 - Sustainable use of sensitive environmental areas for tourism.
- Preparation of national bio-diversity plans, strategies and programmes; bio-diversity inventories and assessments; development of legislation and regulations to protect threatened species; development of incentives, impact assessments, and policy and legislation on equitable access to the benefits of genetic resources.
- Establishment of protected areas, environmentally oriented zoning, land use and regional development planning.
- Protecting endangered or vulnerable species and their habitats, e.g. by promoting traditional animal husbandry or formerly cultivated/collected plants or ex-situ conservation (e.g. seed banks, zoological gardens).
- Capacity building in taxonomy, bio-diversity assessment and information management of biodiversity data; education, training and awareness-raising on bio-diversity.
- Research on ecological, socio-economic and policy issues related to bio-diversity, including research on and application of knowledge of indigenous people.
- Supporting development and use of approaches, methods and tools for assessment, valuation and sustaining of ecosystem services.

N.B. Biodiversity (CRS sector code 41030) scores, by definition, **principal objective**.

AID TARGETING THE OBJECTIVES OF THE FRAMEWORK CONVENTION ON CLIMATE CHANGE

Climate change mitigation

DEFINITION

An activity should be classified as **climate-change-mitigation related** (score **Principal or Significant**) if:

CRITERIA**FOR ELIGIBILITY**

It 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.

The activity contributes to

- a) the mitigation of climate change by limiting anthropogenic emissions of GHGs, including gases regulated by the Montreal Protocol; **or**
- b) the protection and/or enhancement of GHG sinks and reservoirs; **or**
- c) the integration of climate change concerns with the recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; **or**
- d) 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 four criteria.

See the indicative table for guidance on Rio marking by sector/subsector and examples of qualifying activities.

AID TARGETING THE OBJECTIVES OF THE FRAMEWORK CONVENTION ON CLIMATE CHANGE
Climate Change Adaptation

DEFINITION

An activity should be classified as adaptation-related (score Principal or Significant) if:

It intends to reduce the vulnerability of human or natural systems to the current and expected impacts of climate change, including climate variability, by maintaining or increasing resilience, through increased ability to adapt to, or absorb, climate change stresses, shocks and variability and/or by helping reduce exposure to them.

This encompasses a range of activities from information and knowledge generation, to capacity development, planning and the implementation of climate change adaptation actions.

CRITERIA FOR ELIGIBILITY

An activity is eligible for the climate change adaptation marker if:

- a) the climate change adaptation objective is explicitly indicated in the activity documentation; and
- b) the activity contains specific measures targeting the definition above.

Carrying out an assessment of vulnerability to climate variability and change, either separately or as an integral part of agencies' standard procedures, facilitates this approach.

To guide scoring, a three-step approach is recommended as a "best practice", in particular to justify for a principal score:

- **Setting out the context of risks, vulnerabilities and impacts related to climate variability and climate change:** for a project to be considered as one that contributes to adaptation to climate change, the context of climate vulnerability should be set out clearly using a robust evidence base. This could take a variety of forms, including use of material from existing analyses and reports, or original, bespoke climate vulnerability assessment analysis carried out as part of the preparation of a project.
- **Stating the intent to address the identified risks, vulnerabilities and impacts in project documentation:** The project should set out how it intends to address the context- and location- specific climate change vulnerabilities, as set out in existing analyses, reports or the project's climate vulnerability assessment.
- **Demonstrating a clear and direct link between the identified risks, vulnerabilities and impacts and the specific project activities:** the project should explicitly address risk and vulnerabilities under current and future climate change as identified in the project documentation.

See the indicative table for guidance on Rio marking by sector/subsector and examples of qualifying activities.

AID TARGETING THE OBJECTIVES OF THE CONVENTION TO COMBAT DESERTIFICATION

DEFINITION

An activity should be classified as desertification- related (score Principal or Significant) if:

CRITERIA FOR ELIGIBILITY**EXAMPLES OF TYPICAL ACTIVITIES****1. Typical activities take place in the sectors of:**

*Water and sanitation
Agriculture
Forestry*

2. Typical non-sector specific activities are:

*Environmental policy and administrative management
Env. education/training
Environmental research*

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.

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.

- Integration of action to combat desertification and land degradation into sectoral policy, planning and programmes (e.g. agricultural and rural development policy, plans and programmes);
 - Rehabilitation of land, vegetation cover, forests and water resources, conservation and sustainable management of land and water resources;
 - Sustainable irrigation for both crops and livestock to reduce pressure on threatened land; alternative livelihood projects;
 - Development and transfer of environmentally sound traditional and local technologies, knowledge, know-how and practices to combat desertification, e.g. methods of conserving water, wood (for fuel or construction) and soil in dry areas.
- Preparation of strategies and action programmes to combat desertification and mitigate the effects of drought; establishment of drought early warning systems; strengthening of drought preparedness and management; observation and assessment of CCD implementation, including monitoring and evaluation of impact indicators;
- Measures to promote the participation of affected populations in planning and implementing sustainable resource management or improving security of land tenure;
- Support for population/migration policies to reduce population pressure on land;
- Capacity building in desertification monitoring and assessment; education, training and public awareness programmes related to desertification and land degradation;
- Research on desertification and land degradation.

INDICATIVE TABLE TO GUIDE RIO MARKING BY SECTOR/SUB-SECTOR

Climate change adaptation and climate change mitigation

1. This table provides **guidance** to support activity-level screening and marking against the climate Rio markers by sector. For each sector category, it indicates the likely most appropriate scores to assign to activities, with the most likely score indicated first. For example, the indication “0 or 1” means that activities in the sector concerned generally do not qualify against the objective (score “0”) but there are circumstances where they do qualify as significant (score “1”). For each sector, the table also explains the rationale for scoring activities and provides examples.

2. The table emerged from an exchange with members and international organisations and is based on knowledge as of March 2016. It is not an exhaustive or prescriptive list. It is meant to facilitate the application of markers to activities in different sectors, but it is by no means prescriptive nor does it contain binding rules on scores to assign or not assign for each sector. Members may still apply scores different from the suggestions provided in the table, provided the activities concerned meet the definition and eligibility criteria of the markers. The guidance provided by the table is also not intended to replace activity level screening, and instead seeks to support it. In general, for climate change adaptation, the three-step approach described in the eligibility criteria is recommended as a “best practice” prior to any adaptation scoring.

INDICATIVE TABLE TO GUIDE RIO MARKING BY SECTOR/SUB-SECTOR

Climate change adaptation and climate change mitigation

This table has benefitted from numerous members' comments, examples from real projects included in the DAC CRS database and examples from the MDB methodology to track climate finance projects. The table seeks to guide the scoring and provide useful examples for members' scoring process. It is important to clarify that the spirit of the markers is to **promote mainstreaming of climate considerations in all sectors**. The suggestions on scoring (significant and principal) reflect the **likelihood** that the objective of the programme (mitigation, adaptation) is fundamental to its design (principal) or that the programme has other prime objectives but has been formulated or adjusted to help meet the relevant environmental concerns (significant). They are not intended to limit but rather to guide marking. Many examples now in the table could score either 2 or 1 as the methodology is based on the purpose of the activity and not the type of activity. For example, a project aimed at developing or enhancing systems for monitoring drinking water in areas affected by higher temperatures, floods and rising sea level, **is likely** to be scored 1 for adaptation, but could be also scored 2 if adaptation to climate change was the main objective.

Sector/CRS purpose codes	Mitigation <i>Scoring in descending order of likelihood</i>	Adaptation	Rationale for scoring	Examples of qualifying activities <i>The list is not exhaustive. The activities may be scored against the objective only if the eligibility criteria are fulfilled.</i>
EDUCATION – 110				
All purpose codes in category 110	0, 1 or 2	0, 1 or 2	With careful environmental and climate assessment (e.g. analysis of potential climate impacts and benefits), measures in this sector may be climate-related, and score 2 may even be appropriate for special mitigation- or adaptation-oriented education programmes ⁸ . Article 4.1(i) and Article 6 of the Convention address the issues of education, training and public awareness. Article 4.1(i) provides that all Parties “promote and cooperate in education, training and public awareness and encourage the widest participation ... including that of non-governmental organizations”.	<p>Mitigation</p> <ul style="list-style-type: none"> • Strengthening of quality of higher education on science and technology with a focus on renewable energy (mitigation score 1). • Off grid energy access for schools; sustainable school buildings (i.e. natural cooling etc.) (mitigation score 2 or 1). <p>Mitigation and adaptation</p> <ul style="list-style-type: none"> • Integration of environmental/climate education into school curricula (mitigation and/or adaptation score 2).

8. Note that in CRS, sector specific education activities are to be included in the respective sectors, either in a specific education code such as agricultural education (31181) or in a general code such as communications policy/administrative management (22010).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
HEALTH – 120				
POPULATION POLICIES/PROGRAMMES AND REPRODUCTIVE HEALTH – 130				
All purpose codes in categories 120 & 130	0 or 1	0, 1 or 2	<p>Mitigation Activities in the health sector that reduce greenhouse gas emissions can score 1.</p> <p>Adaptation Health activities can be scored against the adaptation marker if they aim or help to address the consequences of climate change in the health of the population. Score 2 may even be appropriate for special adaptation-oriented programmes.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Activities in the health sector that use renewable energy to support improved air quality, such as solar panels to heat water in hospitals (mitigation score 1). • Energy efficient hospital infrastructure that leads to significant savings in energy consumption (mitigation score 1). <p>Adaptation</p> <ul style="list-style-type: none"> • Health programmes to adapt to climate change, such as the implementation of measures to control heat stress or malaria in areas threatened by increased incidence of diseases due to climate change (adaptation score 1). • Strengthening food safety regulations, notably in terms of microbiological quality, avoidance of contact with pest species, in areas affected by higher temperatures (adaptation score 1).
WATER AND SANITATION – 140				
<p>Water sector policy and administrative management – 14010</p> <p>Water supply and sanitation: large systems – 14020</p> <p>Water supply: large systems – 14021</p> <p>Basic drinking water supply and basic sanitation – 14030</p> <p>Basic drinking water supply – 14031</p> <p>Education and training in water supply and sanitation – 14081</p>	0, 1 or 2	1, 2 or 0	<p>Mitigation Activities in this sector can be scored against the mitigation marker if the provision of water and/or sanitation, for example through the installation of new piping or pumping equipment, aims or helps to achieve significant energy savings, as these processes are often associated to high energy use.</p> <p>Adaptation Activities can be scored against this marker if they aim or help to address the expected changes or fluctuations in water supply as a consequence of climate change. Drinking water and sanitation infrastructure can be vulnerable to disruption or destruction caused by flooding. In regions that face or are projected to face impacts/fluctuations</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Energy-efficient water pumping systems, and/or pumping systems powered by renewable energies (mitigation score 1). <p>Adaptation</p> <ul style="list-style-type: none"> • Promoting water conservation in areas subject to increased water stress due to climate change (adaptation score 2). Otherwise it can score 1 if the project is designed to take into account climate change impacts. • Improving the climate resilience of the water supply and increasing storage to ensure access where climate change adaptation is a main objective (adaptation score 2), or is part of broader initiatives to supply clean drinking water, which

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			<p>in water availability and sanitation services due to climate change (e.g. water shortages due to drought or flooding, suboptimal functioning of sanitation facilities during floods), the following types of investments can score against adaptation:</p> <ul style="list-style-type: none"> • investments in improving the climate resilience of the water supply and sanitation services, • investments in increasing storage to ensure access where climate change is expected to increase water stress and shortages. <p>If the causal relationship is weak (e.g., a climate risk assessment shows that water supply is not affected by climate change in a region), the adaptation marker should not be assigned.</p> <p>Mitigation and adaptation Installation of systems that enable significant energy savings compared to older systems may qualify against both mitigation and adaptation markers as resource-efficient systems reduce emissions while building resilience.</p>	<p>will also increase the resilience of the population to the effects of climate change (adaptation score 1).</p> <ul style="list-style-type: none"> • Measures to design and deliver water and sanitation services which reduce vulnerability to floods of affected water and sanitation infrastructure (adaptation score 1 or 2).
Sanitation-large systems – 14022 Basic sanitation – 14032	0, 1 or 2	1, 2 or 0	<p>Mitigation Activities that are designed to save a significant amount of energy (e.g., if energy efficient pumps are employed) and/or to avoid methane gas emissions may justify a mitigation score 1. If energy use/energy efficiency is the central focus of the activity, mitigation score 2 may be justified.</p> <p>Adaptation Wastewater management systems protect existing water resources and human health in the face of climate change. In regions at risk of increased water scarcity due to climate change, such measures, if they provide significant positive effects for ground and/or surface water protection, can also be considered having a climate change adaptation objective (adaptation score 1 or 2), particularly if treated waste water is recycled.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Introduction of energy-efficient pumps in the sewage system of a city (mitigation score 1). <p>Adaptation</p> <ul style="list-style-type: none"> • Treatment of water resources with the introduction of recycled water (adaptation score 2) • Wastewater management systems, or systems designed to protect the quality and quantity of existing water resources in the face of climate change, e.g. through the recycling of wastewater: <ul style="list-style-type: none"> ○ If the design explicitly takes into account climate change risk (adaptation score 2); ○ If it does not, but builds additional resilience, in the face of multiple hazards including climate change (adaptation score 1).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
Waste management /disposal – 14050	2, 1 or 0	1 or 0	<p>Mitigation Activities that promote modern waste-to-energy with waste collection/recycling (especially separation of biogenic waste) and recovery/use of methane gas can result in significant GHG reductions and therefore justify the application of the mitigation marker (mitigation score 2). If the methane gas is only flared the activity would score 1 and 0 if not captured, as there are no emissions reductions involved.</p> <p>Adaptation Effective waste management systems that protect water resources or fragile ecosystems and strengthen their resilience to the impacts of climate change can score against adaptation.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Biogas production and reuse of energy produced by wastewater facilities (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> • Project to reduce risks of urban flooding of water systems due to climate change and causing contamination through sewage overflow (adaptation score 1). • Protect lagoons, which are highly vulnerable to climate change, from salt-water intrusion and contamination (adaptation score 1).
Water resources conservation (incl. data collection) –14015 River basin’s development – 14040	1, 0 or 2	1, 2 or 0	<p>Mitigation Water resources conservation involving the efficient use of energy or including forest preservation or other activities that provide terrestrial carbon uptake benefits contribute to mitigation and can therefore score 1. However, when the activity’s main purpose is mitigation, it is recommended to reclassify it to the environment protection sector (category 410).</p> <p>Adaptation Water resources conservation is particularly important for climate-resilience, especially if an assessment of climate change risks include water shortages or high fluctuations in available water resources. In this specific case, adaptation score 2 may be appropriate, otherwise adaptation is considered as a secondary objective (adaptation score 1).</p> <p>Data collection measures that are carried out with the aim of contributing to the monitoring and detecting the meteorological and hydrological impacts of climate change and providing an evidence base for climate change risk assessment can be scored as 1 with the adaptation marker or even 2 if main objective.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Protection and/or rehabilitation of water bodies, swamps and wetlands as CO2 storage (mitigation score 1 or even 2 possible), related studies or research, e.g. limnology. <p>Adaptation</p> <ul style="list-style-type: none"> • Developing or enhancing systems for monitoring drinking water, in areas affected by higher temperatures, floods and rising sea level as a consequence of climate change (adaptation score 1 or 2). <p>Mitigation and adaptation</p> <ul style="list-style-type: none"> • Water basin management involving forest protection / reforestation for the purpose of reducing the severity of floods while increasing carbon uptake (mitigation score 1, adaptation score 2 if main objective).
GOVERNMENT AND CIVIL SOCIETY – 150				

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
All purpose codes in category 150	0, 1 or 2	0, 1 or 2	Development programmes that integrate climate change considerations or promote climate change action can score for mitigation and/or adaptation, if properly justified (score 1 most likely) ⁹ .	<p>Mitigation</p> <ul style="list-style-type: none"> • Development/preparation of low-carbon development strategies (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> • Programme to build leadership and entrepreneurship for effective local action in health, agriculture and nutrition in a changing climate and environment (adaptation score 1).
OTHER SOCIAL INFRASTRUCTURE AND SERVICES – 160				
All purpose codes in category 160	0,1 or 2	0, 1 or 2	Specific activities in the social infrastructure sector can include mitigation and adaptation measures. Activities can score against the mitigation marker if designed to reduce greenhouse gas emissions. For the adaptation marker, activities dedicated to climate proofing social infrastructure and services can be considered. Examples can be found more frequently in the health and education sectors.	<p>Mitigation</p> <ul style="list-style-type: none"> • Implementation of Nationally Appropriated Mitigation Actions (NAMA) in low-carbon housing (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> • Support of vulnerable people including women and children in areas vulnerable to the effects of climate change through promotion of climate resilient agriculture, food security and basic services (adaptation score 1 or 2).
TRANSPORT AND STORAGE – 210				
Transport policy and administrative management – 21010 Storage – 21061 Education and training in transport and storage – 21081	2, 1 or 0	0, 1 or 2	<p>Mitigation</p> <p>Activities targeted to supporting the development of transport sector policy and planning can incorporate measures to promote GHG emission reductions that are focused exclusively on traffic reduction through the development and/or integration of public transport and non-motorised transportation pursues (mitigation score 2 or 1).</p> <p>Adaptation</p> <p>Climate-proofing transport infrastructure as a requirement in transport policies and strategies can be scored against the adaptation marker if properly justified.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Non-motorised transportation planning to reduce GHG emissions (cycling and walking) from transport (mitigation score 2). • New infrastructure, capacity building and/or improvements to existing systems (integrated traffic management systems, driver training, etc.) that lead to significant reductions in GHG emissions (mitigation score 2). • A transit-oriented development (TOD), a mixed-use residential and commercial area designed to maximize access to public transport, can contribute significantly to GHG reduction (mitigation score 1).

9. Development of climate change strategies should be coded under Environmental Policy and administrative management – 41010.

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
				<p>Adaptation</p> <ul style="list-style-type: none"> Inclusion of climate change considerations in transport planning (e.g. climate proofing of road construction to account for climate change impacts and variability) (adaptation score 1 or 2).
Road transport –21020 Rail transport –21030 Water transport –21040 Air transport- 21050	1, 2 or 0	0 or 1	<p>Mitigation</p> <p>An activity in the transport sector that aims at reducing GHG emissions will score 1 or 2 on the mitigation marker depending on the purpose of the project and the expected reduction of GHG emissions. If the project does not intend to reduce GHG emissions the activity will score 0.</p> <p>Adaptation</p> <p>If the measure significantly improves the resilience of transportation routes to extreme weather events or gradual changes in climate (e.g., sea level rise, rising temperatures), it is justified to score 1 against the adaptation marker.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> Public transport with an objective to reduce GHG emissions (subway, light rail, bus rapid transit, trams, etc.) (mitigation score 1 or even 2 if the main objective is to reduce GHG emissions). A measure to shift from road to rail or water transportation can significantly reduce GHGs (mitigation score 1 or 2). Optimisation of conventional and conversion to alternative engine technologies: energy efficiency and fuel switching has expected reduction of GHG emissions as some of the main objectives (mitigation score 2). Road building itself, however, does not entail relevant reduction of GHG emissions, even if the new road shortens transport routes, as new roads generate increased traffic (mitigation score 0) unless the road also promotes the use of climate-friendly transport (e.g., the construction of bicycle and bus lanes) (mitigation score 1). Switching to electric mobility, hydrogen power, liquefied natural gas, and hybrid engines (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> Improved access to roads all year round for population vulnerable to climate change impact (adaptation score 1).
COMMUNICATIONS – 220				
All purpose codes in category 220	0, 1 or 2	0, 1 or 2	<p>Mitigation</p> <p>For a communications project to score mitigation 1 or 2, it would need to establish a link between the communications technology and mitigation.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> Promoting research in satellite information for climate modelling purposes (mitigation score 1).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			<p>Adaptation A communications project could be scored 1 or 2 in adaptation if it consists in strengthening resilience of communication equipment.</p>	<p>Adaptation</p> <ul style="list-style-type: none"> • Identification of key national data centres at greatest risk of suffering damage from storms or floods, and enhancement of climate resilience of those sites (adaptation score 2). <p>Mitigation and adaptation</p> <ul style="list-style-type: none"> • Improvement of the meteorological radar system in order to improve the information on changes to land-use, land cover, forestry, water, etc. (adaptation and mitigation score 1, possibly score 2 for one marker).
ENERGY GENERATION, DISTRIBUTION AND EFFICIENCY – 230				
Energy policy and administrative management – 23110 Energy education/training – 23181 Energy research – 23182	2, 1 or 0	0, 1 or 2	<p>Mitigation Activities that develop/foster appropriate regulatory efforts to promote energy efficiency and renewable energy, including climate change considerations, score against mitigation. However, activities in the energy sector, as for other sectors, do not score against mitigation “by default”, and in the event that climate change is not taken into account, the scoring would be 0.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Regulatory policy reform in the energy sector to take into account climate change mitigation efforts (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> • Enhancing the capacity and regulatory capabilities of the Regulatory Authority to deal with climate change impacts (adaptation score 2). • Supporting local authorities to improve security of their energy supply by designing resilient energy infrastructure (adaptation score 1).
Energy conservation and demand-side efficiency – 23183	2 or 1	0, 1 or 2	<p>Mitigation The primary objective of energy efficiency measures¹⁰ is normally to reduce greenhouse gas emissions, even if simultaneous objectives also exist (e.g., security of supply, reduced energy bills, productivity benefits and reduced foreign exchange outflows and volatility linked to fossil fuel imports.).</p> <p>The following principles help determining whether an energy efficiency project qualifies for mitigation:</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Retrofit efficiency improvement in the energy sector (mitigation score 2). • Cogeneration (mitigation score 2 if substantially more efficient than separate generation). • Clean cook stoves (mitigation score 2). • Renewable energy power plant retrofits, improvements in energy efficiency in existing thermal plants (mitigation score 1).

10. Energy efficiency can be a relevant part of projects not only in the energy sector but in the industry, transport, construction, education sectors.

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			<ul style="list-style-type: none"> The general principle for brownfield energy efficiency¹¹ activities involving retrofitting or the substitution of technologies or processes is that (i) the old technologies are substituted well before the end of their lifetime and the new technologies are more efficient, or (ii) new technologies or processes are more efficient than those normally used in greenfield projects. The general principle for greenfield energy efficiency activities is that they prevent a long-term lock-in in GHG-intensive infrastructure (urban, transport and power sector infrastructure). <p>Adaptation In some cases, energy efficiency measures in construction and retrofitting can also have climate change adaptation objectives, e.g. to build resilience in the energy system in the case of disaster event (adaptation score 1).</p>	<ul style="list-style-type: none"> Fuel switching from one fuel to a different, less GHG-intensive fuel type qualifies as mitigation (score 1 or 2) if a net emission reduction can be demonstrated taking extensions of capacity and lifetime of the facility into account. Combined heat and power plants: heat generation can also be associated with energy efficiency if combined with power generation. <p>Mitigation and adaptation</p> <ul style="list-style-type: none"> Clean cooking solutions that are less dependent on traditional biomass are both relevant for mitigation and adaptation (making cooking food less dependent on climate vulnerable biomass resources) (mitigation score 2 and adaptation score 1). Efficiency in new construction (exceeding available standards) and retrofitting of existing buildings, e.g., improving the efficiency of air conditioning of hospitals in hot regions (mitigation score 1 and adaptation score 1).
Energy generation, renewable sources – 232	2 or 1	0 or 1	<p>Mitigation The main objective of renewable energy production is typically to reduce GHG emissions through project development or the creation of enabling environments for the development and dissemination of the skills and technologies necessary to expand renewable generation.</p> <p>The rationale for projects to qualify as mitigation is that, in the absence of the renewable energy construction/rehabilitation, high GHG emitting energy sources would be used. Not only are direct effects (e.g., observed emission reductions) taken into account, but also projected impacts on future emissions, i.e., changes in future GHG emission trajectories compared to</p>	<p>Mitigation</p> <ul style="list-style-type: none"> Wind energy, photovoltaic and concentrated solar power (CSP), geothermal, biomass and biogas, ocean tide power score for mitigation (mitigation score 1 or 2 if main objective). Hydropower (storage or run-of-the-river) only if net emission reductions can be demonstrated. (mitigation score 1 or 2). Support to institutional framework in biofuels (mitigation score 1). Training in renewable energy (mitigation score 2). <p>Adaptation</p>

11. “Brownfield” energy efficiency activities include those in already built environments (including industrial processes, energy generation facilities, water treatment plants, etc.). “Greenfield” energy efficiency activities imply the construction of new equipment/infrastructure.

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			<p>reference case ("business as usual") scenarios.</p> <p>Adaptation If specific measures take into account climate change impacts (and therefore aim at improving the resilience to climate), the activity can be scored against the adaptation marker.</p>	<ul style="list-style-type: none"> • New hydro-power activity that takes into account the impact of climate change on water resources and uses modern engineering techniques (adaptation score 1). • Optimizing hydropower generation and dam safety in the context of climate change vulnerability (adaptation score 1).
Energy generation, non-renewable sources – 233	0 or 1	0	<p>Mitigation Generally, thermal power plants' objective is not to limit emissions of GHGs and they will therefore not comply with the eligibility criteria of the climate mitigation marker. However, there may be cases where energy efficiency aspects make projects eligible to be scored as climate change mitigation, where they involve reducing GHG emissions of an energy generation process.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Activities in which existing power plants switch to lower emitting fuels (e.g., switching from coal to natural gas) (mitigation score 1).
Hybrid energy electric power plants – 23410	1 or 0	0	<p>Mitigation Hybrid power plants (i.e. blending a renewable source with a fossil fuel to reduce the emissions compared with a fossil fuel-only baseline) may score mitigation 1.</p>	
Heating, cooling and energy distribution – 236	2, 1 or 0	0, 1 or 2	<p>Mitigation In order for electric power transmission and distribution activities to qualify for the mitigation marker it is important to ensure that the investment is not in energy-intensive technologies. The scoring is directly linked to the purpose of the activity, which will be different if designed to reduce GHG emissions and mitigate climate change as main objective, or if the measures are complementary to the primary objective of the activity. Note that:</p> <ul style="list-style-type: none"> • Investments in network infrastructure can minimise power losses; therefore a mitigation score 1 can be assigned. • In countries/regions where network expansion also allows for the extension/connection of renewable energy, a mitigation marker score 2 can be applied. Investment in innovative/smart grid technologies pursues reduction of GHG as the main target since they create the infrastructure for the use of renewable energies or allow for efficiency gains/loss reduction; therefore 	<p>Mitigation</p> <ul style="list-style-type: none"> • Integration of renewable sources into local or national grid, or energy efficiency measures in grid retrofitting: construction of new transmission/distribution lines, transformers, and substations, grid rehabilitation, deployment of innovative network technologies (mitigation score 1 or 2). • New 'off-grid' systems (typically integrating energy storage, management and appliances) - allowing delivery of renewable energy directly to houses, businesses and/or community services without integration with the grid (e.g. mini-grids, home systems) (mitigation score 1 or 2). • Rural electrification measures designed so that energy-efficient technologies are employed or distributed (mitigation score 1). The reference scenario "use of diesel generators" could also be taken into account when considering the expected GHG impacts of the activity, and

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			<p>a marker 2 can be applied.</p> <p>In the context of heat generation, heat-only plants that use renewable energy sources (including solar, geothermal, biomass, etc.) can score 2 for mitigation.</p> <p>Adaptation If the design of modern networks is expected to increase the security of supply in case of extreme weather events caused by climate change and based on a context/vulnerability assessment, then the adaptation score 1 can be justified.</p>	<p>to inform the mitigation score.</p> <p>Adaptation</p> <ul style="list-style-type: none"> Strengthening of energy transmission and distribution infrastructure if the main objective is to cope with the impacts of climate change (adaptation score 2). Energy access through rural electrification which enables early warning systems to be heard/received, information to be attained/communicated; electrical power increases ability to store harvests, to refrigerate medicines, study at night, more efficient irrigation technology – etc. (adaptation score 1).
BANKING AND FINANCIAL SERVICES – 240				
All purpose codes in category 240	0,1 or 2	0,1 or 2	Credit lines (or other financial products in support of the finance sector) specifically designed for the development of renewable energy, the support of low-carbon investments, energy efficiency or climate adaptation qualify for the climate markers (the marking and score dependent on the prominence of mitigation and/or adaptation in investment criteria for the credit lines).	<p>Mitigation¹²</p> <ul style="list-style-type: none"> Dedicated credit lines to finance renewable energy investments (mitigation score 2). Promotion of Micro, Small and Medium Enterprises' energy saving efforts through providing medium-term and long-term funds for energy conservation measures and raising awareness of energy saving via local development financial institutions (mitigation score 1 or 2). <p>Adaptation</p> <ul style="list-style-type: none"> Climate insurance fund to facilitate the adaptation to climate change for businesses and households through better access to adequate insurance solutions (adaptation score 2). Creation of infrastructure and hubs that would support improved business continuity during and after extreme weather events (adaptation score 1).
BUSINESS AND OTHER SERVICES – 250				
All purpose codes in category	1, 0 or 2	1, 2 or 0	Support to the mainstreaming of climate change considerations	Mitigation

12. In the CRS, depending on main focus, credit lines in support of the finance sector specifically designed for the development of renewable energy or for energy savings may be recorded under the energy sector (230).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
250			<p>in businesses and services can be scored against adaptation or mitigation marker.</p> <p>Mitigation Activities including the provision of advice to business in greening their practices or incentives for private sector to include climate change concepts in their strategies or guide their investment can score mitigation 1. If the main objective is to implement projects to reduce GHG emissions, then it can be scored against mitigation 2.</p> <p>Adaptation Business and services can contribute to climate change adaptation in a number of ways e.g. by diversifying income opportunities for communities that cannot continue their traditional way of life as a result of climate change but also by supporting the development, distribution or adoption of new technologies to better deal with climate change.</p>	<ul style="list-style-type: none"> • Finance measures in the field of climate protection for preparing and supporting private investment on a public-private partnership basis (PPP). (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> • Tools to strengthen the capacity of the private sector for climate change (adaptation score 1 or 2). • Linking initiatives, stakeholders and knowledge for climate resilient livelihood security including vulnerability to climate change (adaptation score 1).
AGRICULTURE - 311				
All purpose codes in category 311	0, 1 or 2	1, 2 or 0	<p>Mitigation Scoring against mitigation may be justified when farming methods decrease GHG emissions or increase carbon sequestration.</p> <p>Adaptation Agricultural development measures can, in many ways, increase resilience to the impacts of climate change, through the use of climate-resilient crops or diversifying production to be able to better cope with the impacts of climate change.</p>	<p>Mitigation:</p> <ul style="list-style-type: none"> • Livestock projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.) (mitigation score 1). • Increase and maintenance of the CO₂-binding capacity of soil and vegetation (mitigation score 1). • Use of energy saving machineries, design of eco-efficient, carbon neutral systems etc. (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> • Sustainable climate-resilient farming methods (adaptation score 2). • Promoting diversified agricultural production to reduce climate risk (e.g. growing a mix of different crops and different varieties of each crop) (adaptation score 1 or 2). • Promoting heat and drought resistant crops and water

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
				<p>saving irrigation methods to withstand climate change (adaptation score 2).</p> <ul style="list-style-type: none"> • Cultivate and distribute climate-resilient seeds (adaptation score 2). • Set up/use of early warning communications system for agricultural purposes (e.g. communications/IT solutions for monitoring crops, precipitation, temperature etc. to avoid crop loss through climate-related stress or disaster) (adaptation score 1 or 2).
FORESTRY – 312				
All purpose codes in category 312	2, 1 or 0	0, 1 or 2	<p>Mitigation In the case of a monocrop forest plantation with important economic and social benefits, scoring against mitigation will depend on how the trees grown are utilised after they are cut. If they are used for energy production (i.e. turned into charcoal for fuel) there are no net carbon sequestration benefits (mitigation score 0), unless cleared areas are systematically replanted (mitigation score 1 for sustainable biomass production, or even 2 if sustainably managed wood fuel plantations demonstrably reduce pressure on natural forests).</p> <p>Adaptation Improved forest management and reforestation/afforestation can enhance adaptation capacities. Specific activities that fulfil the eligibility requirements can score against the adaptation markers.</p> <p>Mitigation and adaptation There are various mitigation and adaptation effects for forestry/afforestation measures which usually result in a combination of both climate markers (but scoring both mitigation and adaptation as a principal objective should remain exceptional).</p> <p>Since forest has a particularly important role in CO₂ storage, there is usually more emphasis on GHG reduction for these</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Protection and enhancement of sinks and reservoirs of GHGs through sustainable forest management, afforestation and reforestation (mitigation score 2), rehabilitation of areas affected by drought and desertification. (mitigation score 1 or 2 if main objective). <p>Adaptation</p> <ul style="list-style-type: none"> • Restoration of former forest areas utilising natural seed banks and existing plants, in order to reduce vulnerability of forest ecosystems to the impacts of climate change (adaptation score 2). • Promoting sustainable forest management and adopting harvesting techniques that reduce soil erosion and exposure to wildfires, and promote the conservation of biodiversity in order to safeguard forest ecosystems from the impacts of climate change (adaptation score 2). • Afforestation in a river basin can contribute to a more stable hydrologic regime and to reduce floods (adaptation score 2 or 1).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			activities, but they can support adaptation (e.g. resilient forest-based livelihoods, reduced soil erosion).	
FISHING - 313				
All purpose codes in category 313	0 or 1	0,1 or 2	<p>Mitigation A score of 1 can be justified if the activity scored has a clear mitigation objective to reduce GHG emissions.</p> <p>Adaptation Fishing is a critical sector for many economies, including small island states. If the objective is to improve the conditions of the sector by increasing its resilience to climate change it can be marked as adaptation 1 or 2, if properly justified and the information regarding the context of vulnerability is available.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • A project that supports the use of more fuel-efficient boats, made with innovative material and hull shape, and equipped with more efficient engines and storage capacity to reduce the consumption of fuel can score 1 in mitigation. <p>Adaptation</p> <ul style="list-style-type: none"> • Promoting changes in fishing practices to adapt to changes in stocks and target species. Introducing flexibility in the gear that is used, the species that are fished, the fishing areas to be managed, and the allocations that are harvested (adaptation score 1). • Mapping changes in the range of fish species and strengthening the monitoring of fish stocks to determine the impacts of climate change (adaptation score 2). <p>Mitigation and adaptation</p> <ul style="list-style-type: none"> • Activities that aim at reducing overfishing and excess capacity, including adjusting fleet composition, by supporting small-scale fisheries and discouraging industrial fisheries, especially in countries where fish stocks have been fully or partially overexploited, can score both for adaptation and mitigation marker. Such measures would reduce fuel use as a result of the reduction in the number of vessels at sea and increase the catch per unit effort (CPUE) (mitigation score 1).
INDUSTRY – 321				
All purpose codes in category 321	0, 1 or 2	0, 1 or 2	<p>Inclusive and sustainable industries can be marked as mitigation or adaptation.</p> <p>Mitigation For mitigation, changes in the demand patterns influence the resource chain and have impacts on GHG emissions.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Promotion of adoption of energy-efficiency standards and other environmental standards expected to reduce GHG emissions as part of trade-related assistance (mitigation score 1 if a sufficiently prominent objective).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			<p>Improvements in processes and cleaner production (e.g. cement, chemicals) can bring mitigation benefits. A mitigation marker score 1 can be applied to relevant improvements in the production methods to reduce emission of GHG emissions.</p> <p>Adaptation Activities designed to include considerations of climate change impacts, like design of climate-resilient equipment, can be scored against the adaptation marker with score 1, or even 2 depending on the purpose of the activity.</p>	<p>Adaptation</p> <ul style="list-style-type: none"> • Retrofitting of industrial facilities to enhance resilience to climate-related risks (adaptation score 1). • Switching to less water consuming production technologies reduces vulnerability against water shortage (adaptation score 1).
MINERAL RESOURCES AND MINING – 322				
All purpose codes in category 322	0 or 1	0 or 1	<p>Mitigation Improvements in energy efficiency of mining industry and the use of renewable energy as power source could be scored against the mitigation marker if properly justified.</p> <p>Adaptation Climate change considerations in the improved design of mining activities could be scored against the adaptation marker if properly justified.</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Improvement of energy efficiency measures in mining process (mitigation score 1). <p>Adaptation</p> <ul style="list-style-type: none"> • Analytical studies or capacity building to improve climate resilience of mining industries (adaptation score 1). • Changes in the design of open pit mines to adapt to flooding due to increased precipitation can be scored against adaptation (adaptation score 1).
CONSTRUCTION – 323				
All purpose codes in category 323	0, 1 or 2	0, 1 or 2	<p>Construction sector policy and planning. If the activity is in a specific sector it should be assigned to the sector (e.g. hospitals in health or schools in education).</p> <p>Mitigation Improvements in regulation and professional practice to include energy efficiency measures, passive design and choice of low carbon materials (such as sustainably sourced timber and low carbon cement) in buildings could qualify as mitigation activities.</p> <p>Adaptation</p>	<p>Mitigation</p> <ul style="list-style-type: none"> • Promotion of energy-efficient building techniques, development and enforcement of related standards and certification schemes (mitigation score 2). • Programme of activities (PoA) in energy efficiency in the construction sector (mitigation score 2). <p>Adaptation</p> <ul style="list-style-type: none"> • More robust building regulations and improved enforcement practices when there is a shift in zones affected by typhoons/ hurricanes/storm surges (adaptation score 2).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			Inclusion of resilience concepts in the construction process could be marked as adaptation.	
TRADE – 331				
All purpose codes in category 331	0 or 1	0, 1 or 2	Trade can be disrupted by climate-related disasters and therefore can be subject to activities that are focused on mitigating the causes of climate change or adapting to the effects of it.	<p>Mitigation</p> <ul style="list-style-type: none"> • Development of carbon market mechanisms for developing countries in the context of climate conventions (mitigation score 1). <p>Adaptation</p> <ul style="list-style-type: none"> • Assessment of climate change impacts and damages on trade and economic growth (adaptation score 2).
TOURISM – 332				
All purpose codes in category 332	0, 1 or 2	0, 1 or 2	Tourism activities that foster sustainable development practices that incorporate mitigation and/or adaptation concepts qualify as mitigation or adaptation. The objective should clearly state the impacts of climate change in the modified activity.	<p>Mitigation</p> <ul style="list-style-type: none"> • Sustainable tourism development by introducing zero-carbon business solutions, e.g. zero-carbon resorts, touristic products etc. (mitigation score 2). • Contributing to conservation of tourist attractions that reduce GHG emissions, e.g. forests, national parks (mitigation score 1). <p>Adaptation</p> <ul style="list-style-type: none"> • Diversification of tourist attractions to encompass areas less prone to the risks and impacts of climate change (adaptation score 2). • Promotion of eco-tourism as part of a strategy to maintain the resilience of natural ecosystems while diversifying rural livelihoods (adaptation score 1 or 2).
GENERAL ENVIRONMENTAL PROTECTION – 410				
Environmental Policy and administrative management – 41010	2, 1 or 0	2, 1 or 0	Institutional reforms and strengthening to include climate aspects in policies and regulations (such as national and subnational climate change strategies and planning) can score against mitigation or adaptation.	<p>Mitigation:</p> <ul style="list-style-type: none"> • Preparation of national inventories of greenhouse gases (emissions by sources and removals by sinks) (mitigation score 2). • Elaboration of climate change-related policy and economic analysis and instruments, including national plans

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
				<p>to mitigate climate change (mitigation score 2).</p> <ul style="list-style-type: none"> Climate technology needs' surveys and assessments; institutional capacity building (mitigation score 1 or 2). <p>Adaptation:</p> <ul style="list-style-type: none"> Development and implementation of adaptation strategies at national level or in the context of decentralisation programmes (adaptation score 2). Supporting the integration of climate change adaptation into national and international policy, plans and programmes (adaptation score 2). Improving regulations and legislation to provide incentives to adapt (adaptation score 1 or 2). Dedicated budget support to a national or local authorities for climate change adaptation policy implementation (adaptation score 2)
Biosphere protection – 41020 Biodiversity – 41030	1, 2 or 0	1, 2 or 0	There are various mitigation and adaptation effects for this topic which usually result in a combination of both climate markers (but scoring both mitigation and adaptation as a principal objective should remain exceptional).	<p>Mitigation:</p> <ul style="list-style-type: none"> Preservation of the CO₂ storage capacity of vegetation cover (especially forests) and soil (especially wetlands) (mitigation score 1 or 2). Protection and enhancement of sinks and reservoirs through sustainable management and conservation of oceans and other marine and coastal ecosystems, wetlands, wilderness areas and other ecosystems (mitigation score 1 or 2). <p>Adaptation:</p> <ul style="list-style-type: none"> Contribution to the preservation of water resources or erosion prevention to adapt to the effects of climate change (adaptation score 1). Climate resilient conservation measures allowing species to adapt to climate change (e.g., protected eco-corridors for migration) (adaptation score 2). Ecosystem based adaptation, i.e. the use of ecosystems or ecosystem services to help people to adapt to climate change (e.g. wetland restoration and management to enhance

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
Flood prevention/control – 41050	0 or 1	2 or 1	<p>Mitigation In specific cases where flood prevention and control measures include GHG emission reductions, the activity could score 1 for mitigation if properly justified.</p> <p>Adaptation Flood and coastal protection, as well as drainage measures often directly relate to the impacts of climate change (adaptation score 2). For measures not primarily employed for adaptation to the impacts of climate change, or measures that are only part of larger measures, adaptation score 1 is appropriate.</p>	<p>continuity of drinking water supply in drought prone areas) (adaptation score 2).</p> <p>Mitigation</p> <ul style="list-style-type: none"> • Flood protection measures that reduce the consumption of energy and reduce GHG emissions (mitigation score 1). <p>Adaptation</p> <ul style="list-style-type: none"> • Flood protection measures in areas which are becoming increasingly flood-sensitive (e.g. closing of estuaries, building of dikes and sea defences, restoration of wetlands) – with due consideration for the potential environmental impacts of such measures (adaptation score 2 or 1). • Restoring the function of floodplains in combination with sound land-use planning of watersheds and wetlands thereby reducing the exposure to floods and improving water availability in areas affected by increasing water scarcity and/or more variable rainfall patterns (including higher amounts of rain) (adaptation score 2).
Environmental education/training – 41081 Environmental research – 41082	2, 1 or 0	2, 1 or 0	<p>Mitigation and adaptation Activities that are focused on providing training for climate change adaptation and mitigation can score 1 or 2 against adaptation and mitigation markers.</p>	<p>Mitigation:</p> <ul style="list-style-type: none"> • Climate-change-mitigation related research and monitoring. Oceanographic and atmospheric research and monitoring (mitigation score 2). <p>Adaptation:</p> <ul style="list-style-type: none"> • Adaptation-related climate research including meteorological and hydrological observation and forecasting, impact and vulnerability assessments, etc. (adaptation score 2). <p>Mitigation and adaptation</p> <ul style="list-style-type: none"> • Education, training and public awareness related to climate change, the causes and impacts of climate change and the role of adaptation (mitigation and adaptation score 2).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
Other MULTISECTOR – 430				
Urban development and management – 43030	1, 2 or 0	1, 2 or 0	<p>Urban development activities often address environmental and climate issues.</p> <p>Mitigation If reduction aspects are at the centre of a measure (e.g., public transport development and more efficient service delivery through compact town planning), mitigation gets scored 2 while adaptation is likely to score 0.</p> <p>Adaptation If the issue of adaptation to climate change is central to a measure's purpose (e.g., ecological measures counteracting overheating in urban areas) adaptation gets scored 2 and mitigation is likely to score 0.</p> <p>Mitigation and adaptation In many cases, sustainable urban development is equally beneficial to both strands (mitigation score 1 and adaptation score 1). When urban development activities do not address climate aspects as a priority (e.g., activities that are dedicated primarily to improving the lives of slum dwellers), the content of the activity determines whether climate is a secondary objective.</p>	<p>Mitigation:</p> <ul style="list-style-type: none"> • Energy efficiency planning in cities (mitigation score 2). <p>Adaptation:</p> <ul style="list-style-type: none"> • Support to development of climate action plans with vulnerability assessments in cities (adaptation score 2).
Rural development – 43040	1 or 0	1, 0 or 2	<p>Mitigation A rural development project can score 1 against the mitigation marker if there are measures put into place to reduce the emissions of GHG.</p> <p>Adaptation Activities that include measures to increase resilience of population or ecosystems in rural areas to climate change can score 1 if properly justified, taking into account the context of vulnerability.</p>	<p>Mitigation:</p> <ul style="list-style-type: none"> • Securing land and use rights in order to avoid changes in land use that could lead to increased emissions of GHG, contribution to sustainable long-term land-use planning, reducing emissions from land use and changes in land use (mitigation score 1). <p>Adaptation:</p> <ul style="list-style-type: none"> • Sustainable agriculture for adaptation to climate change in vulnerable regions, sustainable regional development in rural drought areas (adaptation score 2).

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			<p>Mitigation and adaptation Regional development planning, land use issues, land management, and many additional aspects of rural development offer a variety of approaches to integrate GHG mitigation and climate change adaptation. For land use and land management measures, especially protection of forest or wetlands, mitigation may be of primary significance (mitigation score 1 or 2 while adaptation may score 0).</p>	
Research and scientific institutions – 43082	0, 1 or 2	0, 1 or 2	Scoring depends on the thematic focus of the funded organisations and all scoring combinations are thus possible.	
GENERAL BUDGET SUPPORT – 510				
<p><i>General budget support (GBS) is by definition un-earmarked and is excluded from marking (see paragraph 5). Sector budget support can be marked. However, possible options for qualifying GBS flows in terms of their degree of focus on the Rio conventions could be pursued: a number of partner countries are developing climate-specific budget codes/tagging; as a result monitoring the recipient country’s domestic expenditure on climate activities and possibly other environmental aspects could be possible.¹³</i></p>				
DEVELOPMENTAL FOOD AID/FOOD SECURITY ASSISTANCE – 520				
Food aid/food security programmes – 52010	0	0, 1 or 2	<p>Adaptation Activities in the area of food security can be scored against the adaptation marker if the objectives of the project explicitly include the building of climate resilience in food production.</p>	<p>Adaptation</p> <ul style="list-style-type: none"> • A programme addressing food insecurity which also builds capacity to cope with the impacts of climate change on food production could be marked as “significant” (adaptation score 1).
DEBT – 600				

13. Members are currently not required to indicate the Rio/environment focus of GBS data. There may be rationale to revisit this however, in recognition of the 2011 Busan commitments on effective development co-operation to increase the use of country systems. Going forward, possible options for qualifying these flows in terms of their degree of focus could be pursued using a more refined methodology. Options include: i) Reviews of GBS donor co-ordination groups in recipient countries: these reviews could provide information on the content of policy dialogue that accompanies GBS and report on the specific measures taken to address biodiversity/climate/desertification/environment-related objectives, and ii) Monitoring of the recipient country’s domestic expenditure on biodiversity/climate/desertification/environment-related activities.

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
<i>Excluded from marking (see paragraph 5) except for debt swaps which can be specifically targeted to environmental purposes.</i>				
HUMANITARIAN AID – 700				
Emergency response – 720	0 or 1	0 or 1	In the case of a situation which results from natural disasters, the short term response to support the affected population can score mitigation or adaptation 1 if designed with a clear link to climate change in terms of GHG emission reductions or improvement of adaptive capacity and resilience.	Mitigation <ul style="list-style-type: none"> • Provision of solar lights for use during emergency responses (mitigation score 1).
Reconstruction relief and rehabilitation – 73010	0 or 1	0,1 or 2	Mitigation Restoration of services or repairing of infrastructure with the incorporation of low carbon technologies (such as efficient batteries, solar panels for heating water or electricity) could be marked as mitigation. Adaptation In the aftermath of a natural disaster caused or hardened by climate change, the improvement of capabilities to cope with natural disasters caused by climate change can be marked as adaptation,	Mitigation <ul style="list-style-type: none"> • Review and assess the adequacy of current environmental management practices on a range of humanitarian activities (mitigation score 1). Adaptation <ul style="list-style-type: none"> • Activity to support the early recovery and reconstruction as well as establishment of resilient society / community (“build-back better”) in disaster-affected areas (adaptation score 1 or 2).
Disaster prevention and preparedness – 74010	0 or 1	1,2 or 0	Mitigation Activities that include the provision of services/tools to be better prepared in case of occurrence of a disaster can qualify to score 1 in mitigation if they lead to significant GHG emission reductions. Adaptation Activities that aim at reducing the vulnerability (or strengthening the resilience) of the population, the economy, and its infrastructure against the short-term negative consequences of climate change related disasters can score 1 or 2 against the adaptation marker, depending on the purpose of the activity (adaptation score 1 is appropriate if the measure is not directly aimed at adapting to climate change, but still significantly contributes to it).	Mitigation <ul style="list-style-type: none"> • Provision of solar lights in anticipation for a disaster impacted by climate change (mitigation score 1). Adaptation <ul style="list-style-type: none"> • Developing emergency prevention and preparedness measures including insurance schemes to cope with potential climatic disasters such as floods or landslides (adaptation score 2). • Support to Civil Protection Team to improve their information on climate change impacts through the use of satellite-based maps in the preparation of event scenarios and rescue plans after the heavy monsoon rains that caused floods (adaptation score 1). • Developing emergency preparedness plans and disaster

Sector/CRS purpose codes	Mitigation	Adaptation	Rationale for scoring	Examples of qualifying activities
			Climate risk management ¹⁴ which consists in preventing and dealing with long-term loss and damage resulting from climate change (e.g., impacts of sea level rise) qualifies for adaptation score 2.	<p>risk reduction strategies in order to protect key infrastructure assets from the impacts of climate change; this includes setting up early warning systems, addressing governance issues and promoting awareness (adaptation score 2).</p> <ul style="list-style-type: none"> • Promoting disaster preparedness and the links to climate change adaptation at various levels of government as well as at community level (adaptation score 2). • Social protection for climate disasters: e.g. as part of a pre-disaster preparedness programme which seeks to build resilience to potential future climate related disasters, having a social protection scheme in place to enable emergency cash transfers to happen when a flood/storm strikes – means poorest people don't need to sell down their assets in the immediate aftermath of a disaster (adaptation score 1 or 2 if main objective).
ADMINISTRATIVE COSTS – 910 <i>Excluded from marking (see paragraph 5).</i>				
REFUGEES IN DONOR COUNTRIES – 930 <i>Excluded from marking (see paragraph 5).</i>				
UNALLOCATED – 998				

14. Note the risk of confusion with terms when climate risk management is referred to as climate risk “mitigation”; the latter can be misinterpreted as “mitigation” instead of “adaptation” related.

Annex 19. Programme-based approaches: examples

Ghana

Financial Sector Reform Programme

1. Is the host country or organisation exercising leadership over the programme supported by donors?

YES. Designated government staff co-lead and co-ordinate the donor funded activities through the Private Sector Development Working Group and the Financial Sector Sub-Group. Activities (whether project activity or budget support) are detailed and governed in MoUs between the donor community and the Government.

2. Is a single comprehensive programme and budget framework used?

YES. The Programme has a budget framework that captures the Government and donor input. For PSD and Financial Sector activities, the framework is connected to specific strategic outcomes and is used as a management tool. Majority of the donors provide some project activity support – all of these activities are incorporated in the framework.

3. Is there a formal process for donor co-ordination and harmonisation of donor procedures for reporting budgeting, financial management and procurement?

YES. Both the PSD and Financial sector processes fulfil all four functions.

4. Does your support to the programme use at least two of the following local systems: (i) programme design, (ii) programme implementation, (iii) financial management and (iv) monitoring and evaluation?

YES, IT USES 2 SYSTEMS. USAID uses local system for programme design and participates in design of other donor's activities. USAID activities are implemented with various GoG agencies / ministries / departments (e.g. technical assistance to farmers is designed with and then provided by local GoG agricultural workers). USAID also gives money to local institutions to implement activities. As USAID does not provide pooled funding or sector budget support, USAID does not use local financial management and M & E Systems.

Source: USAID.

Tanzania

Health SWAp

1. Is the host country or organisation exercising leadership over the programme supported by donors?

YES. Basket funding is managed by the Ministry of Health and Social Welfare (MOHSW) which its Chief Medical Officer chairs the Health SWAp Technical Working Group. The technical working group is comprised of a subset of invited partners from government, donors, CSOs and private sector.

2. Is a single comprehensive programme and budget framework used?

YES. A Mid-Term Economic Framework budgets all health funds at the district and above levels. Funds include government revenue, General Budget Support and the Health Basket. Progress is being made to include projectised donations into the MTEF.

3. Is there a formal process for donor co-ordination and harmonisation of donor procedures for reporting budgeting, financial management and procurement?

YES. A very active Donor Partner Group for Health meets monthly and has sub-groups for basket funding, M & E and other topics which cover all four areas.

4. Does your support to the programme use at least two of the following local systems: (i) programme design, (ii) programme implementation, (iii) financial management and (iv) monitoring and evaluation?

Yes. Programme implementation uses the SWAp Technical Working Group. Financial management is done through the basket subcommittee of Donor Partner Group on Health reviews and comments on the MTEF. Monitoring and evaluation is done through the Joint Assistance Strategy for Tanzania Review.

Source: USAID.

Afghanistan

Afghan Reconstruction Trust Fund (ARTF)

1. Is the host country or organisation exercising leadership over the programme supported by donors?

Yes. ARTF funding only goes to public sector activities that have been defined in Government of Afghanistan's budget, the National Development Framework and its National Priority Programme. It provides funding in support of 11 National Priority Programmes which are based on the NDF.

2. Is a single comprehensive programme and budget framework used?

Yes. The ARTF has one framework and programme consisting of two windows – for recurrent expenditure and investment. This means that there is one source of funding for the recurrent budget. Further, all proposals for activities that are to receive ARTF funding come from the Ministry of Finance. Whilst these can in principle come from any line ministry of the Government, it must be accompanied by a justification in terms of importance to the Government of Afghanistan's NDF and NPPs.

3. Is there a formal process for donor co-ordination and harmonisation of donor procedures for reporting budgeting, financial management and procurement?

Yes. The ARTF is overseen by a Management Committee (MC) consisting of representatives from the Asian Development Bank, the Islamic Development Bank, UNDP and the World Bank. The MC is responsible for reviewing progress and taking key decisions, including the approval of investment projects proposed for ARTF financing. Donors participate in a Steering Committee that meets quarterly, focusing on administrative and performance issues.

4. Does your support to the programme use at least two of the following local systems: (i) programme design, (ii) programme implementation, (iii) financial management and (iv) monitoring and evaluation?

Yes. By working through reimbursements, which are verified by the Monitoring Agent, ARTF provides an incentive to improve financial management and accountability. In addition, the World Bank (which manages the ARTF) is providing technical assistance to the Ministry of Finance to enable increased use of government systems. The recent Public Expenditure Review demonstrated that strong progress has been made in the Government's fiscal discipline and budget planning and information on budget execution.

Source: DFID and Assessment, Afghanistan Reconstruction Trust Fund (ARTF), March 2005.