

An Roinn Gnóthaí Eachtracha Department of Foreign Affairs

Ireland's Climate and Environmental Finance Report 2021

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Glossary

CCRIF	Caribbean Catastrophe Risk Insurance Facility
CGIAR	Consultative Group for International Agriculture Research
CRS	Creditor Reporting System
CSU	Civil Society Unit
CSO	Civil Society Organisation
DAFM	Department of Agriculture, Food and the Marine
DCAD	Development Cooperation and Africa Division
DECC	Department of the Environment, Climate and Communications
DFA	Department of Foreign Affairs
DFIN	Department of Finance
EU	European Union
FAO	Food and Agriculture Organisation
GEM	Gender Equality Marker
GCF	Green Climate Fund
GEF	Global Environment Facility
IIED	International Institute for Environment and Development
IPCC	Intergovernmental Panel on Climate Change
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
MDB	Multilateral Development Bank
NGO	Non-governmental Organisation
NDC	Nationally Determined Contributions
ODA	Official Development Aid
OECD	Organisation for Economic Cooperation and Development
SIDS	Small Island Developing States
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNDESA	United Nations Department for Economic and Social Affairs
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN OCHA	United Nation's Office for the Coordination of Humanitarian Affairs

Executive Summary

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

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

This report provides an overview of Ireland's international financial support in 2021 to the objectives of the Rio Conventions on climate change, biodiversity and desertification.

The overall climate finance provided by Ireland in 2021 was €99.6 million. This figure represents financing provided by the Department of Foreign Affairs; the Department of the Environment, Climate and Communications; the Department of Finance, and the Department of Agriculture, Food and the Marine. Climate finance represented 10.2% of Ireland's Official Development Assistance in 2021.

The respective Departments provide funding through various channels: bilateral programming through Ireland's overseas Missions, support to Irish CSOs and NGOs that are operating in developing countries, and multilateral programming through international climate change funds. multilateral financial institutions and other specialised UN bodies. The Department of Foreign Affairs (DFA) provided approximately 57% (€57.1 million) of total climate finance in 2021. The Department of Finance (DFIN) provided 18% (€18.4 million) and the Department of Environment, Climate and Communications (DECC) 18% (€17.5 million) of the total funding. The Department of Agriculture, Food and the Marine (DAFM) provided approximately 7% of the total climate finance ($\in 6.6$ million).

International climate finance provided by the DFA, DECC, DFIN and DAFM is drawn from Ireland's annual budget (Budget 2021). Reported finance is all public funding and ODA eligible.¹

The 2021 figure represents an increase of 12.8% in Ireland's climate finance as compared to 2020 (€88.3 million). This is in line with the overall trend in Ireland's climate finance, which steadily increased from 2016 to 2019. 2020 represented a departure from this trend, with Ireland's climate finance falling approximately 5.7% on the previous year. This decrease was caused by two factors: the impact of COVID19 in 2020 on programming and expenditure; and the introduction across the EU of new accounting methodology, outlined further in Section 1.4.

¹ The OECD Development Assistance Committee (DAC) sets out the eligibility rules for Official Development Aid (ODA). For further information see https://www.oecd.org/dac/financing-sustainable-development/development-financestandards/official-development-assistance.htm

Climate finance provided through multilateral channels (multilateral development banks, international funds, and UN agencies and programmes) increased by 53% from €40.1 million in 2020 to €61.4 million in 2021. Climate finance provided through bilateral channels (Ireland's overseas Mission network and CSO partners) decreased by 24% from €43.2 million in 2020 to just over €32.9 million in 2021.

48% of Ireland's total climate finance was channelled to programmes and projects that targeted resilience and adaptation to climate change (only). This includes a €5 million contribution to the Adaptation Fund, which supports the most climate vulnerable developing countries in meeting the costs of adaptation.

Cross-cutting activities – those which target both climate change adaptation and mitigation – also received 48% of overall financial support. Mitigation (only) focused activities received the least amount of support – approximately 4%.

Ireland focuses most of its international development cooperation and climate action in Least Developed Countries (LDCs). The majority (86%) of Ireland's bilateral climate financing, delivered via Ireland's overseas Mission network, was channelled to LDCs, while over 82% of climate related support through Irish CSOs went to LDCs in Africa, Asia and the Americas. In addition, the Least Developed Countries Fund, which explicitly focuses on adaptation in LDCs, also received €2.5 million in 2021.

Approximately 12% of Ireland's total multilateral climate finance in 2021 specifically targeted support for Small Island Developing States (SIDS), with €7.2 million contributed to Ireland's Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States, administered by the Asian Development Bank. Sixteen SIDS are eligible to receive support from this fund including Vanuatu, Samoa, Timor-Leste and Papua New Guinea.

Funding in support of biodiversity protection in 2021 was approximately €8.7 million. This includes support provided via Ireland's overseas Missions, Irish CSO programmes across developing countries and DFA's partnership with the World Bank Pro-Blue Trust Fund. Ireland's bilateral funding for tackling desertification in 2021 was €6.6 million, supported primarily through Irish CSOs. Ireland also provided €1.43 million to the Global Environment Facility (GEF) in 2021. While the GEF supports actions towards the three Rio Conventions, there is as yet no annual attributed share of funding for biodiversity protection and tackling desertification.

Channel	DFA	DECC	DFIN	DAFM	Total
Bilateral (Ireland's Overseas Missions)	€14,322,148				€14,322,148
Bilateral (CSOs)	€18,602,427				€18,602,427
Multilateral (Funds)	€5,500,000	€12,701,200	€3,361,919		€21,563,119
Multilateral (MDBs/IFIs)	€5,680,000	€3,000,000	€15,010,176		€23,690,176
UN Bodies	€8,540,144	€1,768,067		€5,799,739	€16,107,949
Other	€4,485,536	€47,906		€799,343	€5,332,784
Total	€57,130,254	€17,517,172	€18,372,095	€6,599,081	€99,618,603

In July 2022, Ireland's *International Climate Finance Roadmap* was published. This all-ofgovernment strategy was developed by the Department of Foreign Affairs together with the Departments of Environment, Climate and Communications; Finance; and Agriculture, Food and the Marine, and in collaboration with the Departments of Public Expenditure and Reform, the Department of Housing, Local Government and Heritage, and the Department of the Taoiseach. The *Roadmap* sets out the Government's vision for achieving the target announced by the Taoiseach at COP26 to provide at least €225 million in climate finance per year by 2025. This target represents a more than doubling of Ireland's climate finance from 2019 levels.

INTRODUCTION

Each year, the Department of Foreign Affairs (DFA) produces an annual climate and environmental finance report, which illustrates quantitatively and qualitatively the levels, sources and channels of Ireland's international climate and environmental finance. The report aims to provide a granular overview of the finance provided, including a breakdown by source; by purpose (e.g. adaptation, mitigation, crosscutting); and by channels of support (e.g. Civil Society Organisations, multilateral climate & environment funds and UN Agencies).

The data collection for the 2021 report was led by the Climate Unit in DFA Headquarters, with input from the Department of Environment, Climate and Communications (DECC), the Department of Finance (DFIN) and the Department of Agriculture, Food and the Marine (DAFM).

1.1 Climate and Environmental Finance Reporting

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

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

The Organisation for Economic Cooperation and Development (OECD) is an intergovernmental organisation made up of 38 member countries, which aims to improve the economic and social well-being of people in non-member countries. The OECD Development Assistance Committee² (DAC) is a body within the OECD which establishes definitions and methods for monitoring, assessing and reporting resources contributing to development cooperation, including for achieving Agenda 2030 and the Sustainable Development Goals. The DAC has agreed definitions for reporting environmental expenditures, most commonly known as the Rio Markers. As a member of the OECD, Ireland is requested to produce annual ODA reports that disclose the total amount of development finance provided in the previous year. These reports also include information, via policy marking, on funding that contributes to the objectives of the Rio Conventions on climate change (mitigation and adaptation), biodiversity, and desertification.

² http://www.oecd.org/dac/thedevelopmentassistancecommitteesmandate.htm

1.2 Rio Markers

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

The Rio Markers on biodiversity, climate change mitigation and desertification were introduced in 1998, with a fourth marker on climate change adaptation being applied to 2010 flows onwards. Rio Markers should be applied to all bilateral ODA and non-export credit, other official flows (OOF) excluding general budget support, imputed student costs, debt relief except debt swaps, administrative costs, development awareness and refugees in donor countries.

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

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

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

Table 1 – Rio Marker definitions

Table 2 – Scoring definitions for Rio Markers

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

1.3 Changes to reporting Climate Finance under the EU Governance Regulation

As of 2020, the EU Regulation on the Governance of the Energy Union and Climate Action³ came into force for all EU Member States, representing a change in how Member States count and report climate finance. The aim of this change is to streamline climate finance accounting and to provide more comparative and transparent information across the European Commission and all EU Member States.

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

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

Up until 2020, Ireland applied a 50% coefficient to climate finance marked as "Significant". In order to avoid potential over inflation of its climate finance, Ireland elected to reduce this coefficient to 40% in line with this EU recommendation.

³ EUR-Lex - 32018R1999 - EN - EUR-Lex (europa.eu)

1.4 Overall Climate Finance in 2021

The overall climate finance provided by Ireland in 2021 was €99,618,603. This figure represents financing provided by DFA, DECC, DFIN, and DAFM.

The respective departments provide funding through various channels: bilateral programming via Ireland's overseas Mission network and CSOs that are operating in developing countries, international climate change funds, multilateral financial institutions and other specialised UN bodies. DFA provided 57% (€57,130,254) of total climate finance in 2021. DFIN provided 18% (€18,372,095) with DECC also contributing approximately 18% (€17,517,172) of the total funding. DAFM provided approximately 7% of the total climate finance (€6,599,081).

The 2021 figure represents an increase of 12.8% in Ireland's climate finance as compared to 2020. This is in line with the overall trend in Ireland's climate finance, which steadily increased from 2016 to 2019. 2020 represented a departure from this trend with Ireland's climate finance falling approximately 5.7% on the previous year. This decrease was caused by two factors: the impact of COVID-19 in 2020 on programming and expenditure; and the introduction across the EU of new accounting methodology, outlined further in Section 1.4.

Channel	DFA	DECC	DFIN	DAFM	Total
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Other	€4,485,536	€47,906		€799,343	€5,332,784
Total	€57,130,254	€17,517,172	€18,372,095	€6,599,081	€99,618,603

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

Breakdown of Channels of Support

Bilateral climate finance (Ireland's Overseas Mission network) in 2021 was €14,322,148. This represents a drop of approximately €11 million on the figure for 2020. Irish Aid Missions are continuing to work on strengthening the integration of climate adaptation into broader development programming. Bilateral CSO climate finance in 2021 was €18.6 million, marking an increase from €17.7 million in 2020. This represents an increase of approximately 5% and accounts for the climate finance spent by Irish Aid's CSO partners working across developing countries.

Multilateral climate finance – funding to multilateral climate funds, international financial institutions and UN bodies increased by over 53% from €40.1 million in 2020 to €61.4 million in 2021. Funding includes support to multilateral development banks such as the African Development Bank, to international funds such as the Green Climate Fund, and to UN Agencies such as the World Food Programme.

Other channels of support - (€5.3 million in 2021) includes strategic partnerships managed by DFA, DECC and DAFM which contribute to knowledge, capacity-building and climate resilient programming both internationally and in developing countries. The partnerships support Ireland's international development and climate priorities, including themes such as gender equality, climate and security and ocean protection. They also support our engagement with regions and countries adversely impacted by climate change, such as SIDS and LDCs.

Breakdown of Ireland's 2021 International Climate Finance – Mitigation, Adaptation, Cross-Cutting

Just under half (48%) of Ireland's total climate finance was channelled to programmes and projects that targeted resilience and adaptation to climate change (only). Cross-cutting, which targets both adaptation and mitigation activities, also received 48% of the total. If cross-cutting was split 50/50 between adaptation and mitigation, 72% of Ireland's total climate finance can be said to target adaptation. Mitigation focused activities received the least amount of support – approximately 4%. The significant share of funding to adaptation is reflective of the on-going effort to better integrate climate resilience into development programmes, particularly bilateral programming.

The share of funding going to cross-cutting activities has increased over the years 2016 to 2021. The increase can be largely attributed to the growth in Ireland's contributions to multilateral institutions and funds. Ireland reports in-flows of funding to those institutions. Most multilateral funds and institutions mark their climate finance programming as cross-cutting as they seek to target both mitigation and adaptation across their programme portfolios. Funds such as the LDCF and the Adaptation Fund specifically support adaptation actions. A small number of mitigation activities were documented in both bilateral and multilateral programming, supporting initiatives such as the development of renewable energy, green skills and fuel efficiency.

Channel	Mitigation	Adaptation	Cross-Cutting	Total
Bilateral (Ireland's Overseas Missions)	€411,672	€9,666,639	€4,243,837	€14,322,148
Bilateral (CSOs)	€2,072,161	€9,980,750	€6,549,516	€18,602,427
Multilateral (Funds)		€12,500,000	€9,063,119	€21,563,119
Multilateral (MDBs/IFIs)		€7,200,000	€16,490,176	€23,690,176
UN Bodies	€1,055,963	€7,338,610	€7,713,376	€16,107,949
Other	€316,464	€1,217,683	€3,798,636	€5,332,784
Total	€3,856,261	€47,903,682	€47,858,660	€99,618,603

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



BILATERAL PROGRAMMING - OVERSEAS MISSIONS

2.1 Bilateral Methodology (Ireland's Overseas Missions)

Bilateral climate finance refers to the climate finance administered in-country by Irish Missions/Embassies. In the preparation of Ireland's 2021 bilateral climate finance overview, DFA utilised the validated Creditor Reporting System (CRS) dataset to derive the analyses required for this report.

Initially, the DCAD Secretariat prepared the DAC reporting templates that support the creation of the CRS dataset, using information and financial expenditure noted in the DFA internal financial system for 2021. This facilitates the collection of a full overview of all policy marked Official Development Aid from Irish Missions abroad. Climate Unit in DFA Headquarters then liaises with DCAD Secretariat to analyse and calculate relevant climate and environment spend for each project. In line with the European Union methodology, each project is classified as either: adaptation, mitigation or cross-cutting spend. This approach has been devised to avoid double counting. An overall climate finance figure was then calculated for each country in DFA's bilateral programme.

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

2.2 Bilateral Climate Finance (Ireland's Overseas Missions)

In 2021, the total amount of bilateral climate finance from Ireland's Mission/Embassy network was €14,322,148. The figure represents a 44% decrease on 2020. The cause of this decrease is multifaceted. Climate finance spend in Ethiopia, for example, dropped from approximately €10 million to just under €5 million due, in large part, to the conflict and instability in the region. The flux of funding cycles, whereby a project or partnership has ended before the identification and funding of follow-on programmes, has also contributed to this decrease. In addition, the majority (82%) of bilateral climate finance from Missions is marked Rio Marker '1' (Significant). The change in the coefficient applied to climate activities identified as 'Significant' from 50% to 40%, as detailed in Section 1.4, has impacted the overall share of climate finance. This change similarly affected bilateral climate finance in 2020, the year this change was first implemented.

In 2021, the majority of bilateral climate finance spent via Ireland's overseas Missions

went to climate change adaptation and cross-cutting activities. Out of the total climate finance spent bilaterally, approximately 67% was spent on adaptation only related activities and projects while around 30% was spent on cross-cutting support. Mitigation related spending accounted for approximately 3% of the overall expenditure through bilateral programming. Adaptation therefore remains the predominant focus across Ireland's bilateral programmes and projects.

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

Country/ Scheme	Mitigation	Adaptation	Cross-Cutting	Total
Ethiopia		€4,988,000		€4,988,000
Malawi	€153,767	€1,182,962	€1,332,000	€2,668,728
Tanzania	€10,000	€1,050,000	€557,212	€1,617,212
Vietnam & Laos	€180,000	€1,012,571	€96,000	€1,288,571
Mozambique	€50,000	€1,158,680	€10,400	€1,219,080
Uganda			€1,000,000	€1,000,000
Sierra Leone	€3,200	€1,231	€242,800	€247,231
Kenya	€4,736	€160,000		€164,736
South Africa		€97,916		€97,916
Zambia		€4,000		€4,000
Nigeria		€4,000		€4,000
Fellowships			€950,400	€950,400
In-Country Micro Projects	€9,970	€7,280	€20,480	€37,730
SIDS			€34,545	€34,545
Total	€411,672	€9,666,639	€4,243,837	€14,322,148

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

Going forward, *Ireland's International Climate Finance Roadmap*, published in July 2022, includes provision for a significant scale up of Irish bilateral climate finance. The establishment in 2023 of a First Movers Fund will support increased climate action in Ireland's overseas Missions. Funding provided through the First Movers Fund will have a *Principal* focus on climate finance (Rio Marker 2), ensuring a more notable increase in overall climate spend through bilateral Mission spend.

2.3 Bilateral Environmental Finance (Ireland's Overseas Missions)

In collecting the overall programme spend for 2021, Climate Unit staff also extracted and assessed Rio Markers for activities that have contributed to the protection of the environment. In particular, the Rio Markers for biodiversity and desertification are included in the template in line with the relevant Rio Conventions.

It is important to note that the financial support targeting the environmental Rio

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

Country	Biodiversity
Mozambique	€1,121,280
Uganda	€1,000,000
Tanzania	€400,000
Sierra Leone	€240,000
Malawi	€61,836
Ethiopia	€20,000
Kenya	€4,736
Total	€2,847,851

Table 6 of Support to Biodiversity (UN-CBD)

Going forward, Ireland's International Climate Finance Roadmap, published in July 2022, identifies biodiversity as an area of increased prioritisation. As such, Ireland aims to scale up funding and support for the protection and restoration of biodiversity, including marine biodiversity, and through naturebased solutions. Irish support will build on existing mechanisms and partnerships, and will identify new funding opportunities, with a view to maximising co-benefits for climate adaptation and mitigation.

2.4 Case Study

In 2021, Irish Aid provided financial support to the Yopipila Centre in Northern Mozambique. The project aims to train youth, including internally displaced persons, in life and vocational skills and help them start income generating activities based on green technologies that improve environmental sustainability.

Saranque lassine is an alumni of the Yopipila Centre. One of the many young people affected by the ongoing conflict in northern Mozambique, the twenty-three-year-old fled to Pemba town following attacks on her home village. On arriving in Pemba, she took part in renewable energy training provided by the Yopipila Centre with Ireland's support. As part of her training on solar energy, Saranque won €480 for a project she developed and with this she set up her own business called "Enjoy the Sun." She purchased 10 solar energy kits, which include a multi-function battery, radio and charger, a small solar panel, LED lamps and cables. She now supplies small-scale solar energy installations in three districts in Cabo Delgado Province. Her business provides her with an income and helps to meet her family's basic needs.



"I feel happy and fulfilled. My future aim is to expand according to clients' needs. I hope to hire young people and provide them with an opportunity like the one provided to me."

Saranky lassiane (left) and Curanchia Abdala with solar energy equipment at the entrepreneurship fair promoted by the Yopipila project in the Training Centre © Mamudo Bartolomeu



BILATERAL PROGRAMMING -CIVIL SOCIETY ORGANISATIONS

3.1 CSO Methodology

In the preparation of Ireland's 2021 CSO climate finance overview, DFA utilised the validated CRS dataset to derive the analyses required for this report. Similar to the approach to Bilateral Mission Programmes, the DCAD Secretariat prepared the DAC reporting templates that support the creation of the CRS dataset, using information and financial expenditure noted in the internal financial system for 2021.

In reporting on programme activities for 2021, CSOs were requested to assess their projects and activities and score them against the OECD DAC Rio Markers. The information returned to DFA outlines both financial marking and narrative reporting to describe programme activities, including the projects that supported climate and environmental action. Once the templates were finalised, climate finance was calculated for each project and classified as either: adaptation, mitigation or crosscutting spend to avoid double counting.

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

3.2 CSO Climate Finance

In 2021, DFA funded CSOs reported a total of €18,602,427 in climate relevant expenditure through their respective programming and projects. Activities led by Irish CSOs are implemented in developing countries all over the world, with the largest share of support taking place in LDCs.

The support was channelled through four grant mechanisms within the Department:

- Programme Grant which focuses on development projects on a multiannual basis;
- 2. Humanitarian Programming which focuses on supporting humanitarian response measures, including those related to extreme weather events and building resilience against longer term weather related disasters;
- Misean Cara which supports the development work of Irish missionary organisations;
- Civil Society Fund which is a smaller pool of funding open to Irish and international NGOs also engaged in development projects and programming.

€9,980,749 (54%) of this total funding was channelled to projects that contributed to climate change adaptation. Cross-cutting financing (projects that were both mitigation and adaptation relevant) stood at €6,897,425 (37%), while mitigation focused financing was the lowest at €1,724,252 (9%).

In comparison with 2020 there is an increase (approximately 5%) in overall CSO climate finance, from €17.7m in 2020 to €18.6m in 2021. 82% of this funding supported programmes in Least Developed Countries.

As was the case in previous years, in 2021 the highest amount of CSO climate finance from the DFA went to Concern Worldwide which channelled €8,455,372 to adaptation and cross-cutting programmes and projects. Concern is followed by Trócaire, Self Help Africa and Goal, with the bulk of their support also going to adaptation and crosscutting projects. Table 7 outlines a full breakdown of NGO funding and the thematic focus of the funding.

CSO	Mitigation	Adaptation	Cross-Cutting	Total
Concern Worldwide		€4,053,743	€4,401,630	€8,455,372
Trócaire	€359,974	€2,338,632	€520,278	€3,218,884
Self Help Africa	€1,188,718		€1,243,024	€2,431,742
Goal		€1,925,622	€440,000	€2,365,622
Christian Aid		€722,392		€722,392
Misean Cara	€29,236	€393,441		€422,677
Action Aid	€107,324		€192,046	€299,370
Vita	€39,000	€144,400	€18,000	€201,400
Oxfam Ireland		€182,089		€182,089
Plan International Ireland		€134,141		€134,141
Brighter Communities Worldwide		€25,169	€9,156	€34,325
Tearfund Ireland			€24,960	€24,960
The Minority Rights Group			€43,972	€43,972
War on Want		€13,320	€4,360	€13,320
World Vision Ireland		€47,801		€52,161
Total	€1,724,252	€9,980,750	€6,897,425	€18,602,427

Table 7 - Breakdown by NGO and Rio Marked support

Beneficiary Countries

Beneficiary countries of CSO funding and operations are mainly located in Africa. At least 83% of funding supported programmes in LDCs.

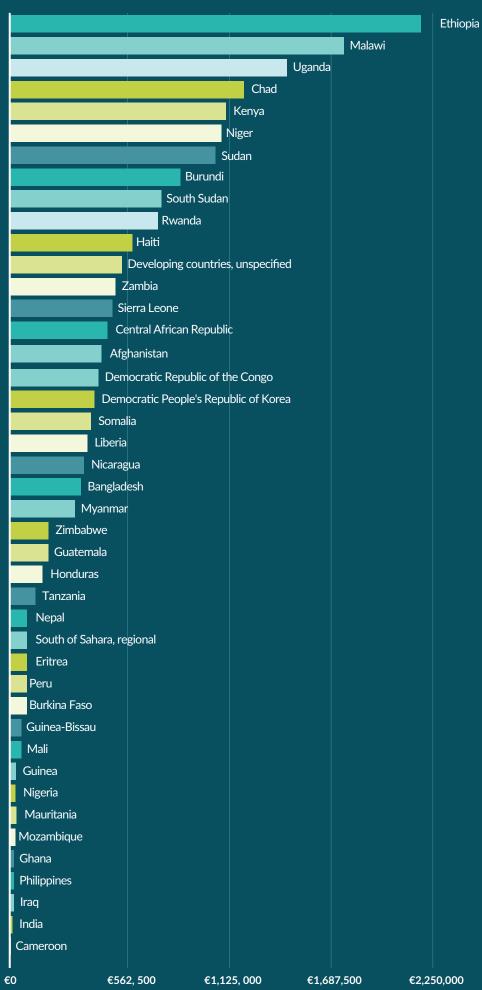
The majority of climate related funding through Irish CSOs went to Ethiopia, Malawi, Uganda, Chad, Kenya, and Niger.

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

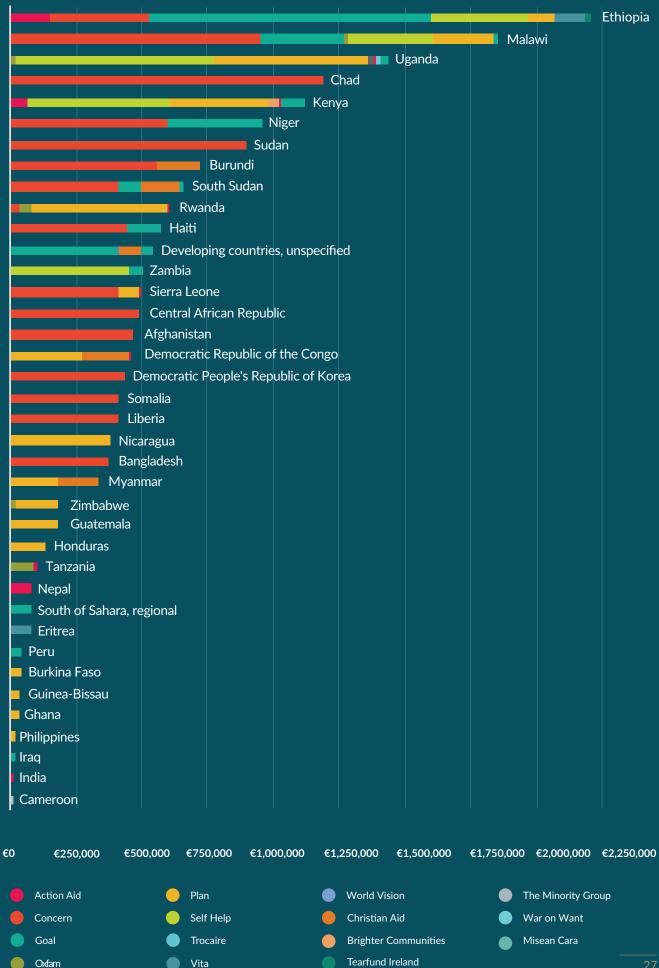
Their geographical location places many countries at adverse risk of weather-related events such as multi-year drought, cyclones, hurricanes and floods. The institutional and governance systems of many countries struggle to withstand and protect their people against the weather-related events and their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

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

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



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



3.3 CSO Environmental Finance

In collecting the overall programme spend for 2021, CSOs also provided Rio Markers for activities that have contributed to the protection of the environment. In particular, the Rio Markers for biodiversity and desertification are included in the template for CSO staff to fill in where relevant. Through the support from DFA, Irish CSOs working in developing countries channelled €5,611,276 million to biodiversity protection and €6,657,818 million to tackling desertification.

CSO	Biodiversity	Desertification
Trócaire	€2,943,410	€1,625,771
Concern Worldwide	€1,674,008	€1,809,335
Goal		€578,727
Misean Cara	€349,884	€60,420
Self Help Africa	€182,204	€2,431,742
Action Aid	€234,975	€151,824
Oxfam	€66,996	
Fields of Life	€45,760	
The Minority Rights Group	€43,972	
Brighter Communities Worldwide	€25,026	
Tearfund Ireland	€24,960	
Nurture Africa	€20,080	
Total	€5,611,277	€6,657,819

Table 8 - Breakdown of support by CSO to Biodiversity and Desertification

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

4

CLIMATE AND GENDER INTEGRATION

As part of Ireland's efforts to illustrate progress in supporting our interconnected priorities of climate action and gender equality, an analysis was undertaken to report on our funding that addresses both issues. The analysis was carried out on Ireland's CRS for 2021 to determine the proportion of Irish climate-relevant development finance which has integrated gender equality considerations. This analysis has been done according to the proportion of finance (all figures in EURO) which have gender equality markers under the OECD-DAC CRS system, rather than the number of projects.

Of the €32.9 million Ireland provided in bilateral climate finance (Mission and CSO programming) in 2021, 74% was assigned a Gender Equality Marker (GEM) of either a 1 or 2. Similar to the way Rio Markers are used to monitor development finance flows for climate and environment-relevant spending, the GEM is a tool used by the OECD-DAC to track aid in support of gender equality and women's rights. A GEM score of 2 indicates that gender equality is the 'Principal' objective of the project/programme and is fundamental in its design. A GEM score of 1 indicates that gender equality is a 'Significant' and deliberate objective of the programme but not the principal reason for its undertaking.

In addition to this gender-integrated bilateral support, in 2021 Ireland also provided €240,000 to support the Gender Just Climate Action Project led by the Women's Environment & Development Organization. A further €200,000 was provided to the UNFCCC to support gender mainstreaming in climate action.

5

MULTILATERAL PROGRAMMING

5.1 Multilateral Methodology

Under the UNFCCC, OECD and EU reporting guidelines, climate finance providers are permitted to report both committed and disbursed funding to multilateral funds and institutions. Ireland reports disbursed funding only, i.e. funding that has already been disbursed in the previous year to multilateral funds and institutions. This include funds where there is a multiannual commitment in place, for example, the Green Climate Fund and the Global Environment Facility.

Multilateral climate finance is provided as either core funding or earmarked climatespecific funding. As suggested by the name, core funding supports the core functions of a particular organisation. If these functions support climate-action, a percentage of that core funding can be counted as climate finance. Earmarked funding is provided to support a particular project/fund within an organisation, and so can be used to specifically target climate-action works.

Multilateral Climate Finance for 2021 was calculated using two methodologies. The first is through the application of what is called imputed shares. As per this approach, the OECD has developed a set of shares (through percentages) that donor countries can apply to the funding that they provide to a number of major international organisations and funds. This approach follows a similar exercise as previous years' reports. For example, the African Development Fund reports a 35% climate relevant share of its portfolio to the OECD; Ireland contributed €8,127,939 to this fund, and as such €2,844,779 is counted as climate relevant programming. Imputed shares are subject to change due to the varied nature in which multilateral institutions spend and report climate relevant finance.

The second method involves the application of Rio Markers. In line with the Rio Marker methodology set out above, a multilateral contribution may be designated a Rio Marker of O, 1, or 2 depending on its climate relevance. If climate is a *Significant* aim of the fund, it will be marked 1 and 40% of the contribution will be counted as climate finance. If it is a *Principal* aim of the fund, it will be marked 2 and 100% of the contribution will be counted as climate finance.

The three overview tables below set out the total amount of ODA eligible funding Ireland provided to multilateral climate change funds, multilateral banks financial and institutions, and specialised UN funds and agencies, alongside the amount designated that counts as climate finance. Asterisks have been applied to indicate where a Rio Marker, as opposed to an imputed share, have been used to calculate the total climate-relevant spend.

5.2 Multilateral Climate Finance

In 2021, the total amount of climate finance provided by Ireland through multilateral funding was \in 61.4 million. This represents an increase in multilateral climate financing of approximately 53% on the 2020 figure of \notin 40.1 million.

Most multilateral funds and institutions mark their climate finance programming as cross-cutting as these actors seek to target both mitigation and adaptation across their programme portfolios. As a result of this approach, the majority (€33.3 million) of multilateral programming support was channelled to cross-cutting efforts (both adaptation and mitigation).

€27 million of multilateral funding targeted adaptation specifically. This funding was provided through a range of multilateral bodies and funds including the Adaptation Fund; the International Fund for Agricultural Development; the Least Developed Country Fund, and the Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States administered by the Asian Development Bank.

5.3 Multilateral Development Banks and International Financial Institutions

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

In 2021, Ireland made payments to multilateral development banks and international financial institutions such as the World Bank, the Asian Development Bank and the African Development Bank. The total amount of climate related funding provided through MDBs and IFIs in 2021 is €23,690,176. This is an increase of 35% on the 2020 figure of €17,594,227. The largest share of climate related funding was channelled through the World Bank-International Development Association which is designed to channel funds to the world's poorest countries. The Asian Development Bank follows closely with the provision of €7.2 million to The Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States. The third largest share went to African Development bank which received just under €4 million. This institution, which Ireland joined in 2020, is focused on reducing poverty, improving living conditions and mobilising resources for the Africa's economic and social development. A more detailed breakdown of funding provided through MDBs and IFIs in 2021 is outlined in the Table 9 below.

Table 9: Overview of Multilateral Development Banks and International Financial Institution⁴

Multilateral MDBs/IFIs	Total Finance Provided by Ireland	Climate-related Share allocated (%)	Climate Relevant Finance
World Bank (Pro- Blue Trust Fund)	€700,000	40*	€280,000
World Bank (CGIAR)	€1,200,000	100*	€1,200,000
Asian Development Bank (The Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States)	€7,200,000	100	€7,200,000
International Development Association	€24,660,000	32	€7,891,200
International Bank for Reconstruction and Development	€4,362,375	30	€1,308,713
International Finance Corporation	€3,629,130	30	€1,088,739
Asian Infrastructure Investment Bank	€3,878,114	21	€814,404
African Development Bank	€10,849,656	36	€3,905,876
Council of Europe Development Bank	€3,111	40	€1,244
Total			€23,690,176

⁴ Asterisks indicate where Rio Markers, as opposed to imputed shares, have been used to calculate climate finance

5.4 Multilateral Climate and Environment Funds

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

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

In 2021, Ireland provided a total of €21,563,119 to these multilateral funds. This represents a 188% increase on the figure (€7,486,900) for 2020. A more detailed breakdown of the funding provided is illustrated in Table 10.

International Organisation/Fund	Total Finance Provided by Ireland	Climate-related Share allocated	Climate Relevant Finance
Least Developed Countries Fund	€2,500,000	100*	€2,500,000
International Fund for Agriculture Development	€4,000,000	100*	€4,000,000
Caribbean Catastrophe Risk Insurance Facility	€1,000,000	100*	€1,000,000
Adaptation Fund	€5,000,000	100*	€5,000,000
Green Climate Fund	€4,000,000	100	€4,000,000
Global Environment Facility	€1,201,200		€1,201,200
Nationally Determined Contributions (NDC) Partnership	€500,000	100*	€500,000
Asian Development Fund	€3,978,000	13	€517,140
African Development Fund	€8,127,939	35	€2,844,779
Total			€21,563,119

Table 10: Multilateral Climate and Environment Funds⁵

⁵ Asterisks indicate where Rio Markers, as opposed to imputed shares, have been used to calculate climate finance

5.5 UN Bodies

In 2021, Ireland supported several UN agencies and international bodies that contribute to both broader and more specific efforts of international climate action. For example, DECC provided core support to the UNFCCC, the UNEP and the NDC Partnership, all of which work to strengthen international climate action, national implementation of climate plans, and mitigation activities in particular.

DFA similarly provided support to a broad range of UN bodies and funds. This included specific support to the UNFCCC for its work on gender equality in climate action. It also contributed to the UNDP South Sudan Climate Security mechanism, the UN Convention to Combat Desertification, and UNDESA to support the Special Envoy on Ocean. DAFM provided €5,000,000 in climate finance to the UN's World Food Programme – the world's largest humanitarian organisation – to support their work in strengthening resilience to climate change. The UN's Food and Agriculture Organisation, which works to achieve food security, received just under €800,000 in climate finance.

The total level of climate related funding provided through UN agencies and other international organisations is €16,107,949. 48% of this funding went to cross-cutting activities, while 46% went to adaptation only and activities 6% went to mitigation only activities. A more detailed breakdown of the support provided through UN agencies and other international bodies is outlined in Table 11.

UN Bodies	Total Finance Provided by Ireland	Climate-related Share allocated (%)	Climate Relevant Finance
UNDP (South Sudan Climate Security Mechanism)	€788,610	100*	€788,610
UNDP (United Nations Peacebuilding Fund)	€2,000,000	40*	€800,000
UNDP (Core funding)	€7,750,000	40*	€3,100,000
UNDESA (Special envoy on oceans)	€50,000	100*	€50,000
UNDESA (Supports to SIDS)	€123,967	40*	€49,587
UNFCCC (Gender Mainstreaming in Climate Change Action)	€200,000	100*	€200,000
UN OCHA	€2,000,000	40*	€800,000
UN Multi Partner Trust Fund Office	€4,000,000	40*	€1,600,000
World Food Programme (UNHRD)	€500,000	40*	€200,000
United Nations General Trust Fund (Voluntary contribution to the Sustainable Development Unit)	€252,441	40*	€100,976
UN Convention To Combat Desertification	€27,426	40*	€10,970
UNICEF (Generation Unlimited partnership)	€1,000,000	40*	€400,000
UNV (United Nations Volunteers)	€1,100,000	40*	€440,000
World Food Programme (Core funding)	€25,000,000	20	€5,000,000
Food and Agriculture Organisation	€1,999,347	40*	€799,739
UNEP (Core contribution)	€512,807	80	€410,246
UNEP (Fund 1030)	€3,023	100*	€3,023
UNEP (Fund 1040)	€11,476	100	€11,476
UNEP (FUND 3030)	€782,325	100	€782,325
UNEP (Climate and Clean Air Coalition Fund)	€262,162	100*	€262,162
IPCC	€200,000	100	€200,000
UNFCCC (Core funding)	€98,835	100	€98,835
Total			€16,107,949

⁶ Asterisks indicate where Rio Markers, as opposed to imputed shares, have been used to calculate climate finance



OTHER CHANNELS OF CLIMATE FINANCE

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

Among the organisations funded in 2021 were the International Institute for Environment and Development (IIED), the Climate Knowledge and Innovation Community (Climate-KIC), the Women's Environment & Development Organisation (WEDO); and the International Instituted for Sustainable Development (IISD).

In addition, the DFA, DAFM and DECC also maintain a small number of climate-related

partnerships that fall outside of the bilateral and multilateral categories set out above. These include the Irish Forum for International Agriculture Development (IFIAD) which has started to support some climate related activities, in particular climate resilience within the smallholder farming sector and the African Strategic Innovation Fund (ASIF) administered by Action Against Hunger.

The total level of climate related funding provided through these partnerships is €5,332,783.80; 77% of this funding went to cross-cutting activities, while 22% went to adaptation only activities, with just 1% going to mitigation activities. A more detailed breakdown of this support is outlined in Table 12. Table 12: Overview of climate finance provided through other agencies and partners in $2021^7\,$

Partner/Agency	Total Finance Provided by Ireland	Climate-related Share allocated (%)	Total Climate Finance
IISD	€1,073,000	100*	€1,073,000
ADELPHI	€58,300	100*	€58,300
IIED	€2,000,000	100*	€2,000,000
WEDO	€240,000	100*	€240,000
Climate KIC	€410,000	100*	€410,000
ASIF	€600,000	100*	€600,000
Africa AgriFood Development Programme	€100,000	40*	€40,000
Irish Forum for International Agricultural Development	€44,631	40*	€17,852
Regional Conference on climate Change, Peace and Security in West Africa & the Sahel	€115,958	40*	€46,383
International Renewable Energy Agency	€59,882	80	€47,906
Africa Agrifood Development Programme (AADP)	€206,000	40*	€82,400
Teagasc	€716,943	100*	€716,943
Total			€5,332,784

⁷ Asterisks indicate where Rio Markers, as opposed to imputed shares, have been used to calculate climate finance.



CONCLUSION

7.1 Overall Trends

Ireland's climate finance expenditure in 2021 totalled €99,618,603– an increase of 12.8% on climate finance spend in 2020. This represents a return to form for Ireland's climate finance trajectory which steadily increased from 2016 to 2019. Between 2016 and 2021, Ireland's overall climate finance has increased by 40%.

The direction of support has largely been consistent, with climate adaptation and cross-cutting activities remaining the predominant areas supported by Ireland's climate finance. In line with previous years, Ireland has reported climate finance provided through multilateral channels and this channel of support has grown year-onyear since 2017. Provision of climate finance from both DFIN and DECC has contributed to the growing levels of funding through multilateral channels. This growth has also led to an increasing share of Ireland's climate finance to be marked as cross-cutting. The decline in bilateral climate finance spend through Ireland's overseas Missions represents the most significant departure from the trend in Ireland's international climate finance. The climate finance spend by Missions has steadily declined from 2019. This trend can be attributed to a number of issues: the flux of funding cycles, whereby a project or partnership has ended before the identification and funding of follow-on programmes, has also contributed to this decrease. In addition, the majority (82%) of bilateral climate finance spent by missions in 2021 is marked Rio Marker '1' (Significant). This change in the coefficient applied to climate activities identified as 'Significant' from 50% to 40%, as detailed in Section 1.4, has impacted the overall share of climate finance.

7.2 Future Climate Finance: Preparation and Reporting

In July 2022, Ireland's International Climate Finance Roadmap was published.⁸ This all-ofgovernment strategy was developed by the Department of Foreign Affairs together with the Departments of Environment, Climate and Communications; Finance; and Agriculture, Food and the Marine, and in collaboration with the Departments of Public Expenditure and Reform, the Department of Housing, Local Government and Heritage, and the Department of the Taoiseach. The *Roadmap* sets the pathway for realising the target announced by the Taoiseach at COP26 to provide at least €225 million annually in climate finance by 2025. This target represents a more than doubling of Ireland's climate finance from 2019 levels.

The *Roadmap* builds on the 2020 Programme for Government commitment to double the percentage of ODA that counts as climate finance as well as the existing efforts outlined in Ireland's international development policy *A Better World* (2019).

As set out in the *Roadmap*, Ireland will increase our expenditure through our existing channels of bilateral, multilateral and CSO funding, in addition to establishing new mechanisms for scaling up climate finance. The *Roadmap* re-asserts Ireland's commitment to maintain its focus on supporting adaptation and resilience to climate change in some of the most climate vulnerable countries around the world. It also expands the scope of support to areas where Ireland can bring further added value to international climate action, such as ocean protection and the promotion of a sustainable blue economy, and enhancing biodiversity.

In line with the commitment to support those who are most vulnerable to the impacts of climate change and who are at risk of being left behind, the issue of climate-induced loss and damage is also identified as a priority for Ireland's climate finance. We recognise the need to scale up and improve access to climate finance, to avert, minimise and address the Loss and Damage currently facing communities in countries most vulnerable to climate change.

Reporting climate finance

Ireland is committed to clear and transparent reporting of our international climate finance, in line with internationally agreed standards and approaches. As set out in the *Roadmap*, we are enhancing our reporting through the provision of case studies of climate action in programme countries. Building on this, we will work across Government and with Irish Missions overseas to further define and track climate metrics, for use in Mission strategies, multilateral agreements and CSO partnerships as appropriate.

Ireland continues to advocate for changes and improvements to the Rio Markers and advocates for more complete reporting by all partners, including MDBs.

⁸ https://www.irishaid.ie/media/irishaid/publications/2022-Irelands-International-Climate-Finance-Roadmap-Digital.pdf

