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2016 UK Climate Finance Results

Picture credit: Russell Watkins/DFID

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UK Climate Finance Results

UK international climate finance (ICF) is a portfolio of investments from DFID, BEIS (formerly DECC), and Defra with a goal to support international poverty eradication now and in the future by helping developing countries manage risk and build resilience to the impacts of climate change, take up low-carbon development at scale and manage natural resources sustainably.

A set of key performance indicators (KPIs) have been developed and field tested to capture results achieved by this funding. The table below sets out the KPIs against which ICF programmes are currently reporting. It reports achieved results and total expected lifetime results. The earliest results reported are from 2011/12; results achieved cover up to 2015/16; and expected lifetime results cover the full period across which programmes are expected to deliver results (this varies across programmes).

These results provide an update to the ICF results previously published in September 2015. Across the three departments, there are almost 200 projects currently in implementation which are spending climate finance. Projects do not report against all KPIs – this depends on the focus of the individual project.

Over the lifetime of ICF programmes in the existing portfolio[1], we expect to support 54 million people to cope with the effects of climate change; provide 50 million people with improved access to clean energy; reduce or avoid 510 million tonnes of greenhouse gas (GHG) emissions (CO2e); install more than 3,600 MW of clean energy capacity; and mobilise £4.7 billion public and £4.1 billion private finance for climate change purposes to and in developing countries.

ICF results achieved (2011/12 – 2015/16) and expected (2011/12 onward)

	Achieved results	**Total Expected Lifetime Results**
Number of people supported to cope with the effects of climate change	21,000,000	54,000,000
Number of people with improved access to clean energy	6,600,000	50,000,000
Greenhouse gas emissions reduced or avoided (tCO2e)	4,900,000	510,000,000
Level of installed capacity of clean energy (MW)	230	3,600
Volume of public finance mobilised for climate change purposes (£)	1,400,000,000	4,700,000,000
Volume of private finance mobilised for climate change purposes (£)	310,000,000	4,100,000,000

All results in table above are attributable to ICF spend.

Please see 2016 UK Climate Finance results: data sources and methods for more information on data sources and methods.

Achieved results: total cumulative results which have been delivered and confirmed across the portfolio of ICF spend to date, based on results reported to the central ICF analytical team in March 2016.

[1] Reflecting approved programmes, as of March 2016. Includes programmes which were ICF funded and have now ended.

Total expected lifetime results: results expected to be delivered over the full lifetime of the ICF portfolio, including any benefits which will continue to be delivered after the programme end date, based on results reported to the central ICF analytical team in March 2016. This figure is subject to change in either direction over time as programmes update factors affecting the expected results estimates such as assumptions, attribution shares, and exchange rate fluctuations.

KPI results information

Number of people supported to cope with the effects of climate change		
Achieved results	*Expected total lifetime results*	*Number of programmes reporting*
21,000,000	54,000,000	29 (to date), 38 (expected)
This KPI tracks the number of people who have received direct support from ICF programmes to prepare and equip them to cope with the effects of climate change, including increasing climate variability and shocks such as flooding, storms or drought. Climate change will continue to affect the frequency, severity and distribution of climate patterns. This is seen in changing of rainfall patterns, increased heatwaves and also in the occurrence of storms, floods and droughts. The support delivered by ICF programmes is tailored to this variety of contexts, and so activities contributing to this indicator are diverse and wide-ranging. Support includes help to change what crops are grown, improved irrigation, preserving water catchments, strengthening defences against floods and storms, and ensuring that social protection mechanisms are in place to make sure that people are able to cope with and recover from shocks quickly. The results included here are restricted to people who have been directly supported to cope; many more people are indirectly benefiting from ICF projects - for example, the wider community where an individual has been trained to develop an emergency plan, or people in a region benefiting from an early warning system.		
Number of people with improved access to clean energy		
Achieved results	*Expected total lifetime results*	*Number of programmes reporting*
6,600,000	50,000,000	14 (to date), 18 (expected)
This KPI seeks to measure the number of people with improved access to clean energy, which includes new connections to off-grid renewable energy sources and households with more efficient cook stoves, solar lanterns or other clean technologies which generate energy. This indicator only measures access from off-grid energy sources, because it is not possible to determine the energy source once on-grid or whether there is improved access from additional clean energy connected to the grid. DFID intends to work towards adopting the multi-tier energy access framework, which ESMAP and EnDev have been developing for the Sustainable Energy for All initiative. This should help to provide a more nuanced picture of “improved” energy access. Energy access is crucial to development and poverty reduction, enabling better access to education, and other basic services, and providing health and wellbeing benefits. For example, cleaner, more efficient cookstoves have health and time saving co-benefits. This is particularly the case for women and children who are often most affected by the negative impact of exposure to household air pollution from open fires and simple stoves burning biomass and coal and have to spend time collecting fuel wood. Clean energy should also partly displace fossil fuels (such as kerosene for lighting or diesel for generators), resulting in lower carbon emissions and reduced deforestation caused by use of non-renewable biomass for fuel.		
Greenhouse gas emissions reduced or avoided (tonnes of CO2e)		
Achieved results	*Expected total lifetime results*	*Number of programmes reporting*
4,900,000	510,000,000	12 (to date), 30 (expected)
This indicator provides an estimate of the net change in greenhouse gas (GHG) emissions as a result of ICF-funded interventions, compared to the ‘business as usual’ scenario which would have occurred in the		

absence of ICF support. GHG emissions benefits can accrue annually on a cumulative basis, as long as the emissions continue to be lower than they would have been without the ICF intervention.

Greenhouse gases, such as carbon dioxide, contribute to climate change by trapping heat in the Earth's atmosphere. By helping to reduce emissions of these gases - for example, by replacing fossil fuels with renewable sources (such as solar, wind or geothermal) for energy generation, promoting cleaner, low carbon alternatives to fuelwood for domestic cooking, and reducing deforestation - ICF projects contribute to mitigation of climate change, and promote more sustainable growth in developing countries. Many interventions will continue to deliver greenhouse gas benefits for some years after project closure, for example when energy generation is provided by a renewable source. This explains why the expected total lifetime results are much higher than the results achieved so far against this indicator.

Level of installed capacity of clean energy (megawatts)

Achieved results	*Expected total lifetime results*	*Number of programmes reporting*
230	3,610	5 (to date), 15 (expected)

This indicator provides a measure of clean energy capacity installed as a result of ICF projects, tracking the installed capacity of both on- and off-grid clean energy sources, such as wind, solar, or geothermal energy, or clean cookstoves. Installed capacity refers to the rated power output when operational in megawatts (MW) of the clean energy technology. Power outputs must be operational to be included.

A shift towards clean energy sources is essential for sustainable, low carbon development. In many cases, the generation of energy from clean sources at least partially displaces fossil fuel energy generation, resulting in reduced greenhouse gas emission. Projects reporting against this KPI are likely to also report against greenhouse gas emissions reduced or avoided.

Volume of public finance mobilised for climate change purposes (£)

Achieved results	*Expected total lifetime results*	*Number of programmes reporting*
1,400,000,000	4,700,000,000	26 (to date), 37 (expected)

This indicator seeks to measure the amount of 'other' (i.e. non ICF/HMG) public money 'mobilised' or catalysed for climate change as a result of ICF funding, recognising that delivering the UK's climate change objectives will require substantial amounts of public and private finance from other sources, in addition to ICF funding.

Mobilised finance measured under this indicator is from public (i.e. government) sources outside of the UK. This includes finance from other donors and partner governments, UN agencies and multilateral or regional development banks and investment agencies such as CDC. To be counted, the mobilised funds must either be additional funds, or existing funds diverted from another (more fossil-fuel intensive) use.

Volume of private finance mobilised for climate change purposes (£)

Achieved results	*Expected total lifetime results*	*Number of programmes reporting*
310,000,000	4,100,000,000	13 (to date), 28 (expected)

This indicator tracks the amount of private finance mobilised for climate change purposes as a result of ICF funding; in addition to leveraging private finance to help deliver climate change objectives, the UK needs to ensure that ICF funding is used effectively and does not over-subsidise a project or crowd out private finance. This indicator also helps measure the UK's contribution to the commitment made by developed countries to mobilise $100 billion of public and private finance per year by 2020, to help developing countries respond to climate change.

Mobilised finance measured under this indicator is from non-public sources such as banks (but not multilateral or regional development banks), private companies, private or company pension funds, non-governmental organisations, Clean Development Mechanism financing, voluntary carbon credit market,

insurance companies, private savings, family money, entrepreneurs' own capital and sovereign wealth funds. It includes all types such as equity, debt and guarantees.