

 **Funded by
UK Government**

2017 UK Climate Finance Results



July 2017

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2017 UK Climate Finance Results

Published on:	6 th July 2017
Period covered:	Estimates of expected and achieved results from UK International Climate Finance programmes as at March 2017
Coverage:	Global
Publication frequency:	Annual
Responsible statistician:	Sehr Syed
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UK international climate finance (ICF) is supporting a portfolio of investments managed by the Department for International Development (DFID), Department for Business, Energy and Industrial Strategy (BEIS), and the Department for Environment, Food and Rural Affairs (Defra). UK ICF investments aim 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. This publication presents data on results achieved and total expected results from UK ICF as of spring 2017, and provides an update to results published in September 2016, which can be found at: <https://www.gov.uk/government/publications/2016-uk-climate-finance-results>.

A set of Key Performance Indicators (KPIs) have been developed and tested to capture the results achieved by this funding. Programmes are asked to report their latest results annually. Details on KPIs are included in the KPI results information section below. The sources of data, definitions and methodology are explained in Annex 1.

The data show that, between 2011/12 and 2016/17, ICF programmes have:

- Supported **34 million people** to cope with the effects of climate change;
- Provided **12 million people** with improved access to clean energy;
- Reduced or avoided **9.2 million tonnes** of greenhouse gas (GHG) emissions (tCO₂e);
- Installed more than **400 MW** of clean energy capacity; and
- Mobilised **£2.2 billion public** and **£500 million private finance** for climate change purposes in developing countries.

The tables below set out cumulative aggregate results for the programmes that are reporting achieved or expected results against these KPIs. All results presented are attributable to UK ICF. All numbers are rounded to two significant figures for presentational reasons

Table 1 shows **Achieved results**, which cover the period 2011/12 to spring 2017, reflecting reported results achieved from HMG spend on ICF to date.

Table 1: ICF results achieved (2011/12 – 2016/17)

	Achieved results (2011/12 – 2016/17)
Number of people supported to cope with the effects of climate change	34,000,000
Number of people with improved access to clean energy	12,000,000
Greenhouse gas emissions reduced or avoided (tCO ₂ e)	9,200,000
Level of installed capacity of clean energy generated (MW)	400
Volume of public finance mobilised for climate change purposes (£)	2,200,000,000
Volume of private finance mobilised for climate change purposes (£)	500,000,000

Table 2 sets out **expected lifetime results**, which cover the full period over which programmes are expected to deliver results. Figures presented are estimates of expected lifetime results as of spring 2017. Expected lifetime results include legacy effects attributable to programmes, i.e. some programmes are expected to continue to realise results 20 years or more after they have concluded.

Table 2: ICF results expected (2011/12 onward)

	Total expected lifetime results (2011/12 onward)
Number of people supported to cope with the effects of climate change	75,000,000
Number of people with improved access to clean energy	77,000,000
Greenhouse gas emissions reduced or avoided (tCO ₂ e)	470,000,000
Level of installed capacity of clean energy generated (MW)	5,800
Volume of public finance mobilised for climate change purposes (£)	8,400,000,000
Volume of private finance mobilised for climate change purposes (£)	5,100,000,000

Please see Annex 1 for more information on data sources, methods and definitions.

KPI results information

Number of people supported to cope with the effects of climate change		
<i>Achieved results</i>	<i>Expected total lifetime results</i>	<i>Number of programmes reporting</i>
34,000,000	75,000,000	49 reporting actual results, 65 reporting expected results
<p>This indicator 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.</p> <p>Climate change will continue to affect the frequency and distribution of climate extremes. This is seen in changing rainfall patterns, increased heatwaves and also in the occurrence of storms, floods and droughts. The support delivered by ICF programmes is tailored to a variety of contexts, and so activities contributing to this indicator are diverse and wide-ranging. Support includes supporting farmers to grow crops that can adapt to changing conditions, improving irrigation systems and preserving water catchments in areas facing increased drought risk, 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 <u>directly</u> supported; 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.</p>		
Number of people with improved access to clean energy		
<i>Achieved results</i>	<i>Expected total lifetime results</i>	<i>Number of programmes reporting</i>
12,000,000	77,000,000	19 reporting actual results, 23 reporting expected results
<p>This indicator 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.</p> <p>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.</p>		

Greenhouse gas emissions reduced or avoided (tonnes of CO₂ equivalent)

<i>Achieved results</i>	<i>Expected total lifetime results</i>	<i>Number of programmes reporting</i>
9,200,000	470,000,000	22 reporting actual results, 35 reporting expected results

This indicator provides an estimate of the net change in greenhouse gas (GHG) emissions as a result of UK ICF 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 – UK ICF contributes to mitigation of climate change, and promotes more sustainable growth in developing countries. Many of the portfolio's interventions will continue to deliver greenhouse gas benefits for some years after programme 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)

<i>Achieved results</i>	<i>Expected total lifetime results</i>	<i>Number of programmes reporting</i>
400	5,800	11 reporting actual results, 21 reporting expected results

This indicator provides a measure of clean energy capacity installed as a result of ICF programmes, 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 (£)

<i>Achieved results</i>	<i>Expected total lifetime results</i>	<i>Number of programmes reporting</i>
2,200,000,000	8,400,000,000	33 reporting actual results, 47 reporting expected results

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 UK's ICF portfolio, recognising that delivering the UK's climate change objectives will require substantial amounts of public and private finance from other sources, in addition to UK's ICF spending.

Mobilised finance measured under this indicator is from public 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 UK's CDC Group. 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 (£)

<i>Achieved results</i>	<i>Expected total lifetime results</i>	<i>Number of programmes reporting</i>
500,000,000	5,100,000,000	23 reporting actual results, 36 reporting expected results

This indicator tracks the amount of private finance mobilised for climate change purposes as a result of UK's ICF portfolio; in addition to leveraging private finance to help deliver climate change objectives, the UK needs to ensure that ICF spend 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 of finance such as equity, debt and guarantees.

Annex 1: Data Sources and Methods

Results Metrics

Two measures of results are presented in Table 1, these are:

- **Achieved results:** total cumulative results which have been delivered and confirmed across UK's ICF portfolio to March 2017.
- **Total expected lifetime results:** results expected to be delivered over the full lifetime of current or past programmes within UK's ICF portfolio, including any benefits which will continue to be delivered after a programme's end date (for example, where installed technologies continue to reduce CO2 emissions after the programme has ended). These figures are 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.

Data Collection and Timeliness

- Achieved results have been presented as those cumulatively achieved up to 2016/17. Due to time lags in confirming results achieved, these results may not fully represent those actually delivered by ICF programmes by the time of reporting.
- When results estimates are published, they are updated to take account of any further information which has become available for earlier years.
- The expected lifetime results include any benefits which will be realised after the project end date, and therefore outside of the monitoring period for project results. For example, the greenhouse gas emissions reductions resulting from installing new renewable energy capacity will continue for the entirety of the infrastructure's lifetime, up to 30 years in the future. Benefits will extend in most cases beyond the lifetime of the projects.

Data Sources and Accuracy

- The International Climate Finance (ICF) results presented here are the aggregate of those reported by individual programmes to the UK ICF analytical team in March 2017.
- For expected results, data sources include project business cases, or information from project delivery partners. Expected results are updated based on new information, and are often calculated as the total of achieved results to date and future forecast results.
- For achieved results, data which aligns with the ICF key performance indicators is provided by project delivery partners.
- The accuracy of the results data varies and is subject to the quality of the underlying data source. In many cases, projects use data collected by others (e.g. partner country governments, international organisations), and therefore HMG has limited control over the quality of the data.

- Analysts in HMG undertake quality assurance of the data and attempt to minimise the source of any errors although there is a risk that errors may still exist. The types of errors which HMG attempts to minimise include:
 - Double counting – identifying unique beneficiaries and avoiding duplication in reporting between programmes.
 - Attribution – measuring the results which can be associated with HMG interventions/funding.
 - Additionality – only including results which are additional to the counterfactual that would have happened without HMG support.

Attribution

- Where a programme receives funding from other donors or sources, the results attributable to the UK's ICF are calculated as a percentage share of the overall results achieved. The results percentage share is equal to the percentage share of the donor funding that HMG has provided. Results from the predecessor to the ICF, the Environmental Transformation Fund, are not included here.
- The UK's attribution share may change from year to year as new donors join a fund, or current donors adjust their funding share and therefore results attributable to the UK may change year to year even if underlying performance has remained the same.

Indicator Information: Definitions, Core Concepts and Inclusions / Exclusions

Indicator: Number of people supported to cope with the effects of climate change

Definitions

- '*Support*' is defined as direct assistance from the programme in question, with the explicit intention of helping people deal with climate change impacts. It could include for example financial resources, assets, agricultural inputs, training, communications (e.g. early warning systems) or information (e.g. weather forecasting). Whilst almost any development intervention that has the outcome of reducing poverty and therefore vulnerability could be described as supporting people to cope with the effects of climate change, the definition here requires the effects of climate change to be explicitly recognised and targeted by the programme in question. Support is classified along two dimensions, whether the support is targeted and how 'intense' the support is.
 - Targeted refers to whether people or households can be identified by the programme as receiving direct support, can be counted individually and are aware they are receiving support in some form.
 - Intensity refers to the level of support provided, and broadly can be categorised as low (e.g. capacity building support provided to local authority), medium (development of flood defences around particular areas) or high (e.g. provision of agricultural extension services).

- ‘*People supported*’ should relate to populations or households identified by the programme in question with a direct relationship to it.
- ‘*Effects of climate change*’ are defined here as the effects of both existing climate variability and the magnified impacts of future climate change. Normally resulting from the primary consequences of climate change of: changes to precipitation, temperature and sea level rise, these may be sudden onset or gradual, and can include floods, droughts, storms, landslides, salination, coastal inundation, heat or cold waves and biodiversity loss.

Note:

- This indicator only counts people who received ‘direct’ support, which is defined as being *targeted* and *high intensity*, thus the result presented is likely to be a conservative estimate of people supported by ICF programmes to cope with the effects of climate change.

Indicator: Number of people with improved access to clean energy

Definitions

- ‘*Access to clean energy*’ refers to: (i) New household connections to off-grid renewable energy sources and (ii) Households with more efficient cook stoves, solar lanterns or other clean technologies which generate energy.
- ‘*Clean energy*’ refers to energy generated from both combustible and non-combustible renewables. Non-combustible renewables include geothermal, solar, wind, hydro, tide and wave energy. Combustible renewables and waste include biofuels (biogas, ethanol, biodiesel); biomass products (fuelwood, vegetal waste, pulp and paper waste, animal waste, bagasse), municipal waste (waste produced by the residential, commercial and public service sectors that are collected by the local authorities for disposal) and industrial waste; all for the production of power.

Note:

- Results presented against this indicator are conservative estimates of actual results because of the following exclusions:
 - On-grid energy is excluded since it is not possible to disaggregate grid electricity by source (clean vs. fossil) and because providing energy to the grid does not necessarily translate into access. Note that clean energy provided through contributions to grid is captured in the indicator “Level of installed capacity of clean energy, MW”.
 - Only individuals who benefit from improved access to clean energy directly are counted. Institutions or corporations (e.g. schools, hospitals) that benefit from improved access to clean energy are not currently accounted for against this indicator.
- This indicator simply measures whether an individual *has* improved access to clean energy as a result of ICF programme interventions; it does not shed light on the level of access or quality of clean energy.

Indicator: Greenhouse gas emissions reduced or avoided (tCO₂e)

Definitions

- ‘Greenhouse gas emissions’ refer to the ‘Kyoto basket’ of greenhouse gases (GHGs) which includes all carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆) emissions. This indicator’s methodology is consistent with that used by the Intergovernmental Panel on Climate Change (IPCC) for estimating national GHG emissions in that it aims to capture GHG emission impacts from all activities within a given territory (production emissions).

Note:

- Life-cycle impacts or consumption emissions that fall outside an individual country are not counted as part of results against this indicator. In this regard, the full emissions impact of ICF interventions may not be captured.

Indicator: Level of installed capacity of clean energy (MW)

Definitions

- ‘*Installed capacity (MW)*’ refers to the rated power output when operational in megawatts (MW) of the clean energy technology, either in the output of electrical power (MWe) or thermal power (MWt). Power outputs must be operational to be included.
- ‘*Grid-connected*’ refers to clean energy generation projects that are feeding into a national grid.
- ‘*Off-grid*’ refers to clean energy generation projects that do not feed into a national grid but may feed into localised energy grids if that localised energy grid is not connected to the national grid. Examples may include a district heat network within an industrial estate or solar PV projects with battery storage serving a small number of buildings.

Note:

- This indicator measures installed capacity only; energy generation or usage as a result of installed capacity is not measured.

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

Definitions

- ‘*Public finance*’ transactions are defined as those from official (i.e. government) sources outside of the UK. This could include finance from other donors and partner governments, UN agencies and multilateral or regional development banks and investment agencies such as CDC or DEG. It excludes Sovereign Wealth Funds, private banks and other private finance. Public finance can be from developed country organisations and multilateral organisations, as well as developing country institutions.
- The exact classification should be based on the OECD DAC definition: *Official transactions are those undertaken by central, state or local government agencies at their own risk and responsibility, regardless of whether these agencies have raised the funds through taxation or through borrowing from the private sector. This includes transactions by public corporations i.e. corporations over which the government secures control by owning more than half of the voting equity securities or otherwise controlling more than half of the equity holders’ voting power; or through special legislation empowering the government to determine corporate policy or to appoint directors. Private transactions*

are those undertaken by firms and individuals resident in the reporting country from their own private funds¹.

- Public finance is reported at the point at which it is committed in the calendar year based on the OECD DAC definition of a commitment: *A commitment is a firm written obligation by a government or official agency, backed by the appropriation or availability of the necessary funds, to provide resources of a specified amount under specified financial terms and conditions and for specified purposes for the benefit of a recipient country or a multilateral agency. Commitments are considered to be made at the date a loan or grant agreement is signed or the obligation is otherwise made known to the recipient (e.g. in the case of budgetary allocations to overseas territories, the final vote of the budget should be taken as the date of commitment)*².
- ‘...For climate change purposes’ refers to OECD DAC’s Rio Markers definitions for climate change and adaptation.
- OECD DAC’s definition of climate change mitigation: *An activity that... 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.*
- OECD DAC definition of climate change adaptation: *An activity that... 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.*
- ‘Mobilised’, also referred to as leverage, is ‘the process which occurs when the use of specified resources for a given objective causes more financial resources to be applied for that objective than would otherwise have been the case’. This definition requires that mobilised funds are either additional funds or are existing funds diverted from another (more fossil-fuel intensive) use to this objective.

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

Definitions

- ‘Private finance’ transactions are defined as those from non-public sources such as banks (but not multilateral or regional development banks), private companies, private or company pension funds, NGO money, CDM 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. It does not include donor

¹ OECD DAC (2013), “Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire”, OECD. Paragraph 13. [www.oecd.org/dac/stats/documentupload/DCD-DAC\(2013\)15-FINAL-ENG.pdf](http://www.oecd.org/dac/stats/documentupload/DCD-DAC(2013)15-FINAL-ENG.pdf)

² OECD DAC (2013), “Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire”, OECD. Paragraph 90. [www.oecd.org/dac/stats/documentupload/DCD-DAC\(2013\)15-FINAL-ENG.pdf](http://www.oecd.org/dac/stats/documentupload/DCD-DAC(2013)15-FINAL-ENG.pdf)

money, aid-agency government money, money from Multilateral Development Banks or Regional Development Banks, or funds from CDC. The exact classification of actors - and their finance - as private should be exclusive of finance reported as public, in line with the OECD DAC definition for 'official transactions' as set out above. Private finance can be from developing country institutions e.g. the local banks or entrepreneurs in the beneficiary country, as well as developed country institutions, such as international venture capital funds, international banks or multinational entities.

- For definitions of '*mobilised*' and '*for climate change purposes*' refer to notes above on 'Volume of public finance mobilised for climate change purposes'

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Published by the Department for International Development