Funded by UK Government

2020 UK Climate Finance Results

Baixo Limpopo Irrigation, Mozambique. Copyright Climate Investment Funds 2018.

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Contents

International Climate Finance

International Climate Finance (ICF) is Official Development Assistance (ODA) from the UK to support developing countries to respond to climate change. Around half is spent on adaptation – helping countries and people to build resilience to the current and future effects of climate change. And half is spent on mitigation – reducing greenhouse gas emissions and supporting clean growth. This statistical release has been produced for the purpose of accountability to the UK public for ICF investments.

The ICF portfolio is delivered by three UK government departments: Department for International Development (DFID); Department for Business, Energy and Industrial Strategy (BEIS); and Department for Environment, Food and Rural Affairs (Defra). Results are presented against six key performance indicators (KPI). The key performance indicators measure a range of benefits from the different types of programmes.

Between 2011/12 and 2019/20, it is estimated that ICF programmes have:

- Supported **66 million people** to cope with the effects of climate change
- Provided **33 million people** with improved access to clean energy
- Reduced or avoided **31 million tonnes** of greenhouse gas emissions
- Installed **2,000 megawatts** of clean energy capacity, and
- Mobilised **£4.1 billion public** and **£2.2 billion private finance** for climate change purposes in developing countries.

Climate change

Concentrations of 'greenhouse gases' in our atmosphere (gases such as carbon dioxide and methane, which contribute directly to climate change by trapping heat in the earth's atmosphere) have risen. As a result, the earth is getting warmer[1]. Warming has resulted in more frequent heatwaves, rising sea levels, problems with water availability and increased flooding[2]. Developing countries are suffering disproportionately, for example through crop failure and lack of electricity, as climate change undermines development gains. One-hundred-million people are at risk of being pushed into poverty by climate change by 2030[3]. The costs for developing countries of adapting to climate change are estimated at $140–$300 billion per year by 2030[4].

[1] Intergovernmental Panel on Climate Change, 2013; U.S. Global Change Research Program, 2017
[2] Intergovernmental Panel on Climate Change, 2014
[3] World Bank, 2016; Overseas Development Institute, 2015
[4] United Nations Environment Programme, 2016

The earth's average temperature is already more than 1°C above pre-industrial levels[5]. The last 5-year period has been the warmest 5 years on record. The Sustainable Development Goals (SDG) call for 'urgent action to combat climate change and its impacts'[6]. At the United Nations (UN) climate change conference 'Conference of the Parties' in Paris in December 2015 (COP21), the first-ever global climate deal was made, to limit warming to well below 2°C above pre-industrial levels, and to pursue efforts to limit warming to 1.5°C above pre-industrial levels. In their special report, 'Global Warming of 1.5°C', the Intergovernmental Panel on Climate Change (IPCC) estimated that limiting global warming to 1.5°C, compared with 2°C, could reduce the number of people both exposed to climate-related risks and susceptible to poverty by up to several hundred million by 2050[7]. At COP21, developed countries committed to mobilising $100 billion per year by 2020 to support developing countries to adapt to and mitigate climate change. In November 2021, the UK will host the UN climate change conference COP26 in Glasgow, in partnership with Italy. This will provide an opportunity for the world to come together and commit to urgent action, to make 2021 the year of transformational change. Guided by science, the UK's presidency will promote a clean, inclusive and resilient recovery from Covid-19 which creates sustainable jobs and addresses the urgent and linked challenges of climate change, biodiversity loss and public health.

2020 achieved results

Overview

The UK has committed to spend at least £5.8 billion of International Climate Finance (ICF) between 2016/17 and 2020/21, building on the £3.87 billion that was spent on climate activities between 2011/12 and 2015/16. The UK has further committed to doubling international climate finance to at least £11.6 billion between 2021/22 and 2025/26. These investments help developing countries to manage risk; adapt and build resilience to the impacts of climate change; promote low-carbon development; support sustainable management of natural resources; increase access to clean energy; and reduce deforestation.

Achievements from the portfolio of ICF investments are reported against six key performance indicators (KPI):

- KPI 1 Number of people supported to cope with the effects of climate change
- KPI 2 Number of people with improved access to clean energy
- KPI 6 Greenhouse gas emissions reduced or avoided (tCO_2e)
- KPI 7 Level of installed capacity of clean energy (MW)
- KPI 11 Volume of public finance mobilised for climate change purposes (£), and
- KPI 12 Volume of private finance mobilised for climate change purposes (£).

[5] World Meteorological Organization, 2020
[6] United Nations Economic and Social Council, 2015
[7] Intergovernmental Panel on Climate Change, 2018

These are described briefly in the following sections. The technical details of how to calculate results are explained in a series of methodology notes, available from https://www.gov.uk/government/publications/uk-climate-finance-results.

ICF programmes are expected to report progress using at least one of these key performance indicators. Achieved and expected results are collected annually, using a bespoke web-based platform. One-hundred-and-forty-eight programmes from DFID, BEIS and Defra contributed to these results in 2020. Where the UK co-funds a programme with other donors, only 'UK-attributed' ICF results are included in proportion to the UK's donor share. For each key performance indicator, results are added together across all relevant programmes and over time. Table 1 shows achieved results for the period 1 April 2011 to 31 March 2020.

Table 1 ICF results achieved (UK financial years 2011/12–2019/20)

Key Performance Indicator	Achieved Results 2011/12–2019/20	Number of programmes
Number of people supported to cope with the effects of climate change	66,000,000	87
Number of people with improved access to clean energy	33,000,000	33
Greenhouse gas emissions reduced or avoided (tCO_2e)	31,000,000	39
Level of installed capacity of clean energy (MW)	2,000	27
Volume of public finance mobilised for climate change purposes (£)	4,100,000,000	47
Volume of private finance mobilised for climate change purposes (£)	2,200,000,000	44

Numbers are rounded to two significant figures for the purpose of presentation.

Compared with results reported in 2019[8], the ICF portfolio has delivered increased benefits against all key performance indicators. For some programmes, historical data have been updated to reflect the best available information on achievements. This is why the 2019 cumulative results cannot simply be subtracted from the 2020 cumulative results to infer annual results for 2020. The main contributors to achievements and drivers of change are described under the relevant key performance indicator in the following sections.

Estimates of total expected lifetime results, which cover the full period over which programmes are expected to deliver benefits, are presented in Annex 1, rather than in the main body of the document. This change, which was implemented in the 2019 results publication, reflects the greater uncertainty associated with expected results because they are based on projections which are updated over time.

Progress against a fuller range of climate benefits monitored in individual programmes can be viewed at https://devtracker.dfid.gov.uk.

[8] See 2019 UK Climate finance results at https://www.gov.uk/government/publications/uk-climate-finance-results

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

Achieved (2011/12 to 2019/20)
66,000,000 *(87 programmes)*

This indicator tracks the number of people who have received direct support from ICF programmes to equip them to cope with increased climate variability such as changes in rainfall patterns, increased heatwaves, and shocks such as flooding, storms or drought.

The support delivered by ICF programmes is tailored to context. Activities contributing to results on this indicator include supporting farmers to grow crops that can adapt to changing weather 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 quickly recover from weather-related shocks. The results presented are restricted to people who have been directly supported by UK ICF rather than those in the wider community receiving indirect benefits.

Cumulative results against this key performance indicator increased by 16% compared with 2019.

Number of people with improved access to clean energy

Achieved (2011/12 to 2019/20)
33,000,000 *(33 programmes)*

This indicator estimates the number of people with new connections to off-grid renewable energy sources, more efficient cook stoves, solar lanterns or other clean technologies which generate energy.

Where clean energy replaces fossil fuels (such as kerosene for lighting or diesel for generators), carbon emissions are reduced. Where clean energy replaces fuel from ‘non-renewable biomass’ (organic material from sources which are being depleted over time), deforestation is reduced. More efficient cookstoves have health- and time-saving co-benefits, particularly for women and children who are often most affected by exposure to indoor air pollution from open fires and simple stoves, and spend time collecting firewood.

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.

Cumulative results against this key performance indicator increased by 26% compared with 2019, following large contributions from ‘Results Based Financing for Low Carbon Energy Access’ and ‘Transforming Energy Access’ programmes.

Greenhouse gas emissions reduced or avoided

Achieved (2011/12 to 2019/20)
31,000,000 tCO_2e *(39 programmes)*

This indicator estimates the net change in greenhouse gas emissions as a result of UK ICF interventions, compared to what would have occurred in the absence of ICF support.

UK ICF contributes to reducing emissions of greenhouse gases by replacing fossil fuels with renewable energy sources (such as solar, wind or geothermal), promoting low carbon alternatives to wood for domestic cooking, and reducing deforestation.

Benefits on this indicator can continue to accrue after programme closure, if emissions continue to be lower than they would have been without the ICF intervention. For example, solar panels will continue to generate clean energy and reduce greenhouse gas emissions after the end of the programme that funded installation, for as long as they continue to function. This explains why the expected total lifetime results (See Annex 1: ICF total expected lifetime results) are much higher than the results achieved so far against this indicator.

Cumulative results against this key performance indicator increased by 98% compared with 2019. This large jump was mainly driven by the 'Low Carbon Agriculture and avoided deforestation for poverty reduction' programme in Brazil reporting results for the first time, and additional large contributions from 'Forestry, Land-use and Governance in Indonesia' and 'Supporting Structural Reform in the Indian Power Sector'.

Level of installed capacity of clean energy

Achieved (2011/12 to 2019/20)
2,000 MW *(27 programmes)*

This indicator measures clean energy capacity installed as a result of ICF programmes, tracking 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 the clean energy technology is operational.

Access to energy is the primary constraint to inclusive economic growth and job creation. Around 840 million people worldwide lack access to modern energy, 68% of whom live in sub-Saharan Africa[9]. 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 emissions.

Cumulative results against this key performance indicator increased by 26% compared with 2019. The Private Infrastructure Development Group reported results for the first time this year from installed technologies which have become operational over the whole ICF period since 2011. CDC (UK development finance institution), which has been supported since 2015, also reported ICF results for the first time this year. The Global Climate Partnership Fund and UK Climate Investments both contributed substantial additional results in the last

[9]International Energy Agency, International Renewable Energy Agency, United Nations Statistics Division, World Bank Group, World Health Organisation, 2019, Tracking SDG 7 The Energy Progress Report 2019, Washington DC.

year. A correction to historical results was made for the Clean Technology Fund, reducing those previously reported.

Volume of public finance mobilised for climate change purposes

Achieved (2011/12 to 2019/20)
£4,100,000,000 *(47 programmes)*

This indicator seeks to measure the amount of non-ICF public money mobilised for climate change as a result of UK's ICF portfolio. Delivering the UK's climate change objectives requires substantial amounts of finance from other sources, in addition to ICF.

Mobilised finance measured under this indicator is from public sources outside of the UK. This mainly includes finance from partner governments, UN agencies and multilateral or regional development banks. To be counted, the leveraged funds must either be additional funds, or existing funds diverted from another (more fossil-fuel intensive) use.

Cumulative results against this key performance indicator have increased by 8% compared with 2019.

Volume of private finance mobilised for climate change purposes

Achieved (2011/12 to 2019/20)
£2,200,000,000 *(44 programmes)*

This indicator tracks the amount of private finance mobilised for climate change purposes as a result of the UK's ICF portfolio.

Mobilised finance measured under this indicator is from non-public sources such as banks (but not multilateral or regional development banks), private companies, pension funds, non-governmental organisations, Clean Development Mechanism[10] 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.

This indicator 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.

A portion of previously reported results from the Clean Technology Fund were found to have been wrongly classified. These have now been corrected as coming from public sources.

Cumulative results against this key performance indicator have increased by 62% compared with 2019. The main driver of this increase was CDC reporting results for the first time. A substantial additional contribution was reported from 'Transforming Energy Access'.

[10] The Clean Development Mechanism (CDM) is a way to finance emissions mitigation projects by selling certified emission reductions, or CERs. For further information, see https://cdm.unfccc.int/.

Data quality

Results accuracy is dependent on the quality of underlying data sources. For ICF, these include routine monitoring by implementing partners, management information systems of partner country governments and household surveys. Verifying the quality of data provided by partners can be challenging in developing country contexts.

For programmes with a high volume of results, or high spend, results are quality assured by climate analysts in DFID, BEIS and Defra. This improves adherence to prescribed methodologies, and minimises errors such as counting the same beneficiary more than once across different years; claiming more results than can be directly associated with ICF; and claiming results which would have occurred without ICF support.

ICF results are not designated as official statistics. But, where possible, DFID, BEIS and Defra voluntarily apply the UK Statistics Authority's Code of Practice for Statistics in their production. To enhance transparency, the three departments have published a joint statement of voluntary compliance describing how the ICF results demonstrate trustworthiness, quality and value. This statement is published at https://www.gov.uk/guidance/international-climate-finance#our-results.

Corrections

If an error in these results is discovered after publication, a proportionate response will be made depending on whether or not the incorrect value would lead to a materially different conclusion. If it would, DFID will issue an 'unscheduled correction' as soon as possible after the error is discovered. Errors which are smaller in magnitude and impact will be corrected in the next annual update.

If you have an idea to improve this publication, please get in touch at enquiry@dfid.gov.uk.

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Publication frequency	Annual
Responsible statistician	Cecilie Andersen and Jo Abbotts
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Annex 1: ICF total expected lifetime results

Definition

The total expected lifetime results on an indicator include all past and future benefits from current or previous ICF programmes. Benefits include those expected to be delivered while a programme is operational, and those expected to be delivered after a programme has closed. Results delivered after a programme has closed typically arise from climate change mitigation programmes, where, for example, a clean energy technology has been installed that will continue to deliver emissions reductions during the technology's lifetime. Adjustments are made to reflect risks such as the technology breaking down.

How to use expected results

Expected results can be used to estimate the longer-term impacts of UK international climate finance by taking account of projected future benefits. At the planning stage of a programme, expected results are modelled based on assumptions about the context and the effectiveness of interventions. These estimates are revised during implementation. As programme monitoring finishes at programme closure, counting the expected lifetime results allows a fuller assessment of the overall impact of ICF.

2020 expected lifetime results

Table 2 presents expected lifetime results of ICF programmes at March 2020. These cover the full period over which current programming is expected to deliver results, including after programme closure.

Table 2: ICF results expected (2011/12 onward), estimates at March 2020

Key Performance Indicator	Expected Lifetime Results (2011/12 onwards)	Number of programmes
Number of people supported to cope with the effects of climate change	110,000,000	94
Number of people with improved access to clean energy	41,000,000	36
Greenhouse gas emissions reduced or avoided (tCO_2e)	750,000,000	55
Level of installed capacity of clean energy (MW)	5,200	33
Volume of public finance mobilised for climate change purposes (£)	12,000,000,000	63
Volume of private finance mobilised for climate change purposes (£)	6,800,000,000	60

All numbers are rounded to two significant figures for the purpose of presentation.

One-hundred-and-seventy programmes contributed towards these expected results in 2020. Results on four key performance indicators have increased since 2019. The expected lifetime result for ‘number of people helped to cope with the effects of climate change’ has increased by 33%. The expected lifetime result for ‘greenhouse gas emissions reduced or avoided’ has increased by 28%. The expected lifetime result for ‘volume of public finance mobilised for climate change purposes’ has increased by 8%. And the expected lifetime result for ‘volume of private finance mobilised for climate change purposes’ has increased by 9%.

Expected lifetime results have been revised downwards for two key performance indicators since the 2019 publication. The expected lifetime result for ‘number of people with improved access to clean energy’ has reduced by 6%. The expected lifetime result for ‘level of installed capacity of clean energy’ has reduced by 12%. Revisions are mainly due to forecasts being updated after a few years of implementation with more realistic estimates from programme monitoring systems of what will be achieved. However, some revisions are due to correction of a previous error.

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