



## DFID Spend on Climate

**Spend on building the resilience of poor people to the impacts of climate change and investing in low carbon development to avoid or reduce harmful greenhouse gases.**

### 1. Finance and Results

From 2016/17 to 2018/19, DFID spent £2,148 million on building the resilience of poor people to the impacts of climate change and investing in low carbon development to avoid or prevent harmful greenhouse gases. This Single Departmental Plan spend indicator contributes to the UK commitment to spend £5.8 billion over five years on tackling climate change, of which DFID intends to spend £3.6 billion.

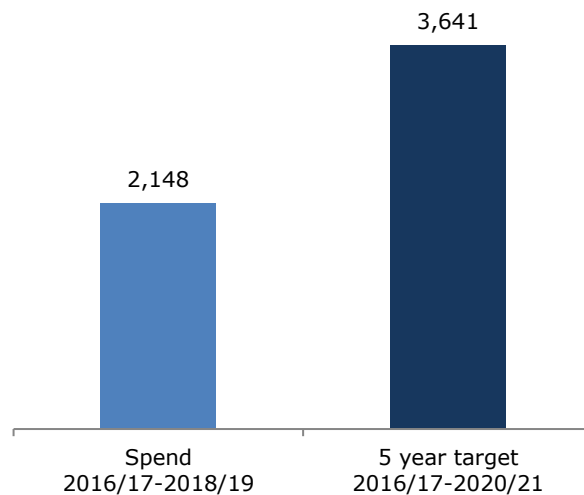
£1,864 million of DFID's spend on climate from 2016/17 to 2018/19 was through bilateral programmes by DFID's network of country offices, or by teams based in the UK whose programmes often operate across a range of countries. These programmes tackle climate change either as their main objective or alongside other development objectives such as economic development.

DFID, alongside the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Environment, Food and Rural Affairs (Defra), make core contributions to specific multilateral organisations that tackle climate change, such as the Green Climate Fund and the Global Environment Facility. These organisations have greater reach across a broader range of countries and work with other donors to scale up climate finance faster and more effectively. DFID contributed £284 million to climate multilaterals from 2016/17 to 2018/19.

### 2. Context

The 2018 Intergovernmental Panel on Climate Change Special Report on Global Warming of 1.5° made it clear that we are heading for dangerous levels of climate

**Figure 1 : Progress against 5 year climate finance target £m**



change and some impacts are now unavoidable. Climate change poses risks to countries' economies, to sustainable water and food supplies, to livelihoods and jobs. This evolving threat will worsen with further temperature rises and make delivery of many of the Global Goals even more challenging.

Alongside other developed countries, the UK has committed to jointly mobilise \$100 billion per year in climate finance to developing countries from public and private sources.

As part of this commitment, the UK pledged to provide £5.8 billion of International Climate Finance (ICF) between 2016/17 and 2020/21 to build the resilience of poor people to the impacts of climate change and invest in low carbon development to avoid or reduce harmful greenhouse gases. DFID works jointly with BEIS and Defra on delivering this commitment using the UK aid budget.

### **3. Programmes using DFID Climate Finance**

Around 200 programmes contributed to DFID's climate finance spend during 2016/17-2018/19.

DFID's climate finance has helped poor people directly to build their resilience to climate change including through programmes providing cash transfers such as the Hunger Safety Net Programme in Kenya (£37 million from 2016/17-2018/19) and the Productive Safety Net Programme Phase 4 in Ethiopia (£121 million from 2016/17 to 2018/19). These programmes help people secure enough food, reducing hunger and the risk of famine, increase access to health and education services, and help people re-establish their livelihoods in the aftermath of climate extremes such as drought and floods.

DFID has also supported programmes that have enabled multiple countries to have increased access to disaster insurance, such as the Disaster Risk Insurance programme (£25 million from 2016/17 to 2018/19). Immediate cash pay-outs after an event cuts the cost and impact of natural disasters, and we have also supported insurance specifically for farmers, as part of our wider assistance to climate resilient agriculture to improve food security and livelihoods of farmers.

DFID has directly invested in renewable energy programmes which improve access to clean, sustainable and affordable electricity supplies, for example the Rural Electrification programme in Sierra Leone creating mini-grids in small, remote, rural communities (£20 million from 2016/17 to 2018/19). This assistance not only avoids future carbon emissions from fossil fuels, but also improves health and education outcomes and allows better access to information and improved communications for those previously without a reliable energy supply.

Deforestation and land use change account for around 25% of global greenhouse gas emissions. DFID leads work internationally which has established effective and innovative models to drive transformational change in timber and agricultural commodity industries, sustain challenging governance reforms in the land sector in developing countries, and incubate public-private partnerships which catalyse investment into sustainable land use. The Forest Governance, Markets and Climate programme has spent £80 million from 2016/17-2018/19.

During 2016/17-2018/19, DFID contributed £220 million to the Green Climate Fund (GCF). The GCF has now committed \$5bn on more than 100 projects, such as promotion of clean cooking in Kenya and Senegal and improving access to finance for climate adaptation measures for small agriculture, forestry and livestock businesses in the Caribbean and Central America.

Further information on UK International Climate Finance (ICF), including case studies, can be found on [gov.uk](https://www.gov.uk)

#### **4. Methodology summary**

DFID climate finance is identified and approved as part of DFID's usual business case design and approval process. Programme teams are responsible for identifying the proportion of spend that can be categorised as climate finance.

For programmes that are categorised as 100% climate finance, the full spend of the programme is reported. A percentage of a programme can be scored as climate finance if the programme incorporates elements that address climate risks or promote low carbon approaches or technologies.

Expenditure can be either bilateral or core contributions to climate-specific multilateral organisations. Imputed shares of core contributions to the World Bank and Multilateral Development Banks are not included, which avoids double counting at an international level.

The detailed methodology is available [here](#)

#### **5. Data sources**

Climate finance data is collected from DFID's central finance system, based on expenditure incurred during the financial year and which has been identified by programme teams as climate finance.

Dataset is available [here](#).

#### **6. Data quality notes**

DFID-wide guidance on climate finance is available to programme teams, as well as a network of climate advisers, to enable them to accurately estimate and record their climate finance. Some degree of judgement is required by programme teams, particularly where a programme is only partially climate change related. Climate finance data is also reviewed centrally and while it is possible that some errors in classification may occur, these should be minimal.