



## **NEW ZEALAND**

### **New Zealand submission of information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement**

**December 2020**

New Zealand is pleased to respond to the request in decision 12/CMA.1 for developed country Parties to communicate biennially, indicative quantitative and qualitative information related to Article 9, paragraphs 1 and 3 of the Paris Agreement, in accordance with Article 9, paragraph 5 of the Paris Agreement.

#### **Key Points**

- New Zealand is committed to providing support for developing countries to address the impacts of climate change and take climate action, with a particular focus on the Pacific.
- New Zealand has committed to delivering at least NZ\$300 million in climate-related support from 2019 to 2022, with at least two thirds of this funding to be provided to Pacific Island countries, and at least half of the total support adaptation focused. We expect to meet these commitments.
- For 2019-2022 we forecast that New Zealand will provide around NZ\$510.7 million in climate-related support through Official Development Assistance (ODA) administered by the Ministry of Foreign Affairs and Trade and delivered through the New Zealand Aid Programme.
- This forecast is indicative only. Challenges to implementation and changes to partner priorities – particularly due to the impacts of COVID-19 – will likely result in changes to forecast climate-related support over the next 2-3 years.
- Country partnerships are at the heart of New Zealand's approach to development assistance. We engage regularly with country partners to discuss priorities for support.

- New Zealand is also committed to collaborative multilateral efforts to combat climate change, including through support for the financial mechanisms of the UNFCCC. The significant increase in our contribution to the Green Climate Fund at the Fund's first replenishment (NZ\$15 million) signals this commitment.
- New Zealand's climate-related support is primarily funded from ODA and is delivered through grants or in-kind support.
- Mainstreaming climate change across the Aid Programme is a priority for New Zealand. We are strengthening our efforts to ensure building resilience to the impacts of climate change is a priority consideration in all activities.

## **Context**

New Zealand is a Pacific country. The prosperity and security of Pacific Island countries and territories is of fundamental importance to New Zealand. As a result, New Zealand's Official Development Assistance (ODA) retains a primary geographic focus on the Pacific with a minimum of 60% of our development assistance targeted to the Pacific<sup>1</sup>. New Zealand's ODA is allocated with particular considerations of our constitutional obligations to Realm countries (Tokelau, Niue and the Cook Islands), and to countries off-track to meet the SDGs.

Country partnerships are at the heart of New Zealand's approach to development assistance, including our climate-related support. We agree joint commitments with our partners which are based on partner countries' national plans and identified needs, and we hold regular consultations with partner governments.

In September 2018, New Zealand committed to delivering at least NZ\$300 million (US\$213 million) in climate related support to developing countries from 2019 to 2022.

Almost all of New Zealand's climate-related support is ODA delivered via the New Zealand Aid Programme, administered by the Ministry of Foreign Affairs and Trade. All of New Zealand's reported climate-related support is by grant or in-kind support. Some of our in-kind support is provided to developing country partners through New Zealand's domestic government agencies, for example the Ministry for the Environment and the Ministry for Primary Industries (through the Global Research Alliance for Agricultural Greenhouse Gases (GRA)).

New Zealand's ODA is budgeted in three-yearly cycles. At the time of this submission, we are nearing the end of a three year cycle (2018/19 – 2020/21)<sup>2</sup>. Programming of New Zealand's funding for the next funding triennium (2021/22 – 2023/24) is still being formulated so it is too early to confirm the ODA budget for that period.

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<sup>1</sup> For our climate related support we have a higher target for the Pacific (66%).

<sup>2</sup> New Zealand operates on a July-June financial year. Figures reported in this submission are by calendar year.

## *Climate finance and COVID-19*

COVID-19 presents an urgent crisis. It is increasing development challenges, reversing development outcomes and undermining human rights. New Zealand is committed to ensuring that climate change considerations are integrated into the New Zealand Aid Programme's support for COVID-19 recovery.

### **Reporting on CMA guidance**

We provide information for this report for the period 2021-2023. All quantitative data is indicative only and subject to change (see Section 3 below for limitations relevant to the provision, reporting and forecasting of climate-related support).

As agreed in decision 12/CMA.1 we provide information on the following:

#### **1 Information to increase clarity on the projected levels of public financial resources to be provided to developing countries**

1.1 For 2019-2022 the New Zealand Aid Programme is indicatively programmed to spend around NZ\$510.7 million for climate related activities as follows:

<b>Period of NZ\$300 million climate finance commitment</b>				
<b>2019 (actual)</b>	<b>2020 (indicative)</b>	<b>2021 (indicative)</b>	<b>2022 (indicative)</b>	<b>2023 (indicative)</b>
\$110,790,000	\$109,950,000	\$174,310,000	\$115,650,000	\$65,400,000

It is envisaged around 78% will be delivered bilaterally and regionally and 22% through multilateral agencies.

The figures above are indicative and will change as:

- a) we continue to programme new initiatives for implementation, particularly for 2023; and
- b) forecast spend for 2021 and 2022 is delayed and moved into 2023 (with corresponding decreases in 2021 and 2022) due to implementation challenges and changes to partner country priorities, particularly in the COVID-19 impacted operating environment.

Regardless of fluctuating forecasts and annual changes in expenditure we fully expect to meet and exceed our \$300 million climate finance commitment for 2019-2022.

## **2 An indication of new and additional resource to be provided and how New Zealand determines resources as "new and additional"**

2.1 New Zealand's climate-related support has remained an important part of its growing aid budget over the past 10 years. While climate related support fluctuates on an annual basis it is on an upward trajectory, from around NZ\$44 million in 2016 to around \$76 million in 2018 and \$110 million in 2019. We consider increased climate-related support within the context of a growing ODA budget "new and additional" finance.

## **3 National circumstances and limitations relevant to the provision of ex-ante information**

3.1 New Zealand seeks to provide as much clarity on forward-looking climate finance flows as possible. However, our domestic budgetary processes place some limitations on what we can do:

- High-level multi-year financial commitments and indicative forecasting to partners are subsequently subject to annual budgetary appropriation through the New Zealand Parliament.
- In addition, precise annual forecasts of expenditure are difficult as they depend on anticipated speed of activity implementation. Forecast expenditure changes as activities are implemented. Delays are common and we expect significant delays in expenditure in 2021 and 2022 due to COVID-related implementation challenges.
- Forecasting for out-years is generally less accurate since programming is less firm.
- Providing ex-ante information for contributions to multilateral development banks is difficult since information on imputed shares is not available.

3.2 We seek to enhance predictability of climate finance in a number of ways, including by regular engagement with partner countries and entering into multi-year contracts at the Activity level where possible.

3.3 And regardless of limitations on the provision and reporting of finance, New Zealand intends to meet its climate finance commitments fully.

## **4 Relevant methodologies and assumptions used to project levels of climate finance**

4.1 The New Zealand Aid Programme has policies and systems in place to track, measure, record and forecast climate-related assistance provided to developing countries. New Zealand is committed to ongoing improvements in its reporting of climate finance.

4.2 The Aid Programme uses the Rio markers of the Organisation for Economic Co-operation and Development's (OECD's) Development Assistance Committee

(DAC) for tracking development assistance with climate change adaptation and mitigation outcomes.

4.3 While the DAC Rio markers capture the thematic objectives of each activity, they do not quantify expenditure towards these objectives. New Zealand has built on the DAC Rio markers to create a system to quantify the climate-related support provided by the Aid Programme.

4.4 The system allows climate-related expenditure to be quantified and recorded in the Aid Programme's climate change inventory, according to specific classifications and moderation weightings, as shown in Annex A.

4.5 In 2018 we included a Climate Change Capacity Building marker in our reporting system to better track support we provide to capacity building.

## **5 Integrating climate change considerations, including resilience, into New Zealand's development support**

5.1 New Zealand has recognised climate change as a cross-cutting development issue for a number of years. There are frequent co-benefits across a range of development outcomes, as is reflected in the integrated approach to climate change and development that Pacific Island Countries have adopted<sup>3</sup>.

5.2 Our goal is that climate change is a consideration in *all* development assistance, and that all activities ensure *action is taken proactively* to build resilience into and reduce emissions. We expect the proportion of activities in the New Zealand Aid Programme that mainstream climate change considerations, to increase in coming years.

5.3 We pursue development cooperation that aligns with, and advances, the Paris Agreement objectives, the Sustainable Development Goals and the Sendai Framework for Disaster Risk reduction, including in our COVID-19 recovery support.

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<sup>3</sup> Framework for Resilient Development in the Pacific

## **6 Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments**

6.1 New Zealand provides climate-related support in a range of ways:

- Bilaterally, primarily in the Pacific but also in South East Asia, Africa, Latin America and the Caribbean. This support is delivered by a range of partners including governments, civil society organisations, UN and regional agencies, New Zealand government agencies, and international NGOs.
- Contributions to Pacific regional organisations with a strategic focus on climate change, and to multilateral agencies such as UNDP;
- Contributions to the UNFCCC Financial Mechanism's operating entities: the Green Climate Fund, Adaptation Fund and Global Environment Facility;
- Core contributions to Multilateral Development Banks that provide climate-related support to developing countries (e.g. World Bank, ADB).

6.2 We deliver climate-related support across a range of sectors (see section 6).

6.3 A NZ\$150 million<sup>4</sup> Climate Change Programme has been established within the Aid Programme to drive climate change-specific programming and deliver on our NZ\$300 million commitment. This programme provides support for:

- Public sector strengthening and institutional effectiveness (mainstreaming climate change in government decision making / public sector strengthening, long-term low emissions climate resilient development planning);
- Improving information for decision-making (science and research);
- Supporting new and innovative finance tools (supporting access to finance including disaster risk finance);
- Supporting resilient ecosystems (ecosystem-based adaptation/nature based solutions including for coastal protection);
- Improving water security;
- Supporting Pacific Island countries and territories to avert, delay, prepare for and support climate change-related mobility;
- Support for activities that reduce greenhouse gas (GHG) emissions.

6.4 As noted above, all of New Zealand's reported climate finance is provided through grant or in-kind support.

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<sup>4</sup> US\$106 million

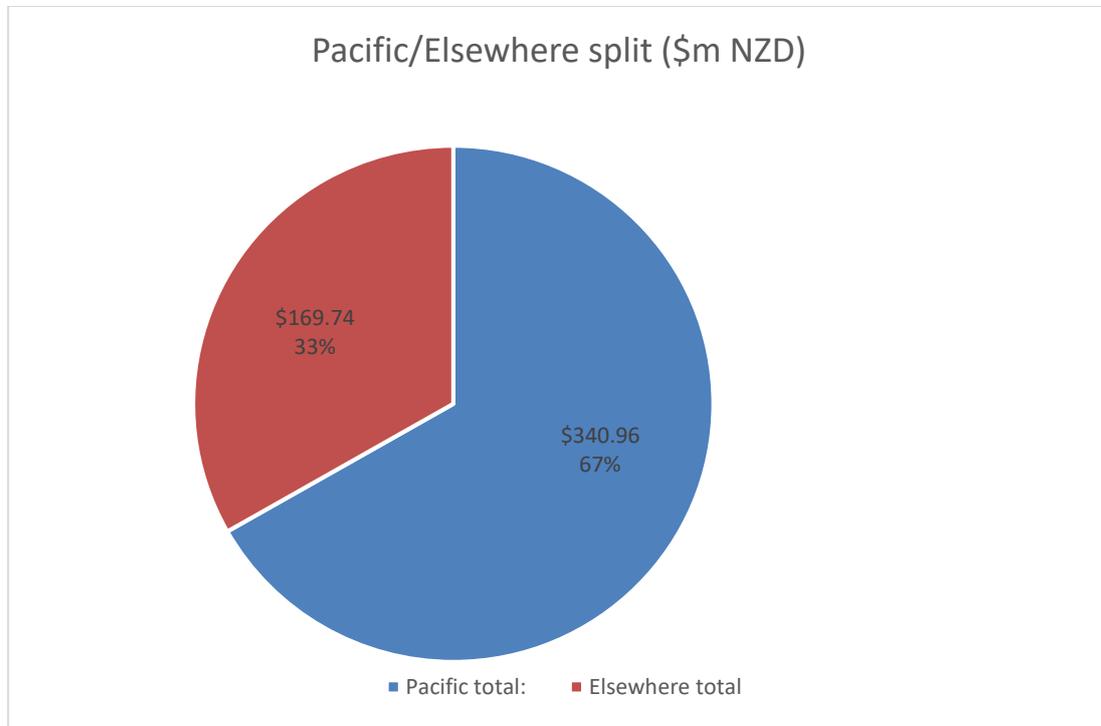
## **7 Policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness<sup>5</sup>**

### *Geographic focus and recipient countries*

7.1 Helping Pacific Small Island Developing States (P-SIDS) to act on the threat of climate change, by reducing vulnerability to its impacts, building climate resilience, and helping to meet emissions targets, is a priority for the New Zealand Government.

7.2 To that end, New Zealand has committed to at least *two thirds* of its 2019 – 2022 climate finance commitment supporting Pacific Island countries. Current forecasts estimate that around 67% of New Zealand’s climate finance will support the Pacific in this period (see Figure 1).

Figure 1: New Zealand climate finance – Pacific / non-Pacific 2019-2022

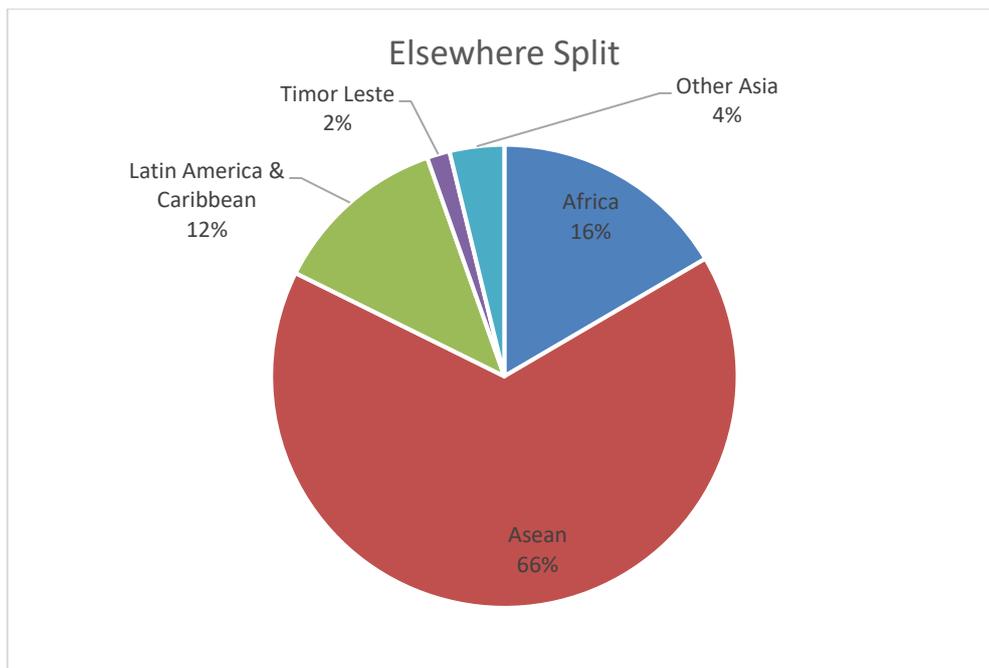


<sup>5</sup> New Zealand’s development assistance priorities are described in the Policy Statement: New Zealand’s International Cooperation for Effective, Sustainable Development, 2019 <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>

7.3 New Zealand's ODA has a secondary geographic focus on Southeast Asia, particularly Least Developed Countries (LDCs).

7.4 We also provide support to partners in Africa, Latin America and the Caribbean – particularly in renewable energy, disaster risk reduction and agriculture. See Figure 2 for currently forecast geographical forecasts for 2019-2022.

Figure 2: Climate finance – geographical split – beyond the Pacific 2019-2022



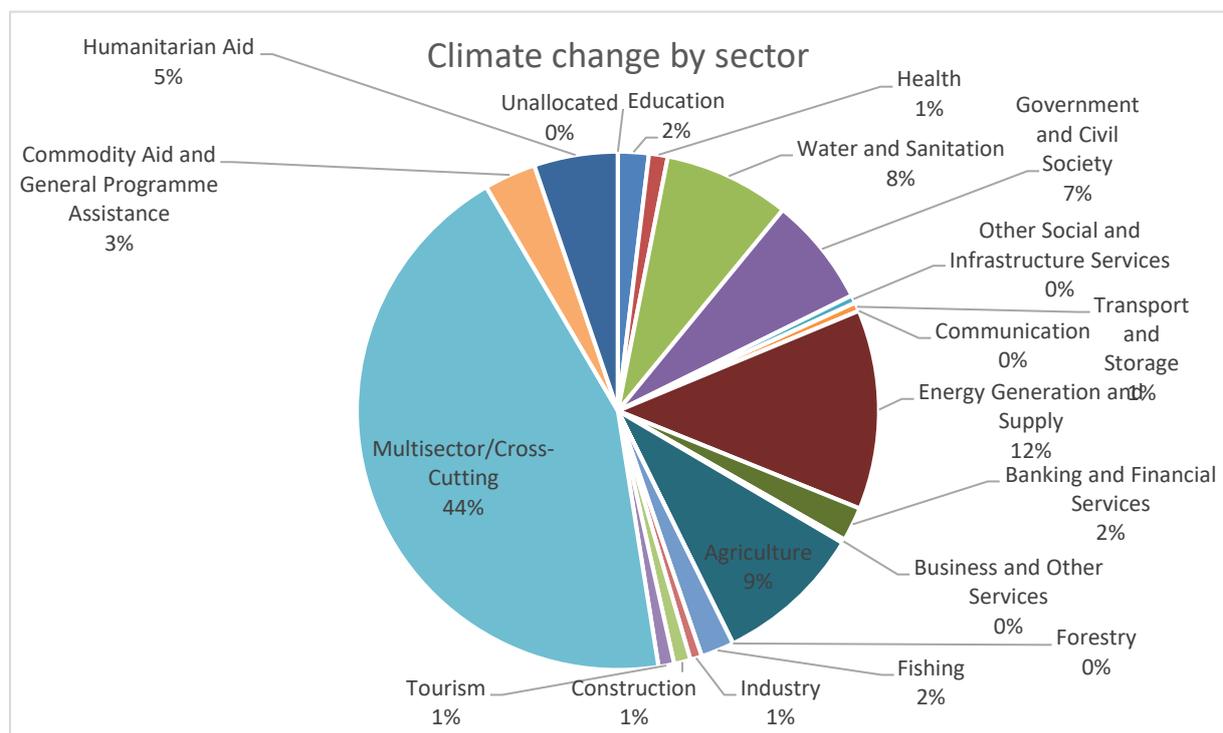
## Sectors

7.5 New Zealand does not have a pre-determined list of priority sectors for climate-related support. A significant amount of climate change activity is delivered by the Aid Programme bilaterally, regionally and multilaterally across a range of sectors including renewable energy, agriculture, infrastructure, tourism, and disaster risk reduction.

7.6 For 2019-2022 key sectors for New Zealand's climate-related support are expected to include: energy supply and generation (12%); water and sanitation (8%); government and civil society (7%); and agriculture and fisheries (10%).

7.7 Multisector / cross-cutting activities account for the largest sector share of New Zealand's climate related support (44%). This reflects our increasing focus on support for long-term national and sectoral planning and policy development, mainstreaming climate change in government decision-making, improving access to finance and improving information for decision-making which are generally defined as multi-sector activities. It also reflects a significant amount of climate-related support, delivered through multi-lateral and regional mechanisms, that is not sector-specific (e.g., contributions to multi-lateral development banks, climate finance mechanisms and to Pacific regional agencies).

Figure 3: Indicative climate finance by sector, 2019-2022 (based on DAC CRS codes)



### *Target groups*

7.8 New Zealand provides support to a range of groups – national governments, local governments, civil society, the private sector and local communities. The groups targeted by New Zealand’s climate-related support depend on the focus and characteristics of each specific activity developed in consultation with partner governments and implementing partners.

### *Gender responsiveness and inclusive development*

7.9 Inclusive development addresses exclusions and inequality created across all dimensions of social identity, while promoting human rights, and equitable participation in the benefits of development. New Zealand’s approach to inclusive development focuses on:

- Addressing social inequalities and promoting human rights;
- Advancing gender equality and women’s empowerment, and child and youth well-being;
- Understanding and responding to the causes of poverty and exclusion;
- Supporting duty bearers and rights holders to ensure benefits are equitably shared;
- Enabling groups potentially impacted by an activity to meaningfully participate in the development process.

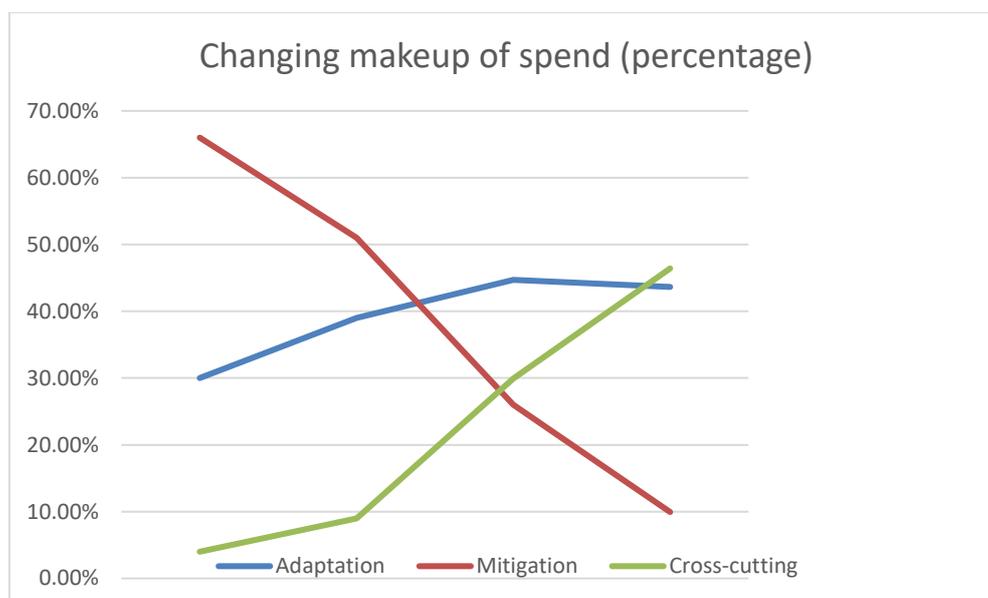
## ***8 Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building<sup>6</sup>***

8.1 For 2019-2022 we indicatively forecast that we will spend NZ\$223 million on adaptation activities, NZ\$50 million on mitigation activities, and NZ\$237 million on cross-cutting initiatives. Over time there has been a gradual reduction in the amount of support provided for mitigation activities and a corresponding increase in the amount of support provided for adaptation and cross-cutting initiatives.

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<sup>6</sup> This section also covers elements (j) (how to ensure a balance between mitigation and adaptation) and (o) (how support provided enhances capacities) of the CMA guidance.

Figure 6: Adaptation / Mitigation / Cross-cutting as a percentage of total climate finance 2014-2022



## **Adaptation**

8.2 New Zealand has expressly committed to ensuring at least 50% of its climate change-related support is provided for adaptation initiatives. This commitment recognises the importance of adaptation support to SIDS, particularly in the Pacific.

8.3 Current forecasts estimate 44% of New Zealand's climate-related support will be spent on adaptation-only activities over 2019-2022<sup>7</sup>. Main sectors that will be targeted for adaptation support for 2019-2022 are: water and sanitation, governance and civil society; agriculture; humanitarian aid; and, multi-sector assistance.

8.4 National and community-level resilience and adaptation actions are implemented within the context of national and regional plans, strategies and frameworks. New Zealand works with partner countries and regional agencies to help shape and deliver these actions in response to countries' priorities.

8.5 Examples of key climate change adaptation, disaster risk management and resilience-building initiatives that will be supported by New Zealand in coming years include projects that:

- Strengthen water security and availability;
- Strengthen ecosystem resilience;
- Support hazard and risk mapping;
- Build the resilience of communities and the environment to ocean acidification;
- Support the development and maintenance of early warning systems;

<sup>7</sup> Programming for out years is not complete so we expect this figure to increase.

- Support coastal adaptation;
- Improve food security.

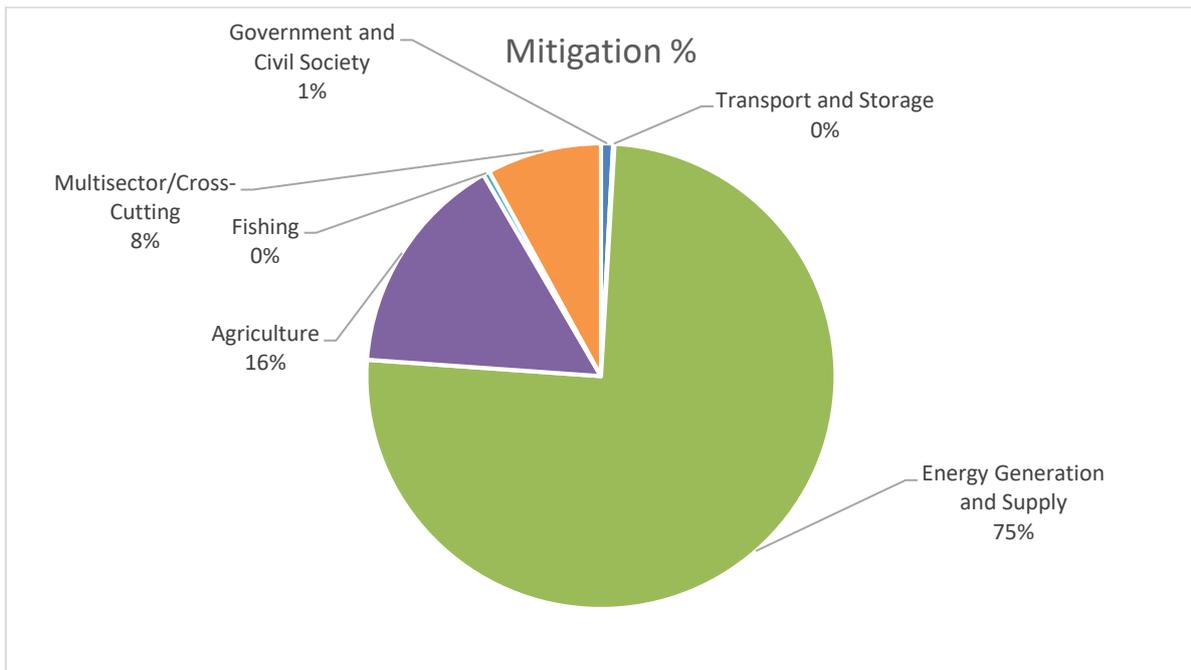
**Mitigation**

8.6 For the period 2019-2022, New Zealand forecasts that support for mitigation-only activities will comprise around 9.5% of its total climate-related support. This is a reduction from previous years (66% reported in 2014, 51% in 2016 and 26% in 2018).

8.7 A recent priority of supporting renewable energy initiatives accounts for the relatively high level of mitigation-only support from 2012 – 2018. However, as commitments made by New Zealand in 2013 and 2016 to support renewable energy initiatives in the Pacific are delivered, and as both the ODA budget and overall climate-related support increase, mitigation as a proportion of total climate-related support is decreasing.

8.8 An increasing amount of New Zealand’s support for mitigation is through the agriculture sector. While mitigation-focused agriculture still remains a small part of overall Aid Programme spend, this increase reflects partners’ growing understanding of the important role improved productivity in agriculture can play in reducing greenhouse gas emissions. We are also actively starting to focus efforts on energy efficiency and transport energy activities which will also reduce fossil fuel use and, if well designed, can increase both climate change and economic resilience.

Figure 6: Mitigation estimates 2019-2022 by sub-sector



### ***Cross-cutting activities***

8.9 The New Zealand Aid Programme provides a significant amount (around 46% in 2019-2022) of its support to cross-cutting activities i.e. activities in which we expect to see both adaptation and mitigation outcomes. This includes our support to UN agencies, the Green Climate Fund, multilateral development banks and Pacific regional agencies, who have a mandate for implementation of both mitigation and adaptation initiatives.

8.10 It also includes support for specific bilateral, regional and multi-country activities where both mitigation and adaptation outcomes are sought or likely to be achieved through implementation of the specific activity itself (such as through New Zealand's "Low-emissions and Climate Resilient Development" initiative in the Pacific).

### ***Capacity building including information on how support to be provided to developing country Parties enhances their capacities.***

8.11 For 2019-2022 we currently expect around 155 of 286 forecast climate-related activities will have capacity building elements incorporated into them (around 54%).

8.12 New Zealand responds to existing and emerging capacity needs identified by developing country partners in the areas of mitigation, adaptation, and technology development and transfer. New Zealand's capacity-building activities are targeted to areas where it has expertise, such as agriculture, renewable energy generation and disaster risk resilience, and where countries have identified specific needs and capacity gaps.

8.13 A large portion of New Zealand's capacity-building activity is aimed at the Pacific region. Other capacity-building activities where New Zealand has expertise are delivered to the benefit of developing countries in Africa, Southeast Asia and Latin America and the Caribbean.

### ***Technology transfer***

8.14 New Zealand's support for technology transfer includes support for both tangible assets and "soft" components such as information and knowledge sharing, training and research. Many activities with a technology transfer element are in the energy, water and sanitation, and agriculture sectors. Current examples include:

- Support for the World Bank-led Vanuatu Rural Electrification Project: installation of stand-alone home solar systems;
- Samoa Cocoa Industry Development: new methods of seedling planting by providing appropriate seedling bags to ensure trees will be able to withstand harsh conditions such as cyclones, strong winds;

- Tokelau water security: refurbishing and enhancing rainwater harvesting and storage infrastructure and building the knowledge and capacity of communities to sustainably manage their water resources.

8.15 In addition to technology transfer delivered through the New Zealand Aid Programme, the Global Research Alliance also promotes and facilitates the development of agriculture-specific capacities and technologies of country partners. For example, New Zealand support enables GRA members to:

- Develop and/or improve their agriculture GHG inventories consistent with their national circumstances, priorities and capacities;
- Develop, apply, diffuse and transfer technologies, practices and processes that control, reduce or prevent GHGs in the agriculture sector;
- Conserve and enhance sinks and reservoirs of GHGs in terrestrial ecosystems.

## **9 *Factors that New Zealand looks for in evaluating proposals***

9.1 New Zealand is committed to targeting our efforts to where we can make a real difference to ensure our aid is effective and delivering value for investment of taxpayer funds. New Zealand considers proposals for climate-related support in the same way we consider all development assistance proposals. We seek to embed the principles of development effectiveness into all of our activities, and seek to achieve impact and results through development outcomes that are:

- Effective: that are values driven, partnership focused, dynamic and evidence based;
- Inclusive: that address exclusions and inequality created across all dimensions of social identity, while promoting human rights and equitable participation in the benefits of development;
- Resilient: that promote resilience to the impacts of climate change, natural disasters and external shocks;
- Sustained: that respond to context and are locally owned; and

## **10 *Mobilizing additional climate finance***

10.1 Much of New Zealand's efforts to mobilise private sector finance have been driven through our support for renewable energy in the Pacific. For example, the 2016 Pacific Energy Conference held in Auckland saw donors commit over NZ\$1 billion to renewable energy projects in the Pacific out to 2024, including NZ\$100 million from New Zealand. Combined with the 2013 Pacific Energy Summit, which saw over NZ\$900 million of investments over 70 projects, those efforts have mobilised over NZ\$2 billion for renewable energy projects in the Pacific.

10.2 More specific examples include our support for Tonga Power Limited to negotiate their first Power Purchase Agreement which set a new low benchmark

price of Power Price Agreements and we have contributed to the Asian Development Bank Power Purchase Agreement Guarantee product that reduces risk for private sector investors.

10.3 New Zealand is assisting Pacific countries to overcome factors that make mobilising climate-related support challenging. This includes supporting long-term planning; strengthening policy and regulation to provide assurance and clarity to the private sector; and strengthening investment planning. Examples of New Zealand support include:

- Establishment of a “Low Emissions Climate Resilient Development” initiative which expects to support the development of climate change policies, plans and investment road maps across a wide range of sectors - such as electricity, transport, agriculture, tourism, and urban planning;
- Support for the UNDP’s Governance 4 Resilience programme in the Pacific which aims to support countries to mainstream climate change considerations in all sectors of government and governance; and
- Support for an Invest Pacific programme, an activity that seeks to catalyse private sector investment in the Pacific, including for climate change-related investments.

## ***11 Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies***

11.1 Country partnerships are at the heart of New Zealand’s aid approach, including our climate-related support. We agree joint commitments with our partners which are based on partner countries’ national plans and identified needs and hold regular consultations with partner governments.

11.2 New Zealand Aid Programme priorities are expressed in 10 Year country strategies and 4 Year Plans. These reflect an integrated approach to New Zealand’s engagement in bilateral partner countries.

11.3 In response to our partners’ communicated needs and priorities, we focus on practical action to mitigate greenhouse gases and adapt to climate change and build resilience.

11.4 Examples of support requested by countries include:

- Supporting the preparation of Fiji’s Energy Policy 2020-2030. This will support implementation of Fiji’s strategic initiatives including the National Development Plan 2017-2036, Nationally Determined Contribution (NDC) 2015 and the National Adaptation Plan 2018 and Fiji Low Emission Development Strategy 2018-2050;

- Supporting the development of Tonga's Long Term Low Emissions Development Strategy (LT-LEDS), which will articulate the long-term vision and future for Tonga in a low-carbon world;
- Working with the Republic of the Marshall Islands' to develop an Electricity Road Map;
- Working to improve Tokelau's resilience to the impacts of climate change through coastal infrastructure development;
- Improving Tuvalu's water security through a range of infrastructure and drought management plans; and
- Supporting Vanuatu's water management planning and implementation.

11.5 We will continue to take a responsive partnership-based approach to our climate-related support.

## ***12 Support for the long-term goals of the Paris Agreement***

12.1 New Zealand recognises the importance of supporting countries to achieve the long term goals of the Paris Agreement. In the Pacific we are increasing our support for:

- Implementation of NDCs through support for the Pacific Regional NDC Hub and bilateral activities including renewable energy;
- Development of long term low-emissions development strategies (LT-LEDS);
- The development of sectoral and sub-sectoral strategies and plans;
- The development of policy, legislation, regulations and standards; and
- National and sub-national adaptation planning.

### **13 Challenges and barriers encountered in the past, lessons learned and measures taken to overcome them**

13.1 New Zealand acknowledges a range of challenges and barriers associated with the provision and reporting of climate finance and its effective use. These include:

- **Accounting for climate finance:** In the Pacific, climate resilience and development are tightly interwoven. Most ODA-eligible activities can contribute to climate resilience in some form, but accurately accounting for the “climate finance” contribution can be difficult. Accurate monitoring frameworks that incorporate specific climate indicators are one way to improve the accuracy of this assessment; we are working to increase the proportion of all activities funded through ODA that seek to build partner resilience to the impacts of climate change and/or reduce emissions.
- **Mobilising finance:** In SIDS, particularly Pacific Island Countries, private sector opportunities can be limited and mobilising climate finance from sources other than ODA can be difficult. New Zealand is providing support in a range of ways (as described above in Section 9).
- **Coordination and alignment:** Partner country governments – especially in SIDS - have limited capacity, and there are a large number of development partners with a range of priorities and aims providing support for climate-related activities. Regional mechanisms, such as the Pacific Resilience Partnership, provide a forum for coordination, but it can be challenging to operate in a way that does not overlap with others.
- **Scale of the issues and prioritisation of support:** In the Pacific, climate change is challenging the attainment of all SDGs and impacts on all sectors. In this context, prioritisation of climate-related investment can be challenging. Supporting implementation of country plans and strategies, in coordination with other development partners, is key to ensuring support is targeted to the right areas.
- **Designing effective programmes and measuring impact:** A lack of good quality data can hamper effective design and assessment of the impacts of climate-related support. New Zealand is implementing a programme to improve collection and use of climate-related data in the Pacific. We also support the Pacific Data Hub, launched in early December 2020. The Pacific Data Hub will help ensure policy, programming and investment decisions are informed by good data.

## Annex A: Methodologies to project levels of climate finance

Table 1: Classifications and moderation weightings for quantifying and recording climate-related expenditure

Classification	Where addressing climate change is...	Financial information recorded in the climate change inventory
Principal	...one of the main outcomes of the activity Addressing climate change risks or opportunities is fundamental to the design of the activity. The activity includes climate change as an important outcome. Climate change is explicitly addressed through specific outputs.	100% of the activity value for the financial year.
Significant	...one of the outcomes of the activity Addressing climate change risks or opportunities is an important but not the principal reason for undertaking the activity. Climate change is explicitly addressed as part of outputs in the activity design – these do more than simply avoid a potential negative impact.	30% of the activity value for the financial year unless: <ul style="list-style-type: none"> <li>• a more accurate figure is known</li> <li>• a different default figure is specified for the particular activity type.</li> </ul>
Not targeted	...not an outcome of the activity Climate change opportunities and risks have been assessed but will not be significantly addressed through any of the outputs in the Results Framework.	0% of the activity value for the financial year.

In addition to the criteria in table 1, some specific types of activities supported by the Aid programme have specific weightings. Table 2 provides further guidance on the application of the climate change markers for those activities.

Table 2: Guidance on the application of the climate change markers

Activity	Description	Marker and classification	Weighting
Disaster risk reduction and management	The activity is driven by a prime concern for extreme weather events.	Adaptation: Principal	100%
	The activity is driven by a prime concern for seismic events (earthquakes, tsunamis) but where extreme weather events occur.	Adaptation: Significant	50%
Renewable energy and energy efficiency	Any activity dealing with renewable energy and/or energy efficiency, whether the prime concern is energy security, economic growth, climate change or any combination of these.	Mitigation: Principal	100%
Energy upgrading	Energy upgrading activities, where the outcome of the activity is more secure access to energy supplies in the presence of extreme weather events, can potentially be marked significant.	Adaptation: Significant	30%