DONOR TRACKER

DT INSIGHTS

Financing for the future: Climate finance and the role of ODA

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Achieving the goals set out in the 2015 Paris Agreement will require a radical change in the structure of the global economy. This change will not happen in low- and middle-income countries (LMICs) without the provision of predictable and transparent financing for climate change mitigation and adaptation. Given that LMICs are among those hardest hit by the impacts of climate change, the importance of these investments goes beyond global climate change goals: Inaction on the part of donor countries has the potential to undermine a multitude of hard-won development gains across sectors. With less than a decade left to achieve the Sustainable Development Goals (SDGs), donors need to do more to support LMICs to adapt to the impacts of climate change and to develop in a climate-sensitive way.

In recognition of the importance of this issue to the future of global development efforts, the Donor Tracker has added 'Climate' as a sector of analysis to our 14 Donor Tracker Profiles. This Donor Tracker 'Insights' piece complements our individual donor profiles by examining the need for international climate finance in LMICs and the role that Official Development Assistance (ODA) can and should play. It also presents the bigger picture of Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) donors' ODA-related funding and policies for climate action.

Climate change has been a topic of international concern for over 30 years: in 1987 the Montreal Protocol was agreed; in 1992 the United Nations Framework Convention on Climate Change (UNFCCC) was adopted; and in 1997 countries agreed on the Kyoto Protocol. And yet, despite these efforts to promote collective action to counter climate change, countries continue to invest in fossil fuels, global CO_2 emissions have accelerated, and the negative effects of climate change on global development have become harder to ignore.

In 2015, countries around the world came together to agree on the first-ever, universal climate change treaty. This treaty, known as the Paris Agreement, aims to limit global warming to "well below" 2°C above pre-industrial levels — and ideally below 1.5°C. As part of the agreement, countries committed to working together to strengthen resilience to climate change impacts, to ensure financial flows are consistent with low carbon development, and to improve transparency on national actions taken in support of climate action.

The global effort launched in Paris recognizes that reducing global emissions will require truly global action. It sets ambitious climate change-related targets for all countries, regardless of their degree of development. However, like previous international climate agreements, it acknowledges that countries have "common but differentiated responsibility and respective capabilities" to address the challenges of climate change. One of the critical ways in which donor countries are expected to take on additional responsibility is through the provision of transparent and predictable financial flows to support low carbon and carbon-resilient development in low- and middle-income countries (LMICs). As part of the Paris Agreement, donor countries reiterated their commitment, agreed originally in 2009 in Copenhagen, to jointly mobilize US$100 billion a year of new and additional financing for climate change mitigation and adaptation in LMICs by 2020.

Climate finance, including funding toward the US$100 billion goal, consists of a complex web of private and public, concessional, and non-concessional, and domestic and international flows. This Donor Tracker 'Insights' piece examines one strand of this web, delving into the details of how official development assistance (ODA), can and should be used to fund climate change adap-

tation and mitigation efforts in LMICs. It also reflects more widely on how development portfolios should be aligned with the global goals on climate. This piece asks:

- How much climate finance is needed in LMICs and how much progress has been made towards reaching the US$100 billion goal?
- What is the role of ODA in climate finance and how can it be tracked?
- To what extent are donors integrating climate action into their development portfolios? To answer this question this piece examines donors' climate funding within their bilateral programable ODA, drawing on data from the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC), to assess the degree to which donors are incorporating climate objectives into the activities they fund directly.

How much climate finance is needed in LMICs and how much progress has been made towards the US$100 billion goal?

Implementing the Paris Agreement requires massive additional investments in climate change mitigation and adaptation, particularly in LMICs

Reaching the goals set out in the Paris Agreement will require a radical change in the structure of the global economy. The Intergovernmental Panel on Climate Change (IPCC) estimates that limiting global warming to 1.5°C will require average investments in energy systems of between US$1.6 and US$3.8 trillion per year between 2016 and 2050. In addition, the world needs to invest in adapting to the effects of climate change, which the Global Commission on Adaptation estimates will cost approximately US$180 billion per year between 2020 to 2030.

Achieving this paradigm shift at the global scale requires acknowledgment of the additional challenges facing LMICs: Advancing economic development while simultaneously tackling climate change will require substantial additional investments in both mitigation and adaptation. Up until now, economic development has been closely tied to higher emissions. For example, in 1992 when the UNFCCC was launched, China accounted for 3% of the world's GDP and 12% of the world's carbon emissions; now after decades of rapid economic growth, it represents 13% of world GDP but 28% of global carbon emissions.

Breaking the link between growth and emissions in LMICs will require transformational investments in sustainable energy systems, climate-smart agriculture, and sustainable infrastructure. LMICs also urgently need more funding for climate adaptation. The World Bank estimates that without significant efforts to mitigate and adapt to impacts of climate change, more than 140 million people in Sub-Saharan Africa, South Asia, and Latin America could be forced to move internally by 2050 due to crop failure, rising sea levels, and water shortages. The commitment made by donor countries to jointly mobilize US$100 billion per year by 2020 for climate change mitigation and adaptation in LMICs indicates partial recognition of this additional financing need.

Despite the acknowledged need for climate finance in LMICs, global climate financing has remained remarkably domestically focused. According to the latest Climate Policy Initiative (CPI)'s Global Landscape of Climate Finance, more than three quarters (76%) of tracked climate finance was raised and spent within the same country on average in 2017 and 2018. This means that global climate financing is largely flowing to the best national investments rather than the best international investments. This has created a deficit in regions like Sub-Saharan Africa, Latin America, and the Caribbean, where public actors tend to have fewer resources and private actors are less likely to invest because of the less favorable investment climate.

It is unclear whether the US$100 billion climate finance target has been achieved

The US$100 billion per year target has helped demonstrate global solidarity in the fight against climate change; however, the details on how performance should be measured against it have proved contentious.

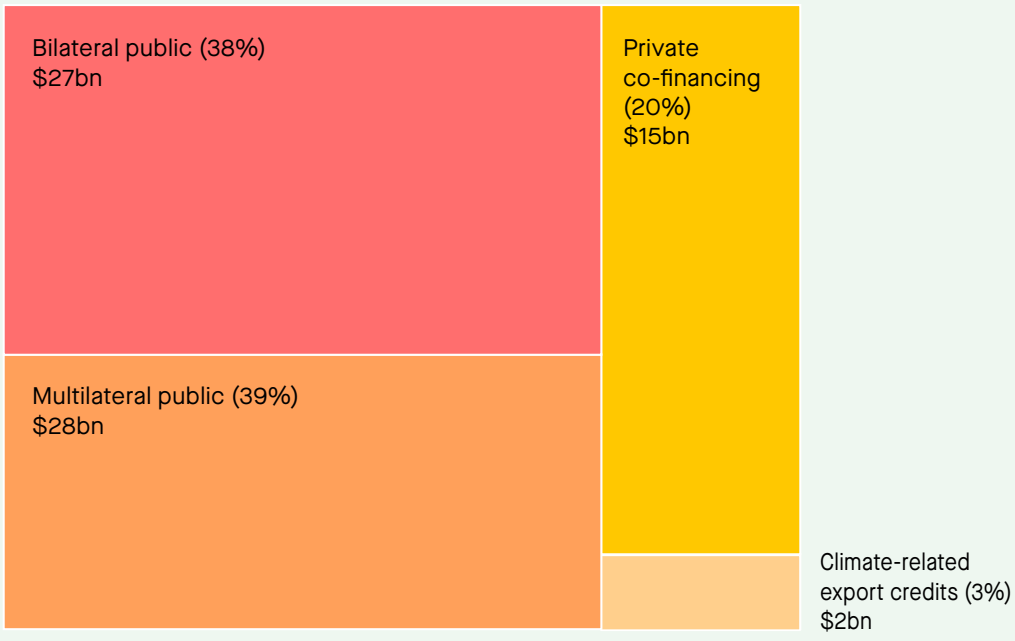
In 1992, the UNFCCC set out the principle that all climate financing should be "new and additional" to other financial flows to address the additional costs of climate change but the baseline for what qualifies as new and additional has been left open to interpretation. For example, in their 2017 communications to the UNFCCC, the Australian government stated that their climate finance comes from "new and additional aid budget appropriations from the Australian Parliament's annual budget process". This implies that it regards the money as new and additional because it has been agreed for this purpose, but that it is still coming directly from the government's development

assistance budget. Similarly, the UK government's submission to the UNFCCC states that their international climate finance contributions are "not diverting or detracting from broader development spending" as they are drawn from a ring-fenced portion of its overall ODA budget. Nonetheless, these contributions are still counted towards the government's legally mandated target of 0.7% of gross national income (GNI) suggesting they are not really additional to the UK's ODA commitments.

The text of the Copenhagen Accord states that funding toward the US$100 billion target should flow from a "wide variety of sources: public and private, bilateral and multilateral, including alternative sources of finance". This broad definition has led to contention around what should be included in the tally of progress toward this goal. According to methodology developed by the OECD to inform discussions on the Paris agreement, US$71.2 billion[1] was mobilized towards the US$100 billion in 2017, representing a 21% increase since 2016. These estimates show encouraging progress towards the US$100 billion target.

77% of the funding that the OECD counted toward the goal was public, from both bilateral and multilateral sources (see Figure 1). Most of the bilateral public finance was concessional, including more than one-third provided as grants, as well as loans provided on concessional terms (although the report does not state how much of this funding was also reported as ODA). Mobilized multilateral climate finance, on the other hand, was mostly

Figure 1: OECD estimates of international climate finance provided and mobilized by developed countries towards the US$100 billion goal in 2017 (total: US$71 billion [2])



Source: OECD (2019), Climate Finance Provided and Mobilized by Developed Countries in 2013-17, OECD Publishing Paris

1. This is similar to the US$72 billion worth of climate financing flowing from OECD countries to non-OECD countries on average in 2017 and 2018, estimated by the CPI, however, CPI explicitly states that its figures should not be used to ascertain progress toward the US$100 billion target.
2. Difference in total due to rounding of the four components of the OECD's estimates.

non-concessional, with less than 10% provided as grants. In addition to public financing, the OECD estimates included US$15 billion of private co-financing associated with public climate finance and mobilized through mechanisms including guarantees, syndicated loans, shares in funds, direct investments in companies, and credit lines. The remaining US$2 billion counted towards the goal comes from climate-related export credits.

The OECD's methodology has not been universally accepted. For example, India's Department of Economic Affairs argues that the OECD significantly overstates progress toward the US$100 billion target, as the estimates are derived from self-reported numbers and an inconsistent definition of climate finance devised by "a club of the rich countries". It also suggests that much of the financing counted by the OECD is pledged but not disbursed and that the estimates ignore the UNFCCC's stipulation that the money should be new and additional. The Department maintains that only money disbursed by climate funds and independently and credibly reported on should be counted.

Oxfam also questions progress toward the $100 billion target, arguing that the numbers reported by donors to the OECD are overstated because they count the full value of projects rather than the component of the project that specifically targets climate action. It also contends that non-concessional financing should not be counted and that the value of loans should reflect the net transfer of funds rather than the face value.

What is the role of ODA in climate finance and how can it be tracked?

There are several compelling reasons why donor countries should contribute to climate change mitigation and adaptation in LMICs through ODA

The US$100 billion goal was never intended to be fully funded by ODA, however, there are several compelling reasons why donor countries should contribute to climate change mitigation and adaptation in LMICs through ODA. Climate change has been disproportionately driven by the actions of donor countries, which had the benefit of being able to develop without constraints on their energy use. Therefore, they have a duty to subsidize some of the higher costs facing LMICs both as they try to mitigate climate change and adapt to its effects. In addition, in partner countries where accessing finance for projects can be challenging, there is a need for donor or multilateral support to mobilize sufficient funds, including through helping to reduce risk and attract private investment.

Moreover, investing in climate change mitigation in LMICs through ODA can be an economically and financially efficient way for donor governments to contribute to reducing global CO_2 emissions, as lower land and labor costs mean that some mitigation efforts will have a higher return on investment than if they were undertaken in the donor country.

Finally, donors need to invest in climate action in LMICs because the development costs of not doing so are too large. By not acting, donors risk contributing to longer-term costs of climate change, undermining hard-won development gains, and amplifying existing development challenges facing recipient countries.

Donor countries' contributions to climate finance through ODA can be tracked using the OECD's Rio markers

Most OECD DAC countries use the Rio markers for climate (see box 'The OECD DAC Rio markers for climate' for more details) in the OECD Creditor Reporting System (CRS) database to report on their financial contributions in support of the UNFCCC; however, there is no agreed methodology on what portion of principal and significant funding should be counted. In 2018, the OECD DAC conducted a voluntary survey to assess the degree to which donors used the Rio markers in their reporting to the UNFCCC. They found that donors are using them but that they make their own adjustments to "better reflect the financial contribution of the respective activities towards the objectives of the Convention".[3]

This Insights piece interprets activities marked as 'principal' as an indication of financing for essential investments to stabilize greenhouse gas (GHG) emissions and reduce the impact of climate change (i.e., flows that should count

3. Ten of the 11 donors that responded said they counted 100% of activities marked as principal and a coefficient of activities marked as significant towards their target. One respondent (the UK) applies coefficients at an activity level depending on their judgment on the degree to which it targets climate change.

The OECD DAC Rio markers for climate

The **Rio markers for climate** (climate change mitigation and climate change adaptation) in the OECD DAC CRS are an important source of information on the degree to which ODA and Other Official Flows across sectors target climate action.

Donors apply the **climate mitigation** marker to activities that reduce or remove GHG emissions from the atmosphere, for example, through supporting the transition away from fossil fuels or financing sustainable transport systems. Donors apply the **climate adaptation** marker to activities that support recipients in responding to and anticipating the impacts of climate change, for example, crop diversification or adapting to rising sea levels. Activities can be marked with both markers if they target both climate mitigation and adaptation: to illustrate this, the OECD Rio handbook uses the example of a sustainable forest management project that reduces emissions and supports climate adaptation. Activities can theoretically target both climate mitigation and adaptation in a principal way but this should only be considered with explicit justification.

Because the OECD's Rio markers for climate aim to capture "activities that mainstream the Rio Conventions' objectives into development cooperation" rather than to track financial pledges, flows are marked at an activity level. This means that the whole value of the project is counted, rather than just the value of the climate-specific component. As a result, the OECD recommends that the volumes should not be regarded as quantitative measures of climate change-related financial flows.

Each marker has three possible scores:

- **Principal:** for projects in which climate change mitigation or adaptation is a fundamental and explicitly stated goal. This score applies to activities that would not have been undertaken or designed in that way except for the explicit objective of climate mitigation or adaptation.
- **Significant:** for projects in which climate change mitigation or adaptation is not a key driver but is still an explicitly stated goal. This applies to projects which are not principally undertaken in pursuit of climate objectives, but which have been explicitly "formulated or adjusted" in support of climate objectives.
- **Not targeted:** applies to projects which do not include climate change mitigation or adaptation objectives. According to the OECD's handbook, this should include projects where climate objectives are 'extremely limited' or 'superficial' with respect to the project's overall intent.

Not all projects are screened against the Rio markers; this funding falls into the **'not screened'** category.

Given the qualitative and self-reported nature of scoring activities, there is a degree of subjectivity in how donors mark and score activities. To try and mitigate this as much as possible, the OECD provides criteria for eligibility against the markers and examples of qualifying activities and scoring rationale by sector. In addition, the DAC secretariat intermittently undertakes reviews of donors' submissions to improve the consistency of reporting.

Source: OECD DAC Rio Markers for Climate Handbook

towards the $100 billion target). It interprets activities marked as 'significant' as an indication of the degree of mainstreaming of climate objectives into ODA portfolios. Several donors have committed to aligning their ODA with climate action and the significant marker gives some indication of the degree to which this is happening.

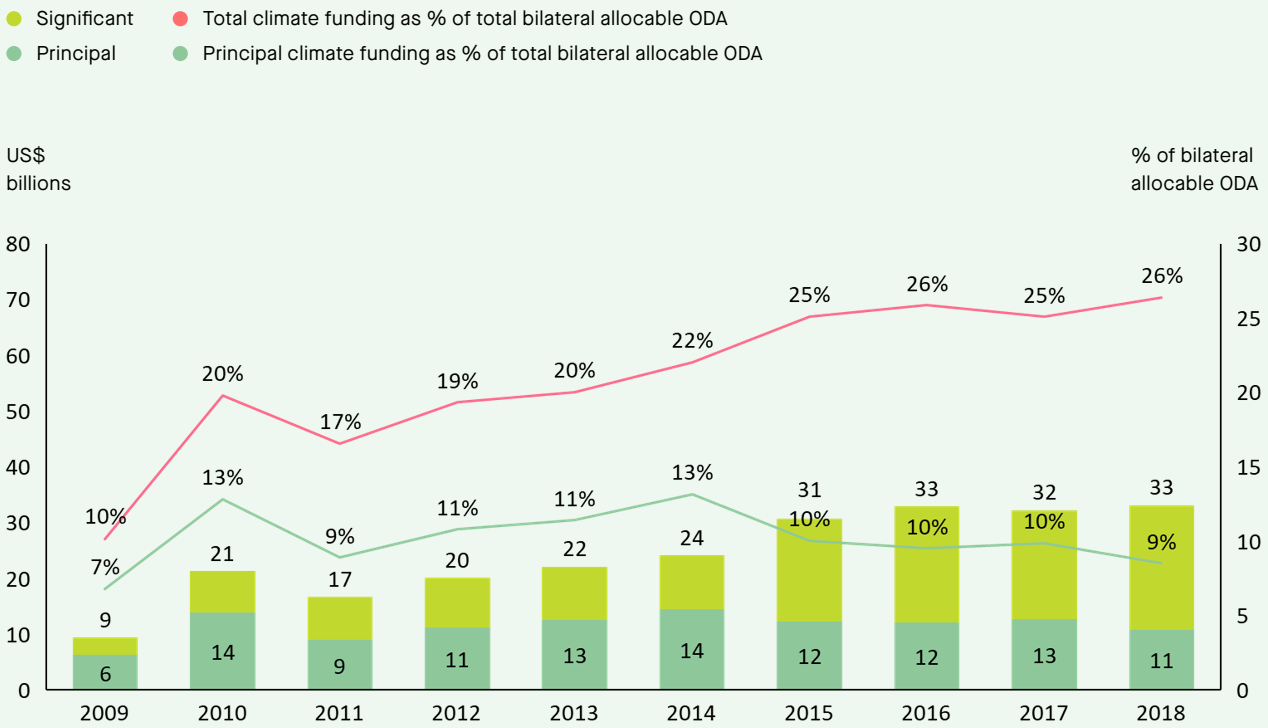
To what extent are donors providing climate finance through their bilateral programmable ODA?

About one-quarter of ODA targets climate action to some degree; some ODA still supports activities at odds with the Paris Agreement

In 2018, DAC donors committed US$33.2 billion in bilateral allocable ODA that principally or significantly targeted climate action. This represents 26% of the total US$126 billion in bilateral allocable ODA committed by DAC donors in 2018 and an increase in volume of 37% since 2014 (see Figure 2). While this growth is promising, overall, these figures imply that the vast majority of ODA flows have still not been aligned with the objectives of the Paris Agreement. Around 7% of flows were not screened against the markers in 2018. This Insights piece focus on bilateral flows to understand how donors have positioned their bilateral activities relative to climate but donors also make multilateral contributions in support of climate action. For reference, data from the OECD suggests that donor's climate-related development finance commitments to mulitlateral initiatives amounted to US$37 billion in 2018.

According to the OECD data, Japan was the highest DAC donor for climate-related ODA in both absolute and relative terms in 2018 (see Figure 3), implying 'climate-mainstreaming' within its development policy. 53% of Japan's bilateral allocable ODA was marked as climate-related and its total spending on these issues reached US$9.6 billion. Japan was followed by Slovenia, Germany, and Sweden in the 2018 ranking of spending on climate-related ODA as a percentage of overall bilateral allocable ODA.

Figure 2: DAC donors' bilateral ODA with principal and significant focus on climate change mitigation and/or adaptation, 2009-2018



Source: OECD Aid activities targeting Global Environment Objectives, commitments in constant 2018 prices

Policy commitments made by other donors indicate a degree of mainstreaming, which cannot be seen yet in the OECD data: For example, in 2017, the French Development Agency (AFD) committed to making its whole portfolio 100% compatible with the Paris Agreement. This is a big pledge given that in 2018, only 18% of France's bilateral ODA had a climate focus (though down from a high of 52% in 2017). In June 2019, the UK government committed to ensuring that all of its ODA spending, regardless of the sector, will be aligned with climate objectives. Again, this will imply a substantial shift in the UK's ODA portfolios given that in 2018, only 29% was marked as climate-focused.

At the other end of the spectrum, only 3% of the US' ODA had a climate focus making the US fourth-smallest donor to climate action as a share of its ODA portfolio, behind only Hungary, Greece, and the Slovak Republic. Given that the US is the largest provider of ODA, the government's lack of commitment to these issues and the absence of climate mainstreaming within its development portfolio has significant implications on overall climate change-related ODA flows. During his presidential campaign, President Donald Trump promised to withdraw the US from the Paris Agreement. This withdrawal, expected to be finalized in November 2020 if he wins a second term, would have significant implications for ODA-related climate funding.

There are also indications that ODA is flowing to activities that directly contradict the objectives of the Paris agreement. The OECD estimated that US$3.9 billion of ODA flowed annually to activities related to upstream and downstream fossil fuels in 2016 and 2017. While small relative to total bilateral allocable flows, this still represents a substantial ODA applicable investment in activities that amplify the climate crisis. This is part of a wider problem of government's subsidizing the production and consumption of fossil fuels which the OECD estimates cost US$478 billion in 2019 across 77 economies, a sum far in excess of annual fuding flows for development or international climate finance.

Only 9% of funding goes to projects that explicitly address climate change mitigation or adaptation

While the overall share of donors' bilateral allocable ODA targeting climate finance is important, it is also critical to look at the degree to which donors are contributing resources that are principally targeting climate action. This, more narrow definition, gives an indicator of activities undertaken with the fundamental and explicitly stated goal of climate change mitigation or adaptation.

A closer look at the data reveals that growth in climate-related ODA between 2014 and 2018 came from increases in financing that significantly rather than principally targeted climate objectives. In 2018, only US$10.7 billion or 9% of bilateral allocable ODA was marked as principally targeting climate change mitigation or climate adaptation, down from a peak of US$14.5 billion or 13% in 2014. For example, despite Japan's high rank in terms of relative climate-related spending, only 3% of its ODA targeted climate change mitigation or adaptation as a principal goal.

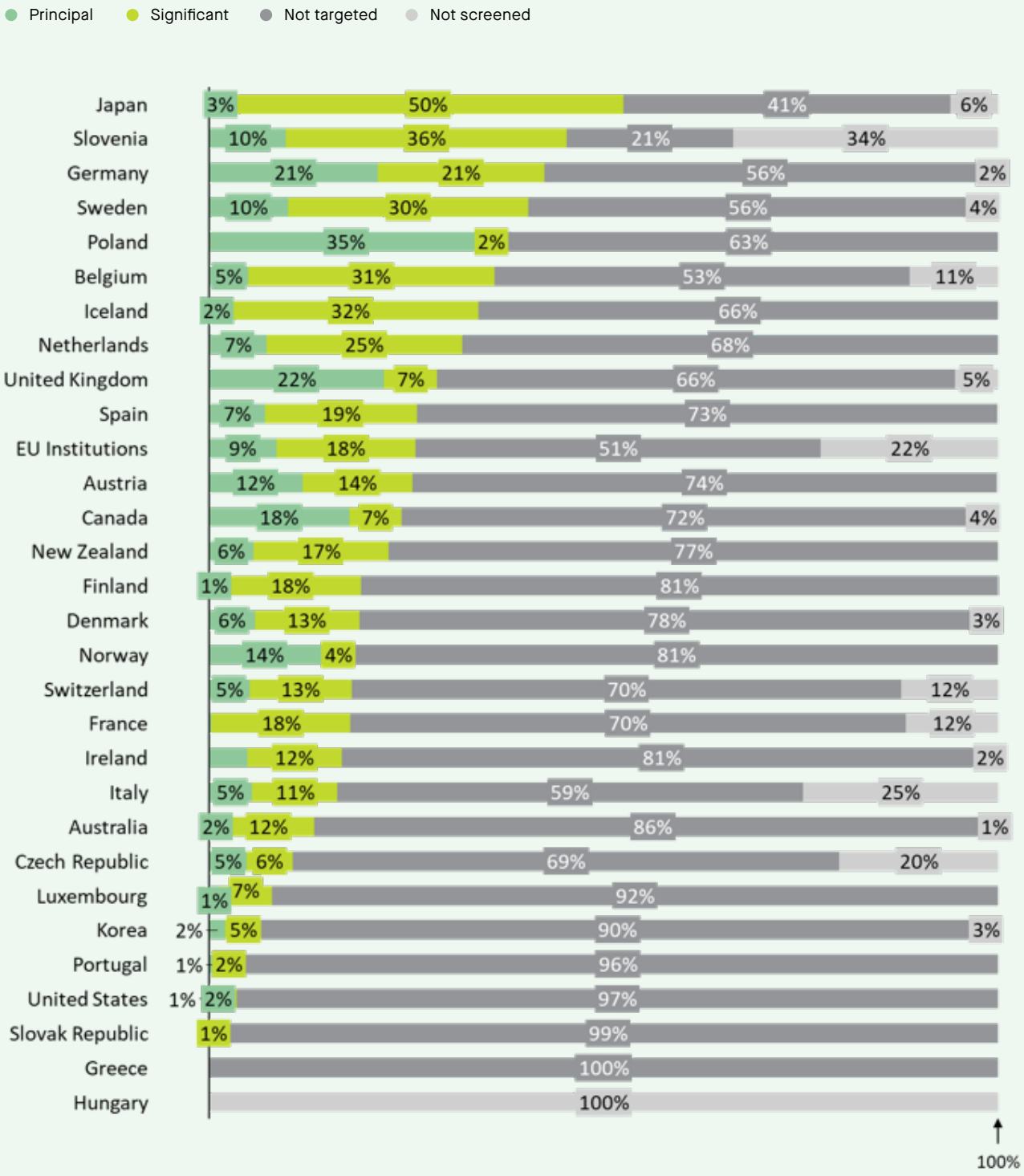
When considering the share of climate-related ODA disbursed as principal funding, Poland, the UK, and Germany lead among OECD DAC donors, spending 35%, 22%, and 21% of their bilateral allocable ODA on principal climate-related ODA respectively. Poland is first in this relative ranking, but only provides US$60 million in principal funding, making it the 13th-largest principal donor overall. The impact of the UK's and Germany's principal funding is much more notable given the significantly larger value of their overall bilateral allocable ODA. In the case of the UK and Germany, the high proportion of principal funding reflects both countries' strong policy commitment to reducing the impact of climate change on LMICs and to slowing the emission of GHG emissions.

While the lack of increase in ODA funding principally targeting climate action between 2014 and 2018 is surprising given the commitments made in Paris in 2015, it may be partly explained by the time it takes for policy commitments to translate into reported ODA spending, both due to the set up time of large projects and the lag at which the data is reported. Significant new policy commitments from large donors including Germany, the UK, and France suggest that reported ODA funding for climate action may rise in coming years, however, the lack of engagement from the US during Trump's Presidency will continue to weigh on the numbers.

Climate-related ODA remains skewed toward climate change mitigation

The Paris Agreement aims to improve the balance of funding for climate change mitigation and climate adaptation, particularly to enable adaptation in countries that are especially vulnerable to the impacts of climate change. This is especially important within ODA funding flows for climate action as global climate flows remain heavily skewed towards climate mitigation. Of the US$33.2 billion of climate-related bilateral ODA committed in 2018, 48% went to climate change mitigation activities, 25% to climate change adaptation, and 27% to projects that addressed both climate change mitigation

Figure 3: DAC donors' share of bilateral ODA targeting climate action, 2018

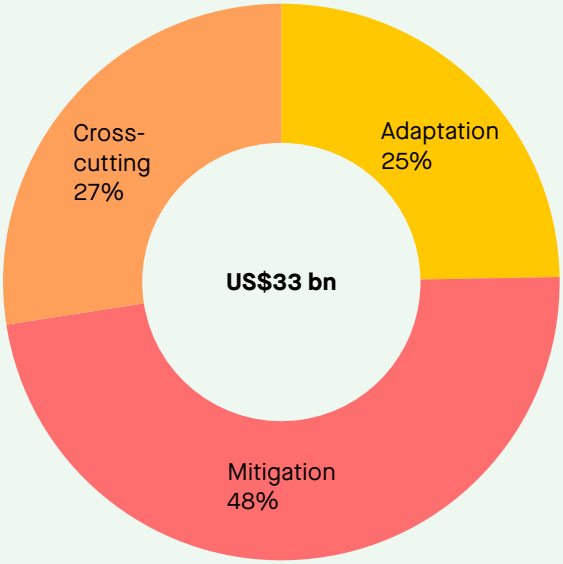


Source: OECD Aid activities targeting Global Environment Objectives, commitments

and adaptation (see box 'The OECD DAC Rio markers for climate' for definitions; see Figure 4).

Emphasis on climate change mitigation or adaptation varies across donors. For example, 86% (US$8.2 billion) of Japan's bilateral ODA to climate in 2018 was committed for projects tagged as having a mitigation-related focus, even though Japan's Development Cooperation Charter references both climate change mitigation and adaptation as priorities. Only a small proportion of this spending was also tagged with the adaptation marker. The EU institutions (including both the EU and the European Investment Bank, EIB) on the other hand, focused 84% of their climate-related funding on climate adaptation, contributing US$4.7 billion in 2018, though a large proportion of these projects were also marked as having mitigation objectives. This is in line with the EU's strategic priority of supporting LMICs in building resilience and adapting to climate change.

Figure 4: DAC donors' climate-related ODA by type of intervention, 2018



Source: OECD Aid activities targeting Global Environment Objectives, commitments

Sectors directly related to climate change receive most funding indicating significant unexplored opportunities for climate mainstreaming across ODA portfolios

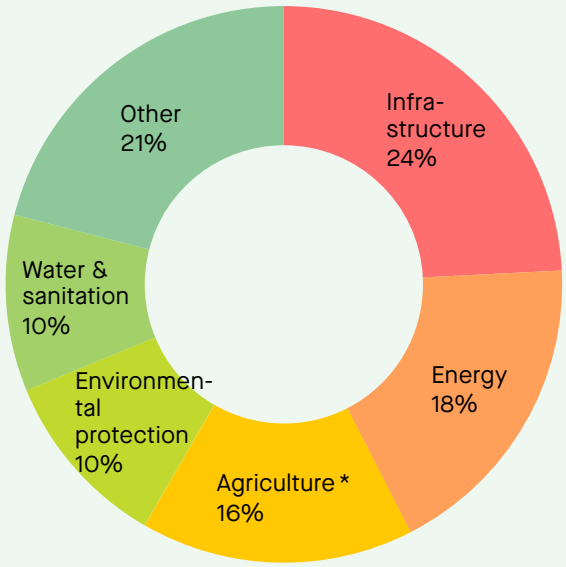
Most climate-related ODA flows to sectors directly related to climate change mitigation and/or adaption. In 2018, infrastructure projects accounted for 24% of all climate-related ODA flows (see Figure 5). Infrastructure was followed by energy (18%), agriculture (16%; including forestry, fishery, and rural development), environmental protection (10%), and water and sanitation (10%).

Within sectors, the share of bilateral allocable ODA targeting action against climate change varies considerably: For example, 80% of funding for environmental protection is significantly or principally marked as climate-related, while only 3% of funding for health and 2% of funding for education is marked with one of the Rio markers for climate (see Figure 6).

This is to be expected, particularly with principal funding for climate change, since tackling climate change can be more logically integrated into projects in some sectors; however, if donors were mainstreaming climate in their overall development efforts, we would expect to see a higher share of significant markers across sectors.

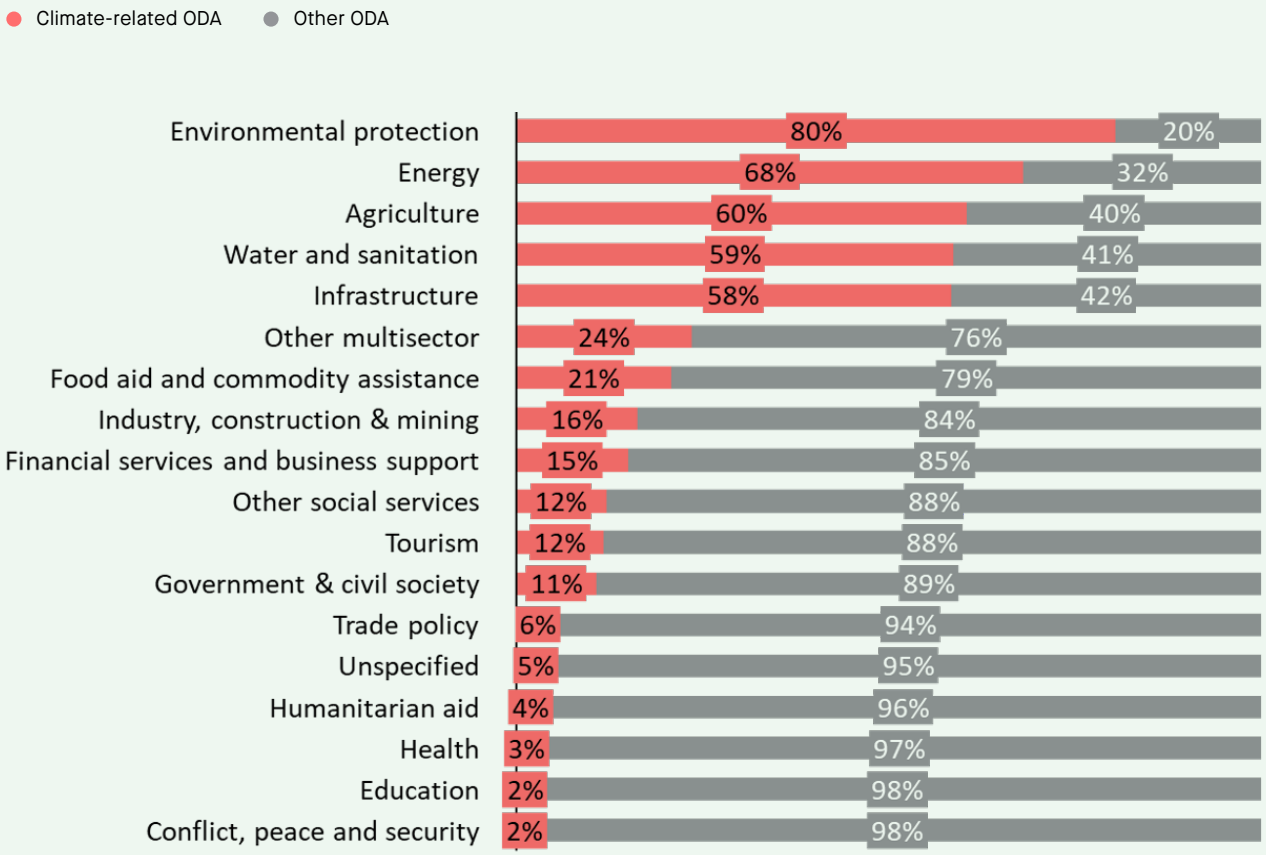
The OECD DAC Rio Markers for Climate Handbook gives examples of projects within all sectors that would be eligible for at least a significant climate score. For example, activities in the health sector that incorporate renewable energy sources such as using solar panels to heat water

Figure 5: DAC donors' climate-related ODA by sector, 2018



* Agriculture includes forestry, fishing and rural development
Source: OECD Aid activities targeting Global Environment Objectives, commitments.

Figure 6: DAC donors' share of ODA targeting climate action by sector, 2018



Source: OECD Aid activities targeting Global Environment Objectives commitments.
Agriculture includes forestry, fishing, and rural development

in hospitals could justify a significant mitigation score, while integrating climate education into school curricula could even justify a principal score depending on the design of the program.

The fact that very little of the funding channeled toward social sectors is marked as climate-related, suggests that there is significant unexplored opportunity to align projects in these sectors with the goals of the Paris Agreement.

The substantial share of funding flowing to sectors such as infrastructure that is not climate-related is particularly concerning as transitioning to a more climate-friendly development model means that all ODA activities in these productive sectors should be undertaken with climate change objectives in mind. Of total funding flowing to infrastructure, 42% is not marked with either climate marker. Similarly, only 16% of funds channeled toward activities in the industry, construction, and mining sector were marked as climate-related in 2018.

Recommendations

Achieving the Sustainable Development Goals (SDGs) while keeping global temperatures below 2°C of pre-industrial levels will require significant additional financing for climate change mitigation and adaptation in LMICs. Not all of this will be ODA, but well-targeted ODA flows principally targeting climate action will play an important role in unlocking other climate financing, including private sector funding.

Beyond this, in recognition of the importance of climate action to wider development goals, all development activities should be designed in a way that is consistent with the objectives of the Paris Agreement. As this analysis of climate-related ODA has revealed, donors still have a long way to go in ensuring that climate action is integrated across development portfolios.

In addition, new challenges have emerged: Just as the global community was finally beginning to build new momentum for climate action, the ongoing COVID-19 crisis emerged, distracting attention from the climate emergency. In the coming months, donors are likely to face pressure to tighten ODA budgets or divert resources towards more immediate global health or humanitarian needs. In the face of this, advocates should consider the following points in their advocacy to donors for more and better climate change-related ODA.

1. **Donors need to urgently scale up ODA funding for activities that principally target climate action.** Funding for ODA projects that principally address climate change peaked at US$14.5 billion in 2014 and has declined since to US$10.7 billion in 2018. This represents a fall in the share of bilateral allocable ODA being spent on climate-related projects, from 13% in 2014 to 9% in 2018. This trend is particularly concerning given the commitments made by donors in Paris in 2015. To achieve the financial and environmental goals set out in Paris, donors need to immediately reverse this trend.

2. **Meaningful mainstreaming of climate action into donors' entire global development project portfolios is essential**. Beyond scaling up principal funding for climate action, donors need to radically reform their existing development portfolios to acknowledge the necessity of climate action across all areas of development. Some donors, like the UK and France, have committed to aligning their entire development portfolios with the Paris goals; however, our analysis of data up to 2018 shows that the vast majority of ODA financing within too many sectors does not yet consider climate action. Some donor commitments on mainstreaming climate issues into other projects will only become visible as funding figures for 2019 and beyond are published, but so far, there is limited evidence of donors credibly aligning their Paris and SDG agendas.

3. **Any ODA funding flowing to activities directly opposed to the Paris goals should be phased out immediately**. While financing activities such as the construction of fossil-fuel based power plants may technically meet current criteria for what can be considered ODA, it directly contradicts the goals countries have agreed to in the Paris agreement and should, therefore, be stopped.

4. **Moving forward, donors need to set concrete and ambitious ODA-related funding targets that can be tracked.** As the controversy over measuring progress against the US$100 billion target has illustrated, complicated or vaguely defined targets obscure accountability, making them less effective in driving action. To increase ODA-related climate funding, donors need to agree on specific ODA-related targets that can be more easily tracked using the Rio policy markers, for example, committing to spend a specific proportion of their ODA portfolio on projects with a principal climate focus.

5. **Finally, the COVID-19 crisis must not be allowed to serve as a distraction from the need for ODA-related climate action.** In their engagement with donors, advocates should consider underlining that the COVID-19 crisis is a stark reminder of the importance of collective action in tackling global challenges, be it a pandemic or a changing climate, that threaten to undermine living conditions around the world. Funding for the international COVID-19 response must not come at the expense of climate funding or else, the promises of both the Paris Agreement and the SDGs will ring hollow.