



Guidance on ICF attribution in ICED work packages

December 2017



Guidance on ICF attribution in ICED WP: Rationale and objective

Objective:

What will this tool and guidance do?

- Simple ICF attribution methodology and guidance for ICED portfolio teams
- To determine the proportion of a work package which is eligible for climate finance, from the **International Climate Fund**.
- To identify very simple entry points for all work packages to easily integrate (and prioritise) climate and environment opportunities

Rationale:

Why is this tool and guidance needed?

- ICF reporting requirements (ICED Programme is 25% ICF funded)
- ICED and DFID commitment to mainstreaming climate and environment
- Raising level of ambition for ICED climate and environment (C&E)
- Testing ground for future DFID ICF programme guidance

Guidance on ICF attribution in ICED WP: Context

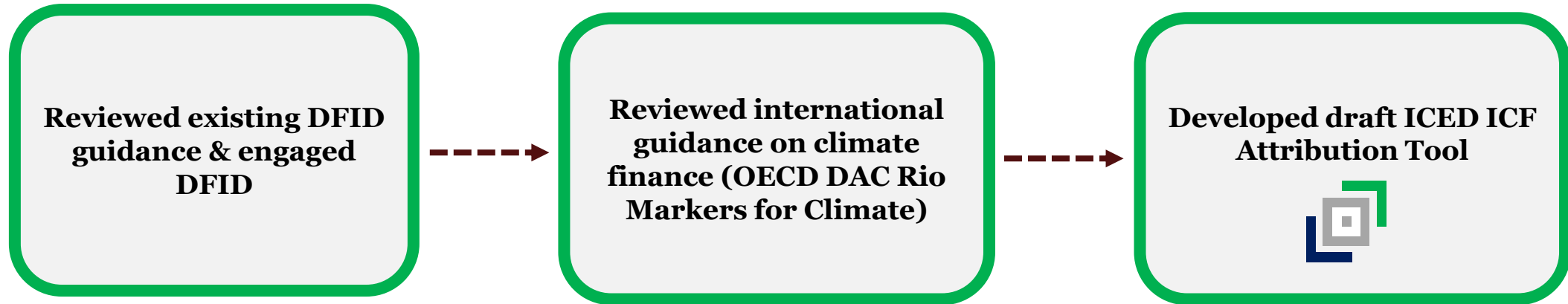
DFID's policy priorities

- DFID's 2017 **Economic Development Strategy** recognises climate change as 'the biggest global threat to sustained economic development'.
- **Commitment to mainstreaming:** Recognition that stand-alone climate programmes can only meet some climate objectives.
- **OECD-DAC** Reporting requirements (climate-related external development finance flows)

*"We will promote a '**climate smart**' approach across our economic development work - including through sustainable energy and the effective economic management of natural resources and the environment. We will help countries, communities and individuals, especially girls and women, to **manage risk and build resilience** to the impacts of climate change, for example through insurance and other risk-finance schemes"*

– DFID Economic Development Strategy, 2017

Guidance on ICF attribution in ICED WP: Approach



Guidance on ICF attribution in ICED WP: Approach

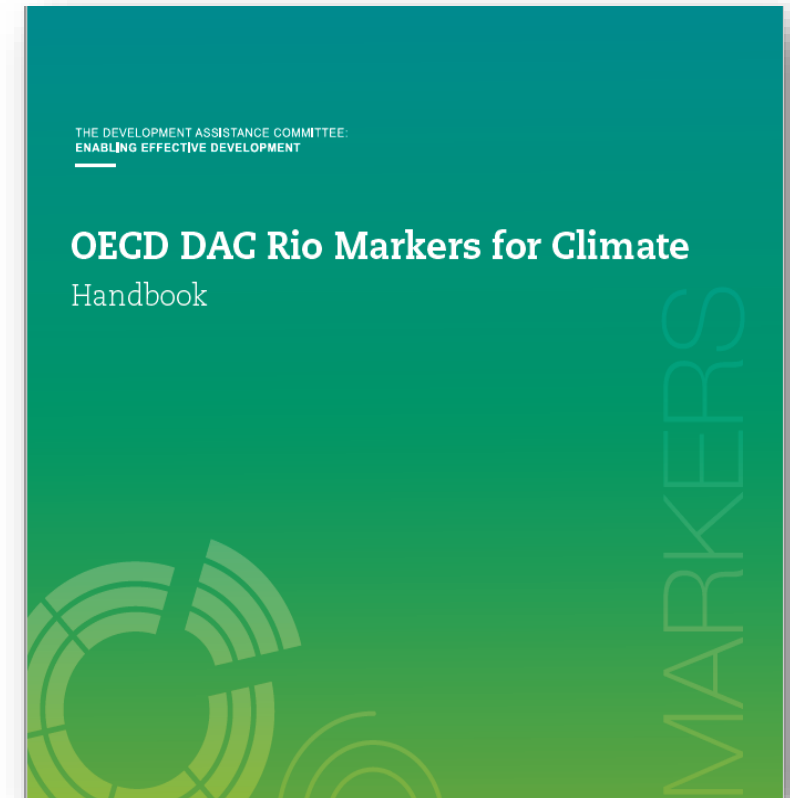
DFID Integration Guidance

- Identification of climate change in programme as 'principal' or 'significant'
- **Component-based** approach to determining significance
- **Integrated** consideration of adaptation and mitigation

OECD DAC Rio Markers for Climate

- Rio Markers track policy objectives of initiatives
- Activities target climate as principal (2), significant (1) or not at all (0)
- Sector example table to provide marking (**Rio Marking Indicative Table**)
- Separate scoring for adaptation and mitigation markers

ICED Hybrid Approach

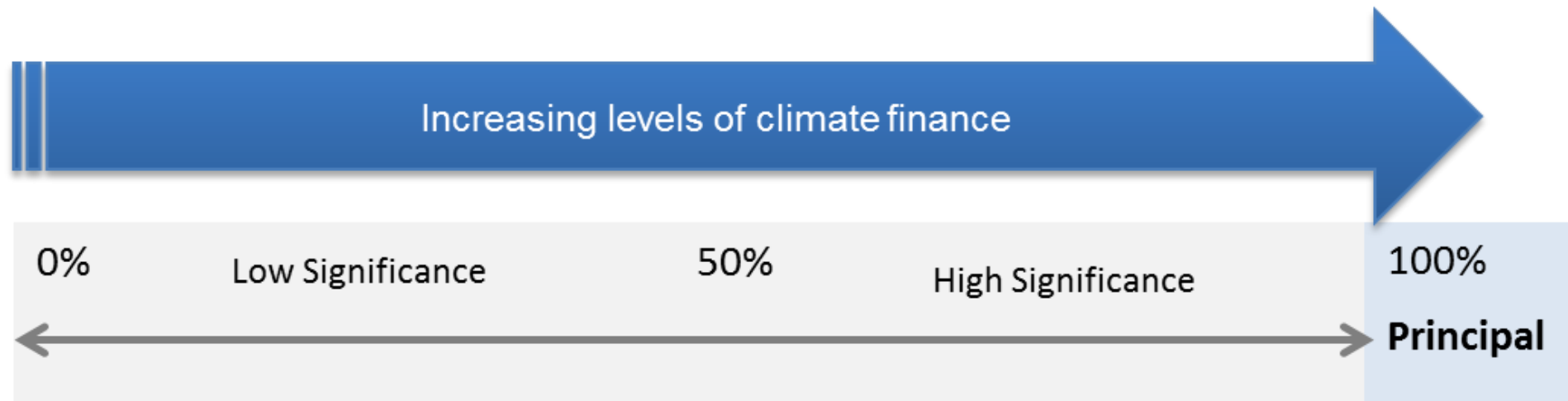


Guidance on ICF attribution in ICED WP: Approach

ICED projects will have varying degrees of climate significance. The significance of a WP in terms of climate objectives will determine the proportion of WP spend that should come from the ICF:

WPs may either have climate as a:

1. **'Principal' objective**, therefore eligible for 100% ICF finance
2. **'Significant' objective**, therefore eligible for less than 100% ICF finance towards the total programme costs



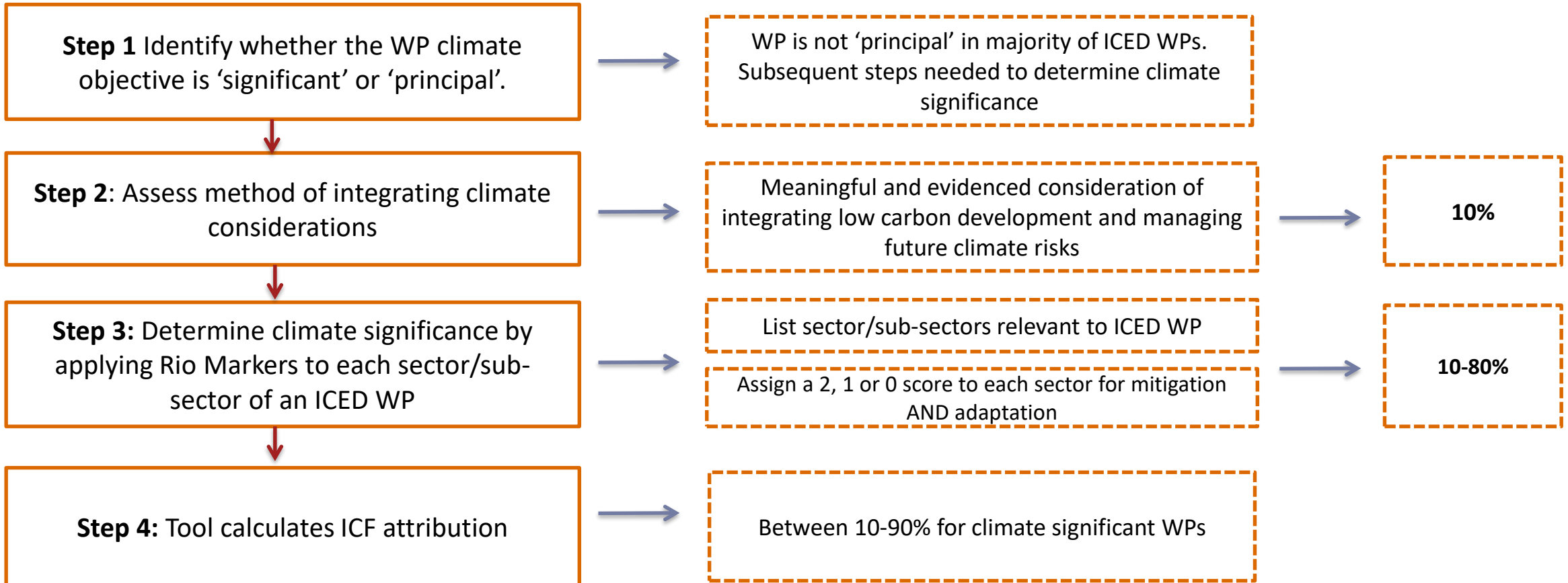
ICF attribution in ICED WP – a hybrid approach

Step 1 Identify whether the WP climate objective is 'significant' or 'principal'.



Principal Project is 100% ICF fundable

ICF attribution in ICED WP – a hybrid approach



ICED scoring climate significance based on Rio Markers

Definitions of 0, 1 and 2 scoring

2 = High Significance

- Climate change mitigation or adaptation is explicitly stated, but not the fundamental driver or motivation for undertaking the WP.
- WPs with high significance help to solve climate change problems and/or build climate knowledge and capacity.

1 = Medium/Low Significance

- Limited attention is paid to specific climate change impacts but the project contributes to building resilience to climate shocks and long term changes as a co-benefit.
- Climate change mitigation or adaptation is not an explicit objective of the WP, but climate change outcomes are expected as a result of the initiative.

0 = No Significance

- After review, WP was found not to target climate change mitigation or adaptation outcomes in any significant way.

Using the ICED ICF Tool



Attributing climate finance (ICF) in ICED work packages - DRAFT TOOL

Introduction to using this tool

The purpose of this tool is to help ICED portfolio teams determine the proportion of a work package which is eligible for climate finance, from the International Climate Fund. The contents of this tool include:

Tab 1: ICED ICF attribution tool - ICED portfolio teams will complete this tab for each ICED WP.

Tab 2: Rationale and scoring guidance - Additional information and details on tool methodology to aid portfolio teams complete tool in Tab 1. Supplementary information is also available on [Teamspace](#) |

Tab 3: Rio Marking Indicative Table - Determining climate signate significance of an ICED WP is based on the OECD Development Assistance Committee 'Rio Markers', which is a system of attributing and tracking development finance flows which target themes of the 1998 Rio Convention (climate change, biodiversity and desertification). Use this tab for examples of qualifying activities within ICED WP which aid scoring to determine 'climate significance' of an ICED WP.

Using the ICED ICF Tool – Step 1

STEP #	Assessing climate objectives	Response (select from drop-down)	ICF attribution (as % of WP)	Next step
1	Is the primary objective of the WP to support DFID's investments in low carbon development and/or programming aimed at responding to climate risks?	NO	0%	If YES , ICF attribution for this WP is 100%. Use this to complete section 13 of the ICED ToR. If NO , proceed to next question.
	Is the primary aim of the WP to consider how climate risks are changing now and in the future?	NO	0%	If YES , ICF attribution for this WP is 100%. Use this to complete section 13 of the ICED ToR. If NO , proceed to Step 2.

Using the ICED ICF Tool – Step 2

STEP #	Assesing method of integrating climate considerations	Response (select from drop-down)	ICF attribution (as % of WP)	Next step
2	<p>Has the WP ToR considered opportunities for integrating considerations of both</p> <ul style="list-style-type: none"> 1) managings future climate risks 2) promoting low carbon development <p>AND</p> <p>Has the evidence of the above review (including rationale for why intervention will or will not be included) been indicated in Section 13 of ICED ToR?</p>	YES	10%	<p>If NO, please consult the ICED C&E portfolio team for review of climate and environment in the ToR.</p> <p>If YES, proceed to Step 3.</p>

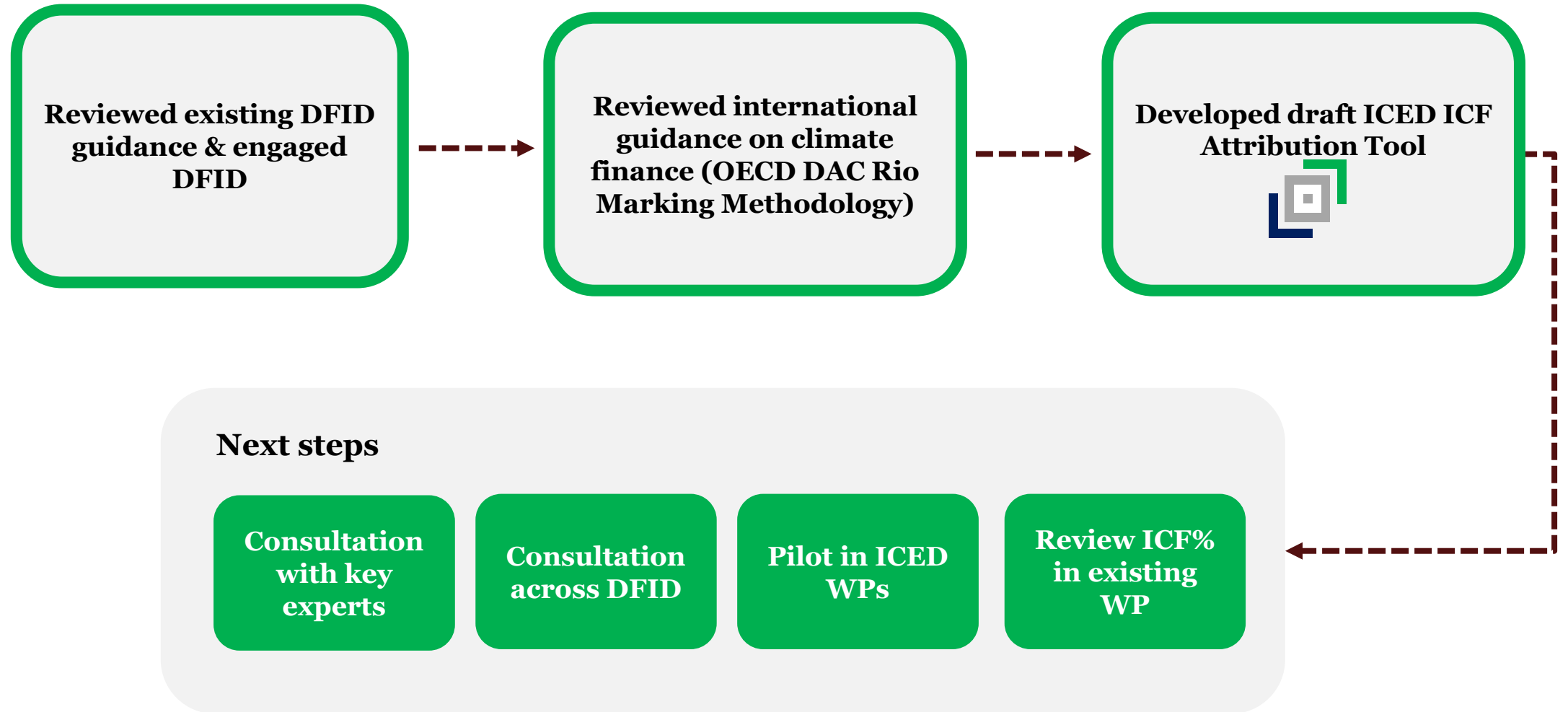
Using the ICED ICF Tool – Step 4

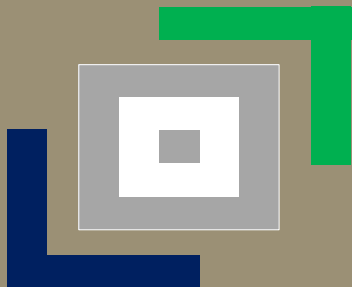
STEP #	Calculation of WP ICF attribution	Calculation from tables above	Description
4	Climate objective	0%	This section is autopopulated from the above tables. Please do not change values or formulas.
	Method of integrating climate considerations	10%	
	Climate significance	0%	
	Total WP ICF attribution	10%	

Using the ICED ICF Tool – Case Study



Guidance on ICF attribution in ICED WP: Next Steps





Disclaimer

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