

This one-pager provides a summary<sup>1</sup> of Sida's contribution to the Swedish national communication regarding 2017–2020 and the biennial report regarding 2019–2020 to the United Nations Framework Convention on Climate Change (UNFCCC) as well as the annual report regarding 2020 to the EU.

## BACKGROUND

Sida is obligated to contribute to the Swedish climate finance reporting according to the Climate Reporting Regulation (2014:1434). There are three types of reports<sup>2</sup>: the national communication to the UNFCCC; the biennial report to the UNFCCC; and the annual report to the EU.<sup>3</sup> In 2021, all three reports were prepared. The submission of the contributions to the reports by relevant Swedish governmental agencies is coordinated by the Swedish Environmental Protection Agency (SEPA).

## SIDA'S FINANCIAL SUPPORT

Sida's contribution to the reports consists of statistical data and descriptive documents. The statistical data is weighted using the Rio markers for climate change adaptation and climate change mitigation.<sup>4</sup>

Sida's bilateral climate finance increased substantially between 2017 and 2019 (45%). In 2020, the finance dropped with 14%. The reasons for this drop are difficult to pinpoint but may include delays and re-allocation of funds as a result of the Covid-19 pandemic as well as quality assurance of data. Between 2017 and 2020, the financial support to mitigation increased by 40% while support to cross-cutting initiatives (adaptation and mitigation) increased by 20%. The financial support to adaptation increased with 20% during the same period and continues to constitute a significant proportion of the climate finance (39% in 2020).

1 For the full versions of Sida's contribution to the three reports, see 031747/21.

2 The three reports include different recipients of climate finance and therefore the total climate finance provided by Sida varies slightly between the reports. The national communication excludes non-parties to the UNFCCC, the biennial report includes non-annex 1 countries and the annual report includes all ODA-eligible recipients (countries and regions).

3 In 2021, new reporting guidelines for the annual report to the EU were applied.

4 [Climate Change: OECD DAC External Development Finance Statistics – OECD](#)

Globally, beyond Sweden, the majority of international climate finance continues to be directed to climate change mitigation (70% in 2018) and only a relatively small proportion to climate change adaptation (21% in 2018).<sup>5</sup> While adaptation is underfunded, the needs continue to grow. Since the Climate Change Initiative of the Swedish Government in 2009, Sida has made efforts to focus on supporting countries in climate change adaptation and meet the growing demand and needs from a poverty perspective. The distribution of contributions having mitigation, adaptation or cross-cutting objectives is presented in table 1.

Table 1: Climate finance provided by Sida during 2017–2020 (MSEK)<sup>6</sup>

	2017	2018	2019	2020
Adaptation	1329 (41%)	2099 (48%)	2041 (43%)	1600 (39%)
Cross-cutting	1206 (37%)	1246 (29%)	1523 (32%)	1453 (36%)
Mitigation	714 (22%)	999 (23%)	1147 (24%)	999 (25%)
Total	3249	4343	4711	4052

In terms of distribution across sectors, the largest climate finance disbursements in 2017–2020 were made to initiatives within agriculture; energy; environmental policy and administration; and urban development, rural development and multisector. Climate change can be better integrated within all Sida sectors e.g. in health; education; social protection; and humanitarian support and disaster risk reduction.

The countries receiving the biggest proportion of Sida's bilateral climate finance in 2019–2020 are presented in table 2.

Table 2: Top five countries receiving Sida climate finance 2019–2020

2019	Country	Disbursed (MSEK)
1.	Mozambique	255
2.	Burkina Faso	239
3.	Somalia	167
4.	Mali	140
5.	Kenya	132

5 [OECD-DAC](#), November 2020.

6 Sida's contribution to Sweden's national communication 2017–2020.

2020	Country	Disbursed (MSEK)
1.	Mozambique	187
2.	Somalia	175
3.	Kenya	145
4.	Burkina Faso	136
5.	Bangladesh	88

Sida voluntarily reports of the level of gender integration in its climate finance. The overall level of gender integration in Sida's climate finance 2017–2020 is around 85%. There is a slightly decreasing trend, and therefore further stepping up of efforts need to be sought.

Sida also reports on mobilised capital. In 2020, Sida had guarantees to climate-relevant initiatives with a total guarantee volume of approximately 5 billion SEK<sup>7</sup>, mobilising about 14.7 billion SEK. Sida continuously works to enhance mobilisation of additional climate finance and is currently supporting the Global Innovation Lab for Climate Finance – an incubator which works with identifying and strengthening innovative financing instruments that mobilise capital within climate finance, including sectors such as sustainable cities, renewable energy and sustainable food systems.

<sup>7</sup> This constitutes an increase with approximately 14% from 2018.

## LOOKING AHEAD

In 2021, Sida received instructions in the Swedish government's letter of appropriation<sup>8</sup> to report on measures taken to ensure that development cooperation is even more in line with the Paris Agreement, as well as tools developed to assess the possibility of transformation to achieve the goals of the Paris Agreement more quickly. Sida has taken several measures in this regard. For example, Sida has contributed to an OECD report<sup>9</sup>, outlining criteria for a contribution to be in line with the Paris Agreement. Sida has also conducted an analysis of key factors that can enhance alignment with the Paris Agreement; an overview of other donors' work related to Paris alignment; as well as a review of Sida's tools, routines and systems.

Sida is part of the Swedish delegation to the UNFCCC negotiations. Sida follows article 7 in the Paris Agreement, related to adaptation.

<sup>8</sup> [Annual letter of appropriation 2021.](#)

<sup>9</sup> OECD, *Aligning Development Co-operation and Climate Action: The Only Way Forward*, 2019.