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# Proposed System of Climate Markers for Seychelles

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# Overview

- The proposed system of climate markers builds directly on two outputs of the GCCA+ project
  - Seychelles CPEIR report
  - Classification of climate-related financial allocations
- These deliverables all build on several types of evidence
  - International guidance documents on climate finance flows
  - National budget, policy and planning documents
  - Input from key informants, whether via interviews or email

# Overview (2)

This report

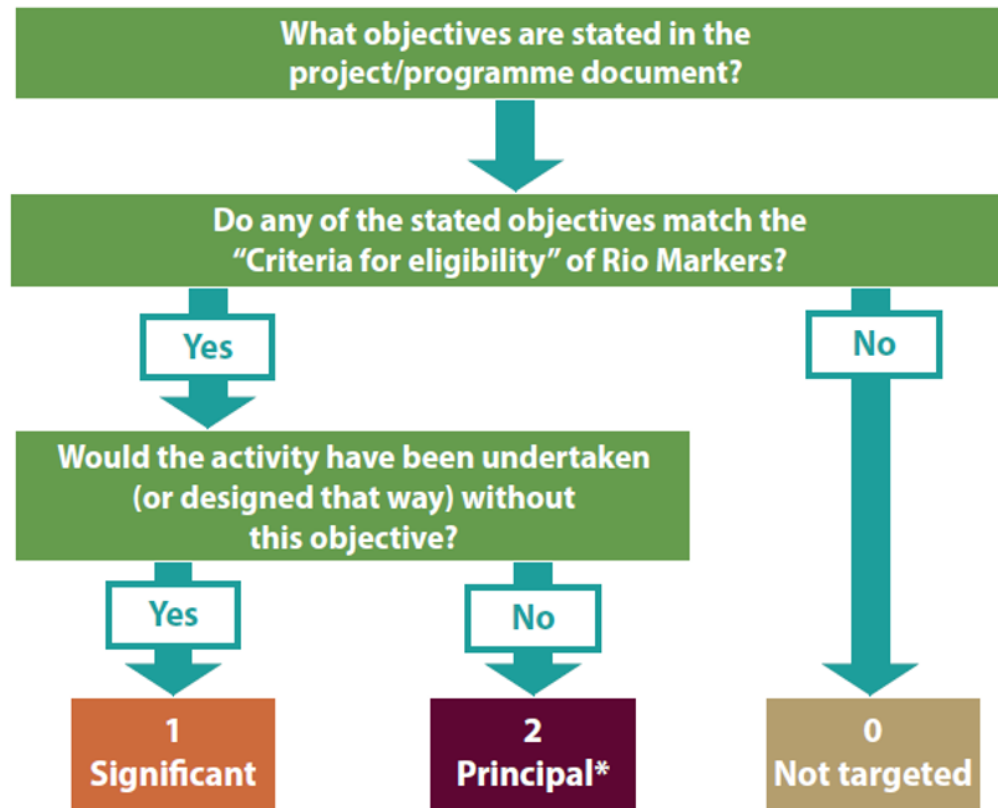
- Describes origins of ‘climate markers’ concept and its significance for Seychelles
- Summarises the current official guidelines for defining climate markers, and outstanding issues vis-a-vis this approach
- Describes an alternative approach to defining climate markers for Seychelles that builds on these guidelines and criticisms
- Provides guidelines for applying the proposed approach
- Provides provisional climate markers for Seychelles, specifically for the 27 target institutions examined in the CPEIR study

# Origins & Significance of Climate Markers Concept

- Since 1998, OECD has monitored flows of financial flows targeting environmental objectives, including climate change
- Markers applied to ODA, but can also be applied to other flows
- Some countries are developing climate-specific budget codes for use in their own domestic public expenditures
- Markers enable tracking of progress towards climate objectives
- Specific uses include
  - Generating overview data on these financial flows
  - Providing visualisations of trends on relevant activities

# Current OECD Guidance on Climate Markers

Decision tree on assigning climate markers, following the OECD DAC guidelines



# Current OECD Approach: Outstanding Issues

- Despite its merits, the OECD system does not offer a comprehensive means of coding and tracking investments that contribute to climate objectives
- Overseas Development Institute (ODI) cites several problems
  - There is a lack of agreement on systems for coding and tracking climate change investments, which will likely constrain funding for climate action in developing countries
  - Most existing marker systems follow OECD approach of solely tracking expenditures that make explicit reference to climate change

# Current OECD Approach: Outstanding Issues (2)

- ODI cites the following problems, cont.
  - This is problematic, since it fails to recognise the potential of conventional development to address climate objectives
  - If the purpose of coding is to identify and monitor relevant financial flows, then omitting a large swath of relevant activities is misguided
  - There is a need to trial new, more practical marker systems
  - CPEIR methodology could help inform such changes

# Alternative Approach to Climate Markers

- The proposed approach seeks to address key gaps in the OECD approach, but in a way that fits with the limited available data
- Limited available information means markers only offer very approximate information on climate-relevant expenditures
- This approach nonetheless made it possible to generate
  - A workable set of guidelines
  - An initial set of climate markers for relevant public entities
- It therefore enables government to begin incorporating climate markers into its national budgets as soon as it so chooses
- It could also be used by non-state actors for their expenditures



# Guidelines to Applying Climate Markers

The key steps of the alternative approach applied are as follows:

- For each entity examined, determine at which level of analysis expenditures can be assessed, given the available information
- Determine if the term ‘climate change’ was cited in documents on each expenditure and its associated activities
- Insofar as possible, assess whether the activities of the entities examined are climate-relevant even if this term is not cited
- Classify the expenditures and assign markers accordingly

Critically, this approach is ‘future proofed’, in the sense of more detailed information being available that allows greater precision

# Guidelines for Applying Climate Markers (2)

Assigning climate markers is done using the same four tables elaborated for the classification scheme:

- Define four classification categories + provide criteria for each
- Describe four activity types that are ‘climate smart’ activities
- Identify ‘climate smart’ activities in various key sectors
- Define criteria to identify expenditures ‘negatively’ related to climate change

The following three tables provide the basis for reporting on the climate markers analysis for target institutional entities

# Proposed Climate Markers Approach (1)

The following table could be used to

- List whether documentation cited climate change
- Identify references to relevant activity types/activities

Relevant subsets of the entity (e.g., project, programme, activity)	CC cited	Activity types from Tables 2 & 4	Activities from Table 3
1.			
2.			
3.			
4.			



# Proposed Climate Markers Approach (3)

This table could be used to list the climate markers assigned for each institutional entity analysed and the reasons for this.

Relevant subsets of the entity (e.g., project, programme, activity)	Climate adaptation marker	Climate mitigation marker	Reasons for assigning the marker
1.			
2.			
3.			
4.			

# Summary of climate markers for entities examined

Government entity	Adaptation marker	Mitigation marker
Department of Agriculture	PCR++	PCR+
Blue Economy Department	PCR+	PCR+
Department of Civil Aviation, Ports and Marine	PCR+	PCR+
Department of Risk and Disaster Management	PCR+	-
Department of Economic Planning	PCR+	-
Department of Education	-	-
Department of Employment	-	-
Ministry of Environment, Energy and Climate Change	PCR++	PCR++
Finance and Trade Department	-	-
Department of Fisheries	-	-
Department of Foreign Affairs	-	-
Ministry of Health	PCR+	-
Department of Infrastructure	-	-
Department of Investment	-	-
Department of Land Transport	-	-
Ministry of Local Government	PCR+	-
Seychelles Meteorology Authority	PCR++	PCR++
Seychelles National Parks Authority-	PCR+	PCR+
Seychelles Agriculture Agency	PCR+	PCR+
Seychelles Energy Commission	PCR+	PCR+
Seychelles Fisheries Authority	-	-
Seychelles Investment Board	-	-
Ministry of Tourism	PCR+	PCR+
SeyPec	-	NCR--
Petro Seychelles Ltd	-	NCR--
Air Seychelles	-	NCR--
Public Utilities Commission – Electricity Generation	-	NCR--/PCR++