



# Reporting on financial and technology support to developing countries

Under article 19 of the Regulation (UE) 2018/1999 of the European Parliament and Council of 11<sup>th</sup> of December of 2018 (Governance Regulation)

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## ACRONYMS

<b>CC</b>	Climate Change
<b>CRS</b>	Creditor Reporting System
<b>DAC</b>	Development Assistance Committee
<b>FA</b>	Environmental Fund
<b>LDC</b>	Least Developed Countries
<b>MAE</b>	Ministry of Environment and Energy
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PALOP</b>	Portuguese Speaking Countries of Africa
<b>PPA</b>	Programmes, Projects and Actions
<b>ptCoop</b>	Portuguese Cooperation
<b>ptODA</b>	Portuguese Official Development Assistance
<b>RegGov</b>	Regulation on the Governance of the Energy Union and Climate Action
<b>RegImp</b>	Commission Implementing Regulation on structure, format, submission processes and review of information reported by Member States pursuant to Regulation (EU) 2018/1999
<b>SG-Amb</b>	Secretariat-General of the Environment
<b>SIDS</b>	Small Island Developing States
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change

## ACKNOWLEDGEMENTS

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## INTRODUCTION

Following the entry into force of the Regulation (EU) 2018/1999, on the Governance of the Energy Union and Climate Action (RegGov)<sup>1</sup> and the Commission Implementing Regulation (EU) 2020/1208, on structure, format, submission processes and review of information reported by Member States pursuant to Regulation (EU) 2018/1999 (RegImp)<sup>2</sup>, Member States shall submit to the Commission, pursuant to Article 19<sup>th</sup> of the RegGov and article 6<sup>th</sup> of the RegImp all relevant information on their financial and technology support provided to developing countries.

The Portuguese Cooperation (ptCoop) in 2023 was mainly directed towards geographic territories and sectoral areas where Portugal has greater intervention capacity and can achieve better results, taking into account the interconnection between the needs and priorities of partner countries and the recognized added value of Portuguese Cooperation action, namely in view of other partners.

Thus, ptCoop focuses on different degrees of geographic prioritization, according to principles of concentration and differentiation, with the first circle comprising the Portuguese-speaking African countries (PALOP) and Timor-Leste and, in a second circle, countries and regions of strategic interest where Portugal has comparative added value, namely in the African continent, Asian 's Pacific countries, Latin America as well Tuvalu.

The statistical information included in this document is based on the Development Assistance Committee (DAC/OECD), Creditor Reporting System (CRS) directives and on the "Rio Markers" methodology for climate change mitigation and adaptation.

Applying the Rio Markers, which include mitigation and adaptation to Climate Change (CC), means the use of a scoring system of three values, according to which the ODA amount reported within the DAC/CRS is screened and marked as:

- i. Targeting the Convention as a 'principal' objective (score "2"): when the objective (mitigation or adaptation to CC) is explicitly stated as fundamental in the design of, or the motivation for, the activity, and promoting the objectives of the Convention is thus stated in the activity documentation as one of the principal reasons for undertaking it. In other words, the activity would not have been undertaken that particular way, had it not been for that specific objective.
- ii. As a 'significant' objective (score "1"): when the objective (mitigation or adaptation to CC) is explicitly stated but it is not the fundamental driver or motivation for designing or undertaking the activity. The activity has other prime objectives but it has been formulated or adjusted to help meet the relevant climate concerns, particularly in the field of mitigation and adaptation to CC.

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1 REGULATION (EU) 2018/1999 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council

2 COMMISSION IMPLEMENTING REGULATION (EU) 2020/1208 of 7 August 2020 on structure, format, submission processes and review of information reported by Member States pursuant to Regulation (EU) 2018/1999 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 749/2014

iii. Not targeting the objectives of the Convention (score “0”): it means that the activity was examined but found not to target the objective (mitigation or adaptation to CC) in any significant way.

The Rio Markers are quality indicators and were not initially oriented to quantify climate finance but only to qualify the level of mainstreaming of environment and climate change into development cooperation (table 1). However regarding the need to estimate more accurately the climate finance flows and that the activities can have more than one principal and significant policy objective and trying to avoid double counting, we have aligned our approach with the one used by European Commission by adopting the same range of coefficients detailed in the table below.

**Table 1**

Markers	Mitigation (%)	Adaptation (%)	Cross-cutting (%)	Total (%)
2 M & 0 A	100	0	0	100
1 M & 0 A	40	0	0	40
0 M & 2 A	0	100	0	100
0 M & 1 A	0	40	0	40
2 M & 1 A	100	0	0	100
1 M & 2 A	0	100	0	100
2 M & 2 A	0	0	100	100
1 M & 1 A	0	0	40	40

Regarding the Development cooperation model, Portugal has a decentralized approach which means a permanent intergovernmental and institutionally collaboration between Camões – Institute for Cooperation and Language, I.P. (Ministry of Foreign Affairs), as the portuguese’s development coordinator entity, and the Ministry of Environment and Energy (MAE), as responsible for the thematic area.

When initiatives or activities include several lusophone countries, the Portuguese Speaking Countries Community (CPLP) Climate Change Network is usually consulted about its interest and relevance. Most of these countries are Least Developed Countries (LDC) and/or Small Island Developing States (SIDS).

## **PORTUGUESE OFFICIAL DEVELOPMENT ASSISTANCE**

Portugal’s public climate finance (table 2) for programs and projects in partner countries is established through Official Development Assistance (ptODA). In Portugal, ODA for environment has had limited expression regarding total values by virtue of the strategic priorities that essentially lie in areas such as Education, Health, Security and Justice.

Following the publication of Decree-Law 42-A/2016 of 12<sup>th</sup> of August which constitutes the Portuguese Environmental Fund (FA) and according the Order N.º 538-B/ 2017 of 5<sup>th</sup> of January of the Minister of the Environment, the national public body in charge of managing the FA is the Secretariat-General of the Environment. This domestic funding mechanism also finance the cooperation for development Programmes, Projects and Actions (PPA) focused on environment and CC as an additional ODA financial resource.

The majority of ptCoop climate related PPA includes capacity building components. Nevertheless the CRS does not allow data tracking by component.

In this context it should be noted that under the ptCoop the following amounts on CC cooperation have been disbursed in 2023 by country (table 2).

**Table 2**  
Total amount disbursed by country in 2023

Bilateral Cooperation	Value (€)
Guiné-Bissau	984 000.00
Cape Verde	632 043.00
Angola	544 016.00
São Tomé e Príncipe	824 767.00
Mozambique	980 523.00
East Timor	56 671.00
Regional Asia	100 000.00
El Salvador	27 588.00
Colombia	458 913.00
Developing countries not specified	1 862 591.00
North of Sahara, Regional	32 537.00
Tuvalu	461.00
Kenya	12 456.00
<b>Total</b>	<b>6 516 566.00</b>

Source: Camões, I.P./SGAmb (2024).

In 2022, the total bilateral financial flows amounted to 6 516 566.00 €.

The Portuguese public financial support provided through multilateral channels is described in table 3.

**Table 3**  
Portuguese public financial support provided through multilateral channels

Channel	Multilateral Institution	Title	Provided Core (€)
Multilateral	UNFCCC	UNFCCC - UN Framework Convention on Climate Change	70 994.00
Multilateral	UNITAR	United Nations Institute for Training and Research (UNITAR)	4 000.00

**Source:** Camões, I.P./SGAmb (2024)

According to “Rio Markers” methodology definitions, an activity could be considered:

**MITIGATION** - if contributes to the objective of stabilization greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the

climate system by promoting efforts to reduce or limit GHG emissions or to enhance GHG removal by sinks, in line with the goals of the Paris Agreement (art. 2.1a)

The bilateral mitigation projects financial flows are represented in table 4.

**Table 4**  
Climate Change related ODA - Mitigation

YEAR	BILATERAL ODA TOTAL (€)
2023	1 573 954.00

**Source:** Camões, I.P./SGAmb (2024)

**ADAPTATION** - if enhance adaptive capacity, strengthen resilience and/or reduce vulnerability to CC, with a view to contributing to sustainable development and ensuring an adequate adaptation response, in line with the Paris Agreement (art. 2.1b and 7)

The bilateral adaptation projects financial flows are represented in table 5 .

**Table 5**  
Climate Change related ODA - Adaptation

YEAR	BILATERAL ODA TOTAL (€)
2023	3 031 176.00

**Source:** Camões, I.P./SGAmb (2024)

**CROSS-CUTTING**

The data in table 6 represents the application of Rio Marker’s Cross-Cutting (projects that have mitigation and adaptation objectives) to Portuguese ODA.

**Table 6**  
Climate Change related ODA – Cross-cutting

YEAR	BILATERAL ODA TOTAL (€)
2023	1 911 436.00

**Source:** Camões, I.P./SGAmb (2024)

**PORTUGUESE ENVIRONMENTAL FUND (FA)**

The Portuguese Environmental Fund was created with the main purpose to support environmental policies for the pursuit of sustainable development objectives, contributing to the achievement of national and international objectives and commitments, in particular those related to CC, water resources, waste and nature conservation, and biodiversity, financing entities, activities or projects that fulfill such objectives in the areas of Mitigation and Adaptation to CC, and cooperating in the scope of CC in order to fulfill the international commitments.

Currently and according to national legislation, all the PPA financed by the FA should be account as ODA and must have a previous favorable appraisal and approval by Camões, I.P. as development co-operation national coordinator entity.



The financial flows provided by this Public Fund are additional to conventional ODA sources. The financial contribution of the FA counts as ODA but is an independent and new source that relies entirely on the Fund’s independent and autonomous revenues.

Currently, and according the Ministerial Order N.º 538-B/2017 of 5<sup>th</sup> of January of the Minister of the Environment, the national public body in charge of managing the FA is the Secretariat-General of the Environment.

**New and Additional Financial Resources**

The FA was established with the aim to finance activities/projects carried out to respond to the challenges of CC and to meet the objectives and commitments under Paris Agreement and the UNFCCC, at both domestic and international levels.

Bearing in mind that financing ODA projects is not a core objective of FA, Portugal considers that the financing provided by the FA to activities that aim to help developing countries fight climate change and at the same time to have a carbon neutral and resilient development economy is new or additional to the conventional sources of ODA flows (table 6).

**Table 6**  
New and Additional Financial Resources (2023)

Source of Flows	Climate Change Mitigation*	Climate Change Adaptation*	Climate Change Cross-cutting
	Total Amount (€)		
Total of disbursements from the Portuguese Environmental Fund	1 573 954.00	3 031 176.00	1 911 436.00

Source: Camões, I.P./SGAmb (2024)

**Private Financial Flows**

No information available.