

Norwegian Climate Finance 2010.

In Decision 1/CP.16 (Cancun Agreements – AWGLCA outcome), relevant parties were invited to submit information on the resources provided for the fast start period (2010-2012).

Norway is pleased to submit the information below on actual disbursements in 2010. All numbers are ODA contributions; non-ODA contributions to various climate change activities are not included. All Norwegian assistance mentioned in this report is on a grant basis.

Efforts are being made, where relevant, to integrate climate change assistance into broader development efforts. Norwegian ODA has for several years exceeded 1 % of Gross National Income. As for the GEF, Norway pledged a 65 % increase of our contribution under GEF 5, now totalling NOK 376 million for the period. More than 30 % of GEF resources are allocated to the climate change focal area.

2010 disbursements:

The report covers our REDD+ contributions as well as bilateral and multilateral support for climate change action in developing countries. Total Norwegian climate change assistance in 2010 amounts to approximately NOK 4.25 billion (or around USD 710 million).

It should be noted that the information is based on the OECD/DAC reporting system, which uses markers for climate change mitigation and adaptation. The markers indicate degree of relevance only, so figures should be interpreted with caution. It should also be noted that the term “bilateral” used in the tables often go beyond what a “common sense” definition would indicate, in that also multi-bilateral assistance is included under “bilateral”. This applies to agreements with multilateral organisations where the contributions are “earmarked” for climate change. Only core support to such organisations is counted as “multilateral” in the system. For many contributions, it is impossible to assign a value to the share of such support going to climate change. Below, we therefore have conservatively estimated a total share of this core support that can be attributed to climate change. For example, voluntary contributions to the UNFCCC (outside the biennial core budget) clearly are climate change relevant, as is the share of our GEF Trust Fund contribution that goes to the climate change focal area.

1. Bilateral assistance – the table below shows total bilateral assistance directed at climate change to be just over NOK 4 billion (or approximately USD 676 million), with the lion`s share going to mitigation. Efforts are being made, however, to scale up assistance for adaptation. When we add the “multilateral” assistance mentioned above (see below on “core support”), total Norwegian climate change assistance in 2010 comes out at approximately NOK 4.25 billion (or approximately USD 710 million). This compares to the budget allocation figure reported in 2010 of a total of about USD 580 million. Apart from the shortcomings of the

system referred to above (cf. footnote 1), the most obvious explanation for this difference is that the budget figure for Brazil reported last year was USD 142 million, whereas actual disbursement was USD 236 million. Thus, contrary to what could be expected, actual disbursements exceeded the budget estimates.

Bilateral aid mitigation + adaptation 2010¹		Mill. NOK	Mill. US\$
Climate change mitigation (only)	Main objective	3 207	531
	Significant objective	327	54
Total mitigation²		3 535	585
Climate change adaptation (only)	Main objective	143	24
	Significant objective	243	40
Total adaptation		387	64
Both climate change mitigation and adaptation		162	27
Total bilateral aid directed at climate change		4 084	676

1) Based on Norwegian aid agreements marked with the OECD/DAC policy markers climate change mitigation and climate change adaptation. The markers do not necessarily imply that the whole amount is spent on climate change actions, rather that the agreements are also directed at such actions.

2) Of the total amount to climate change mitigation, NOK 2 710 mill. (448 mill. US\$) derives from the "Climate and Forest Initiative".

2. Regional distribution of bilateral assistance. The table below presents the above figures distributed by region. As will be seen, for example, one third of the adaptation assistance that can be tracked geographically was allocated to Africa, being directed at most vulnerable countries. This table also includes contributions through multilateral channels like, for example, the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), the Climate Investment Funds (the Strategic Climate Funds SREP, PPCR and FIP), GEEREF, REEEP, etc, but not the GEF Trust Fund (climate change focal area), UNEP, etc. (see 3. below on core support).

For illustrative purposes, Annex 2 gives disbursement figures for some selected multilateral channels.

	Main Region	NOK 1000	US\$ 1000
Mitigation (only)	Africa	401 979	66 503
	America	1 732 533	286 630
	Asia	466 072	77 107
	Europe	43 582	7 210
	Not geographically allocated	889 781	147 205
	Oceania	1 000	165
	Total mitigation	3 534 947	584 820
Adaptation (only)	Africa	133 389	22 068
	America	22 444	3 713

	Asia	71 676	11 858
	Not geographically allocated	159 213	26 340
	Total adaptation	386 722	63 979
Mitigation and adaptation	Africa	25 951	4 293
	Asia	34 743	5 748
	Europe	6 600	1 092
	Not geographically allocated	94 866	15 695
	The Middle East	56	9
	Total mitigation and adaptation	162 216	26 837
	Total climate change related bilateral aid	4 083 885	675 637

1) Based on Norwegian aid agreements marked with the OECD/DAC policy markers climate change mitigation and climate change adaptation. The markers do not necessarily imply that the whole amount is spent on climate change actions, rather that the agreements are also directed at such actions.

For a more detailed view of bilateral disbursement, please refer to Annex 1.

3. Core support to relevant multilateral institutions partly or fully targeting climate change in 2010 has been identified at approximately NOK 1 700 million (USD 283 million). A very conservative estimate indicates that about 10 % (NOK 170 million) of these contributions are targeted at climate change. For example, in the Norwegian Program Agreement with UNEP, it was specified that some 17 % of the contribution of NOK 100 million should be earmarked for climate change work. As for the GEF, it is estimated that around one third of the (ODA) contribution of NOK 55 million (i.e. NOK 18 mill.) went to climate change mitigation (the share of the climate change focal area under GEF 5). A voluntary contribution to the UNFCCC (outside the biennial budget) of NOK 20 million, a significant part of which supports developing country participation in the UNFCCC, is climate change relevant.

Specific information on the Norwegian International Climate and Forest Initiative

The Government of Norway's International Climate and Forest Initiative (NICFI) constitutes by far the largest part of Norway's mitigation assistance. It aims to support and participate in the development of an international REDD+ architecture and simultaneously achieve cost-effective and verifiable reductions in greenhouse gas emissions from deforestation and forest degradation in developing countries (REDD+) in all types of tropical forests. The initiative has a strong focus on the development of international finance mechanisms and supports REDD+ through close cooperation with multilateral organizations.

Report 2010

In 2010, Norway disbursed approximately 450 mill US dollars (NOK 2 714 600 665) for REDD+ activities. NICFI worked closely with committed developing forest countries and multilateral REDD+ initiatives, such as the Forest Carbon Partnership Facility (FCPF), the UN-REDD programme, the Forest Investment Programme (FIP) and the Congo Basin Forest Fund. In

2010, the FCPF, FIP and the UN-REDD programme decided to collaborate more closely and developed a common platform for the execution of REDD+ activities.

In November 2009, Norway and Guyana signed a Memorandum of Understanding declaring the two countries' determination to provide a working example of how partnerships between developed and developing countries can reduce deforestation and forest degradation also in countries with minor deforestation. Norway contributed approximately USD 30 million to support Guyana's REDD+ Investment Fund in 2010.

In May 2010, Norway and Indonesia agreed to enter into a partnership to support Indonesia's efforts to reduce emissions from deforestation and degradation of forests and peat lands. Indonesia will take immediate and decisive action to reduce its forest and peat related greenhouse gas emissions. Norway intends to support those efforts with up to USD one billion over a number of years. Approximately USD 30 million was disbursed in 2010.

Through a Memorandum of Understanding signed in May 2010, Mexico and Norway agreed to work together on climate, forests and environment. Norway will support Mexico with approximately USD 15 million over three years in order to reinforce REDD+ readiness in Mexico and enabling south-south cooperation.

Norway's collaboration with Brazil (the Amazon Fund), Guyana, Tanzania, Indonesia and Mexico should have profound effects and produce fast results, demonstrating that reducing emissions from deforestation and forest degradation in developing countries is possible. The collaboration with Guyana, Indonesia and Brazil are examples of results-based payments for reductions in emissions of CO₂ from deforestation and forest degradation on a national scale.

In May 2010, NICFI organized the Oslo Climate and Forest Conference, which established an Interim REDD+ Partnership, which currently consists of more than 70 countries. The global forest partnership marked the start of closer global cooperation on reducing deforestation and forest degradation in tropical developing countries. The partnership will support and contribute to the UNFCCC process. It will also promote transparency around financing and existing and new international initiatives to reduce deforestation and degradation of tropical forests.

Strategic partnerships have also been set up with selected NGOs and research institutions. These are intended to promote innovation and to encourage systematic knowledge dissemination and debate on the need for a new climate regime that includes deforestation and forest degradation. Most of this support is channelled through the Norwegian Agency for Development Cooperation (Norad).

A detailed overview of the disbursements for 2010 is given in the following table (in approximate US dollars, based on an exchange rate of 6 NOK per USD):

Projects	2010
	Disbursed (approximately USD)
UN-REDD Programme	33.0 mill
Forest Carbon Partnership Facility (readiness)	9.3 mill
Forest Investment programme	48.0 mill
Congo Basin Forest Fund	26.6 mill
Support to Civil society (Norad)	27.0 mill
Brazil (BNDES) (incl. Promissory notes)	236.0 mill
Guyana (World Bank)	29.4 mill
Indonesia	30.7 mill
Tanzania	7.3 mill
Other projects	2.8 mill
Total (approximately)	450.1 mill

Annex 1:

Norwegian bilateral aid directed at climate change mitigation and adaptation by region and country, 2010 ¹					
	Main Region	Recipient country	NOK 1000	US\$ 1000	
Mitigation (only)	Africa	Africa Regional	167 285	27 676	
		Uganda	67 031	11 090	
		Tanzania	58 655	9 704	
		Malawi	37 037	6 127	
		Ethiopia	24 395	4 036	
		South of Sahara Regional	16 146	2 671	
		Mozambique	7 431	1 229	
		Sudan	7 273	1 203	
		Congo, Dem. Rep.	6 250	1 034	
		Zambia	5 664	937	
		Madagascar	4 000	662	
		Ghana	1 421	235	
		Nigeria	600	99	
		Kenya	593	98	
		Eritrea	236	39	
		South Africa	-492	-81	
		Angola	-660	-109	
		Liberia	-887	-147	
		Africa Total		401 979	66 503
		America	Brazil	1 441	238
				530	486
			Guyana	176 681	29 230
			Chile	63 965	10 582
			Nicaragua	18 238	3 017
			Panama	14 294	2 365
			Haiti	11 000	1 820
			Peru	3 500	579
		America Regional	2 500	414	
		Guatemala	945	156	
		Mexico	0	0	
		North & Central America Regional	-120	-20	
	America Total		1 732	286	

		533	630
Asia	Indonesia	201 462	33 330
	Philippines	86 267	14 272
	Nepal	73 250	12 118
	China	39 648	6 559
	India	34 784	5 755
	Bhutan	9 882	1 635
	Asia Regional	8 582	1 420
	Georgia	3 700	612
	Kazakhstan	2 548	422
	Armenia	1 530	253
	Bangladesh	1 238	205
	Mongolia	1 000	165
	Central Asia Regional	800	132
	Viet Nam	417	69
	Laos	323	53
	Sri Lanka	297	49
	Pakistan	228	38
	Tajikistan	117	19
Asia Total		466 072	77 107
Europe	Europe Regional	22 170	3 668
	Macedonia (Fyrom)	8 466	1 401
	Kosovo	5 206	861
	Ukraine	3 395	562
	Belarus	3 017	499
	Bosnia-Herzegovina	1 259	208
	Albania	69	11
Europe Total		43 582	7 210
Not geographically allocated	Global Unspecified	889 781	147
			205
Not geographically allocated Total		889 781	147
			205
Oceania	Papua New Guinea	1 000	165
Oceania Total		1 000	165
Total Climate change mitigation (only)		3 534	584
		947	820
Adaptation (only)	Africa	Malawi	57 344
			9 487
		Congo, Dem. Rep.	14 078
		Zambia	2 329
		Ethiopia	1 957
		Somalia	1 804
	Uganda	1 654	
	South of Sahara Regional	9 603	
		1 589	
		4 800	
		794	

	Tanzania	4 123	682
	Eritrea	3 220	533
	Africa Regional	3 084	510
	Mozambique	1 710	283
	South Africa	1 077	178
	Togo	550	91
	Kenya	521	86
	Burundi	377	62
	Mali	150	25
	Botswana	18	3
	Africa Total	133 389	22 068
	America		
	Nicaragua	20 400	3 375
	Guatemala	700	116
	Cuba	485	80
	Brazil	389	64
	North & Central America Regional	246	41
	America Regional	225	37
	America Total	22 444	3 713
	Asia		
	Bangladesh	21 337	3 530
	Myanmar (Burma)	10 000	1 654
	Pakistan	9 000	1 489
	Asia Regional	7 826	1 295
	South Asia Regional	6 000	993
	Indonesia	6 000	993
	China	3 979	658
	India	3 146	520
	South & Central Asia Regional	1 175	194
	Viet Nam	774	128
	Nepal	635	105
	Laos	482	80
	Georgia	450	74
	Philippines	354	59
	Thailand	272	45
	Sri Lanka	228	38
	Cambodia	19	3
	Asia Total	71 676	11 858
	Not geographically allocated		
	Global Unspecified	159 213	26 340
	Not geographically allocated Total	159 213	26 340
	Total Climate change adaptation (only)	386 722	63 979
Mitigation and	Africa		
	Africa Regional	13 000	2 151

Adaptation					
		Tanzania	8 451	1 398	
		South of Sahara Regional	4 500	744	
		Mali	0	0	
		Africa Total	25 951	4 293	
		Asia			
		India	20 000	3 309	
		Viet Nam	10 000	1 654	
		China	4 400	728	
		Nepal	343	57	
		Asia Total	34 743	5 748	
		Europe			
		Macedonia (Fyrom)	5 800	960	
		Europe Regional	800	132	
		Europe Total	6 600	1 092	
		Not geographically allocated	Global Unspecified	94 866	15 695
		Not geographically allocated Total		94 866	15 695
	The Middle East	Syria	56	9	
	The Middle East Total		56	9	
	Total climate change mitigation and adaptation		162 216	26 837	
	Total climate change related bilateral aid		4 083	675	
			885	637	
1) Based on Norwegian aid agreements marked with the OECD/DAC policy markers climate change mitigation and climate change adaptation. The markers do not necessarily imply that the whole amount is spent on climate change actions, rather that the agreements also are directed at such actions.					

Annex 2.

Disbursements on a number of selected climate change related aid agreements, 2010¹⁾

Programme/project/fund	Recipient countries	NOK mill.	US\$ mill.	channel	financing type
UN-REDD Programme		200	33,1	Multilateral (UNDP)	Grant
Forest Investment Programme		285	47,2	Multilateral (World Bank)	Grant
Congo Basin Forest Fund		160	26,0	Multilateral (AfDB)	Grant
Readiness Fund of the Forest Carbon Partnership Facility		56	9,2	Multilateral (IBRD)	Grant
GEEREF – The Global Energy Efficiency and Renewable Energy Fund		20	3,3	PPP	Grant
REEP - The Renewable Energy and Energy Efficiency Partnership		12	1,9	INGO	Grant
SREP – Scaling up Renewable Energy Program		55	9,2	Multilateral (World Bank)	Grant
Support to Civil society (Norad)		160	26,5	NGO	Grant
<i>Support to country specific initiatives</i>					
Brazilian Development Bank - Forest initiative	Brazil	1427	236,0	Bilateral (BNDES)	
Guyana REDD-Plus Investment Fund	Guyana	175	29,0	Multilateral (IDA)	
Support to Indonesia REDD+ Task Force	Indonesia	180	29,8	Multilateral (UNDP)	

1) All agreements in this table are also coded with the policy marker Climate Change mitigation. The disbursements are hence part of the total disbursements to Climate Change Mitigation as shown in sheet one "climate change".

Disbursements on a number of selected climate change-related aid agreements, 2010¹⁾

Programme/project/fund	Recipient countries	NOK mill.	US\$ mill.	channel	financing type
Global Crop Diversity Trust		15	2,5	Multilateral (GCDT)	Grant
GEF - SCCF - Special Climate Change Fund		15	2,5	Multilateral (GEF)	Grant
GEF - LDCF - Least Developed Countries Trust Fund		25	4,1	Multilateral (GEF)	Grant
PPCR – Pilot Program for Climate Resilience		26	4,3	Multilateral (World Bank)	Grant

1) All agreements in this table are also coded with the policy marker Climate Change

adaptation. The disbursements shown here are hence also part of the total disbursements to Climate Change Adaptation as shown in sheet one "climate change".

