Lessons learnt from fast-start finance

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Outline

1. Tracking and reporting of fast-start climate finance
2. Delivery of fast-start finance – project examples
3. Lessons learnt
4. Beyond fast-start finance
1. Tracking and reporting of fast-start climate finance
EU fast-start finance commitment

- EU and its Member States committed to provide €7.2 billion of fast-start financing (FSF) in the period 2010-2012 in the context of the Copenhagen Accord

- This corresponds to about one third of the overall fast-start finance pledge by developed countries
The EU is on track to deliver

In 2011 the EU and its Member States allocated €2.32 bn to support fast-start activities in developing countries.

Contributions to date represent about 65% (€4.59 bn) of the total EU pledge of €7.2 bn.
EU fast-start finance in 2010:
- Adaptation: €735M
- Mitigation: €1060M
- REDD: €362M

EU fast-start finance in 2011:
- Adaptation: €750M
- Mitigation: €1150M
- REDD: €310M
EU reporting on fast-start finance

- Annual summary report presented at the COP
- Detailed list of actions funded by EU available: http://ec.europa.eu/clima/policies/finance/international/faststart/index_en.htm
- Possibility to query an Excel database by recipient, donor or activity type: http://ec.europa.eu/clima/policies/finance/international/faststart/docs/fsf_projects_2011_en.xls
- Project examples
- Information on fast-start finance on the web by EU Member States and the European Commission
### Individual actions supported by EU fast start financing

<table>
<thead>
<tr>
<th>Donor</th>
<th>Recipient</th>
<th>Thematic area</th>
<th>Project description</th>
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</thead>
<tbody>
<tr>
<td>AT</td>
<td>Argentina</td>
<td>REDD+</td>
<td>Workshop on silvopastoral activities in Southern Andean forests, 2011, N/A, grant, The aim of this workshop is to strengthen capacity concerning REDD+ in South Andean forests.</td>
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<tr>
<td>AT</td>
<td>Ethiopia</td>
<td>REDD+</td>
<td>READD+ in North Gondar region, 2010-2011, ADA/EPA, grant, This project supports the development of REDD+ readiness activities in Ethiopia's North Gondar region.</td>
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<tr>
<td>BE</td>
<td>TBD</td>
<td>REDD+</td>
<td>Development of integrated monitoring systems for REDD+ in the SADC Region, 09/2011-02/2015, GIZ, grant, The Sustainable Forest Management/REDD+ program is a renewed investment scheme within GEF-5 open to all type of forests and designed to provide incentives for the emergence of more impactful SFM/LULUCF projects and programs as well as respond to countries’ REDD+ plans. This money comes over and above the Belgian contribution to the 5th replenishment of the GEF.</td>
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<tr>
<td>DE</td>
<td>Africa Southern Development Community - SADC, REDD+</td>
<td>REDD+</td>
<td>Development of integrated monitoring systems for REDD+ in the SADC Region, 2010-12, UNDP, FAO, UNEP, grant, The project intends to set up an integrated system for monitoring of forest area, carbon stocks and emissions from deforestation and forest degradation. The system will have the buy-in of all SADC (Southern African Development Community) countries. The project’s cornerstone is to achieve high precision in emissions accounting through a combination of innovative remote sensing data and results of terrestrial inventories. In order to achieve this goal, the project will enhance the technical and institutional capacities in selected SADC countries.</td>
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<tr>
<td>DK</td>
<td>Diplomatic</td>
<td>REDD+</td>
<td>Development of integrated monitoring systems for REDD+ in the SADC Region, 2010-12, UNDP, FAO, UNEP, grant, Supplemental contribution for United Nations collaborative programme on reduced emissions from deforestation and degradation in developing countries (UN-REDD).</td>
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<tr>
<td>EC</td>
<td>Pilot countries in Asia, Africa and Latin America (to be defined)</td>
<td>REDD+</td>
<td>Support to Partnership Readiness (possibly includes support to REDD+ Paris-Olso Process), 2011-2014, World Bank, grant, The overall development objective of the Facility is to set the stage for a much larger system of positive incentives and financing flows in the future, which is in line with the EU strategy on REDD described above. It is expected that the framework and approaches that will be tested under the FCPCP will inform Parties to the UNFCCC as they negotiate a future climate regime which may include REDD. It seeks to create an enabling environment and sponsor a body of knowledge and experience that can facilitate the development of a much larger global program of incentives for REDD over the medium term (5-10 years).</td>
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<tr>
<td>EC</td>
<td>EC</td>
<td>REDD+</td>
<td>Support to Partnership Readiness (possibly includes support to REDD+ Paris-Olso Process), 2011-2014, European Forestry Institute, grant, Within the overall principle of enhancing forests’ contribution to poverty reduction, sustainable economic development, and mitigation of the impacts of climate change by reducing deforestation and forest degradation in developing countries, the general objective of the action is to assist developing countries in preparing for REDD, in particular with regard to forest governance related issues. The specific objective of the action is to provide effective support to the emergence of the REDD mechanisms in developing countries and to help them build their capacity and improve forest governance for REDD by building on work done under the Forest Law Enforcement, Governance and Trade (FLEGT) programme and other on-going initiatives.</td>
</tr>
<tr>
<td>EC</td>
<td>Multi</td>
<td>REDD+</td>
<td>Support to Partnership Readiness (possibly includes support to REDD+ Paris-Olso Process), 2011-2015, UN-REDD programme, grant, The global objective of this action is to support the UNREDD programme to deliver more support to developing countries on REDD+ preparation, both through national support and through global support. This support will enable UNREDD to serve more countries and to strengthen its GPAs on Governance aspects: Developed parties have committed through the Cancun Agreement to provide adequate and predictable support to countries preparing for REDD+ activities so that they can develop their national strategies and capacities focusing on governance, forest information, drivers, and policy reforms. This will allow REDD+ countries to provide regular, complete and meaningful data demonstrating the effectiveness of their efforts in tackling deforestation. EU contribution to the UNDP Multi Donor Trust Fund (Legal Entity) which feeds the UN-REDD Programme by FAO, UNEP and UNDP in addition to other co-donors: Norway EUR 98 Million approximately, Denmark EUR 5.5 Million approximately, Japan EUR 2 Million approximately, Spain EUR 1 Million approximately.</td>
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<tr>
<td>ES</td>
<td>International</td>
<td>REDD+</td>
<td>EU REDD Facility, 2011-2014, European Forestry Institute, grant, The Programme was launched to assist developing countries prepare and implement national REDD+ strategies, and builds on the convening power and expertise of FAO, UNDP and UNEP. The Programme currently supports REDD+ readiness activities in several countries, spanning Africa, Asia and the Pacific and Latin America.</td>
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2. Delivery of fast-start finance – project examples
Fast-start finance from the EU budget (managed by the European Commission)

- European Commission committed to provide grants of €150 million for fast-start finance in 2010–12:
  - 50% focusing on adaptation in LDCs and SIDs via the Global Climate Change Alliance (GCCA)
  - about 33% for REDD+
  - about 17% for capacity building on MRV, low-emission climate resilient development strategies, carbon market mechanisms and for technology cooperation

- ... in addition EU grants of more than €1 billion for international climate finance already programmed for 2010–12 in the EU budget.
Global Climate Change Alliance (GCCA)

- Since 2008 some €201 million in financial assistance has been committed through the GCCA.
- This includes €74 million in fast start finance committed by Ireland, Estonia, Cyprus and the European Union budget.
- Integration of climate change in poverty reduction efforts, adaptation in water and agriculture, REDD+, CDM and DRR
- Building capacity and identifying and formulating concrete interventions
- Mainstreaming programmes, workshops and NAPA implementation
- Sectoral budget support as preferred modality
Global Climate Change Alliance (GCCA):

- Belize, Guyana, Jamaica, CARIFORUM with CCCCC
- Bangladesh, Bhutan, Cambodia, Laos, Maldives, Nepal, Mekong River
- Mozambique, Mali, Tanzania, Senegal, Rwanda, Ethiopie, Gambia, Benin, Uganda, Sierra Leone, DRC, Seychelles, Mauritius, COMESA, ECOWAS/CILLS, ClimDev Africa

Overview of co-operation actions to date

Mainstreaming workshops
Mainstreaming programmes

Solomon Islands, Vanuatu, Samoa, University of South Pacific, South Pacific Community
Global Climate Change Alliance (GCCA)

Ethiopia

- **Institutional capacity building** under the **national strategy** on 'Climate Resilient Green Economy'
- **Project support** (EU: €8 million fast start funding)

Pacific Small Island States

- **Mainstreaming climate change** into poverty reduction and development
- **Project support** (EU: €10 million fast start funding); main partners: Secretariat of the Pacific Community (SPC), Secretariat of the Pacific Regional Environment Programme (SPREP)
Global Climate Change Alliance (GCCA)

Cambodia

- **Mainstreaming** climate change in poverty reduction and development
- **Sector policy support programme** (EU: €2.2 million, Denmark: €0.37 million, Sweden: €1.45 million, UNDP €2.04 million).

Guyana

- Coastal zone management: **sector strategy on Mangrove Restoration** was key
- **Sectoral budget support** (EU: €3.685 million) and **project support** (EU: €0.48 million)
3. Lessons learnt
Tracking of climate finance

- Climate change finance that complies with ODA criteria is reported to the DAC and therefore, can be easily tracked.
- Separate reporting of fast-start financing led to increased transparency – but also made the reporting system more complex.
- Ideally, all public climate finance should be reported in a single format.
**Tracking of climate finance**

- Tracking and accounting of funding that does not comply with ODA criteria is more complex
- Agreement needed on how to track and report new flows, including private finance
- Avoid very complex MRV processes otherwise the capacity to report will become a major constraint
Lessons from project implementation

• Aid effectiveness principles also apply to climate finance (donor coordination, harmonisation, country ownership, etc.)

• Programme design must be country specific and country owned: realistic timeframe required so that local stakeholders can be involved

• A robust national strategy facilitates quick start-up of climate actions
4. Beyond fast-start finance
Key issues

- What are the lessons from public climate finance provided outside the fast-start finance commitment?
- How can we make use of co-benefits between climate action and development? How to integrate climate action into overall development plans?
- How to make private and public investments (e.g. in the power sector) climate friendly and climate resilient?
- Which policies, investment frameworks and financing instruments do we need for that?
- What innovative sources of finance can be mobilised to support climate action?