



Lessons learnt from fast-start finance

First Workshop on Long-term Climate 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



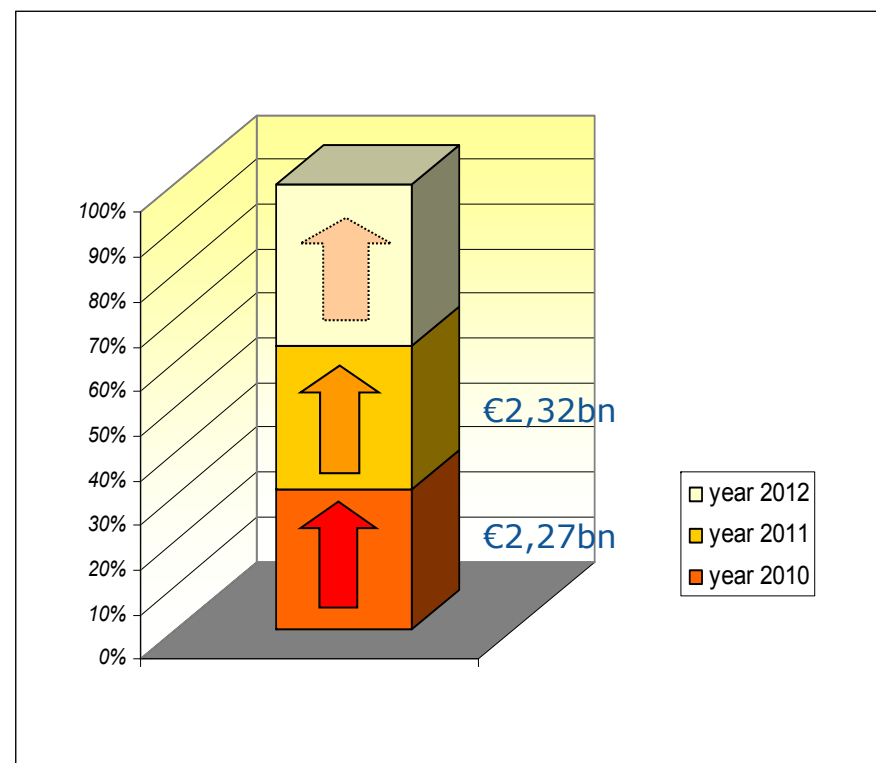
EU fast-start finance commitment

- 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

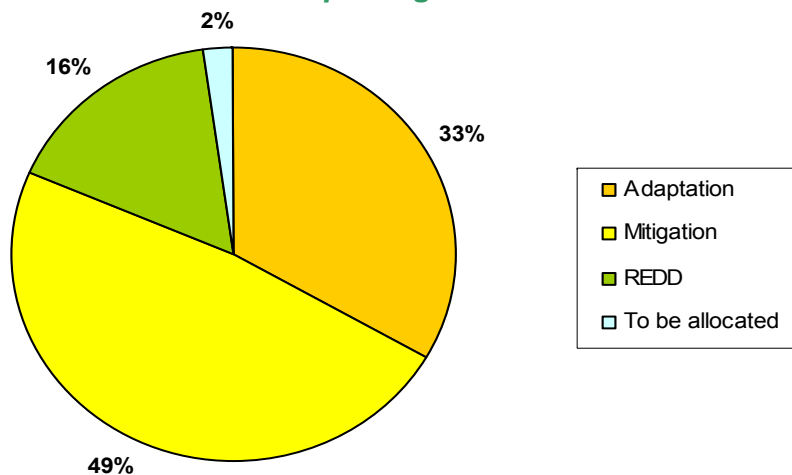
Contributions to date represent about 65% (€4.59 bn) of the total EU pledge of €7.2 bn





European Commission

2010 FSF Reporting in Cancun



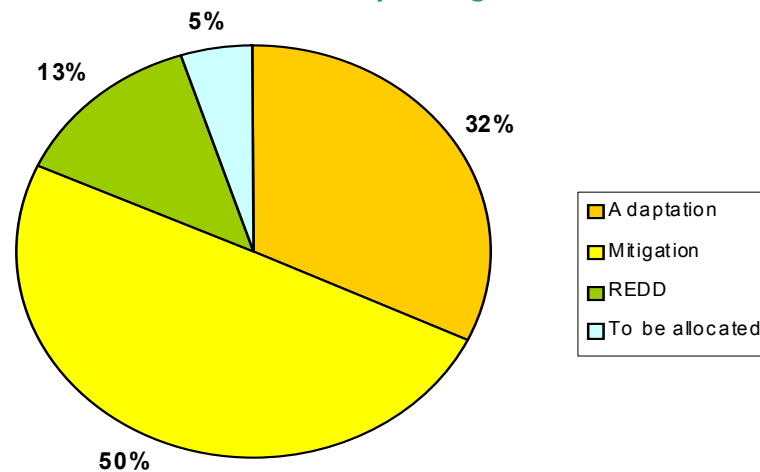
EU fast-start finance in 2010:

Adaptation	€735M
Mitigation	€1060M
REDD	€362M

EU fast-start finance in 2011:

Adaptation	€750M
Mitigation	€1150M
REDD	€310M

2011 FSF Reporting in Bonn





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

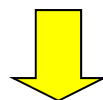


European
Commission
€ amount

Individual actions supported by EU fast start financing

Donor Recipient Thematic area

Project description



Updated data on specific examples of Fast Start Climate Finance actions, to accompany the 2011 EU Fast Start Finance report for the UNFCCC secretariat

Donor	Beneficiary Country / Region	Thematic area	Programme or Project title	Implementation Period	Implementing Agency	Contribution by EU or MS (million€)	Type (grant / loan)	Additional information (short description of the action, co-financing arrangements, etc.)
AT	Argentina	REDD+	Workshop on silvopastoral activities in Argentine Southern Andean forests	2011	N/A	0,01	grant	The aim of this workshop is to strengthen capacity concerning REDD+ in South Andean forests.
AT	Ethiopia	REDD+	REDD+ in North Gondar region	2010-2011	ADA/EPA	0,03	grant	This project supports the development of REDD+ readiness activities in Ethiopia's North Gondar region.
BE	TBD	REDD+	SFM/REDD+	starting December 2010	N.A.	10,00	grants	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.
DE	Africa (Southern African Development Community - SADC)	REDD+	Development of integrated monitoring systems for REDD+ in the SADC Region	09/2011-02/2015	GIZ	3,37	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.
DK	Interregional	REDD+	UN REDD	2010-12	UNDP, FAO, UNEP	4,40	Grant	Supplemental contribution for United Nations collaborative programme on reduced emissions from deforestation and degradation in developing countries (UN REDD)
EC	The Forest Carbon Partnership Facility currently supports 15 countries in Latin America, 14 countries in Africa and 8 countries in Asia Pacific	REDD+	Support to the Forest Carbon Partnership Facility's Readiness Fund (possibly including provisions for support to REDD+ Partnership actions / Paris-Oslo process)	2011-2014	World Bank	4,00	Grants	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 FCPF 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).
EC	Pilot countries in Asia, Africa and Latin America (to be defined)	REDD+	EU REDD Facility	2011-2014	European Forestry Institute	3,00	Grants	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.
EC	Multi	REDD+	UN-REDD programme	2011-2015		10,00	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 GPA 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.
ES	International	REDD+	UN-REDD	2010-	UNDP	1,00	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.

Climate Action



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.



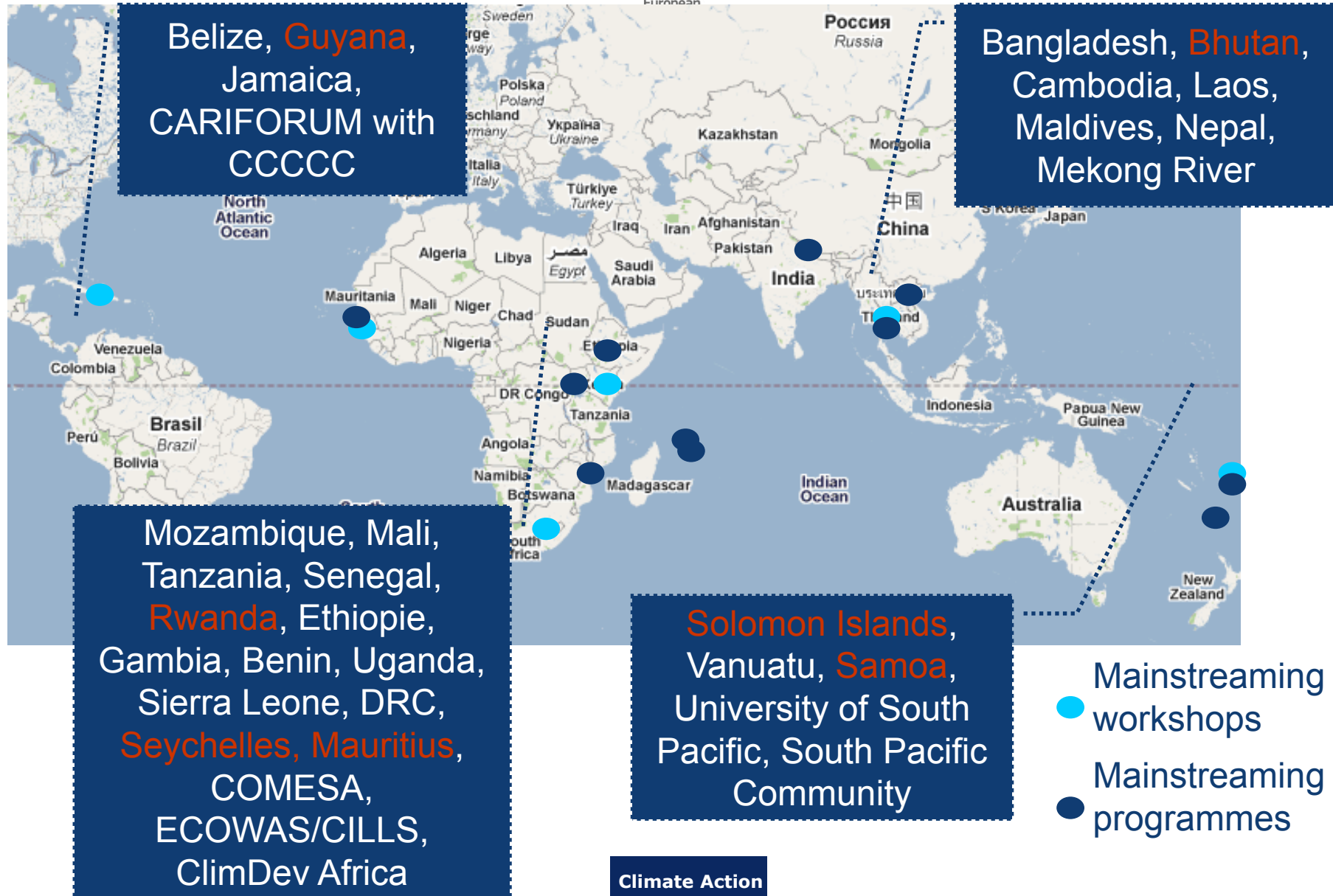
Global Climate Change Alliance (GCCA)

- 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):



Overview of co-operation actions to date





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?