EU Fast Start Financing in 2010

European Union and its Member States
Overview

• The EU’s Report to the UNFCCC on 2010 Fast start financing confirms that EU is on track to meet its target
  – €2.34bn was mobilised in 2010 (USD 3.34bn)
  – Pledges 2010-12 exceed €7.2bn (USD 10.3bn)
  – All MSs contribute
  – EU committed to not undermine its commitments to the MDGs

• Some figures have been revisited as Member States provisional budgets and commitments confirmed
Balance and Synergies

EU Fast Start by Broad Objectives
- Adaptation: 31%
- Mitigation: 41%
- REDD+: 15%
- Multipurpose: 13%

EU Fast Start by delivery channel
- Multilateral: 56%
- Bilateral: 44%
EU support: Target DC’s needs

- Targeting funding to where it is needed most.

- **Adaptation** funding priority on to the most vulnerable and least developed countries.

- Diversity of NAMAs and NAPAs means diversity of support!

- Priority: we expect DCs to articulate needs and engage in dialogue with funders

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**LDCs (MALI, RDC, BENIN…)**

- **Challenge:** tackle unsustainable land-use practices while promoting food security reforestation actions, based on needs identified in 18 LDCs

- ➔ **EU support:** GCCA (Global Climate Change Alliance) funding for REDD+ action

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Also: EU support through CGIAR to identify and test prop-poor mitigation practices (here high tech cocoa production intensification in Ghana)
Robust national MRV systems are critical – they enable DCs:
- To have a clear picture of their situation: BAU, reduction options, costs
- To make informed decisions on most cost-efficient NAMAs
- To mobilise support more rapidly
- To report transparently and be recognised internationally

Developing a national MRV system is a « learning by doing » process
- Should go in parallel with development of national policies
- Progress is possible in all DCs, although starting points differ

EU providing support for MRV – adapted to national situations

EU supports REDD+ related MRV through UN-REDD
GCCA supports Vanuatu and other Pacific region countries to set up their annual GHG emission inventories
Towards lower emissions: EU supports LEDS

- Low-Emission Development Strategies – LEDS enable DCs:
  - To consider their mitigation actions in a **coherent, strategic** manner
  - To decide mitigation actions in the context of **broader sustainable development plans**
  - To **facilitate attracting support**, by clearly expressing the needs identified
  - To provide a robust, credible, longer-term framework for **recognition** of actions

- **A LEDS is not built overnight** and is meant to evolve
  - Developing a LEDS is an **opportunity to strengthen domestic co-ordination and institutions**

- **LEDS/NAMAs/MRV systems are mutually reinforcing**
  - They should be improved in parallel in an integrated way

- **EU provides integrated support for LEDS/NAMAs/MRV**

**Integrated support in Indonesia:**
In line with Indonesia’s national strategy, EU large-scale support to regional mitigation (REDD+) and MRV in Papua

**Full-fledged EU-UNDP programme**
To build LEDS-NAMA-MRV capacity (already 15 DCs, scale-up possible)
Building market readiness

- New market-based mechanisms should be available as a way to **further support DCs’ NAMAs**
  - AGF report: USD 30-50 billion annually through international carbon market

- **Benefits** of new market-based mechanisms:
  - Drive mitigation action in a cost-effective way
  - Appropriate own contribution by DCs:
    - … going beyond pure offsetting
    - … leaving low-cost reduction options for DCs
    - … reflecting CBDR
  - Foster large-scale climate investments in DCs:
    - stimulating emission reductions at a greater scale than project-by-project (broad segments of the economy)

- **A strengthened role for the host country**:
  - Decide to engage in this opportunity!
  - Identify appropriate sectors and reference levels
  - New, no-lose revenues

- **EU supports market readiness**
  - Specific support available for capacity building, learning by doing, exchanging experiences
Access

- Close dialogue and joint working with partner countries in assessing needs and setting priorities are key for the EU.
- EU fast-start finance is deployed with full respect for partner countries’ national ownership and primary responsibility for their own development.
- Clear articulation of needs and soliciting support enables EU to identify partners.
The broader context

- EU is the largest ODA donor accounting for approx. annual 60% total
- Fast Start funding complements significant climate funding already provided by the EU
- The amount allocated to climate change as part of ODA has increased significantly over time
- Global financing for climate change mitigation through bilateral ODA already in 2008 $8.5bn
- Of this total EU provided $5.1bn (60%)

SOURCE: OECD Development Assistance Committee, Sept 2010. Not all donors and EU MSs report through DAC
What’s next?

• Continued commitment to maximum transparency and dialogue with stakeholders
  – E.g. The EU Fast Start Forum in Bonn, updates of online information, provision of information to the www.faststartfinance.org, partner consultations

• Detailed action list to show how, where by whom the available funds are deployed

• Further provisional reporting on 2011 progress by Durban

• Encourage other Annex I to do the same

• Lessons for the longer term, increase comparability and accessibility, MRV of support