EU fast-start funding 2010-2012: lessons learned in mobilising climate finance

UNFCCC side event on fast-start finance
Warsaw, 12 November 2013

Stefan Agne, European Union
EU’s fast start contribution

in bn €

2010: 7.2
2011: 7.34
2012: 7.34
Bilateral and multilateral support

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<thead>
<tr>
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<th>2012</th>
<th>2010-2012</th>
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</thead>
<tbody>
<tr>
<td>Bilateral</td>
<td>65.6%</td>
<td>54.69%</td>
</tr>
<tr>
<td>Multilateral</td>
<td>34.4%</td>
<td>45.17%</td>
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<tr>
<td>Other</td>
<td>0.14%</td>
<td>0.14%</td>
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Grants and loans

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<tr>
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<th>2012</th>
<th>2010-2012</th>
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<tbody>
<tr>
<td>Loans</td>
<td>21.8%</td>
<td>36.98%</td>
</tr>
<tr>
<td>Grants</td>
<td>78.2%</td>
<td>63.02%</td>
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Lessons learned in mobilising climate finance

1. **Country leadership**: climate finance is most effective when deployed in the context of a national climate policy and strategy;

2. **Coordination**: enhanced coordination among contributing countries increases the efficiency of climate finance and actions;

3. **Scaling up**: Financial Institutions and the private sector have the potential to increase the scale and impact of climate finance;

4. **Coherent reporting** of climate actions and climate finance increases the transparency and effectiveness of climate action and financial flows.
Mobilisation of climate finance & climate action after 2012

1. Country leadership
   - Climate finance (incl. fast-start finance) supports **capacity building** in developing countries on
     - low-emission climate resilient development strategies and the identification of nationally appropriate mitigation actions (NAMAs)
     - adaptation (e.g. EU Global Climate Change Alliance)
     - REDD+ (e.g. World Bank FCPF, UN REDD, EU REDD Facility)
   - Increasing number of developing countries formally have adopted **climate policies** and **integrate climate objectives into economic development planning** and into their national budgets
   - EU promotes further **integration of climate objectives into development cooperation actions**
Mobilisation of climate finance & climate action after 2012

2. Coordination
   - **Coordination at the national level**, ideally led by host country
   - Several **Minister-level** meetings took place in 2013 to improve climate finance **coordination among contributors**

3. Financial institutions and the private sector
   - **EU Regional Investment Facilities**: €480 million in public grants leveraged €6 billion of loans from Financial Institutions leading to project financing of more than €14 billion (since 2007) – potential for scaling up
   - **Financial institutions in the EU** (AFD, KfW, EIB) have set themselves operational targets for climate finance as a proportion of their overall investment portfolio (ranging from 50% to 25%, respectively)
   - European Investment Bank (EIB) uses a **carbon price** of about €30/t CO$_2$eq in assessing new projects
   - Dialogue with **private sector** on low-emission climate resilient investment
Mobilisation of climate finance & climate action after 2012

4. **Transparency on climate action and climate finance**

- Reports by developed and developing countries on GHG emissions, climate policies and actions;
- Reports by developed countries on climate finance provided / mobilised;
- Pilot work in a number of developing countries to track climate relevant expenditure in public budgets;
- Work by OECD, think tanks and research institutes on tracking and reporting of private climate finance
Further information on EU climate finance

Fast-start finance by the EU and its Member States:
http://ec.europa.eu/clima/policies/finance/international/faststart/index_en.htm

Provisional update on climate finance by the EU and its Member States in 2013:
http://ec.europa.eu/clima/events/0086/funding_en.pdf

Side events on climate finance by the EU and its Member States:
http://ec.europa.eu/clima/events/0086/calendar_en.htm#schedule

- "Scaling up climate finance: EU initiatives to support climate action in developing countries" (Wednesday, 13/11/2013, EU Pavilion, Room Brussels)
- ... plus a series of side events on actions funded by EU Member States, the EU Commission and European Financial Institutions
Thank you!