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## Conference of the Parties

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Item X of the provisional agenda

### **Submissions on information from developed country Parties on the resources provided to fulfil the commitment referred to in decision 1/CP.16, paragraph 95**

**Note by the secretariat**

#### *Summary*

The Conference of the Parties (COP) at its sixteenth session invited developed country Parties to submit to the secretariat for compilation into an information document, by May 2011, 2012 and 2013, information on the resources provided to fulfil the commitment by developed countries to provide new and additional resources, including forestry and investments, through international institutions, approaching USD 30 billion for the period 2010–2012, with a balanced allocation between adaptation and mitigation, including ways in which developing country Parties access these resources. This document contains the information provided by the developed country Parties by 2012 in response to this invitation by the COP.

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## I. Introduction

### A. Mandate

1. The Conference of the Parties (COP), at its sixteenth session, took note of the collective commitment by developed countries to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010–2012, with a balanced allocation between adaptation and mitigation. The COP also noted that funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries (LDCs), the small island developing States (SIDS) and Africa. This commitment has become known as ‘fast-start finance’.
2. Following on from this, the COP invited developed country Parties, in order to enhance transparency, to submit to the secretariat for compilation into an information document, by May 2011, 2012 and 2013, information on the resources provided to fulfil the commitment referred to above, including ways in which developing country Parties access these resources.
3. The COP, at its seventeenth session, welcomed the fast-start finance provided by developed countries as part of their collective commitment, noted the information provided by developed country Parties on the fast-start finance they have provided and urged them to continue to enhance the transparency of their reporting on the fulfilment of their fast-start finance commitments.
4. The secretariat has received nine such submissions from Australia, Canada, Denmark and the European Commission on behalf of the European Union and its member States,<sup>1</sup> Iceland, Japan,<sup>2</sup> Liechtenstein, New Zealand, Switzerland and United States of America.

### B. Scope of the note

5. This document contains the submissions provided by the developed country Parties named above. These submissions have been imported electronically for ease of dissemination of information, including on the World Wide Web.<sup>3</sup> The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.
6. A general overview of the submissions and information provided by developed country Parties is outlined in chapter I.C below.

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<sup>1</sup> Denmark and the European Commission on behalf of the European Union and its member States provided detailed information on specific examples of the fast-start finance activities of these member States in its submission. This information was provided in the form of a separate annex. In order to reduce paper consumption, this comprehensive annex is provided on the official UNFCCC website only, see <[http://unfccc.int/documentation/submissions\\_from\\_parties/items/5916.php](http://unfccc.int/documentation/submissions_from_parties/items/5916.php)>.

<sup>2</sup> Japan provided detailed information on its fast-start finance activities in the submission. This information was provided in the form of a separate annex. In order to reduce paper consumption, this comprehensive annex is provided on the official UNFCCC website only, see <[http://unfccc.int/documentation/submissions\\_from\\_parties/items/5916.php](http://unfccc.int/documentation/submissions_from_parties/items/5916.php)>.

<sup>3</sup> <[http://unfccc.int/cooperation\\_support/financial\\_mechanism/fast\\_start\\_finance/items/5646.php](http://unfccc.int/cooperation_support/financial_mechanism/fast_start_finance/items/5646.php)>.

## C. Summary

7. The information submitted suggests that the funding reported by developed countries comes from public sources. However, some Parties also included information on public funding used to leverage private sector financing, and on private finance, distinguishing the former clearly from the information provided on public funding in general. Examples reported in this context by some Parties included public funding used to leverage funds for, inter alia, the deployment of clean energy, energy efficiency, and renewable energy projects, as well as for infrastructure projects, and, in one case, for the establishment of a designated fund for the private sector. Some Parties also reported on the potential of public-private partnerships to both mobilize private funds and promote knowledge.

8. Developed country Parties used existing bilateral and multilateral agencies as channels for the delivery of financial support, as well as other international organizations. Parties identified, inter alia, the Global Environment Facility Trust Fund, the Special Climate Change Fund, the Least Developed Countries Fund, the Adaptation Fund, and the Forest Carbon Partnership Facility and the Climate Investment Funds as channels for the delivery of financial support to developing countries.

9. Most developed country Parties indicated in their submissions that the resources provided were new and additional compared with prior climate change financing. Some of these Parties indicated that the reported amounts were additional to official development assistance and existing aid programmes. Furthermore, some Parties reported that the resources provided were used to mobilize additional resources. For example, one Party distinguished explicitly the purchasing of emission reduction certificates from the financing reported under the fast-start finance commitment.

10. Funds, as suggested by submissions from developed country Parties, were provided in the form of grants and concessional lending mainly, and, in some cases, technical assistance and contributions to multilateral funds. Additional instruments that have been reported in relation to the provision of funding include, inter alia, export-import credits, loan guarantees, insurance and reinsurance schemes, and co-financing with national development banks.

11. Most developed country Parties in their submissions provided examples of concrete mitigation and adaptation projects, including specific REDD-plus<sup>4</sup> initiatives, undertaken in various developing countries. Many Parties additionally provided links to websites with further information on the resources available, eligibility criteria and ongoing projects. Furthermore, several Parties indicated that official local or regional representations would be able to provide more information on how to access the resources provided by a specific country. Moreover, most developed country Parties included specific contact details for enquiries regarding more information and/or queries on their submissions.

12. As indicated in all submissions, resources were made available for mitigation and adaptation, including REDD-plus, with many Parties indicating the overall distribution of their funding in these sectors. Moreover, some developed country Parties additionally included general information on other sectors, such as energy, sustainable landscapes and agriculture. Several Parties also included information on designated funding schemes for REDD-plus.

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<sup>4</sup> Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.



13. Prioritization of the most vulnerable developing countries, LDCs, SIDS and Africa in the allocation of funding was reported by most developed countries.

14. In terms of reporting format, each country adopted its own approach and methodology, following in most cases a very similar approach to that of last year. However, in a few cases, Parties increased the level of detail provided in their submissions significantly. Most countries and the regional group used their own currencies in reporting the amount of financial resources mobilized on the basis of their own national or regional fiscal calendars. Furthermore, some developed country Parties reported their total funding up to a certain date, additional to the amount reported in their 2011 submission, while others reported their total funding for the entire period of 2010–2012. Additionally, several developed country Parties provided in their submission a rationale for the specific share of their provision of new and additional resources with regards to the entire commitment period in the context of other developed countries.

15. A few developed country Parties addressed the issue of the provision of funding beyond 2012, noting the importance of, and underlining the commitment to, ongoing efforts and support after the end of this specific commitment period. In this context, one submission indicated clearly the consideration of experiences gained during the 2010–2012 period as highly relevant.

## II. Submissions from developed country Parties

### A. Australia

#### Australia's 2012 Update Report on fast-start finance

**Australia's A\$599 (US\$603) million climate finance investment package is new and additional, on track and delivering results. At 30 June 2012, Australia had allocated A\$563 million (94 per cent) of its fast-start finance to adaptation and mitigation initiatives that will deliver real outcomes in developing nations. Some A\$380 million (63 per cent) has already been disbursed.**

Australia's fast-start finance is fully grant-based, and is balanced between adaptation (52 per cent) and mitigation (48 per cent). It is new and additional, being drawn from a growing aid budget, and is not displacing funding from existing Australian aid programs.

Acknowledging the importance of adaptation to countries particularly vulnerable to the effects of climate change, Australia has committed A\$309 million of its fast-start finance to adaptation activities. Around one third of Australia's total finance will go to small island developing states, and around one quarter will go to least developed countries.

With Australia's help, significant initiatives are also underway to assist developing countries implement policies to reduce their emissions and prepare for a low carbon future. This includes financial support for the development of low carbon growth plans, renewable energy and energy efficiency projects, and building capacity to participate in carbon markets.

#### Australia's fast-start finance reporting

Australia believes in transparency and is strongly committed to reporting regularly and openly on its fast-start finance. We provide a progress report at each

UNFCCC Conference of the Parties in November, and an updated report at the end of our financial year.

This report focuses on the geographical spread of our projects, using case studies from four key regions. It also contains updated financial tables which outline how and where Australia's fast-start finance is being delivered.

#### Fast-Start Highlights

Disbursed as at 30 June 2012:

- **A\$148.5 million** through Australia's International Climate Change Adaptation Initiative (ICCAI)
- **A\$24 million** to the Least Developed Countries Fund to support capacity building for adaptation
- **A\$10 million** to the World Bank's Partnership for Market Readiness to support emerging carbon markets in developing countries
- **A\$9.1 million** to increase energy access from renewable energy for low income countries through the Climate Investment Funds.

For more information see [www.faststartfinance.org](http://www.faststartfinance.org)

#### Snapshot of Australia's fast-start package

High level snapshot	A\$ (millions)	US\$ (millions)*
Adaptation	309 (52%)	311
Mitigation	290 (48%)	292

\* Rounded calculation as of June 2012 with a rate of A\$1 = US\$1.00650.

Note: Australia's financial year runs from 1 July to 30 June.

Source: AusAID

High level snapshot	A\$ (millions)	US\$ (millions)*
Allocated (as at 30 June 2012)	563 (94%)	567
Disbursed (as at 30 June 2011)	201.3 (first third)	203
Disbursed (as at 30 June 2012)	381.4 (second third)	384
Projected disbursement as at 30 June 2013	599 (final third)	603
<b>Total package (fully budgeted)</b>	<b>599</b>	<b>603</b>

### **Australia's approach to fast-start finance: Adaptation**

In adaptation, Australia continues to support and undertake cutting edge work. Domestically, Australia has a significant work program focused on ensuring that adaptation actions are effective and evidence-based.

Through this program, Australia has built knowledge and experience in delivering adaptation actions in the areas of coastal management, agriculture, water and infrastructure. This knowledge base is being used to aid the design of our international adaptation program.

Through its fast-start finance investments, Australia is working with partner countries to promote effective, evidence-based adaptation strategies in developing countries. Under the International Climate Change Adaptation Initiative (ICCAI), Australia is working with countries to implement holistic adaptation responses to identify climate risks and build local and national capacity to help address these risks. This includes programs such as the Pacific–Australia Climate Change Science and Adaptation Planning Program.

By integrating a deeper understanding of local and regional impacts of climate change into adaptation planning, these programs enable informed prioritisation of adaptation actions.

To further understand these priority areas, Australia has also funded work assessing and identifying adaptation options for the impacts of climate change on food and water security, infrastructure, health, coastal management, and ecosystems. Australia is assisting a broad range of vulnerable developing countries

implement such options – from Kiribati in the Pacific, to Saint Vincent and the Grenadines in the Caribbean.

Local and national governments and communities are partners in the delivery of these projects, ensuring that Australia's international adaptation program is building in-country capacity. In addition to biophysical characteristics, the projects take account of social, economic and cultural factors, enhancing effectiveness and sustainability.

Australia's international fast-start adaptation program is focused on our near neighbours in Asia and the Pacific, many of whom are particularly vulnerable to climate change.

This focus allows Australia to develop and support a range of effective tools which increase the resilience of communities across this region as they adapt to the unavoidable impacts of climate change. Australia is also making targeted investments in South Asia, Africa and the Caribbean. These bilateral and regional contributions are complemented by our global work, assisting partners in formulating strategies to improve the quality of adaptation planning for communities most vulnerable to climate change.'

### **Australia's approach to fast-start finance: Mitigation**

Australia is working with a range of partners to build foundations for increasingly ambitious global mitigation action. It is using fast-start finance to assist developing countries achieve strong mitigation outcomes in the context of sustainable economic development. By promoting the establishment of carbon markets, low-emissions growth, and supporting clean technology, Australia is laying the foundation to achieve low-emissions sustainable development.

Australia recognises that key to achieving a low-emissions future is creating pathways for developing countries to harness financial and technological opportunities. Understanding that each country's pathway will be different, Australia has used its fast-start finance to support a wide range of initiatives, including the United Nations Development Program's Low Emissions Capacity Building Program. Australia is also promoting green growth research and planning initiatives such as the Global Green Growth Institute.

Australia also supports efforts to reduce emissions from deforestation and forest degradation in developing countries (REDD+). We are working bilaterally with countries, such as Indonesia, and through key multilateral mechanisms, such as the World Bank's Forest Investment Program (FIP) to

achieve both mitigation outcomes and alternative livelihood options for communities.

These actions are part of the solution to engender increasingly ambitious mitigation action at a global level.

Elevating mitigation ambition at the rate required, however, will not be achievable through public sector effort alone. It will need to be complemented by sustained private sector engagement and the use of carbon markets. That is why Australia is investing in initiatives such as the World Bank Partnership for Market Readiness, which supports the development and piloting of carbon markets in developing countries — allowing each country to undertake mitigation action at least cost.

**Australia's fast-start finance investments are supporting mitigation and adaptation activities across a wide range of developing countries. Four regional case studies, providing examples of the way Australia's fast-start finance investments are being implemented, are set out below.**

**Region One: The Pacific  
Community-based Adaptation in Papua New  
Guinea (Manus and New Ireland)  
(A\$3.5 million fast-start funding)**

Australia is working closely with the Papua New Guinea Government and with non-government organisations to implement community-based climate change adaptation projects in Manus and New Ireland. These projects are being delivered in partnership with two key organisations: the Wildlife Conservation Society and The Nature Conservancy.

Communities in Manus and New Ireland are experiencing a number of shared challenges, including water and food security, and health issues. These issues are arising from a lack of fresh water and crop failure due to increased coastal inundation. Projects have been developed in partnership with these communities, integrating local participation in the planning processes.

Key activities include training and capacity building within communities to undertake the following practical actions:

- construction of dry stone walls to reduce coastal erosion and to protect local land from rising sea levels
- coral farming, using the propagation of coral for lime production to reduce pressures on natural coral reefs

- production of drought resistant crop gardens, including technical training for crop multiplication, crop husbandry and crop and disease management
- establishment of no-take or "tambu" marine areas to protect fish stocks
- propagation of mangroves to reduce coastal erosion.

These programs empower communities to build their own capacity and skills to identify, trouble-shoot and act on the range of challenges that climate change presents.

**Region Two: Asia  
Fast-start scale-up of successful pilot project in the  
Mekong Delta  
(A\$9.6 million fast-start funding)**

Australia has used its fast-start finance to expand successful small scale programs, like that in Kien Giang province, Vietnam. Kien Giang is situated in the Mekong Delta and is one of Vietnam's most vulnerable provinces to the effects of climate change.

The province has over 200 kilometres of coastline, 85 per cent of which is less than one metre above sea level. Sea levels have already risen 20 centimetres in Vietnam, and are predicted to rise by one metre by the end of the century.

Up to 29 metres of Kien Giang's mangroves and coastline recedes each year due to erosion, sea level rise and deforestation. Without mangroves and coastal

forests as natural buffers, people's livelihoods, including their crops, suffer from salt intrusion, storm surges and flooding.

Since 2008, Australia has partnered with the German and Vietnamese governments to work with communities in Kien Giang to adapt to climate change and improve the management of coastal environments. This has included applying new technologies, such as innovative fences to prevent erosion; rehabilitating coastal forests; promoting new mangrove planting techniques; and improving dyke management. It has also included significant community consultation and engagement with the project management board, including civil society, business, government and the community.

The new coastal restoration techniques are now being scaled-up with funding from the Government of Vietnam. The result has been a reversal of erosion, a build-up of silt, and increased growth and survival rates of mangroves.

Based on the success of the Kien Giang pilot project, Australia is investing fast-start finance to support an expanded partnership between Australia and Germany across five provinces in the Mekong Delta. The five year Climate Change and Coastal Ecosystems Program will bring German-funded projects in Bac Lieu and Soc Trang together with the pilot in Kien Giang, and projects in the provinces of An Giang and Ca Mau. This will be supported by a national component that will promote the sharing of lessons and experience across provinces to inform a national response to climate change.

Under the program, communities develop their own course of action to deal with a changing climate and to protect their coastal ecosystems. The program is being implemented under a dedicated arrangement between Australia and Germany and will finish in 2016.

### **Region Three: Africa**

#### **Green Building**

#### **Council of South Africa—Cato Manor (A\$125,000 fast-start funding)**

Australia is using its fast-start finance to work with the Green Building Council of South Africa to support the second phase of a 'green upgrade' of low-income homes as part of the Cato Manor Green Street demonstration site in Durban.

As South Africa progresses to its goal of building 3 million low-cost homes by 2025, the Cato Manor Project aims to demonstrate a set of affordable and proven energy efficiency measures and other greening elements in low-income homes.

These green interventions are directed at improving the living conditions of occupants, such as keeping homes warm in winter and cool in summer, regulating daily temperature fluctuations, and minimising indoor air pollution from harmful fuels traditionally used for heat and cooking. Each home in the area (approximately 26 homes) will be retrofitted with:

- a solar water heater
- energy efficient lighting
- a heat-insulation cooker
- roof insulation to regulate temperatures
- rainwater harvesting systems
- the planting of indigenous trees for shade and fruit

As well as reduced greenhouse gas emissions and environmental impacts, the Cato Manor Project will achieve savings in energy consumption, reduce illness and safety risks, and provide training and job opportunities within the local community. The retrofit work will be implemented by local teams ensuring that the skills and knowledge acquired through the project are retained by the local community.

The Cato Manor Project will build knowledge and understanding of low-emission interventions in low-cost housing programs which will be valuable to governments and organisations seeking to establish similar projects in developing countries.

### **Region Four: Caribbean**

#### **Bequia Sustainable Water Supply**

#### **(Project overall A\$1.1 million, fast-start component A\$110,000)**

Australia is using fast-start funding to support climate change action in the Caribbean. Islands in the Caribbean have traditionally been vulnerable to water shortages, and this situation is becoming increasingly acute due to climate change impacts.

Regional climate modelling suggests rainfall will decrease by more than 11 per cent, particularly in the eastern Caribbean. Higher temperatures, reduced rainfall and sea level rise will put increasing pressure on the limited fresh-water stocks on islands like Bequia, in Saint Vincent and the Grenadines.

Australia, working with a range of partners including the World Bank, the Global Environment Facility, the governments of Greece, Saint Vincent and the Grenadines and the Caribbean Community Climate Change Centre, has implemented a pilot project in Bequia to demonstrate a new way to improve water supply.

Access to fresh water is an ongoing issue for Bequia, and many other Caribbean islands, due to calciferous soil (which quickly absorbs water) and a lack of surface water.

These issues are significant challenges both for the local communities and for the local tourism industry. While Bequia had basic rain-water harvesting systems prior to the pilot project, these systems were only effective during the rainy season and residents had to ship in water from neighbouring islands during the dry season. The partners for the project selected salt-water desalination as the only viable long term solution to Bequia's water problems.

The pilot has involved installing a salt-water reverse osmosis system, which utilises renewable photo-voltaic (solar) energy. With the systems now in action, this

project has delivered potable water that exceeds previous water standards, both in cost and water quality. The renewable solar energy that powers the system feeds excess power it produces into the national utility, ensuring the system's sustainability.

Currently run by the public sector, there are plans to develop partnerships with the private sector in the long term.

Australian fast-start finance has supported pilots like the Bequia water project, focusing on the potential to learn, replicate and scale-up as appropriate. This example shows the connection between low emissions technologies and the implementation of adaptation outcomes. In this case, the project is making communities more resilient to climate change driven water shortages in sustainable ways.

**Table One: General funding breakdown by program**

Funding Breakdown		Committed A\$ (millions)	Disbursed by 30 June 2012	Counted As
International Climate Change Adaptation Initiative (ICCAI) (examples of funding earmarked to regions)	<b>Total</b>	248.2	148.5	Adaptation
	Pacific	134	88.2	
	South East Asia	47	15.8	
	South Asia	23	12.2	
	Caribbean*	6.5	5.2	
	Africa	25	10	
International Forest Carbon Initiative		145.9	101.2	Mitigation
Climate Change Partnerships		15	2.7	Mitigation
Multilateral		101.2	42.9	40% Adaptation 60% Mitigation
Other*		88.7	86.1	Mixed
<b>Total</b>		<b>599</b>	<b>381.4</b>	

\* includes range of additional funding to multilaterals (see table below) and other funding. For example, A\$10 million additional bilateral adaptation funding for the Caribbean (to make complete fast-start funding A\$16.5 million to the region).  
Source: AusAID

**Table Two: Multilateral funding breakdown by activity\***

Multilateral Climate Change Funding(AS\$ million)	Committed (AS\$ million)	Disbursed by 30 June 2012
<b>MITIGATION (MULTILATERAL)</b>		
World Bank's Partnership for Market Readiness	10	10
Scaling-Up Renewable Energy Program	10	9.1
Global Green Growth Institute	10	5
Pacific Appliance Labelling Standards Program (PALS)	3	1
Community Level Climate Change fund for countries in the Mekong sub-region (mitigation)	5	2.5
UNDP Low Emissions Capacity Building Program	5	1
Lites.asia (energy efficiency)	0.5	0.5
UNFCCC MRV program	1	1
Green Climate Fund administrative contribution (mitigation)	0.25	0.25

**Table Two: Multilateral Funding Breakdown by Activity\* (continued)**

Multilateral Climate Change Funding	Committed (AS\$ million)	Disbursed by 30 June 2012 (AS\$ million)
<b>ADAPTATION (MULTILATERAL)</b>		
Support for the secretariat functions of the Alliance of Small Island States (AOSIS)	1.5	1.5
Adaptation Fund	15	0

\* This multilateral table is made up of spending under both the 'multilateral' 'ICCAI', 'IFCI' and 'other' headings as identified in Table One.

Source: AusAID

Multilateral Climate Change Funding	Committed (A\$ million)	Disbursed by 30 June 2012 (A\$ million)
Least Developed Countries Fund	24	24
Community Level Climate Change fund for countries in the Mekong sub-region (adaptation)	5	2.5
UNFCCC workshops for the Adaptation Fund	0.2	0.2
Green Climate Fund administrative contribution (adaptation)	0.25	0.25
<b>OTHER MULTILATERAL (MIXED)</b>		
Pilot Program for Climate Resilience (ICCAI)	2.4	2.4
Forest Investment Program (IFCI)	25.5	25.5
Clean Technology Fund (other)	25	25
Global Environment Facility (other)	37.8	37.8



## B. Canada

### CANADA'S FAST-START FINANCING: PROGRESS REPORT

#### Supporting Global Action on Climate Change

As a constructive and active Party to the United Nations Framework Convention on Climate Change (UNFCCC), Canada has significantly scaled up its climate change related support to accelerate global progress and effective action by all countries with an overall commitment of \$1.2 billion in fast-start financing support for developing countries. Canada continues to deliver on this commitment under the Copenhagen Accord, providing its fair share of new and additional fast-start financing to support climate change actions in developing countries. This report provides details on programs announced and funding delivered during Canada's 2011/12 fiscal year, the second year of fast-start delivery, as well as a progress update on key initiatives undertaken in 2010/11, Canada's first year of fast-start financing.

#### **CANADA'S FY2011/12 FAST-START FINANCING HIGHLIGHTS**

Since our last report, a number of key initiatives have been identified:

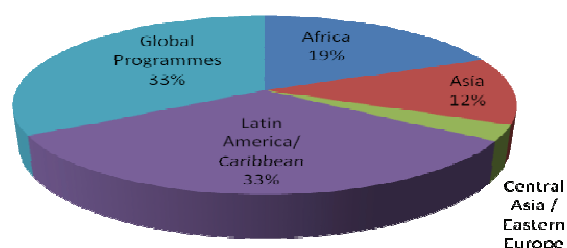
- \$250 million to mobilize scaled up private sector climate change investment in Latin America and the Caribbean, through the establishment of the Canadian Climate Fund for the Private Sector at the Inter-American Development Bank;
- \$200 million to support clean technology deployment in developing countries through the Clean Technology Fund, a component of the Climate Investment Funds;
- \$27.5 million to support adaptation research for policy makers in Africa, the Americas and Asia, through Canada's International Development Research Centre;
- \$27 million to support sustainable forest management, notably through a major contribution to address deforestation in the Congo Basin, as well as further support for the Forest Carbon Partnership Facility;
- Nearly \$20 million to help smallholder farmers adapt to a changing climate, through the International Fund for Agricultural Development; and,
- \$10 million to support the mitigation of short lived climate pollutants, including a \$3 million commitment to support the new Climate and Clean Air Coalition to Reduce Short-Lived Climate and \$1.8 million to support the Global Alliance for Clean Cookstoves.

#### Meeting Our Commitment

Canada will provide its fair share of fast-start financing, namely \$1.2 billion in new and additional climate change financing during the fast-start financing period. Of this amount, over \$1 billion has already been committed to programs that will support developing countries efforts to address and adapt to climate change. So far, \$400 million was disbursed to delivery partners in year one of the fast-start period, and over \$394 million in year two. Canada will continue to work with its international partners to disburse the remaining funds during the final year of fast-start financing.

Canada's fast-start financing is new and additional to other climate change financing committed prior to Canada's association with the Copenhagen Accord.

**Figure 1: Approximate Geographical Distribution of 2010/11 and 2011/12 Fast-Start Financing**



The geographic distribution of Canadian fast-start financing delivered to date has been estimated (See figure 1). It is estimated that 19% will flow to Africa, 33% to Latin America and the Caribbean, 12% to Asia and 3% to developing countries in Central Asia and Eastern Europe. 33% has been allocated to global programs for which it is not possible to estimate a geographic distribution at this time.

Canada's support primarily focuses on three broad areas: adaptation by the poorest and most vulnerable countries; clean energy; and, forests and agriculture. Canada also supports activities to help developing countries strengthen their capacity to implement their obligations under the UNFCCC and works with partner countries to develop and implement Nationally Appropriate Mitigation Actions (NAMAs).

A portion of Canadian support was delivered as concessional financing through multilateral institutions that have the reach and capability to achieve our objectives, in particular ensuring the impact and sustainability of supported projects through the mobilization of private sector investment and innovation.

### **Key New Initiatives**

A number of initiatives and programs were developed and funded since the May 2011 report; a few are highlighted below. Table 1 at the end of this report provides a summary of all fast-start financing to date.

### ***Climate Change Adaptation Research***

Canada recognizes the importance of helping to build capacity in the poorest and most vulnerable countries to adapt to the adverse effects of climate change. In this regard, strengthening local knowledge and research capacity is a good way to help build appropriate solutions to specific local, national, or regional challenges. To this end, Canada's International Development Research Center (IDRC) used Canadian fast-start financing to strengthen research on climate change impacts through direct financial and technical support to research institutions in developing countries. Through this programming, IDRC is partnering with more than 20 institutions across the world.

In year one, Canada contributed \$10 million to IDRC for the African Adaptation Research Centres (AARC) initiative to support seven centres of excellence across Africa to conduct research and build organizational strength on climate change adaptation. Building upon this, Canada provided an additional \$20 million in year two to IDRC for the Research Initiative on Water Resources and Climate Change Adaptation which will help build national capacity to produce scientific advice and expert assessments to guide adaptation investments and policy decisions in Latin America, the Caribbean and Asia. This funding will be delivered to institutions in those regions based on a call for proposals.

### **CLIMATE CHANGE ADAPTATION IN HAITI**

Canada provided \$4.5 million in fast-start financing to Haiti in 2010/11 to help communities more effectively respond to the negative impacts of climate change, and to reduce vulnerability to natural disasters through the rehabilitation and the protection of watersheds, the promotion of sustainable management of agriculture and forestry resources, and the promotion of water conservation. The three projects in which the funds were invested in have been very successful and have contributed to the following results:

- the implementation of environmental management plans, including: the planting of 500,000 trees, the installation of 2912 cubic meters of gabion cages, the rehabilitation of 253km of shorelines and the planting of cuttings of wild herbs along 1237 km of river embankments to help slopes better withstand flood waters and prevent flooding;
- an increase in soil productivity, conservation and recovery against erosion and the reduction of risks related with natural disasters, such as floods and landslides; planting activities have contributed to increase the income of local producers and to diminish food insecurity;
- the construction of 14,650 meters of irrigation corridors to increase the amount of irrigated perimeters and agricultural production; and,
- increased awareness in communities of the potential impacts of climate change and the benefits of reforestation activities undertaken in their area.

### ***Canadian Climate Fund for the Private Sector in the Americas***

Working with our partners in the Americas is a key way Canada will support effective climate change actions that will significantly reduce greenhouse gas emissions and build resilience to climate impacts.

Canada recently announced a contribution of \$250 million to establish the Canadian Climate Fund for the Private Sector in the Americas at the Inter-American Development Bank (IDB), with \$200 million delivered in year two and \$50

million to be delivered in year three of the fast start period. Canadian support will help mobilize scaled-up investment to private sector climate change projects in Latin America and the Caribbean that require financing with concessionary terms to be viable.

An innovative feature of the Fund is that it will offer up to US\$125 million of concessional financing in the currency of the local country. This will encourage the investment of local companies by protecting them from unexpected borrowing costs that might result from fluctuations in the value of the U.S. dollar relative to the local currency.

Although focusing primarily on clean and renewable energy, Canada's investments will also provide opportunities to support private sector projects in sustainable forest management, agriculture and adaptation. It is anticipated that Canada's contribution to the Fund will lever up to US\$5 billion in private sector investment, providing increased energy security, while leading to the reduction of up to 50 million tonnes of greenhouse gas emissions over the Fund's 25-year life. The IDB, the Inter-American Investment Corporation and/or the Multilateral Investment Fund will co-finance Fund projects.

#### **THE CANADA CLIMATE CHANGE FUND AT THE INTERNATIONAL FINANCE CORPORATION (IFC)**

As part of Canada's commitment to support mitigation efforts, Canada provided \$292 million to IFC to support a broad portfolio of clean energy projects in developing countries. IFC uses this Fund for investments and advisory services to address private clean energy investment barriers, and serves a catalytic role to enable clean energy initiatives to move forward.

As of March 31, 2012, 62 projects were reviewed by the IFC, with 9 projects approved\* (6 concessional financing and 3 grants for advisory services), representing a total of US\$56 million in project funding from the Canadian fund. This is expected to lever US\$275 million from IFC's core funding, US\$210 million from other multilateral development banks and \$117 million from private sector investors in developing countries. The 6 projects approved for Canadian concessional financing are expected to lead to a reduction or avoidance of greenhouse gas emissions equivalent to 550,000 metric tons of CO<sub>2</sub> per year. A further 30 projects are under development for potential consideration for support from the Canadian fund." An example of the initiatives led by the Fund is a project to support the Government of Lesotho in conducting an 18-month feasibility study for the development of two potential wind power projects through public-private partnerships. The project is expected to deliver the following results:

- provide technical assistance to assess the topography, transport, logistics and grid access of two identified sites;
- present findings to the Government along with recommendations for project implementation;
- install wind-measurement equipment in both sites to assess their generation potential and their potential to attract private sector investment; and,
- avoid GHG emissions of 29,153 metric tons/year.

\* Three of these projects are awaiting approval from the IFC Board of Directors for the portion of project funding coming directly from IFC's core funding.

#### ***Sustainable Forest Management in the Congo Basin***

The Congo Basin in Central Africa is home to one-quarter of the world's tropical forests. This vast area is critical for regional and global ecological services as it acts as a carbon sink and catchment basin. The Congo Basin countries are the home to nearly 100 million people, of which some of the world's poorest people, many of whom depend on the forest for their livelihoods. As such, sustainable management of the Congo Basin is key to improving living conditions while minimizing the impact on the local and global environment.

Canada committed \$20 million to the African Development Bank as the Administrator of the Congo Basin Forest Fund (CBFF) to help local communities in forest zones secure sustainable livelihoods and reduce greenhouse gas emissions, therefore alleviating poverty while maximizing carbon storage. As the current facilitator of the Congo Basin Forest Partnership (CBFP) (2010-2012), Canada is also providing \$2 million to the CBFP over years two and three of the fast

start period to support technical assistance to working groups on climate change, forestry governance, biodiversity, and desertification in the Congo basin region.

#### **THE FOREST CARBON PARTNERSHIP FACILITY'S READINESS FUND**

The Forest Carbon Partnership Facility (FCPF) is a World Bank-managed facility created in 2008 to assist developing countries in their efforts to reduce greenhouse gas emissions from deforestation and forest degradation plus improve conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+).

Canada is currently the largest contributor to the FCPF Readiness Fund, with a total fast-start financing commitment of \$40 million. Canada's contribution to the Readiness Fund supports REDD+ country participants to build national capacity to address the problem of deforestation and forest degradation by providing technical and financial assistance to countries in the development of their Readiness Plan Idea Notes (R-PINs) and their subsequent Readiness Preparation Plans (R-PPs).

Canada's investment to the FCPF Readiness Fund is on track, as the facility is providing technical and financial assistance to 35 out of 37 REDD+ country participants. Since 2008, 35 REDD+ country participants have signed Participation Agreements with the FCPF and prepared an R-PIN. The FCPF Participants' Committee, in which Canada participates, has reviewed and approved a total of 23 R-PPs, five of which are at the grant agreement stage, the value of which is between \$3.4-3.6 million.

#### ***Mitigation Actions to Address Short-Lived Climate Pollutants***

Reducing emissions of short-lived climate pollutants is part of Canada's overall international climate change strategy and provides an opportunity to make near-term progress on climate change while providing air quality and health benefits. As a founding member of the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC), Canada is committed to delivering support to ensure its actions can lead to real results for developing countries and for the global environment.

Under its fast-start financing, Canada recently pledged \$3 million to support the new CCAC in working towards delivering global solutions to mitigate short-lived climate pollutants (SLCPs) as well as \$7 million to bilateral projects that support this objective. This funding will flow this year and next and will support projects designed to tackle emissions from short-lived climate pollutants through:

- the development and implementation of Nationally Appropriate Mitigation Actions (NAMA) in Mexico, Chile, and Colombia, in key sectors such as waste and oil and gas production, addressing notably emissions of methane, a key SLCP;
- supporting the deployment of clean cook stoves in Colombia, Mexico, Peru and Ghana, through the Global Alliance for Clean Cookstoves (GACC).

## Summary Table

TABLE 1: CANADA'S FAST-START FINANCING TO DATE <sup>1</sup>						
	Project Description	Delivery partner	2010/11	2011/12	2012/13	Comments
			Millions of Canadian Dollars			
Concessional financing						
Clean Energy	Global: concessional financing to support private sector clean energy projects	International Finance Corporation: Canada Climate Change Fund	285.72			
	Latin America and the Caribbean: support private sector climate change projects	Inter-American Development Bank: Canadian Climate Fund for the Private Sector in the Americas	200.00		50.00	
Multi-Sector	Global: support the demonstration, deployment and transfer of low carbon technologies	Climate Investment Funds: Clean Technology Fund		100.00	100.00	
Grant financing						
Clean Energy	Global: support for advisory services to address private clean energy investment barriers	International Finance Corporation: Canada Climate Change Fund	5.83			
	Brazil, Chile, Colombia, Mexico and Peru: support for the development and implementation of Nationally Appropriate Mitigation Actions (NAMAs)	Housing: Energy Efficiency Exporters Alliance Oil & gas: Petroleum Technology Alliance Canada Landfill gas: Center for Clean Air Policy		2.05	7.40	
	Colombia, Ghana, Mexico, and Peru: support for the deployment of clean cook stoves	Global Alliance for Clean Cookstoves		0.60	1.20	Part of a \$1.9 million contribution, including \$1.8 million from fast-start financing to be delivered over years 2 and 3, and \$100,000 from other grant resources delivered in year 2.

<sup>1</sup> Reported on the basis of fiscal commitments to delivery partners. For some of the initiatives, reported figures may differ from those in Canada's Statistical Report on Financial Assistance

TABLE 1: CANADA'S FAST-START FINANCING TO DATE<sup>1</sup>

	Project Description	Delivery partner	Millions of Canadian Dollars			Comments
			2010/11	2011/12	2012/13	
Adaptation	LDCs: support for projects in response to urgent adaptation needs	<i>Least Developed Country Fund</i>	20.00			
	<b>Ethiopia:</b> improve food security and resilience to climate change in local communities	<i>World Food Program: Managing Environmental Resources to Enable Transitions</i>	7.00			Combined with \$8 million from other international assistance resources, for a \$15 million total contribution to the World Food Program.
	<b>Haiti:</b> improve local response to climate change impacts, and reduce vulnerability to natural disasters	<i>Oxfam Québec, UNDP, Centre for International Studies and Cooperation</i>	4.50			
	<b>Africa, Latin America and the Caribbean, and Asia:</b> support climate change adaptation research centres	<i>International Development Research Centre</i>	10.00	20.00		
	<b>Global:</b> Increase climate resilience among small scale agricultural producers	<i>International Fund for Agricultural Development (IFAD): Adaptation for Smallholder Agriculture Program</i>		19.85		
	<b>Africa:</b> reduce population health vulnerability and increase resilience	<i>International Development Research Centre and World Health Organization</i>		7.50		
Forests and Agriculture	<b>Honduras:</b> building capacity to assess infrastructure vulnerability	<i>Engineers Canada</i>		0.15	0.60	
	<b>Global:</b> address deforestation and forest degradation in developing countries	<i>Forest carbon Partnership Facility: Readiness Fund</i>	40.00			
		<i>Forest Carbon Partnership Facility: Carbon Fund</i>		5.00		
	<b>Congo Basin:</b> implement sustainable forest management projects and promote conservation and sustainable management	<i>Congo Basin Forest Fund</i>		20.00		
		<i>Congo Basin Forest Partnership (CBFP)</i>		0.14	1.86	Canada has committed \$2 million over 2 years to the CBFP.

TABLE 1: CANADA'S FAST-START FINANCING TO DATE<sup>1</sup>

Project Description		Delivery partner	2010/11	2011/12	2012/13	Comments
			Millions of Canadian Dollars			
Multi-Sector	Global: build capacity and demonstrate projects to effectively sequester/conservate carbon in forest and agro-ecosystems	World Bank BioCarbon Plus Fund	4.50			
	Vietnam: support the implementation of the National Target Program on climate change	Government of Vietnam	3.00			Combined with \$1.45 million from other international assistance resources, for a \$4.45 million total contribution to the Government of Vietnam.
	Global: support to UNFCCC Activities	UNFCCC Trust Fund for Participation UNFCCC Supplementary Fund	1.00	0.65	1.00	
	Global: incremental portion of Canada's annual contribution to the GEF	Global Environment Facility	18.45	18.45	18.45	\$18.5 million in each of the three years of fast-start financing will be used for the incremental portion of annual payments for Canada's contribution to the Fifth Replenishment of the GEF (2010/14), which is a total of \$238 M, representing a more than 50% increase over the Fourth Replenishment.
	TOTAL		400.00	394.39	180.25	Total presented for 2012/13 does not represent the total amount to be delivered in fast-start financing. It only reflects planned disbursements to the listed projects as of May 2012.



## C. Denmark and the European Commission on behalf of the European Union and its member States

### SUBMISSION BY DENMARK AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES<sup>i</sup>

Bonn, 25 May 2012

**Subject: EU Fast Start Finance Report**

#### Key Messages

- In accordance with developed countries' commitments under the Copenhagen Accord, the EU and its Member States have mobilised in total €4.59 billion (USD 6.39 billion) of fast start finance in 2010 and 2011 as part of its overall commitment to provide **€7.2 billion** cumulatively over the period 2010 – 2012. The funds committed in 2011 to date are € 2.33 billion. These are preliminary figures as the accounting year for many Member States has not been concluded yet. Considering the economic and fiscal challenges we are faced with, this demonstrates our strong commitment to deliver on the Cancun agreement and to the G20 commitment to fight climate change.
- The swift and effective implementation of EU fast start finance is enabling developing countries:
  - to better protect themselves against severe weather events and other adverse effects of climate change, including by promoting national adaptation planning, and funding for science and analysis to support decision making;
  - to grow and develop on a sustainable low carbon path, including through supporting projects on low carbon energy, energy efficiency and low carbon transport;
  - to protect forests while also supporting economic development;
  - to prepare for the effective and efficient implementation of a new climate regime and scaled-up financial flows in the longer term.
- Most EU fast start finance is provided through Member State budgets and is allocated on the basis of national decisions. Despite the difficult economic situation and strong budgetary constraints, all 27 Member States and the European Commission are contributing to this funding. Member States' fast start contributions are voluntary and not based on any distribution key. They do not prejudice any burden sharing for future global climate financing.
- Transparency in the delivery of fast start pledges is vital and the EU regularly reported in 2010 and 2011 on the implementation of this commitment and will submit further comprehensive and transparent reports to the UNFCCC Secretariat by May 2012 and 2013 in line with the Cancún Agreements. In addition, the EU supports efforts to enhance the on-line availability of information on fast start finance commitments, and other efforts to promote improved transparency and consistency of climate finance.

#### 1. DELIVERING ON OUR COMMITMENTS

1. The EU Member States and the European Commission have confirmed €2.32 billion of fast start finance in 2011, thereby remaining on track to meet its overall commitment of €7.2 billion cumulatively across the 2010-12 fast start period.
2. To be effective and to enable the fastest possible deployment of the available funds, the EU and its Member States are using existing bilateral and multilateral delivery channels where possible as well as reinforcing existing

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<sup>i</sup> Denmark and the European Commission on behalf of the European Union and its member States provided detailed information on specific examples of the fast-start finance activities of these member States in its submission. This information was provided in the form of a separate annex. In order to reduce paper consumption, this comprehensive annex is provided on the official UNFCCC website only, see <[http://unfccc.int/documentation/submissions\\_from\\_parties/items/5916.php](http://unfccc.int/documentation/submissions_from_parties/items/5916.php)>.



initiatives. This facilitates access as developing countries are able to build on existing working relationships with bilateral agencies and multilateral institutions. For example, EU fast start finance is being provided through existing multilateral channels such as the Climate Investment Funds, the Global Environment Facility, the Adaptation Fund, the Least Developed Countries Fund, the Forest Carbon Partnership Facility, and the Multilateral Development Banks.

**Table 1: Bilateral and multilateral channels in 2011**

BILATERAL	Total amount (billion €)	1.24
	% of total	53.3
MULTILATERAL	Total amount (billion €)	1.08
	% of total	46.4
NOT ALLOCATED	Total amount (billion €)	0.00696
	% of total	0.3
<b>TOTAL</b>		<b>€2.32 billion</b>

3. The EU continues to be the largest contributor of climate finance flows to developing countries and has been so since well before Copenhagen. These climate finance projects and activities are closely aligned with the objectives for fast start finance. The EU and its Member States remain firmly committed to these broader climate finance activities.
4. In addition to fast start finance, the EU will continue to make available considerable amounts of funds for the period 2010-2012 in support of climate actions in developing countries, such as via the European Investment Bank (EIB) which provides diversified financing (with some elements of concessionality). This financing also helps leverage additional investments including from the private sector.

## **2. ACCESS TO EU FAST-START FUNDING**

5. EU fast-start finance supports immediate action on climate change and preparations for efficient and effective adaptation and mitigation actions in developing countries in the medium and longer term, including measures for reductions in emissions from deforestation and forest degradation.
6. The EU is striving to allocate both bilateral and multilateral funding where it is most needed. In terms of new bilateral projects, in particular for adaptation, the EU and its Member States give priority consideration to most vulnerable and least developed countries. This includes support for capacity building efforts as well as for the development and transfer of technologies.
7. The EU underlines the importance of close dialogue and joint working with partner countries in assessing needs and setting priorities; EU fast-start finance is deployed with full respect for partner countries' national ownership and primary responsibility for their own development.
8. Furthermore, the experience of existing institutions, including multilateral, regional and bilateral development financial institutions, and national governmental and non-governmental implementing agencies in delivering aid in developing countries is being fully utilized. The agreed principles of aid effectiveness established by the Rome and Paris Declarations and the Accra Agenda for Action are also fully respected.
9. Fast start funding is a voluntary commitment and allocation decisions are made by the respective Member State / the Commission. In this context, their respective local or regional donor representations in developing countries play an important role as a first contact point.

## **3. Synergies with progress towards reaching the MDGs**

10. The EU is committed to ensuring that fast start funding and other climate finance neither undermines nor jeopardises the fight against poverty and continued progress towards the Millennium Development Goals (MDGs). The European Council of 17 June 2010 reaffirmed its commitment to achieve development aid targets by 2015 as set out in its June 2005 Conclusions. The EU remains the world's leading provider of official development assistance (ODA), responsible for almost 60% of all ODA in 2010.

11. Climate issues have become increasingly integrated in broader development strategies (making ODA ‘climate resilient’) so that actions to mitigate and adapt to the negative effects of climate change often support efforts to reach other MDGs and vice versa, e.g. by delivering actions to support climate resilient development and access to renewable energy.

#### 4. Transparent and consistent reporting

12. The EU’s fast start finance “package” amounting to **€2.32 billion in 2011** includes finance to support: adaptation; mitigation; reductions in emissions from deforestation and forest degradation in developing countries; technology cooperation and capacity-building, including for MRV and design of mitigation measures.
13. **Adaptation : €750 million in 2011 to accelerate action to help poor and vulnerable countries and their people to adapt to and build resilience to the adverse effects of climate change**, particularly in the least developed countries, small island developing states, and African countries that will be most seriously affected. Funding will help developing countries protect their infrastructure, industry and agriculture from changing weather patterns and rising sea levels, support investment water management, drought-resistant crops, disaster risk reduction and in improved scientific analysis for decision making, and national planning. Adaptation efforts will take into account the priorities identified in National Adaptation Plans of Action (NAPAs), National Communications and other relevant planning documents. In the area of adaptation, particular attention needs to be paid to enhancing partner countries’ absorption capacities, increasing national ownership, and to verifying the viability and added value of initiatives in the longer term.
14. **Mitigation : €1150 million in 2011 to accelerate the transition to a low-carbon global economy and to reduce greenhouse gas emissions by promoting the deployment of renewable energy technologies**. Funding will promote projects on: low carbon energy; energy efficiency; low carbon transport; the development of Nationally Appropriate Mitigation Actions (NAMAs) and low emission development strategies; capacity building to measure, report and verify emissions and on new carbon market mechanisms.
15. **REDD+ : €311 million in 2011 to reduce greenhouse gas emissions by reducing deforestation and forest degradation in developing countries and enhancing the sustainable management and conservation of forest and carbon stocks**. Funding will demonstrate ways of changing the economics, build capacity to monitor effectively, report and verify emissions and removals from land-use activities; support necessary policy and governance reforms; work to enhance sustainable management and conservation of forests, and enhancement of forest stocks. Particular attention will be paid to improving forest governance (including land tenure reforms and forest law enforcement), and to ensuring benefits for local communities and indigenous peoples.

#### 5. Longer term perspective on post-2012 financing

16. International fast start climate finance is public funding provided to cover a short interim period until a comprehensive and sustainable global system for support can be developed. Member States’ fast start contributions are voluntary and not based on any distribution key. They do not prejudice any burden sharing for future global climate financing. In Cancún the developed countries reiterated their commitment, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries. Funds provided to developing countries may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources.
17. Despite the achievements of delivering on the strong EU fast-start finance pledge, more leveraging and continued global climate finance contributions will be necessary post 2012 to support initiatives that will deliver substantial results and value for money in helping to support adaptation to climate change and to achieve emissions reductions needed to keep global warming below 2°C. Reiterates in this respect the EU and other developed countries should work in a constructive manner towards the identification of a path for scaling up climate finance from 2013 to 2020. In the years to come special attention should be placed on exploiting existing synergies and complementarities and efficient use of available funding. In order to ensure maximum impact of the different funds and instruments, encourages domestic efforts by developing countries, including the phasing out of fossil fuel subsidies and other distortions as well as in providing good framework conditions for investments, as recipient action is crucial in ensuring ownership of supported action and the right identification of national priorities. Comprehensive and nationally appropriate adaptation and mitigation plans and low emissions development strategies will further help to

ensure ownership of supported action and identification of national priorities. The EU and its Member States wish to remind their partners of the collective nature of the financial commitments made, and call on other Parties to significantly contribute and mobilise climate finance in view of the longer term goals.

18. The mobilisation of long-term climate finance for mitigation will depend on meaningful mitigation actions, transparency on implementation, and on a robust governance system inter alia ensuring measurement, reporting and verification being in place, taking into account the particular situation of LDCs. Further improvements in the knowledge base on climate impacts and capacity building efforts will facilitate long-term adaptation actions.
19. The EU will continue to work closely with the recipient countries and with the international community to learn from the implementation of these fast start finance commitments as we move toward operationalising the longer term financing provisions of the Cancún Agreements. We encourage and support dialogues at national level to facilitate the smart use of the funds made available.
20. In this regard, the Final Report of the UN Secretary General's Advisory Group on Climate Finance (AGF) and the report prepared by international organisations for G20 Finance Ministers provides an important starting point for further consideration, in particular the conclusion that it is challenging but feasible to meet the goal of mobilising \$100bn per annum by 2020 for climate change in developing countries, subject to meaningful mitigation actions and transparency on implementation through a combination of innovative, public and private sources. The public finance contributions of participating parties to post-2012 financing are, in most instances, yet to be determined and should be agreed as part of the ongoing international climate negotiations while taking into account national budgetary rules. ODA will continue to play a catalytic role, particularly in the most vulnerable and least developed countries.
21. A comprehensive and globally uniform set of statistics for climate financing is clearly needed. This should build on experiences with existing reporting systems such as the OECD-DAC system for monitoring financial flows to developing countries and avoid developing competing reporting systems. Also in this context Member States should consider experience with fast start funding when addressing post-2012 climate financing and support.

**ANNEX****RESULTS OF MEMBER STATE REPORTING ON FAST START FINANCE COMMITMENTS, 25 April, 2012****1. PLEDGES/ CONFIRMED CONTRIBUTIONS FOR 2010 – 2012**

	EU CONTRIBUTION (2010-2012)	EU CONTRIBUTION 2010	EU CONTRIBUTION 2011
	(billion €)	(billion €)	(billion €)
NUMBER OF RESPONSES	27+ COM (28)	27+ COM (28)	27+ COM (28)
TOTAL AMOUNT PLEDGED	7.20		
TOTAL CONTRIBUTION	4.59	2.26	2.33
% OF TOTAL AMOUNT PLEDGED	63.8	31.4	32.4

**2. PRINCIPAL AND SIGNIFICANT CLIMATE OBJECTIVES IN 2011**

Number of Member States reporting on this question		27
Total reported amount of reporting MS (billion €)		2.33
Overall reported amount as % of EU FSF Contribution in 2011		99.9
Climate is principal objective	Total amount (billion €)	1.87
	% of total reported amount	85.7
Climate is significant objective	Total amount (billion €)	0.31
	% of total reported amount	14.3

**3. TYPES OF INVESTMENTS IN 2011**

Number of Member States reporting on this question		27
Total reported amount of reporting MS (billion €)		2.31
Total reported amount in % of EU FSF Contribution in 2011		99.2
Grants	Total amount (billion €)	1.46
	% of total reported amount	63.3
Loans, equities or others <sup>1</sup>	Total amount (billion €)	0.85
	% of total reported amount	36.7

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<sup>1</sup> Most loans reported were confirmed as being concessional in nature.

**4. BILATERAL & MULTILATERAL CHANNELS IN 2011**

Number of Member States reporting on this question		27
Total reported amount of reporting MS (billion €)		2.32
Total reported amount in % of EU FSF Contribution in 2011		100
BILATERAL	Total amount (billion €)	1.24
	% of total reported amount	53.3
MULTILATERAL	Total amount (billion €)	1.08
	% of total reported amount	46.4
NOT ALLOCATED	Total amount (billion €)	0.01
	% of total reported amount	0.3

**5. OBJECTIVES AND SECTORS IN 2011**

Number of Member States reporting on this question		27
Total reported amount of reporting MS (billion €)		2.33
Total reported amount in % of EU FSF Contribution in 2011		99.9
ADAPTATION	Total amount (billion €)	0.75
	% of total reported amount	32.2
REDD+	Total amount (billion €)	0.31
	% of total reported amount	13.4
MITIGATION (excluding REDD+)	Total amount (billion €)	1.15
	% of total reported amount	49.4
NOT ALLOCATED	Total amount (billion €)	0.12
	% of total reported amount	5.1

**6. OVERVIEW OF MULTILATERAL CHANNELS USED FOR FSF IN 2011**

Number of Member States using multilateral channels	21
Number of Member States providing details on multilateral channels	21
Total reported amount for multilateral channels(billion €)	1.08
Total reported amount in % of EU FSF Multilateral contribution in 2011	98.1
<b>MULTILATERAL AND REGIONAL INSTITUTIONS (million €)</b>	
CIFs': Clean Technology Fund	365.6
CIFs': Pilote Programme for Climate Resilience	65.7
CIFs: Forest Investment Programme	39.7
WB IFC	8.1
World Bank: Forest Carbon Partnership Facility	19.1
World Bank: others	68.6
EIB	101.6
Asian Development Bank	3.5
Inter American Development Bank	1.0
EBRD	10.0
Global Facility For Disaster Reduction and Recovery	1.0
Global Climate Partnership Fund	5.8
Others	69.0
<b>Subtotal</b>	<b>765.4</b>
<b>UNFCCC and KYOTO PROTOCOL FUNDS (million €)</b>	
GEF	118.1
ADAPTATION FUND	12.5
UNFCCC	0.2
LEAST DEVELOPED COUNTRIES FUND	95.1
SPECIAL CLIMATE CHANGE FUND	33.0
<b>Subtotal</b>	<b>271.0</b>
<b>UN Initiatives / funds (million €)</b>	
UN REDD PROGRAMME	12.0
FAO	8.3
UNEP	9.6
UNDP	11.4
other UN	0.6
<b>Subtotal</b>	<b>41.8</b>
<b>TOTAL</b>	<b>1078.2</b>

## D. Iceland

### Iceland's Fast start Finance – Status June 2012

Iceland is pleased to submit the information below on actual disbursements of Fast start Finance in 2011 and planned allocations for 2012.

Iceland is committed to assist developing countries adapt and mitigate the adverse effects of climate change. In 2010 the Government of Iceland decided to commit 1 million US dollars to Fast Start Financing to be disbursed in 2011 and 2012, 500.000 US dollars each year. The contribution is new and additional to current ODA, and for this reason a separate item has been included on environmental and climate change matters in international development cooperation in the State budget as of 2012.

Iceland's Fast Start Finance is divided between adaptation, mitigation and capacity building, and gives special attention to women's empowerment in the field of climate change and increasing access to renewable energy sources. The funding is on grant basis and is divided between multilateral and bilateral assistance. Focus is given to Iceland's bilateral partners countries, which are all among the LDCs.

In June 2011, the Icelandic parliament adopted a parliamentary resolution on a Strategy for Iceland's Development Cooperation 2011-2014. The Strategy is based on a holistic approach to development policy, and accordingly covers multilateral and bilateral cooperation, humanitarian assistance and peace-building efforts. The Strategy also identifies international development cooperation as one of the key pillars of Iceland's foreign policy.

The Strategy introduces time-bound targets to reach the 0.7% target within the next 8 years. It lays out a gradual increase in ODA levels, with the aim of reaching 0.5% in 2017, but in 2011 the ODA level amounted to 0.21%.

One of the priority areas in the new strategy is environmental sustainability which has been identified as a cross-cutting theme. As a part of this priority area, climate change related development efforts will play an increasingly important role.

#### Allocation in 2011

Iceland supported five different projects as a part of its Fast start Finance allocation in 2011:

Programme or Project title	Thematic area	Beneficiary Country / Region	Partner(s)	Amount of contribution
<b>UNFCCC Least Developed Countries Fund</b>	Adaptation	LDCs	UNFCCC / GEF	133,500 USD
<b>Addressing the Gender Dimensions of Climate Change on Fisheries Sector Livelihoods Interventions</b>	Capacity Building	Malawi, Mozambique, Uganda	FAO, The Gender Equality Studies and Training Programme (GEST), ICEIDA and UNU Fisheries Training Programme	150,000 USD
<b>The Women's Delegate Fund</b>	Capacity building	Developing countries	Women's Environment and Development Organisation (WEDO)	40,000 USD
<b>Development of Geothermal Energy in the Commonwealth of Dominica<sup>1</sup></b>	Mitigation	Common-wealth of Dominica	Commonwealth of Dominica – Ministry of Public Works, Energy and Ports and the National Energy Authority of Iceland.	150,000 USD

<sup>1</sup> Terms of reference of the project are subject to final approval. When approved, disbursement will take place.

Programme or Project title	Thematic area	Beneficiary Country / Region	Partner(s)	Amount of contribution
<b>Gender Sensitive Climate Change Mitigation and Adaptation in Uganda</b>	Capacity building	Uganda	ICEIDA, GEST, Embassies of Norway and Denmark in Uganda, Ugandan government	26,500 USD

**Planned allocation in 2012<sup>2</sup>**

Programme or Project title	Thematic area	Beneficiary Country / Region	Partner(s)	Amount of contribution
<b>UN Women fund for Gender Equality (earmarked contribution for Gender and Climate Change)</b>	Adaptation	LDCs	UN Women	100,000 USD
<b>Addressing the Gender Dimensions of Climate Change on Fisheries Sector Livelihoods Interventions</b>	Capacity Building	Malawi, Mozambique, Uganda	FAO, The Gender Equality Studies and Training Programme (GEST), ICEIDA and UNU Fisheries Training Programme	200,000 USD
<b>The Women's Delegate Fund</b>	Capacity building	Developing countries	Women's Environment and Development Organisation (WEDO)	50,000 USD
<b>Development of Geothermal Energy in the Commonwealth of Dominica</b>	Mitigation	Common-wealth of Dominica	Commonwealth of Dominica – Ministry of Public Works, Energy and Ports and the National Energy Authority of Iceland.	150,000 USD

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<sup>2</sup> Subject to final approval



## E. Japan

### Japan's Fast-Start Finance for Developing Countries up to 2012<sup>ii</sup>

(As of 29 February, 2012)

#### 1. Overview

In December 2009, Japan announced the assistance of approximately USD 15 billion including public and private financing, of which public finance comprises approximately USD 11 billion, for developing countries up to 2012 to address climate change (announced as the "Hatoyama Initiative", hereinafter referred to as the Fast-Start Finance). This Fast-Start Finance aims to assist developing countries, especially those making efforts to reduce GHG emissions as well as those which are vulnerable to the negative impacts of climate change, taking into account the developments in the international negotiations and the state of Japan's reconstruction. Japan has been making utmost effort to play its part of the commitment made by developed countries to provide 30 billion to developing countries in three years from 2010 to 2012 as agreed by the Cancun Agreements. Faced with the Great East Japan Earthquake, an unprecedented disaster last year, Japan is determined to overcome the catastrophe and to continue to faithfully implement the commitment on the Fast-Start Finance to fulfill a positive role in the international community.

Japan's assistance to developing countries is composed of two main types of assistance. One is Official Development Assistance (ODA) such as grant aid, technical assistance, concessional loan and contribution to multilateral funds, which are implemented by relevant ministries and agencies, Japan International Cooperation Agency (JICA) and other institutions. The other includes Other Official Flow (OOF) such as co-financing of the Japan Bank of International Cooperation (JBIC), and private financing catalyzed by the basis of public financing.

Out of approximately USD 15 billion of the Fast-Start Finance announced in December 2009, more than USD 13.2 billion has already been implemented as of 29 February 2012. However, if the Fast-Start Finance is limited to projects or programs based on public financing newly implemented during the period between January 2010 and February 2012, the amount of the implemented assistance would be more than USD 9.6 billion. Taking into account the discussions at the UNFCCC negotiations, the Fast-Start Finance implemented by Japan from January 2010 onward and composed of public financing is explained more in detail as below.

#### 2. Objective of Japan's Active Efforts including Fast-Start Finance

Japan has been carefully implementing a wide variety of assistance in favor of developing countries, in order to move forward in the international negotiations steadily toward the establishment of a fair and effective international framework applicable to all Parties. Considering the priority to be given to developing countries which are vulnerable to adverse impact of climate change as agreed in Cancun Agreements, over 50% of Japan's grant aid against climate change for those countries is devoted in the area of adaptation to respond to the needs of vulnerable countries including Africa and LDC. Japan is also willing to carry out the assistance utilizing its advantages such as advanced technologies aiming at achieve global compatibility between economy and environment. This will help promote efforts toward the achievement of low-carbon growth.

Japan announced "Japan's Vision and Actions toward Low-Carbon Growth and a Climate-Resilient World" at COP17 last year and has been working actively to embody it. As one of the concrete efforts, Japan has been formulating "Africa Green Growth Strategy" with African countries and international organization under the framework of Tokyo International Conference on African Development (TICAD), and issued an interim report of the strategy at the TICAD Ministerial Meeting in Morocco in earlier May this year. Likewise, regarding the East Asia area, Japan and Indonesia co-chaired "East Asia Low Carbon Growth Partnership Dialogue" in Tokyo on 15<sup>th</sup> April this year under the framework of East Asia Summit, and participants reaffirmed the importance of realization of low-carbon growth in the area. Through these embodiments of the vision, Japan is willing to contribute to fighting against climate change by encouraging the achievement of low-carbon growth all over the world.

<sup>ii</sup> Japan provided detailed information on its fast-start finance activities in the submission. This information was provided in the form of a separate annex. In order to reduce paper consumption, this comprehensive annex is provided on the official UNFCCC website only, see [http://unfccc.int/documentation/submissions\\_from\\_parties/items/5916.php](http://unfccc.int/documentation/submissions_from_parties/items/5916.php).

### 3. Contents of Japan's Fast-Start Finance implemented as of 29 February 2012

The main components of our assistance which amount to more than USD 9.6 billion as of 29 February 2012 are as follows.

It should be noted that Japan's assistance for developing countries accords importance to establishing a mechanism that not only ensures the effective use of public financing, but also facilitates the mobilization of private financing. Large-scale projects on infrastructure, such as the introduction of facilities with high energy efficiency and the construction of electric power transmission facilities, will require massive investment, and thus leveraging the private financing would be crucially important (this is why Japanese private financing of approximately USD 3 billion had already been mobilized for assistance to developing countries, as of 29 February 2012, though this figure is not counted as the Fast-Start Finance in this report).

#### 1. Mitigation(other than REDD+): USD 6.69 billion

Assisting developing countries in such areas as promotion of renewable energy including solar energy, wind energy and geothermal, and introduction of facilities with high energy efficiency, to contribute to reducing GHG emissions.

- ✓ Projects for introduction of clean energy by solar electricity generation system (24 countries, 127 million)
- ✓ Wind energy projects (Egypt, 338 million)
- ✓ Geothermal projects (Kenya and Indonesia, 491 million)
- ✓ Electric transmission projects( Olkaria to Kisumu in Kenya: 108 million  
Iringa to Shinyanga in Tanzania: 53 million)

#### 2. REDD+: USD 578 million

Assisting developing countries to conduct survey on forest resources, formulate forest management plan and facilitate forestation by providing necessary equipments in order to promote sustainable usage and conservation of forests.

- ✓ Forest conservation programs (21 countries, 158 million)
- ✓ Contribution to UN-REDD (3.2 million)

#### 3. Adaptation: USD 1.16 billion

Strengthening developing countries' capability to cope with natural disasters caused by climate change, and providing necessary equipment and facilities to take precaution any measures against and to recover from natural disasters including floods and droughts.

- ✓ Program for the improvement of capabilities to cope with natural disasters caused by climate change (25 countries, 164 million)
- ✓ Infrastructure rehabilitation projects for typhoon damage (Philippines, 86 million)
- ✓ Technical assistance on climate change prediction (South Africa:1.1 million)
- ✓ Capacity building for disaster management in coastal area (Samoa:6.48 million)
- ✓ Regional water supply projects (Ethiopia, Kenya, Pakistan, Sudan: 89.98 million )
- ✓ Desalination project (Tunisia:8.7 million)

#### 4. Mitigation and Adaptation: USD 1.20 billion

Assisting developing countries to tackle climate change issues (both Mitigation and Adaptation) by providing contribution to multilateral fund and program loan to address climate change.

- ✓ Contribution to Global Environment Facility (GEF) (68 million)
- ✓ Contribution to Climate Investment Funds (CIF) (645 million)
- ✓ Policy dialogue with African countries(in Tokyo, October 2011)

#### 4. Features of Japan's Fast-Start Finance

##### (1) Various types of assistance in a wide range of areas

As Japan's Fast-Start Finance, 718 projects have been implemented in as many as 101 countries as of 29 February 2012. Through the Japanese Embassies and JICA's local office stationed in a number of developing countries, the Japanese Government has been developing projects of the Fast-Start Finance in close consultation with the government of developing countries and international organizations in response to the needs of recipient countries. Japan has been providing assistance through various channels, including grant aid, concessional loan and technical assistance, taking into account local economic situations and content of projects.

##### (2) Grant Aid prioritizing the area of adaptation

In Japan's Fast-Start Finance, the grant aid has been implemented as follows:

- Mitigation (other than REDD+): 331 million (16.7%),
- REDD+: 194 million (9.8%)
- Adaptation: 743million (37.5%)
- Mitigation/Adaptation: 711 million (35.9%)

These figures show that Japan has implemented grant projects, reflecting the needs for adaptation of developing countries, in particularly those of vulnerable countries in relation to adaptation.

##### (3) Assistance focusing on vulnerable countries

Japan has implemented its assistance to developing countries vulnerable to climate changes as follows (US dollars):

	Total	Mitigation (other than REDD+)	REDD+	Adaptation
Africa	1379 million	929 million (Grant: 118 million, Loan: 781 million)	98 million (Grant Only)	352 million (Grant Only)
LDCs*	909 million	325 million (Grant: 117 million, Loan: 206 million)	83 million	501 million (Grant: 327 million Loan: 174million)
SIDS**	58 million	20 million (Grant Only)	11 million (Grant Only)	25 million (Grant Only)

\*LDCs: Least Developed Countries \*\*SIDS: Small Island Developing States

With regard to the grant aid for vulnerable countries, it has been implemented as follow:

##### ➤ In Africa

- Mitigation (other than REDD+): 146 million (24.5%)
- REDD+: 98 million (16.4%)
- Adaptation: 352 million (59.0%)

##### ➤ In LDCs

- Mitigation (other than REDD+): 117 million (22.2%)

REDD+: 83 million (15.7%)

Adaptation: 327 million (62.0%)

Over 50% of the total amount of the grant aid implemented in vulnerable countries including Africa and LDCs was allocated into the area of adaptation. This ratio was higher than that of last year.

#### **(4) Use of private finance**

In order to further promote climate change action, Japan has also been working on establishing a mechanism to leverage private investment by use of public finance. Co-financing by JBIC with private sector and trade insurance are the examples of utilizing private finance. Private Finance also plays an important role to tackle climate change as its total amount is almost 3 billion dollars as of 29 February 2012, although it is not counted as Japan's Fast-Start Finance in this document.

#### **5. Channel and access for Japan's Fast-Start Finance**

There are mainly 5 types for Japan's Fast-Start Finance; i.e. (1) grant (2) loan (3) technical assistance (4) contribution to international organizations (5) OOF. Ministry of Foreign Affairs, Ministry of Finance, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of the Environment and JICA are implementing agencies of the types (1)-(3). The type of (4) is contributions to the development organizations such as GEF, World Bank, UNDP, which are implementing agencies of this type of assistance. Regarding the type (5), relevant Japanese ministries and JBIC are the main implementing agencies. See the attached list for the detail.

#### **6. Tangible examples of Japan's Fast-Start Finance**

Japan's Fast-Start Finance has been effectively implemented based on needs and phase of development of the recipient countries. The following are the typical examples. (The detailed list is attached herewith. This list shows concisely the type of support such as grant/loan, countries and area, category, name of project, date, amount of money and implementing agencies.)

##### **(1) Grant Aid in bilateral cooperation**

###### **• Prevention of Disaster and Rehabilitation (Adaptation)**

In 25 countries, Japan provided financial support for the rehabilitation and maintenance of disaster prevention equipment, recovery measures against natural disasters and water supply by groundwater development, as measures taken for adaptation to climate change, including large scale typhoon or cyclone.

In Samoa, as a part of measures against climate change and disaster prevention in Oceania, Japan provided financial support to introduce meteorological observing equipment and communication systems in meteorological bureau and international airport. Besides, in Solomon Islands, Japan provided financial support to improve shortwave radio network to broadcast emergency news related to natural disaster all over the country. In Honduras, Japan constructed land slide prevention facilities such as catchment wells, ditches, earth removal and earth fill and also introduced earth slide monitoring, warning and escaping systems in high risk areas.

In Morocco, where a large number of victims are caused by natural disaster once in several years, Japan has been making efforts to introduce observation and warning devices in river basins and technical supports for activities related to evacuation, in order to reduce damages caused by flood. In Bhutan, Japan provided financial support for reconstruction of the bridges which were damaged by cyclone and vulnerable bridges to be easily damaged by heavy rain in the future.

###### **• Water and Sanitation (Adaptation)**

Japan repaired the water supply facilities in the areas which have been suffering from drought caused by climate change. For example, in Ethiopia, Japan constructed and repaired the water supply facilities and provided equipments for reconstructing wells in 10 districts where water supply was extremely poor and underwater development was technically and geologically difficult. In addition, in Sudan Japan improved water supply facilities and implemented plans to supply safe water stably with the residents. Moreover, in Togo, Japan supported the construction of 10 water supply facilities with engine pump as well as constructed 100 water supply facilities with human-powered pump and repaired 50 facilities.

- **Introduction of solar power plant (Mitigation)**

In 24 countries, Japan contributed to stabilizing electricity supply in developing countries while contributing to reducing GHG emissions, by introducing solar power equipments in the public spaces such as school, airport, water plant and reservoir and thus replacing a part of consuming electricity with renewable energy. In some projects, Japan also provided necessary technical training to manage, maintain and control equipment.

- **Forest Conservation (REDD+)**

In order to contribute to encouraging REDD+ efforts and reducing GHG emissions in 22 countries, Japan provided technical support to analyze satellite images and financial support for monitoring systems and related equipment in the following actions; making forest distribution map, preventing excessive logging, taking countermeasures against forest fire and ensuring alternative energy to firewood.

## **(2) Technical Assistance in bilateral cooperation**

- **Prevention of Disaster and Rehabilitation (Adaptation)**

In the Republic of South Africa, Japan provided technical support to enhance the functions of meteorological forecasting system, in order to improve the capability of coping with environmental issues such as climate change. In Mozambique, Japan is making efforts to enhance the adaptation capability to climate change, strengthening the basic capability for taking countermeasures against coastal erosion. In Fiji, Japan strengthened the disaster prevention capacity in the local communities to enhance system which enables the residents to escape appropriately in case of flood.

- **Water and Sanitation (Adaptation)**

In Nigeria, Japan is making efforts to improve local water supply through the capacity building of local staff in charge of water supply and sanitation, in order to better cope with the changes of precipitation pattern caused by climate change. In Burkina Faso, Japan provided technical support to develop, demonstrate water supply and sanitation system which was suitable to that area, as well as to help prepare its introduction.

- **NAMA(Mitigation)**

Japan supported the capacity building to formulate and implement NAMA in Serbia, Vietnam and African countries.

- **Improvement of Energy Efficiency (Mitigation)**

In Papua New Guinea, Japan conducted a survey on the current electricity demand and supply and its forecast, as well as a survey on the fuel replacement (from light diesel oil to natural gas) for thermal power plant, the introduction of the cogeneration system, the improvement of energy efficiency (such as heat quantity, transmission) and enlargement of electric-generating capacity, and thus assisted efforts of PNG to reduce GHG emissions.

- **Promotion of REDD+ efforts (REDD+)**

In Brazil, Japan developed a wide-area assessment technology to evaluate carbon dynamics of various forests in Amazon to conserve functions of forests.

- **Policy Dialogue(Mitigation and Adaptation)**

Japan held policy dialogue with African countries in Tokyo last October inviting negotiators and practitioners from 15 African countries. Japanese and African officials exchanged views on climate change negotiation and concrete cooperation and shared efforts and experience toward the achievement of low-carbon growth. Japan is also planning to hold another policy dialogue on climate change with island countries in Tokyo July this year.

## **(3) Cooperation with international organization**

- **Support for organizing Adaptation Fund Workshop in Africa, Asia and East Europe (Adaptation)**

While the Cancun Agreements adopted at COP16 requested Parties to conduct workshops in each region to inform Parties of the process and requirements of the accreditation of National Implementation Agencies which have a

direct access to resources of Adaptation Fund, Japan has provided financial support to hold this workshop in Africa, Asia and East Europe.

- **Cooperation with UNDP (Adaptation)**

In islands states in Oceania and Caribbean Sea, Japan has been providing, in collaboration with UNDP, technical support for managing natural disaster risk and sharing know-how in adaptation to climate change.

- **Cooperation with ITTO (Mitigation/Adaptation)**

Japan has supported the implementation of ITTO, projects to promote conservation and sustainable management of tropical forests, and appropriate use of tropical forest resources

- **Replenishment to GEF (Mitigation/Adaptation)**

Japan made a contribution of US \$68 million to the 5<sup>th</sup> replenishment of the Global Environment Facility (GEF), which is a multilateral financial mechanism to support developing countries' efforts to preserve and improve global environment.

- **Contribution to CIF (Mitigation/Adaptation)**

Japan also made a contribution of US\$ 645 million to Clean Technology Fund, which supports projects for reducing GHG emissions, and to Strategic Climate Fund, which supports measures such as adaptation against the adverse effects of climate change in developing countries.

#### **(4) Loan support in bilateral cooperation**

- **Improvement of energy access through the maintenance of electricity transmission equipment (Mitigation)**

Japan has been contributing to reducing GHG emissions by electrification of local areas and the improvement of transmission efficiency, while aiming for a transfer to clean energy. In Kenya, Japan built 140 MW geothermal power plants in Olkaria, and supported Olkaria to Kisumu power transmission construction project to enable renewable energy transmission from Olkaria to Kisumu. In Tanzania, Japan has been improving transmission efficiency by expanding a part of the power transmission from Iringa to Shinyanga, in order to stabilize its electricity supply. In Cameroon, Japan has aimed at enhancement of electric power transmission capacity and dissemination of electricity supply to non-electrified areas by constructing electric power substations and electrical line as an electric distribution facilities.

- **Introduction of wind power plant (Mitigation)**

Japan has been constructing 220 MW wind power plant in Gulf of El Zayt, Red Sea coast, Egypt.

- **Introduction of highly efficient power-saving facilities**

In Uzbekistan, Japan introduced highly energy-efficient combined cycle gas turbine to aim at stable electric supply, achieving both emission reduction and economic growth.

#### **(5) Other Official Flow, including co-funding with private sector**

- **Global action for Reconciling Economic growth and Environmental preservation by JBIC (GREEN) (Mitigation)**

JBIC has provided finance needed for the environment-related loans (improving energy efficiency project or renewable energy project) to financial institutions, such as Deniz Bank in Turkey, Corporacion Andina de Fomento in Latin America, BNDES in Brazil and ICICI Bank in India. Through this operation, the funding of JBIC enabled private finance institutions to co-finance, which led to the mobilization of more fund.

### **7. The reference of Japan's Fast-Start Finance**

If you have any questions about Japan's Fast-Start Finance, please contact Japanese Embassies and JICA's local offices in your area. For your inquiries on outcome or data of Japan's Fast-Start Finance, please direct to Japanese Embassies.



## F. Liechtenstein

### Fast-Start Finance – Progress Report for the Period May 2010 to May 2012

In a spirit both of global partnership and solidarity, Liechtenstein is committed to assisting developing countries adapt to and mitigate the effects of climate change. Efforts are being made, where relevant, to integrate climate change assistance into broader development cooperation – aiming at a sustainable and comprehensive development of disadvantaged and marginalized regions of the world.

The Liechtenstein Government has repeatedly underscored its commitment to achieving the international ODA target of 0.7% as soon as possible. Under the budget line “International Humanitarian Cooperation and Development” Liechtenstein’s current ODA percentage for the year 2009 is 0.67 % of the cross national income (GNI).

#### Fast-start financing commitment

In addition to its ODA, as part of the global effort, Liechtenstein has committed fast-start financing of up to a total amount of USD 58/per capita in grant funding over the period from May 2010 to May 2012; from this total amount USD 18.6/per capita has been raised with the help of Public Private Partnerships (PPP):

- When in December 2009 relevant parties have been invited to engage in fast-start financing, the state budget has already been decided and allocated to the different budget lines. The only way to start projects in 2010 under the umbrella of a new and additional budget line was a PPP-project – a project based on an unconditional grant, new and additional to budget sources earlier decided.
- With calculations which were taking into account the national level of emissions, the financial capacity and the population size, the Liechtenstein Parliament (Landtag) decided in December 2010 to introduce a new fast-start financing budget line of CHF 700’000 for the years 2011 and 2012 – a budget line based on additional, new increases in the cooperation and development aid budget. Liechtenstein’s fast-start financing commitment is therefore not diverting from other important development priorities, but instead will complement and further strengthen these.

In implementing its fast-start financing, Liechtenstein’s prime concern is the delivery of effective results and benefits which address the sustainable development and climate change needs and priorities of developing countries. In general, also with its fast-start financing, Liechtenstein aims at giving support in planning and realizing sustainable development by further defining a responsible development framework, by evaluating capacities, making wise use of and therefore securing resources. Besides assisting in governance and capacity-building, fast-start funding is aiming at fostering effects like safe living conditions, guaranteeing a subsistence, which is respecting the dignity of man and creating additional sources of income and constant progress in the field of education and jobs.

#### Project actions and components

- show a need driven approach, because they are developed by recipients and reflect their priorities;
- allow recipients to gain ownership of the processes and projects;
- activate the self-organization of local populations;
- support socially, economically and environmentally friendly initiatives;
- contribute to solving gender problems, empowering women, raising awareness among young people and civil society and finally strengthening peace and security.

In general, support is given to development country partners to help them both adapt to and mitigate the effects of climate change. For the sake of performance and efficiency, Liechtenstein prefers a bilateral allocation of fast-start projects. Therefore the realization of projects is focused on traditional cooperation partners under the umbrella of the Mountain Partnership or partners of the Liechtenstein Development Service (LED).

Liechtenstein’s adaptation assistance focuses on improving resilience to extreme weather conditions and other hazards, by investing in infrastructure which can better withstand climate change impacts, and through other practical measures to help local communities be more prepared. To assist in mitigating climate change, Liechtenstein is placing emphasis

on supporting energy efficiency programmes and renewable energy systems in the Caucasus, Central Asia and African countries. Liechtenstein strives to allocate these official funds in a balanced manner by supporting climate projects, which are reflecting recipient needs as regards sustainable development and which are politically supported by respective authorities.

With regard to the implementation of efficient and effective development policies, both partnerships and networks are indispensable: partnerships, which for their mutual benefit, are embracing governments, institutions and civil society. Such Public Private Partnerships (PPP) with their potential for mobilizing private funds and knowledge in order to carry out governmental obligations and at the same time making best use of each partners strengths must much more determine successful environment and development policies in future as they do today. Therefore, from the very start of its fast start financing, Liechtenstein strived for supplementing its national fast start contributions by private or institutional sources.

#### Summary of Liechtenstein's fast-start financing for the period May 2010 – May 2012

Government Decision - Nr. Realization State	Thematic area	Type of project	Type Amount of contribution (USD)	Partner(s)	Recipient Country / Region
2010/86/9087 <i>PPP-project;</i> Realization: 2010 Completed	Adaptation; mitigation	Rehabilitation and upgrading of multitype outpatient children's clinic	Grant; 250'000	Telavi Municipality; <i>Medicor Foundation, Liechtenstein;</i> "Kakheti Regional Development Agency"	Georgia
2010/1562/9087 Realization: 2011 Completed	Adaptation	Prevention of floods: bank protection, road and bridge reconstruction	Grant 125'000	Telavi Municipality; village of Sharauli; "Kakheti Regional Development Agency"	Georgia
2010/2453/9087 Realization: 2011/12 Completed	Mitigation; capacity building	Establishment of an energy efficient school	Grant 90'000	Ganja Municipality, "Eco-Renaissance-Ganja »	Azerbaijan
2010/2453/9087 Realization: 2011/12/ Running	Adaptation; mitigation	House insulation and construction of efficient stoves	Grant 190'000	Zerger Watershed Region; "Public Foundation CAMP Alattoo"	Kirgizstan
2011/464/9087 Realization: 2011 Completed	Capacity building; good gov- ernance	Conference: Climate change adaptation – challenge and opportunity for the Caucasus	Grant 45'000	REC-Caucasus	Caucasus
2011/464/9087 Realization: 2011/12 Completed	Adaptation	Afforestation; bank protection; prevention measures against avalanches; improvement of hayfields and pastures	Grant 230'000	Kazbegi Municipality; "Commnity&Environment"	Georgia
2011/464/9087	Adaptation; mitigation	Irrigation of agricultural land; pedal pumps for	Grant	Liechtenstein Development Service; „Wasser für die Dritte	Tanzania



Government Decision - Nr. Realization State	Thematic area	Type of project	Type Amount of contribution (USD)	Partner(s)	Recipient Country / Region
Realization: 2011/12 Running		CO <sub>2</sub> -emission reduction	140'000	Welt	
2011/1052/9087 Realization: 2011/12 Running	Adaptation	Afforestation project within the program: Rural development for sustainable food security	Grant 77'000	Liechtenstein Development Service; "HORIZONT"	Senegal
2011/2627/9087 Realization: 2012 Running	Adaptation	Prevention measures against avalanches; rehabilitation of irrigation channel ;	Grant 45'000	Kosh Gorod Municipality	Tajikistan
2012/337/9087 Realization: 2012 Running	Mitigation; capacity building	Establishment of an energy efficient school	Grant 70'000	Sevan Municipality; "Environmental Survival"	Armenia
2012/337/9087 – PPP-Project; Realization: 2012 Running	Adaptation; mitigation	Rehabilitation and optimisation of children's hospital of Kakheti region	Grant 420'000	Telavi Municipality; <i>Medicor Foundation, Liechtenstein</i> ; Kakheti Regional Development Agency	Georgia
2012/337/9087 Realization: 2012 Running	Adaptation; capacity building	Afforestation; energy efficient wood consumption	Grant 150'000	Liechtenstein Development Service; « Solidar Suisse »	Burkina Faso
2012/337/9087 Realization: 2012 Running	Adaptation	Afforestation; bank protection; prevention measures against avalanches; improvement of hayfields and pastures	Grant 260'000	Kazbegi Municipality; „Community&Environment“	Georgia

## G. New Zealand

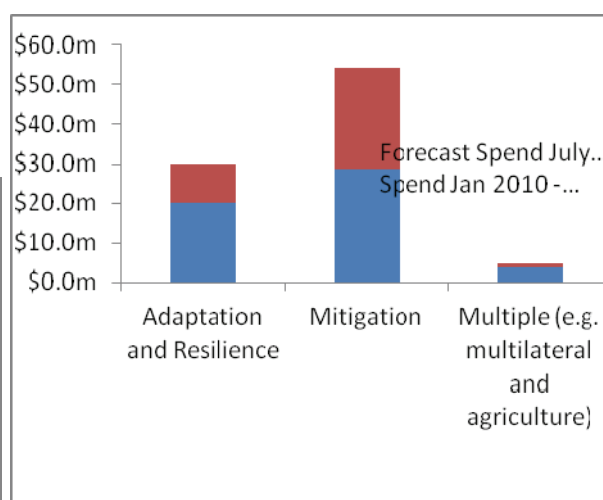
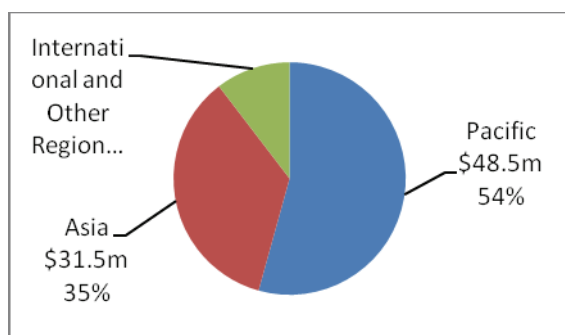
### Fast-Start Finance 2012 Progress Report

New Zealand is committed to assisting developing countries adapt to and mitigate the effects of climate change. As part of the global effort, New Zealand is delivering on that commitment by providing its fair share of fast-start financing of up to NZ\$30m per annum in grant funding over the 3-year period 2010-2012. This report summarises progress made to June 2012.

#### Highlights

- Total fast-start spent to June 2012 is \$52.5m. Forecast spend through to June 2013 is \$36.7m giving a total of \$89.2 over the 3-year period.
- New Zealand will continue to design and deliver climate change projects up to and beyond 2012/13.
- New Zealand's priority is to support the small island developing states of the Pacific to become more resilient to the adverse impacts of climate change through adaptation, supporting low-carbon growth, and increasing energy security.
- Over 50 per cent of total fast-start is being delivered to Pacific island countries.
- New Zealand's present fast-start portfolio includes 44 projects in the Pacific, 12 in Asia, and 13 in other regions.
- The majority of New Zealand's fast-start is being delivered through bilateral programmes where climate change represents a co-benefit alongside broader sustainable development objectives.
- A number of multilateral funds and initiatives are being supported, such as the Global Environment Facility, as well as and agriculture and climate change research programmes, such as the Global Research Alliance.

Sector	Spend Jan 2010 - Jun 2012	Forecast Spend July 2012 - Jun 2013	Totals (NZD)
Adaptation and Resilience	\$20.2m	\$9.8m	\$30.0m
Mitigation	\$28.7m	\$25.6m	\$54.4m
Multilateral and Sectoral (e.g. agriculture)	\$3.6m	\$1.3m	\$4.9m
<b>Total</b>	<b>\$52.5m</b>	<b>\$36.7m</b>	<b>\$89.2m</b>



An extended financial summary and a breakdown of all of New Zealand's fast start finance activities can be found at [www.mfat.govt.nz/fsf](http://www.mfat.govt.nz/fsf)

## **New Zealand's Approach**

New Zealand as a donor is committed to providing its fair share of fast-start finance. In implementing fast-start finance, New Zealand's prime concern is the delivery of effective results and benefits that address the sustainable development and climate change priorities of developing countries.

The majority of New Zealand's fast-start finance is being delivered as bilateral assistance through the New Zealand Aid Programme. Programme and projects are being designed so as to complement and further strengthen the aid programme's core priority of sustainable economic development.

Consistent with New Zealand's aid policy (see: [www.aid.govt.nz/what-we-do/our-priorities.html](http://www.aid.govt.nz/what-we-do/our-priorities.html)), fast-start finance has a strong emphasis on the small island developing states in the Pacific, a region where needs for climate change assistance are great and where New Zealand has most experience. Support is being provided to our developing country partners to help them become more resilient to the adverse impacts of climate change, climate variability, and natural disasters, and to support low carbon development.

In line with international good practice, and in response to the needs of New Zealand's major developing country partners, fast-start support is being primarily delivered through integrated programmes where climate change objectives represent a co-benefit. Some of New Zealand's fast-start is being delivered through multilateral climate change funds and programmes, and on agriculture and climate change research and development.

## **Adaptation and Resilience**

New Zealand's adaptation assistance includes a focus on improving resilience to extreme weather and other hazards, by investing in infrastructure that can better withstand climate change impacts, and through other practical measures to help communities and governments be more prepared.

Small island developing states such as those in the Pacific are especially vulnerable to the physical effects of climate change and extreme weather. Impacts in critical areas such as health, water resources and food supply will exacerbate existing development challenges, particularly for atoll nations such as Kiribati, Tuvalu and Tokelau.

The capacity of many Pacific island countries to adapt to climate change is hindered by a number of factors such as their small size, geographic distance, resource constraints, existing environmental and social pressures, and low levels of income.

An example of New Zealand's adaptation and resilience assistance is New Zealand Aid Programme funding of just over NZ\$1 million to upgrade the Tukao and Tauhunu cyclone shelters in Manihiki in the northern Cook Islands. Manihiki is only a few metres above sea level and therefore especially vulnerable to the effects of climate change. The upgrades provide increased security and protection for the population of Manihiki given the likely increase intensity of tropical cyclones and the potential increase in storm surge as a result of rising sea levels. The upgrade also has important co-benefits such as increasing drinking water storage (an additional 80,000 litres) for the community.

## **Mitigation**

To increase energy security and low carbon development, New Zealand is placing a major emphasis on supporting renewable energy and energy efficiency programmes. Pacific island countries have prioritised reducing their high levels of dependence on imported fossil fuels as their main source of energy. Improving energy security through safer, cleaner, and more reliable supplies is critical to tackling climate change but also for creating the conditions for economic opportunities and growth to build more resilient and 'greener' societies. Investments in renewable energy and energy efficiency represent a real win-win for the environment and for Pacific economies. It also demonstrates a commitment by the Pacific to make a small but important contribution to the global effort to address climate change.

For example, the tiny nation of Tokelau, comprising three remote atolls midway between New Zealand and Hawai'i, is installing renewable energy systems that will dramatically reduce its reliance on expensive and difficult to import diesel. New Zealand is advancing \$7 million to the Government of Tokelau to install the photovoltaic solar systems that will help achieve its long-term goals of energy independence. If all goes according to plan, by the end of 2012

renewable energy will account for 90% of the islands' energy needs, from a zero base. That will mean Tokelau will need to import up to 2000 fewer barrels of diesel per year.

Developing renewable energy projects in the Pacific brings unique challenges. Systems and components must be designed to withstand harsh tropical and marine environments, strong winds, high temperatures, and a corrosive salt-laden atmosphere. Unlike in New Zealand, where if a part breaks or needs replacing it is possible to replace easily, in Tokelau the systems and components must be designed to promote robustness and longevity, because transport is infrequent and challenging.

#### **Multilateral and sectoral (including agriculture)**

While the majority of New Zealand's climate change support is being channelled bilaterally, New Zealand recognises the added value, economies of scale and global reach provided by multilateral agencies and funds.

New Zealand has been a long-time supporter of the Global Environment Facility (GEF), the Least Developed Countries Fund and the UNFCCC Trust Fund for Participation.

New Zealand – in partnership with over 30 other countries – has launched the Global Research Alliance on Agricultural Greenhouse Gases and committed NZ\$45 million to support its activities. The Alliance is focused on research, development and extension of technologies and practices that will help deliver ways to grow more food (and more climate-resilient food systems) without growing greenhouse gas emissions. Since its launch, New Zealand funds have been used to establish the Alliance, including supporting participation by developing countries and commencing early collaborative activities and research between countries.

Of major concern is the threat that climate change poses to food security. New Zealand also supports the Consultative Group on International Agricultural Research (CGIAR)'s programme on Climate Change, Agriculture and Food Security (CCAFS) that addresses the most important interactions, synergies and trade-offs between climate change, agriculture and food security.

#### **Transparency and Reporting**

New Zealand is committed to regular and transparent reporting of its climate change finance, and to find ways to further improve the tracking of its climate change related financial flows.

New Zealand has fully implemented the OECD Development Assistance Committee (DAC) Rio markers for tracking climate change adaptation- and mitigation-related overseas development assistance.

While the Rio markers capture the policy objectives of the funded activity, they do not attempt to quantify expenditure towards these objectives. New Zealand has therefore initiated a system to standardise the quantification of climate change related expenditure based on the DAC Rio markers.

Before classifying a project as a New Zealand-supported Fast Start Finance project, New Zealand undertakes an assessment of the extent a project addresses climate change. Details of the policy that guides this assessment can be found at <http://www.aid.govt.nz/ccoda.pdf>

#### **Further Information**

The New Zealand Aid Programme is managed by the Ministry of Foreign Affairs and Trade. For more information visit [www.mfat.govt.nz](http://www.mfat.govt.nz) or [www.aid.govt.nz](http://www.aid.govt.nz), or contact [enquiries@mfat.govt.nz](mailto:enquiries@mfat.govt.nz).

## H. Switzerland

### Climate Change Fast Start Financing

#### Introduction and Key Parameters

In February 2011, the Swiss Parliament decided to **increase the level of Official Development Assistance – ODA to 0.5% of gross national income (GNI) by 2015**. This increase was to a considerable extent motivated by international climate change policy, specifically the COP decisions regarding fast-start-financing. Over the coming years, this decision will allow the Swiss Agency for Development and Cooperation (SDC) to expand its technical cooperation and financial assistance for developing countries and the State Secretariat of Economic Affairs (SECO) to expand its support for economic and trade policy measures in the context of development cooperation. Other areas of Swiss international cooperation that are attributed to ODA under the existing rules of the OECD are also set to benefit.

Switzerland was among the few developed countries which increased their ODA in 2011. Compared to 2010, overall Swiss ODA rose from 2'400 million Swiss Francs (0,40% of GNI) to 2'700 million (0,46%). With this, Switzerland is now ranked 11<sup>th</sup> among the OECD donor countries.

In the context of climate change, Switzerland has a solid track record as a country advocating progressive positions in international climate negotiations as well as in its domestic climate policy. This has also favored Switzerland's position as a major clean technology export country. More recently Switzerland has also submitted an attractive offer to host the GCF in Geneva. For the purpose of this report, however, climate financing from private sector sources is categorically excluded, mainly due to definitional uncertainties and a lack of comprehensive and reliable data. Efforts are currently underway to try and quantify potentially eligible Swiss private sector contributions for future reporting purposes. The FSF figures presented here are exclusively from public sources and are all grant based attributable to ODA, as are the figures Switzerland has been reporting in regular intervals as part of our National Communications to the UNFCCC.

Furthermore, no effort has been made to attribute to FSF any share of Swiss core contributions to the multitude of multilateral organizations and multilateral funds Switzerland contributing to, with the sole exception of the Global Environment Facility (see details in the next section). Future reports may contain such elements, provided that they can be elaborated in a plausible and transparent manner in line with the ongoing international efforts in this regard.

Any Swiss private or public funds used for purchasing of international emission reduction certificates with the aim of achieving compliance with Kyoto Protocol targets and/or with national emission reduction obligations under the Swiss CO<sub>2</sub> Law have also been excluded. This merely reflects our understanding of the elements of FSF reporting. We do of course recognize the crucial importance of sound and progressively interlinked carbon markets in the global transformation towards a low-carbon economy.

The general Swiss position on the provision of short and long term international climate change financing from public sources is that it should rest on a fair burden-sharing formula based on both the relative capacity to pay and relative levels of greenhouse gas emissions. The latter should be weighted more heavily, in line with the polluter pays principle and the principle of common but differentiated responsibilities and respective capabilities enshrined in the UNFCCC.

#### Swiss FSF Agencies and Financing Levels

Switzerland's fast-start-financing uses existing delivery channels. Thus, some 90% of Swiss Climate Change financing is channeled through the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat of Economic Affairs (SECO). SDC coordinates Swiss development policy and provides technical cooperation and financial assistance to developing countries (see [www.deza.admin.ch](http://www.deza.admin.ch)). SECO provides support for economic and trade policy measures in the context of development cooperation (see [www.seco-cooperation.admin.ch](http://www.seco-cooperation.admin.ch)). The Swiss Federal Office for the Environment (FOEN) provides the remainder of Swiss Climate Change financing, as it is in charge of the Global Environment Facility -GEF, including the climate change funds LDCF and SCCF (see [the link-page below](#)).

As part of the aforementioned February 2011 decision by the Swiss Parliament to increase ODA, a new and additional amount of **CHF 125 million was allocated with immediate effect for the purpose of Swiss Fast Start financing**, in line with the relevant UNFCCC decisions of Copenhagen and Cancun. This amount was added in equal parts to the international cooperation budgets of SDC and SECO.

For the purpose of FSF reporting, **an additional CHF 15 million** is included. This additional amount is part of the Swiss contribution to the Fifth Replenishment of the Global Environment Facility (GEF-5) and of the regular Swiss contributions to the LDCF and SCCF. For this current phase of the GEF, Switzerland has increased its contribution by some 70% in US Dollar terms. So the 15 Million CHF included in Swiss FSF is the **increase in Swiss contributions to the Climate Change Focal Area of the GEF and to its climate change funds LDCF and SCCF**, as far attributable to 2010-12.

This makes for an **overall Swiss FSF contribution of CHF 140 million**. This amount is new and additional to prior levels of Swiss Climate Change financing for developing countries from public sources. As of December 31, 2011, CHF 103 million (74%) had already been committed and the remainder was expected to be engaged during the first months of 2012. **Total Swiss Climate Change financing for developing countries from public sources for the Fast Start Financing period of 2010-12 amounts to an estimated CHF 400 million** (or about USD 450 million at the average exchange rate for 2011) and will be reported as part of the 6th National Communication to the UNFCCC and/or the First Swiss Biannual Report to the UNFCCC in 2014.

Switzerland currently lacks comprehensive data for climate-relevant financing from other sources, such as private sector investment or export risk-guarantees. These figures are estimated to be very substantial, given that Switzerland is a large exporter of highly efficient clean technologies and an important foreign direct investor in developing countries. Future reports on Swiss climate financing may contain such elements, provided that they can be elaborated in a sound, plausible and transparent manner consistent with the outcomes of ongoing international efforts in this regard.

### Allocation Patterns and Expected Results

Switzerland strives to allocate its FSF funds in a balanced manner to Climate Change programs and projects in developing countries dealing with Adaptation, Forestry, and Energy. This is consistent with established priorities for Swiss international cooperation and also with the letter and spirit of the Copenhagen Accord and the Cancun Agreements. The planning figures for 2010-2012 are as follows:

Sector	Target
Adaptation	20-30%
Forests	20-30%
Energy	35-55%

Actual figures will be provided in the final Swiss FSF report in 2013.

Switzerland expects that a sound and effective implementation of its FSF Funds will yield verifiable results in developing countries, in areas such as:

- The development of climate change policies and measures that are integrated into public and sectoral policy at various levels (national, regional and local).
- Broader and more reliable access to renewable energy for rural communities and more efficient energy management and monitoring for towns and cities.
- The diffusion of clean technologies and processes that help reduce greenhouse gas emissions and improve the efficiency of industrial and other productive processes.
- The establishment of new financial incentives and mechanisms for sustainable forest management and the conservation of natural resources.
- Increased resilience of social, economic and ecological systems to the impacts of climate change through improved disaster risk management.

### Access to Swiss FSF

Switzerland has internationally recognized capacities and expertise in low carbon technology development and deployment, as well as in energy- and resource efficiency. Equally recognized are Swiss capabilities and expertise in economic instruments and natural disaster risk management including through insurance and reinsurance schemes. In addition, there are numerous highly regarded climate-relevant Swiss scientific institutions. Our expert knowledge is widely deployed through international scientific collaboration and development cooperation at all levels.



Swiss Fast Start Financing is readily accessible through the established bilateral development cooperation channels i.e. the programs of SDC and SECO (see map below for priority countries). Key multilateral partner institutions include the multilateral, regional, national development banks and numerous UN system agencies. In the category of climate-related global funds and networks, Switzerland supports the GEF, the World Bank's Climate Investment Funds, the Forest Carbon Partnership Facility, Climate Finance Assist, the Global Facility for Disaster Risk Reduction, as well as the UN Adaptation Fund.

Swiss development cooperation operates in accordance with the principles of the Paris Declaration on Aid Effectiveness. This also applies to international cooperation in the field of climate change. Switzerland strives to improve the quality of aid and its impact on development and has taken several actions to achieve greater effectiveness:

1. Initiatives are concentrated on a reduced number of priority countries and special programs, thus focusing efforts and gathering in-depth expertise of regions and specific issues;
2. Development initiatives are coordinated with other development actors, thus targeting specific capacities more effectively and achieving greater efficiency and higher visibility;
3. Work is implemented mainly with a selection of key national and international partners, thus ensuring a high degree of professionalism as well as continuity in the measures taken.

### Implementation and Disbursement

Disbursement levels reflect the relative late start of Swiss FSF (March 2011). The additional GEF funds attributable to FSF are disbursed by Switzerland in the usual agreed manner (e.g. regular encashment of promissory notes by the World Bank as GEF Trustee or bilateral cooperation modalities based on contribution agreements, bilateral treaties, MoUs etc.). At the very end of 2011, a first Swiss contribution to the UN Adaptation Fund was made. By the end of 2012, the combined disbursement levels for Swiss FSF is projected to reach 60 to 80%.

See list of projects at the end of this document.

### Adaptation

*In 2011, Switzerland has engaged CHF 57.9 million in FSF to support adaptation measures in developing countries*

The number of natural disasters and of affected populations has greatly increased over the past thirty years. The increasing frequency of droughts, floods and other extreme weather events has been scientifically linked to increasing climate change. Development achievements are threatened as a consequence and there is a growing urgency to address both development and adaptation deficits as related to current and future climate risks, with a special focus on the poorest and most vulnerable populations.

Thereby it is important to monitor the changing climate, to anticipate its impacts on human and natural systems, and to incorporate these findings into planning processes. This facilitates and enables targeted development programming at various levels on the basis of local climate scenarios, including initiatives to **protect infrastructure and to manage water and agricultural resources**.

Switzerland is a host country to many climate-relevant international organizations, among them the WMO, the IPCC, or the World Glacier Monitoring Center. In addition, Switzerland has recently offered to host the new Green Climate Fund and has supported the UN Adaptation Fund since its launching in 1998. Bilaterally, Switzerland concentrates its activities on high-risk areas such as arid (Sahel), mountainous (the Andes and Himalayas) or coastal areas (Bangladesh, Mozambique).

Adaptation	<b>Capacity Building for Climate Observing Systems</b> <b>Location:</b> Global <b>Funding:</b> CHF 2.3 million (grant) <b>Project:</b> Switzerland supports international climate monitoring activities coordinated by the Global Climate Observation System (GCOS) and Global Atmosphere Watch (GAW). This particular intervention establishes the means for long-term climate and air quality observations in currently under-represented areas of the world. It will allow climate and environmental data to be publicly available for policy makers and international data centers.
	<b>Micro-insurance against climate fluctuations</b> <b>Location:</b> Southern Africa <b>Funding:</b> CHF 2.7 million (grant)

	<p><b>Project:</b> Switzerland is devoting to set up a micro-insurance scheme based on weather station measures of rainfall correlated with agronomic models, thus providing farmers with an instrument to cope with climate fluctuations and complementing the regional program on food security. The project promotes South-South cooperation, borrowing from a successful experience in Kenya in partnership with the leading national mobile network operator.</p>
	<p><b>Coastal Protection of the City of Beira</b></p> <p><b>Location:</b> Mozambique</p> <p><b>Funding:</b> CHF 3.6 million (grant)</p> <p><b>Project:</b> Switzerland is investing in a coastal infrastructure project to safeguard the city's development potential and protect the citizens of Beira against the effects of climate changes by taking preventive measures against rising sea levels and more frequent and stronger cyclones. The erosion and flooding impact of waves is reduced through the repair and upgrading of groynes and the construction of 2.5 km of protective walls.</p>
	<p><b>Adaptation of Nicaragua's Water Supplies to Climate Change</b></p> <p><b>Location:</b> Nicaragua</p> <p><b>Funding:</b> USD 6 million (GEF Grant)</p> <p><b>Project:</b> Through its contribution to the GEF focal area Climate Change, Switzerland contributes to enhancing the current and future resilience to climate change of investments in the water supply and rural sector undertaken by the Government of Nicaragua and other development partners, including the World Bank. The project strengthens institutional water resources management, protection of micro-watersheds and water supply sources from droughts and floods, drinking water availability in vulnerable areas and coastal wetland protection, thus reducing vulnerability to sea level rise.</p>
	<p><b>Generating data for better policy</b></p> <p><b>Location:</b> Western Africa</p> <p><b>Funding:</b> CHF 4 million (grant)</p> <p><b>Project:</b> Switzerland is investing in a regional research and capacity building project implemented by the Sahara and the Sahel Observatory aiming at collecting data on local impacts to help policy makers mainstream climate change in the legislation as well as at developing capacity of civil society.</p>

### Sustainable Forest Management

*Switzerland contributed CHF 10.3 million in 2011 to support measures in sustainable forest management in developing countries*

On the global scale, deforestation is responsible for around 17 percent of all greenhouse gas emissions. Almost all deforestation emissions originate from developing countries. Switzerland believes that decisive action in this area is crucial, because tropical forests are enormously important in the fight against climate change. Forests have a big potential for adapting to the effects of climate change. CO<sub>2</sub> capture, water regulation, soil conservation, the prevention of natural disasters and the preservation of biodiversity are the most pressing issues.

Relying on its internationally recognized own forest management policies (the forest land cover has increased by 70% between 1876 and 1990), Switzerland supports activities generating both emission reductions and multiple economic, social and environmental benefits. Through sustainable forest management as well as forest governance enforcement, additional income can be created, biodiversity preserved and the source of livelihood of indigenous peoples and local communities can be maintained. Switzerland is also a major donor to the International Tropical Timber Organization and the Forest Carbon Partnership Facility, among others (see example below).



Sustainable Forest Management	<b>Forest Carbon Partnership Facility and REDD+</b> <b>Location:</b> Global <b>Funding:</b> CHF 8 million in 2011 (grant) <b>Project:</b> The Forest Carbon Partnership Facility (FCPF) is a major global partnership, which supports developing countries to get ready for REDD+. FCPF aims to reward countries and local communities for greenhouse gas emission reductions achieved through sustainable forest management and forest conservation. Switzerland is a founding member of the FCPF and contributes not only financially but also through the provision of Swiss expertise. In 2011, the FCPF has launched a second phase, which includes pilot schemes and benefit-sharing mechanisms based on verified emission reductions. Switzerland has contributed an additional CHF 8 million to this new phase of the FCPF.
	<b>REDD+ Presidential Task Force</b> <b>Location:</b> Indonesia <b>Funding:</b> CHF 990'000 (grant) <b>Project:</b> Home to the world's third largest tropical rainforest, Indonesia is a key country in fighting deforestation and in the implementation of the REDD+ program. Switzerland finances the recently initiated REDD+ Presidential Task Force, supported by leading ministers and government officials in forestry, which will see the establishment of a REDD+ agency, the completion of a national REDD+ strategy and which aims to improve coordination between government and local ministries.
	<b>Community-Based Adaptation to Climate Change through Coastal Afforestation</b> <b>Location:</b> Bangladesh <b>Funding:</b> CHF 2.1 million (grant) <b>Project:</b> By co-financing the scaling-up and replication of the first GEF-LDCF project, Switzerland helps to reduce the vulnerability of coastal communities to the impact of climate- change induced risks in four upazilas in coastal districts of Bangladesh. Swiss know-how in local governance will help improve this innovative afforestation project combining climate change mitigation with adaptation and livelihood development.
	<b>Sustainable grassland management in Mongolia</b> <b>Location:</b> Mongolia <b>Funding:</b> CHF 4 million (grant) <b>Project:</b> Switzerland to investigate and develop policies and practical ways to optimize carbon sequestration through profitable sustainable grassland management that meets carbon market standards. It is therefore helping to link herders to institutional and financial incentives from the international voluntary carbon market.

## Energy Efficiency and Renewable Energies

*In 2011, Switzerland engaged CHF 20.3 million for energy projects in developing countries*

Rising world demand for energy is at the heart of the fight against climate change. The expanding global economy is increasing the need for fossil energy. Shortages in these fuels have been forecast, which will drive up prices and render energy unaffordable for the world's poorer populations. Access to modern and reliable sources of energy for these populations is thus a priority for development cooperation. The link to climate change makes energy a global issue, with strong emphasis on the promotion of low-carbon technologies and –development paths.

Switzerland is home to the internationally used MINERGIE sustainability standard for new and refurbished buildings and also to the International Organization for Standardization (ISO). It was ranked the world's most greenhouse-gas efficient economy by Yale and Columbia Universities in 2008. Switzerland capitalizes on this experience to assist developing countries in their efforts to reduce greenhouse gas emissions by promoting high-efficiency technologies and the design of innovative sectoral policies.

Switzerland intends to expand decentralized generation networks for renewable energies such as biomass and hydroelectricity and plans to redouble its efforts to increase the energy efficiency of small and medium-sized enterprises at home and abroad. Switzerland is also expanding its commitment to a variety of multilateral initiatives for the development and implementation of sustainable infrastructure projects.

Energy	<b>Resource Efficient and Cleaner Production Program (RECP) with UNIDO</b> <b>Location:</b> Global <b>Funding:</b> CHF 17 million (Swiss grant) <b>Project:</b> The global Resource Efficient and Cleaner Production Program (RECP) is a joint-initiative of UNIDO and UNEP. RECP aims at a productive use of all natural resources, including energy, water, materials and chemicals. This not only reduces environmental impact of the industry, but is also good for business. Saving production resources lowers production cost and improves the bottom line of companies. The global program capitalizes on a network of 50 existing Cleaner Production Centres, which promote and support the use of environmentally friendly technology in developing countries. In order to address the challenge of funding technological upgrades, RECP leverages on SECO's Green Credit Trust Fund (GCTF), which facilitates investments of SMEs into clean technology.
	<b>Partnership for Market Readiness (PMR) with the World Bank</b> <b>Location:</b> Global <b>Funding:</b> CHF 7 million (grant) <b>Project:</b> The PMR, launched at the Conference in Cancun in December 2010, provides financial and technical support to enhance middle income countries' capacity to build market readiness components and implement market-based instruments, such as domestic emissions trading system (ETS) or a scaled-up crediting mechanism. It is targeting a total capitalization of USD 100 million (reached USD 75 million at the end of 2011) and aims to provide grant support to 15 Implementing Country Participants in total. PMR funding and technical assistance place particular focus on "readiness" aspects, including shoring up data collection and management, the establishment of baselines, and the creation and strengthening of domestic measurement, reporting and verification systems, as well as support for policy analysis and the development of a regulatory framework.
	<b>Topten China</b> <b>Location:</b> China <b>Funding:</b> CHF 2.5 million (grant) <b>Project:</b> Switzerland has approved a grant contribution to the project "topten China". The topten approach, successfully implemented in Europe and the USA, produces reliable information on the energy consumption of appliances (cars, TV, air conditioner, refrigerators, lighting etc.) through independent testing. Topten is now established by Chinese partners: the best performing products on the market are regularly listed - a useful information tool on web or smartphone for consumers, producers and regulators in China.
	<b>Sustainable charcoal and biomass energy</b> <b>Location:</b> Tanzania <b>Funding:</b> CHF 4.1 million (grant) <b>Project:</b> In Tanzania, Switzerland is devoting funds to improve the efficiency and environmental sustainability of the charcoal industry and reduce biomass harvesting rates. Measures include community-based forest management, improved production processes, a national survey to assess energy consumption patterns, and the promotion of income- and employment-generating sustainable biomass energy enterprises.

### Multilateral: Global Environment Facility (GEF)

*Increase of CHF 15 million in Swiss GEF-funding for climate change during the FSF period*

For this current phase of the GEF (GEF-5), Switzerland has increased its overall contribution by 70% in US Dollar terms. The additional CHF 15 m included in Swiss FSF reporting consists of the increase in Swiss contributions to the Climate Change Focal Area of the GEF and to its climate change funds LDCF and SCCF, as far attributable to 2010-12.

The Global Environment Facility (GEF) unites 182 member governments — in partnership with international institutions, civil society organizations (CSOs), and the private sector — to address global environmental issues. About one third of GEF grants are spent on climate change action. GEF adaptation funding is channeled through the Least Developed Countries Trust Fund (LDCF) and the Special Climate Change Trust Fund (SCCF).

The current phase of the GEF (GEF-5) is expected to deliver more than USD 1,5 billion for climate change action and to leverage additional billions from other sources.

## The GEF

**Increasing Climate Resilience through Drinking Water Rehabilitation in North Tajikistan****Location:** Tajikistan (GEF grant)**Funding:** CHF 11 million**Project:** The improvement of climate resilient drinking water supplies in seven cities in Northern Tajikistan (Karaikkum, Kanibaidam, Isfara, Gaufurov, Taboshar, Chkalovsk and Khorog) by a) encouraging water use efficiency, b) establishing more reliable and climate resilient water sources and rehabilitating water supply infrastructure, and c) reforming water utility management including tariff reform, leading to more sustainable supplies of safe drinking water that are resilient to the expected impacts of climate change, and are environmentally and financially sustainable.**Links**

For further information please visit the following websites:

***Switzerland's offer to host the Green Climate Fund in Geneva:***

- Green Climate Fund

[www.greenclimatefund.ch](http://www.greenclimatefund.ch)

***Swiss Fast Start Financing Contributors:***

- SECO

[www.seco-cooperation.admin.ch](http://www.seco-cooperation.admin.ch)

[www.seco-cooperation.admin.ch/themen/00911/00913/index.html?lang=en](http://www.seco-cooperation.admin.ch/themen/00911/00913/index.html?lang=en)

- SDC

[www.deza.admin.ch/en/Home/Themes/Climate\\_change\\_and\\_Environment](http://www.deza.admin.ch/en/Home/Themes/Climate_change_and_Environment)

[www.deza.admin.ch/ressources/resource\\_en\\_181507.pdf](http://www.deza.admin.ch/ressources/resource_en_181507.pdf)

- FOEN:

[www.bafu.admin.ch/international/index.html?lang=en](http://www.bafu.admin.ch/international/index.html?lang=en)

***Other useful links***

- GEF

[www.thegef.org/gef/climate\\_change](http://www.thegef.org/gef/climate_change)

- UN Adaptation Fund

[www.adaptation-fund.org](http://www.adaptation-fund.org)

- Special Climate Countries Fund

[www.unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/special\\_climate\\_change\\_fund/items/3657.php](http://www.unfccc.int/cooperation_and_support/financial_mechanism/special_climate_change_fund/items/3657.php)

- Least Developed Countries Fund

[http://unfccc.int/cooperation\\_support/least\\_developed\\_countries\\_portal/ldc\\_fund/items/4723.php](http://unfccc.int/cooperation_support/least_developed_countries_portal/ldc_fund/items/4723.php)

- Climate Investment Fund

[www.climateinvestmentfunds.org](http://www.climateinvestmentfunds.org)

- World Bank Global Facility for Disaster Reduction and Recovery

[www.gfdrr.org/gfdrr/](http://www.gfdrr.org/gfdrr/)

## Overview of Disbursements under Swiss FSF by end of 2011 (CHF)

Project Title	Continent	Target Countries	Swiss grant (CHF)	Disbursements 2011 (CHF)	Website		Sector
GEF Focal Area Climate Change and LDCF/SCCF Funds	Global	Global	15'000'000	15'000'000	<a href="http://www.thegef.org/gef/climate_change">http://www.thegef.org/gef/climate_change</a>		Other
FCPF WB Forest Carbon (Aufst. )	Global	Global	8'500'000	8'142'500	<a href="http://www.forestcarbonpartnership.org">http://www.forestcarbonpartnership.org</a>		Forest
Partnership for Market Readiness	Global	Brazil, Chile, Colombia, Costa Rica, Mexico, China, India, Indonesia, Thailand, Vietnam, Jordan, Morocco, South Africa, Turkey, Ukraine	7'000'000	7'000'000	<a href="http://go.worldbank.org/HMHGOI2O00">http://go.worldbank.org/HMHGOI2O00</a>		Energy
CPCs Global Program UNIDO	Global	Egypt, Lao PDR, Tunisia, Ukraine, Cambodia, China, Colombia, Costa Rica, El Salvador, Guatemala, India, Jordan, Morocco, Peru, South Africa, Vietnam	4'300'000	4'300'000	<a href="http://www.unido.org/index.php?id=1002057">http://www.unido.org/index.php?id=1002057</a>		Energy
GCOS-MeteoSwiss Capacity Building for Climate Observing	Global	Global	2'300'000	800'000	<a href="http://bit.ly/dyehis">http://bit.ly/dyehis</a>		Adaptation
World Mountain Forum for Sustainable Development	Global	Global	140'000	70'000	<a href="http://www.irha-h2o.org">http://www.irha-h2o.org</a>		Adaptation
Weather-Index based Crop Insurance	Africa	Malawi, Swaziland, Zambia, Zimbabwe	6'500'000	20'000	<a href="http://www.sadc.int">http://www.sadc.int</a>		Adaptation
Coastal Protection of the City of Beira	Africa	Mozambique	3'575'000	1'000'000	n/a		Adaptation
Africa UNFCCC Adaptation fund Workshop	Africa	Regional	200'000	200'013	<a href="http://bit.ly/HudJZ3">http://bit.ly/HudJZ3</a>		Adaptation
Transforming the Charcoal Sector	Africa	Tanzania	2'910'000	150'000	n/a		Energy
CCA and Mitigation Strategies	Africa	Tunisia	1'200'000	350'000	n/a		Other

Project Title	Continent	Target Countries	Swiss grant (CHF)	Disbursements 2011 (CHF)	Website		Sector
<b>and Technologies</b>							
<b>Climate Change Resilience Fund (BCCRF)</b>	Asia	Bangladesh	3'400'000	1'700'000	<a href="http://bit.ly/HpbPVP">http://bit.ly/HpbPVP</a>		Adaptation
<b>Costal Adaptation (CBACC) Afforestation</b>	Asia	Bangladesh	2'100'000	1'000'000	<a href="http://cbacc-coastalaffor.org.bd">http://cbacc-coastalaffor.org.bd</a>		Adaptation
<b>Topten China</b>	Asia	China	2'550'000	600'000	<a href="http://www.top10.cn">http://www.top10.cn</a>		Energy
<b>Economics of Adaptation in Water and Agricultural Sectors</b>	Asia	China	200'000	200'015	<a href="http://www.worldbank.org/en/country/china">http://www.worldbank.org/en/country/china</a>		Adaptation
<b>Integrated Flood Risk Management in Changjiang River Basin (IFRM)</b>	Asia	China	440'000	111'000	n/a		Adaptation
<b>Climate Resilience through Risk Transfer Solutions</b>	Asia	India	3'200'000	200'000	n/a		Adaptation
<b>Himalaya Climate Adaptation</b>	Asia	India	3'720'000	100'000	n/a		Adaptation
<b>Partnership for Climate Change Adaptation in semi-arid Areas</b>	Asia	India	1'700'000	900'000	<a href="http://www.wotr.org">http://www.wotr.org</a>		Adaptation
<b>REDD+ Presidential Task Force, USD</b>	Asia	Indonesia	990'000	550'000	<a href="http://bit.ly/yPgT5g">http://bit.ly/yPgT5g</a>		Forest
<b>Poverty-Environment Initiative</b>	Asia	Lao PDR	2'400'000	308'000	<a href="http://bit.ly/HDN8Hz">http://bit.ly/HDN8Hz</a>		Adaptation
<b>Coping with Desertification</b>	Asia	Mongolia	2'100'000	327'000	<a href="http://www.greenmongolia.mn/en/about-codep.html">http://www.greenmongolia.mn/en/about-codep.html</a>		Adaptation
<b>Index-Based Livestock Insurance</b>	Asia	Mongolia	1'400'000	400'000	<a href="http://www.iblip.mn">http://www.iblip.mn</a>		Adaptation
<b>Linking herders to carbon markets</b>	Asia	Mongolia	800'000	463'823	<a href="http://bit.ly/HxPDId">http://bit.ly/HxPDId</a>		Other

Project Title	Continent	Target Countries	Swiss grant (CHF)	Disbursements 2011 (CHF)	Website		Sector
Pastoral Ecosystem Management	Asia	Mongolia	1'200'000	700'000	<a href="http://www.msrm.mn">http://www.msrm.mn</a>		Adaptation
Power Plant Extension SCECO	Asia	Nepal	500'000	0	<a href="http://bit.ly/HPAyX0">http://bit.ly/HPAyX0</a>		Energy
Water & Energy Security through Micro Hydel	Asia	Pakistan	1'160'000	548'007	<a href="http://www.akdn.org">http://www.akdn.org</a>		Energy
Environmental monitoring and information system	Latin America	Andean Region	823'000	278'671	<a href="http://www.condesan.org/portal">http://www.condesan.org/portal</a>		Adaptation
Regional Forests and Climate Change Program (EELA)	Latin America	Andean Region	272'000	40'000	n/a		Forest
BioGas	Latin America	Bolivia	700'000	350'000	n/a		Energy
Climate Change Scaling-up of PRRD	Latin America	Bolivia	1'670'000	820'000	n/a		Adaptation
FORDECAPI	Latin America	Bolivia	1'750'000	800'000	n/a		Adaptation
PROSEDER	Latin America	Bolivia	2'000'000	0	n/a		Adaptation
Sustainable Management of Natural Resources GESTOR	Latin America	Bolivia	2'700'000	0	n/a		Adaptation
Women and Climate Change	Latin America	Bolivia	200'000	50'000	n/a		Adaptation
IFC: Green Building Codes, PE, USD	Latin America	Colombia	1'622'000	1'100'000	<a href="http://www.ifc.org">http://www.ifc.org</a>		Energy
Natural Challenges	Latin America	Cuba	180'000	80'000	n/a		Adaptation
Recovery of the Malecón	Latin America	Cuba	335'000	115'000	<a href="http://www.habananuestra.cu">http://www.habananuestra.cu</a>		Adaptation
UN-Habitat: City Capacities for ACC	Latin America	Cuba	200'000	200'000	<a href="http://bit.ly/lr8adY">http://bit.ly/lr8adY</a>		Adaptation
ACC Las Segovias	Latin America	Nicaragua	3'500'000	770'000	<a href="http://www.undp.org.ni">http://www.undp.org.ni</a>		Adaptation

Project Title	Continent	Target Countries	Swiss grant (CHF)	Disbursements 2011 (CHF)	Website	Sector
<b>CCA and Reduction of Related Risks in the Andes</b>	Latin America	Peru	4'000'000	1'005'201	<a href="http://www.paceperu.org.pe">http://www.paceperu.org.pe</a>	Adaptation
<b>Climate Change Communication and Incidence</b>	Latin America	Peru	175'000	120'000	n/a	Other
<b>Development of a National Program for Climate Change</b>	Latin America	Peru	3'080'000	197'365	<a href="http://www.paceperu.org.pe">http://www.paceperu.org.pe</a>	Adaptation
<b>Indigenous Peoples and GEF and UNFCCC-R</b>	Latin America	Regional	480'000	388'500	n/a	Forest
<b>TOTAL</b>			103'172'000	51'455'095		

## I. United States of America

Meeting the Fast Start Commitment  
U.S. Climate Finance in Fiscal Year 2011

# Overview of U.S. Fast Start Climate Financing in Fiscal Years 2010 & 2011

In December 2009, President Obama and leaders from around the world came together in Copenhagen at the 15th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) to chart a new course in the global effort to tackle climate change. The resulting Copenhagen Accord reflected - for the first time in an international outcome - measurable, reportable and verifiable mitigation targets and actions by all major economies, and set out new institutions and approaches for adaptation, technology and finance.

The finance outcomes in Copenhagen included a collective commitment by developed countries to provide resources to developing countries approaching \$30 billion in the period 2010-2012. The elements that leaders endorsed in the Copenhagen Accord, including this “fast start” finance commitment, were carried forward in decisions of the 16th Conference of the Parties in Cancun in December 2010.

### Fulfilling Our Commitment

Since Copenhagen, the United States has substantially increased its investments in international climate finance. U.S. fast start finance in Fiscal Year (FY) 2011 totaled \$3.1 billion, consisting of \$1.8 billion of Congressionally appropriated assistance and \$1.3 billion from development finance and export credit agencies. To date, the U.S. contribution to fast start finance from these sources totals \$5.1 billion, including a contribution of \$2.0 billion from FY 2010. Ultimately, the total U.S.

contribution to fast start financing will also include funding from FY 2012.

Consistent with President Obama’s Global Development Policy, we are using the full range of mechanisms – bilateral, multilateral, and private – to ensure that our climate finance is efficient, effective, and innovative; based on country-owned plans; and focused on achieving measurable results. We are focusing our bilateral efforts on those countries and regions where we have a comparative advantage and are coordinating closely with other donors. U.S. fast start finance is provided to developing countries through a variety of channels, including:

- **Congressionally appropriated climate finance:** grant-based assistance through the Global Climate Change Initiative – a whole-of-government effort to promote low emission, climate resilient economic growth around the world – and additional grant-based assistance that delivers significant climate co-benefits. This includes:
  - Bilateral, regional, and multi-regional programs, principally through the U.S. Agency for International Development (USAID) but also through the U.S. Department of State, Millennium Challenge Corporation (MCC), and other U.S. Government agencies administering such programs; and
  - Multilateral climate finance vehicles, including the Climate Investment Funds (CIFs), the Global Environment Facility (GEF), the Least Developed Countries



Fund (LDCF), and the Special Climate Change Fund (SCCF).

- **Development finance and export credit agencies:** the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank of the United States (Ex-Im) use public money to mobilize much larger sums of private investment directed at mitigation through loans, loan guarantees and insurance for the deployment of clean energy technologies in developing countries.

Also, U.S. fast start finance falls under three pillars: adaptation, clean energy, and sustainable landscapes, the last of which focuses largely on helping countries to slow, halt, and reverse deforestation. Within each of these pillars, a clear set of criteria was developed to guide the scale and focus of investments.

For adaptation, U.S. foreign assistance prioritizes countries that are highly exposed to climate change impacts, and countries that are vulnerable to climate variability and change.

For clean energy, U.S. assistance focuses on countries and sectors offering significant emission reduction potential, as well as countries that offer the potential to demonstrate leadership in sustained, large-scale deployment of clean energy. We also are investing in regional energy programs to bolster regional energy grids to support clean energy development.

For activities to promote climate objectives with respect to land use and forests, U.S. support prioritizes mitigation potential; countries with the political will to implement large-scale efforts to reduce emissions from deforestation, forest degradation, and other land-use activities; and potential for performance-based approaches.

U.S. assistance and technical agencies are also supporting a cross-cutting objective – building national capacity for Low Emission Development Strategies (LEDS). This effort is currently developing a set of tools and methodologies to

support partner countries and governments in their efforts to think strategically about, plan for, and initiate implementation of economic growth with a reduced emissions trajectory.

Of the \$1.8 billion in FY 2011 Congressionally appropriated assistance, \$563 million is for adaptation, and \$1.28 billion is for mitigation, which includes \$329 million for sustainable landscapes or REDD+ related activities and \$946 million for clean energy. All resources provided by the development finance and export credit agencies support mitigation activities.

## Bilateral Finance

Bilateral finance is a term that applies to grant-based U.S. assistance programmed directly through multi-regional, regional and bilateral programs rather than provided as contributions to multilateral funds or organizations. For FY 2011, \$1.5 billion of U.S. climate support is being provided through bilateral finance to developing countries, principally supported by USAID. This assistance is targeted to help the most vulnerable countries adapt to climate impacts and to partner with countries with significant opportunities to mitigate their emissions. Allocation decisions for each program are made by the administering U.S. federal agency.

## Multilateral Finance

Multilateral channels also play an important role in U.S. climate assistance. Multilateral programs promote institutional structures governed jointly by developed and developing countries, which are needed for a coordinated, global response to climate change. Multilateral assistance leverages funding from other governments, development partners and the private sector, makes capital investment in infrastructure, provides a range of tailored financial products, and works across a wide range of countries. Similar to bilateral finance, multilateral finance is allocated for adaptation, clean energy, and sustainable landscapes activities in developing countries.

## Examples of Bilateral Programs

- The United States is investing \$15.7 million in a biodiversity program in central Africa that is providing climate change benefits in seven countries of the Congo Basin. The program will work to slow the rate of tropical forest and biodiversity loss by increasing institutional capacity, improving governance, expanding scientific knowledge of natural resources, and creating economic alternatives for local communities.
- In Bangladesh, the United States is providing \$11 million in support of climate change adaptation and biodiversity conservation, and will expand its involvement with the conservation and better management of the Sundarbans—the largest mangrove forest in the world—aiming not only to mitigate the effects of natural disasters, but also to provide additional income for poor communities.
- In Indonesia, the United States is allocating approximately \$332 million to the proposed “Green Prosperity” Project, which is a 5-year project designed to promote environmentally sustainable, low carbon economic growth consistent with its development and climate change strategies. The centerpiece of the Project is a funding facility that will support investments in two areas: (i) expansion of renewable energy; and (ii) sustainable management and use of natural resources.
- The United States is providing \$4.6 million for the Africa Infrastructure Program (AIP) to provide clean energy capacity building assistance to governments in Southern Africa. The program will work with partner government agencies responsible for the development of policies, integrated resource plans, and energy sector reforms, and will result in the deployment of clean and renewable energy technologies and programs that reduce greenhouse gas emissions.
- In Guatemala, the United States is investing \$7.6 million in a broad adaptation and sustainable land use program that works to build resilience to climate change impacts and reduce greenhouse gas emissions from land use change. The program will include activities to reduce risks from natural disasters and other projected climate change impacts, conserve biodiversity, and improve natural resource management.
- In six countries in Central America, the United States is providing \$4 million to assist governments and nongovernmental organizations with building and harmonizing regional capacity for Reducing Emissions from Deforestation and Forest Degradation (REDD+) and, where possible, to build regional momentum by drawing lessons from Mexico’s successful experience with REDD+.
- In the Andean region of South America, the United States is investing \$2 million to support efforts to understand and manage glacial ice and water resources in the face of projected dramatic climate change impacts. Specific activities may include researching ice and water dynamics, supporting regional cooperation on glacier and related water management issues, and promoting awareness about the importance of modifying water resource management in response to climate change.
- In Mali, the United States is investing \$3 million to reduce communities’ vulnerability to climate change impacts and alleviate poverty in the process. In coordination with the Malian Department of Meteorology and other research institutions, the United States will improve the distribution of 10-day and seasonal forecasts and the generation of climate change impact data, while working with the agricultural community to integrate this information into decision-making processes.

In FY 2011, the United States delivered \$235 million to the CIFs, including:

- \$185 million to the Clean Technology Fund (CTF), which aims to catalyze sustained, long-term clean energy transformation in developing countries;
- \$30 million to the Forest Investment Program (FIP), which provides financing for investments in forest governance and institutional capacity development, as well as measures to reduce deforestation drivers outside the forest sector;
- \$10 million to the Pilot Program for Climate Resilience (PPCR), which helps highly vulnerable countries prepare for and respond to the unavoidable effects of climate change; and
- \$10 million to the Scaling-Up Renewable Energy Program in Low Income Countries (SREP), which helps the poorest countries to use renewable energy to expand energy access, stimulate economic growth, and reduce vulnerability to energy shocks.

In addition, in 2011 the United States committed:

- \$45 million to the GEF to support developing countries' efforts to develop and implement innovative programs in clean energy and REDD+.
- \$25 million to the LDCF and \$10 million to the SCCC, multilateral funds created under the UNFCCC that support financing to help developing countries adapt to the impacts of climate change.

## Development Finance and Export Credit Agencies

U.S. development finance and export credit agencies play a critical role in using a core of public money to mobilize much larger sums of private investment directed at mitigation in

developing countries. In FY 2011, OPIC and Ex-Im provided \$1.3 billion in investments, direct loans, loan guarantees, and insurance to support the deployment of clean energy technologies.

OPIC, in particular, has implemented a substantial increase in its clean energy financing activities from FY 2010 to FY 2011. As the U.S. Government's development finance agency, OPIC contributes to U.S. development and foreign policy objectives in a way that catalyzes private sector investment.

Most Ex-Im and OPIC programs are transaction-based, meaning that financing responds to market demand for their products rather than being pre-allocated to certain countries or activities. For purposes of U.S. fast start finance, only the value of OPIC and Ex-Im commitments to these transactions is counted, not the additional private capital leveraged by these commitments. But it is worth noting that the \$1.3 billion of OPIC FY 2011 financing leveraged at least an additional \$2.3 billion of private investment.

## Looking Ahead

Public finance will continue to play a critical role beyond the fast start period, particularly for adaptation. For this reason, the United States remains committed to providing public climate finance contributions in the years beyond 2012.

However, public finance alone will not be sufficient to address climate change. Our aim is to take a finite but growing core of public money and combine it with smart policies to substantially increase private flows into climate friendly investments in both mitigation, and where possible, adaptation. These resources will be especially important as we, together with our developed country partners, work towards our collective goal to mobilize \$100 billion per year by 2020, in the context of meaningful mitigation actions and transparency on implementation. The United States has already started to lay

## Examples of Multilateral Programs

- The U.S. contributed \$185 million to the Clean Technology Fund (CTF) in FY 2011, in addition to the \$300 million we contributed in FY 2010. Among the investments approved by the CTF was for Egypt to continue to partner with the African Development Bank (AfDB), the International Finance Corporation (IFC), and the International Bank for Reconstruction and Development (IBRD) to implement a Clean Technology Fund (CTF) investment plan that uses \$300 million in concessional CTF financing to mobilize more than \$1.9 billion in total investments in wind power and sustainable urban transportation.
- The U.S. contributed \$10 million to the Scaling-Up Renewable Energy Program (SREP) in FY 2011. Among the investments approved by SREP was a \$30 million pilot program, in partnership with the Asian Development Bank (ADB) and the World Bank, for the Maldives to develop a program of investments that will help scale-up the use of renewable energy to expand energy access, stimulate economic growth, and reduce vulnerability to energy shocks.
- The U.S. contributed \$10 million to the Pilot Program for Climate Resilience (PPCR) in FY 2011. In partnership with the African Development Bank (AfDB) and the World Bank, Niger has developed a PPCR investment strategy that uses \$50 million in grant funding and \$60 million in concessional loans for projects in areas including water resource management, weather and climate forecasting systems, and social and economic infrastructure for high-risk climatic zones.

the foundation for private sector investment in the post fast-start period by encouraging development finance and export credit agencies, such as OPIC and Ex-Im, to invest in clean energy technologies, and by leveraging strong private sector investments across all three pillars through our multilateral programs. We will continue to work aggressively to find solutions that include both public and private finance components.

## U.S. Fast Start Finance Country Fact Sheets

In addition to this overview, the United States has prepared individual fact sheets for countries receiving U.S. fast start finance for FY 2011. Each country fact sheet describes projects and programs funded in whole or in part by the U.S. government, including:

- U.S. Government programs focused exclusively in that country (e.g., bilateral

assistance programs in a specific country);

- U.S. Government centrally- or regionally-based programs that benefit that country among others (e.g., activities undertaken by the USAID Regional Development Mission for Asia in a group of Asian countries.)
- Projects financed by OPIC and the Ex-Im Bank, and;
- Initiatives funded by multilateral climate funds to which the United States is a donor (e.g., programs undertaken by the CTF).

In addition, more than \$400 million of Congressionally appropriated assistance is delivered through global programs. These programs' benefits are spread across many nations, and cannot be narrowly attributed to any single nation.

To ensure accurate and comprehensive reporting of this information, all U.S. Government agencies involved in fast start activities were



## Examples of Global Programs

- The United States is providing \$10.2 million for Enhancing Capacity for Low Emission Development Strategies (EC-LEDS), a whole-of-government program to support developing countries' efforts to pursue long-term, transformative development and accelerate sustainable, climate-resilient economic growth while slowing the growth of greenhouse gas emissions. The initiative will build LEDS-related capacities in up to 20 partner developing countries, provide targeted technical assistance – for example with greenhouse gas inventories, economic and sectoral modeling and analysis, stakeholder engagement, and forest and clean energy interventions – and build a shared global knowledge base on LEDS.
- The United States is investing \$7 million in the SERVIR Regional Visualization and Monitoring System to improve capacity of government counterparts and key non-governmental stakeholders to make use of geospatial information and tools for decision-making related to climate change adaptation, land-based sequestration, and climate resilient agriculture, natural resources management, and health. SERVIR integrates satellite data, ground-based observations, and forecasts to provide information about environmental changes and to improve response to natural disasters.

asked to provide information on climate-related international programs or activities supported with FY 2011 funding. They were specifically asked not to include activities supported with FY 2010 funding and therefore included in last year's fast start finance report.

Agencies also were given specific guidelines on what constitutes climate finance and asked to indicate whether activities supported adaptation, clean energy, or sustainable landscapes. To avoid double-counting, agencies were prohibited from attributing the same funding to multiple categories.

This overview and the country-specific fact sheets together represent a snapshot of activities planned and implemented at the time of writing. In many cases, plans and activities will be further refined in consultation with partners, and any individual activity may be subject to change as circumstances evolve. While aiming to cover as many initiatives as possible, the fact sheets do not capture all activities, including all activities of U.S. Government agencies or all contributions to multilateral programs that focus in part on climate change.

Furthermore, this update only addresses U.S. fast start finance for FY 2011. In many instances, the FY 2011 finance reported for certain projects is only a portion of the ongoing funding associated with those projects, and projects undertaken with funding from any one fiscal year are typically carried out over multiple years. For example, activities undertaken with FY 2010 funds are, in most cases, ongoing. For information on FY 2010 activities, please see the FY 2010 fast start finance report, available at: [www.state.gov/faststartfinance](http://www.state.gov/faststartfinance). Bilateral assistance is disbursed by each implementing U.S. Government agency according to its own financial procedures; these vary across agencies and accounts.

The FY 2011 data will continue to evolve as some projects are still being developed. As necessary, we will provide updated information. Similarly, after further review and consultation with partners, we have revised our FY 2010 contribution level from a total of \$1.7 billion to a total of \$2.0 billion, consisting of \$1.6 billion of Congressionally appropriated assistance and \$400 million from development finance and

## Examples of OPIC and Ex-Im Investments

- In Kenya, OPIC committed \$310 million for financing a project that will double the generating capacity of a geothermal power plant, adding new electricity to the country's grid through the use of environmentally friendly American technology, and creating both American and Kenyan jobs in the process. Geothermal power production emits negligible greenhouse gases and other air pollutants.
- In India, Ex-Im Bank authorized a loan of \$84.3 million to finance solar photovoltaic modules and related equipment for the Dahanu Solar project located in the state of Rajasthan.
- In Georgia, OPIC is lending \$58 million for the development, construction and operation of a 46.4 MW hydropower generation facility located on the Mtkvari River, increasing the supply of renewable electricity in the region.
- In the Kingdom of Thailand, OPIC is investing \$250 million in the development, construction and initial operations of a portfolio of approximately 50 solar photovoltaic power projects, which will increase the capacity of Thailand's national grid.

export credit agencies. This increment from last year's account includes additional financing from agencies like the U.S. Trade and Development Agency, as well as a newly signed Millennium Challenge Corporation compact with the Government of Malawi, which includes \$139 million of FY 2010 funds. The previous estimate of the FY 2010 U.S. contribution consisted of \$1.3 billion of Congressionally appropriated assistance and \$400 million from development finance and export credit agencies.

The fact sheets also include programs with significant climate co-benefits (e.g., relevant biodiversity and food security activities). Activities with climate co-benefits applicable to a certain country are included in many cases. However, this update does not capture the totality of co-benefits provided through U.S. support. For example, in 2010, the U.S. invested a total of \$900 million in atmospheric, oceanic, and terrestrial systems that provide global-scale climate observations and monitoring (2011 totals have not yet been finalized). In collaboration with other countries, the United States makes this data available globally, including for countries to help plan for adaptation. This

spending on global-scale climate observations and monitoring is not counted as fast start finance or included in the fact sheets for FY 2010 and FY 2011.

For multilateral programs and projects, fact sheets differentiate between the total amount provided by the multilateral fund and the U.S. contribution to that fund in FY 2011. Only the U.S. FY 2011 contribution to the fund is included in the total U.S. FY 2011 fast start finance figures. In addition, this update does not discuss activities with climate co-benefits that fall under the regular programs of multilateral institutions, such as the World Bank, regional development banks, or United Nations agencies, such as the United Nations Development Programme. However, as the United States is the largest contributor to many of these institutions, the additional climate benefits from such programs attributable to U.S. support are substantial.

The United States will continue to update information about its climate finance budgets and actual allocations through FY 2012.

For more information on U.S. fast start finance agencies and multilateral funds, please visit the following websites:

- U.S. fast start finance website: [www.state.gov.faststartfinance](http://www.state.gov.faststartfinance)
- Questions about U.S. fast start finance can be sent to [faststartfinance@state.gov](mailto:faststartfinance@state.gov)
- Question about USAID climate assistance programs in specific countries should be directed to the USAID mission for that country; contact information for missions can be found at: <http://www.usaid.gov/locations/missiondirectory.html>
- For more information about OPIC programs, go to <http://opic.gov/doing-business-us>
- For more information about Ex-Im programs, go to <http://www.exim.gov>
- For more information on the CIFs, go to <http://www.climateinvestmentfunds.org>
- For more information on the GEF, LDCF, and SCCF, go to <http://www.thegef.org>

For more information on U.S. fast start finance activities, including recipient country fact sheets, please visit the following websites:

#### **Africa**

2011: <http://www.state.gov/e/oes/rls/rpts/faststartclimate2011/africa/index.htm>

2010: <http://www.state.gov/e/oes/rls/rpts/fast2010/c45162.htm>

#### **Asia**

2011: <http://www.state.gov/e/oes/rls/rpts/faststartclimate2011/asia/index.htm>

2010: <http://www.state.gov/e/oes/rls/rpts/fast2010/c45161.htm>

#### **Europe and Eurasia**

2011: <http://www.state.gov/e/oes/rls/rpts/faststartclimate2011/europe/index.htm>

2010: <http://www.state.gov/e/oes/rls/rpts/fast2010/c45163.htm>

#### **Latin America**

2011: <http://www.state.gov/e/oes/rls/rpts/faststartclimate2011/latinamerica/index.htm>

2010: <http://www.state.gov/e/oes/rls/rpts/fast2010/c45164.htm>

#### **Middle East / North Africa**

2011: <http://www.state.gov/e/oes/rls/rpts/faststartclimate2011/middleeast/index.htm>

2010: <http://www.state.gov/e/oes/rls/rpts/fast2010/c45165.htm>