



Department
for International
Development



Department
of Energy &
Climate Change



Department
for Environment
Food & Rural Affairs

UK FAST START CLIMATE CHANGE FINANCE

Supporting the World's poorest to adapt to climate change and promoting cleaner, greener growth



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November 2012

Delivering Finance and Results

The UK Government is committed to supporting ambitious global action on climate change and to helping developing countries carry out the urgent work that is needed to adapt to climate change, to reduce their emissions, including from deforestation, and to exploit new opportunities to develop cleaner energy.

At the UN Conference on Climate Change in Copenhagen in 2009, developed countries committed to provide new and additional resources approaching \$30 billion to help meet the adaptation and mitigation needs of developing countries. This is known as Fast Start finance. As our contribution to Fast Start finance, the UK Government committed to **provide £1.5 billion (approx. \$2.4 billion) from 2010 to 2012.**

The UK is on track to successfully deliver its Fast Start commitment. Our funding has supported developing countries to take urgent action on mitigation, including reducing emissions from deforestation and forest degradation (REDD+), adaptation, technology development and transfer and capacity building.

The UK has committed to provide £2.9 billion for international climate finance as part of the rising aid commitment for the period 2011–12 to 2014–15, known as the International Climate Fund (ICF). The ICF scales up UK climate finance for two years beyond the Fast Start period.

Results we expect to achieve, in collaboration with other donors include;

- Supporting small-holder farmers in up to 40 developing countries adapt to climate change through, for example, improved water harvesting and storage, flood protection, irrigation systems and agro-forestry practises by 2017
- In Kenya, support over 70 new climate technology enterprises and provide over 104,000 households with low carbon energy by 2015.
- Facilitate energy access for 2.1 million people in Uganda through the creation of up to 125MW power capacity and 15 renewable energy plants.
- Help protect 39 million hectares of forest, avoiding billions of tonnes of carbon (CO₂e) emissions, over the next 25 years.

Adaptation – Supporting the poorest to adapt to the impacts of climate change

It is the world's poorest who will be hit hardest by the impacts of climate change. They are the most vulnerable and least able to adapt, yet they have contributed the least to its causes. Support is needed to help communities adapt to the impacts of climate change and to help countries develop in ways that secure past gains and continue the progress made towards reducing poverty. In the poorest countries, agriculture, water resources, coastal and urban areas are particularly vulnerable to the impacts of climate change that threaten economic growth and poverty reduction.

The UK's support for adaptation is helping communities build resilience to climate impacts, for example, by:

- Developing better systems for managing water scarcity or flooding;
- Ensuring homes, schools and hospitals protect people from floods;
- Supporting improved farming practices that cope better in droughts.

The UK Government is also supporting countries to develop and implement national climate change strategies and adaptation interventions. This approach will help ensure the voices of those worst affected is heard in local, national and international decision-making processes, ensuring the needs of the poorest and most climate vulnerable people are addressed first. For example, providing practical on-the-ground support, building the climate knowledge and capacity in vulnerable countries and helping to ensure these countries get access to sufficient finance.

The UK is supporting a range of adaptation activities through Fast Start finance both through our bilateral programmes and through major international climate funds including:

Country level adaptation: The **Pilot Programme for Climate Resilience (PPCR)** (one of the Climate Investment Funds – see page 18) supports country-led, adaptation programmes such as growing drought resistant crops, improving irrigation systems, redesigning water storage infrastructure, protecting communities from floods and developing hydropower. It currently supports 9 pilot countries (Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen and Zambia) and 2 regions (Caribbean and Pacific). The majority of PPCR pilot countries have now developed investment plans which are being implemented. Initial expected results include: limiting the impact of climate related disasters in Nepal through developing weather forecasting and early warning systems; and improving Mozambique's agricultural productivity through developing climate resilient technologies, irrigation systems and reducing soil salinity. The UK has provided £312 million to the PPCR including **£289 million of Fast Start finance**.

Helping the most vulnerable adapt: The UK is supporting the **UN Least Developed Countries Fund (LDCF)** and the **Adaptation Fund (AF)**.

The LDCF is a multilateral fund dedicated to supporting Least Developed Countries (LDCs). It supports 49 of the poorest and most vulnerable LDCs to deliver the urgent and immediate priorities they have identified in their National Adaptation Plans for Action (NAPAs) – country-driven strategies for adapting to climate change. Expected results of LDCF support include: 25,000 small scale farmers able to grow more climate resilient crops; the construction of climate resilient infrastructure benefitting at least 100,000 people; and establishing 8 meteorological stations to help predict climate change events and provide early warnings. The UK has provided **£30 million Fast Start finance** to the LDCF.

The AF enables developing countries to access funds directly for adaptation priorities. Countries can manage finance through their own national institutions where they meet fiduciary standards. Over the past two years, the AF has dedicated more than US\$165 million to increase climate resilience in 25 countries. For example, a \$4m project in Pakistan will reduce the risks of glacial lake outburst floods, identify all risk sites in Pakistan and reduce risk in 2 flood prone valleys, enabling 90% of households to respond to early warning signals. The UK has provided **£10 million Fast Start finance** to the AF.

The UK is also supporting a range of countries to undertake adaptation activities through **bilateral support**.

Case Study: Adaptation Smallholder Agriculture Programme (ASAP)

The UK is supporting the **Adaptation Smallholder Agriculture Programme (ASAP)**. This five year initiative, launched in 2012, is implemented by the International Fund for Agriculture Development (IFAD), a specialised UN agency working on financing agriculture and rural development.



A herder and his goats, Mali © Imadou Keita / IFAD

ASAP will work in approximately 40 developing countries, investing in practices and knowledge to help smallholder farmers adapt, for example, through small scale water-harvesting and storage, flood protection, irrigation systems, agroforestry, and conservation agriculture.

ASAP will also invest in strengthening farmers' access to better seeds, markets and information, and supporting their access to weather forecasts through use of text messages to know when best to plant and harvest crops. It will work with


governments on policies to enable growth and climate smart agriculture.

The UK will provide up to £150 million to ASAP, including **£100 million Fast Start finance**. The UK support is expected to benefit 6 million small-holder farmers.

"If action isn't taken, the impact of climate change on agriculture could lead to another 25 million malnourished children by 2050. That is why support to do these things like flood proofing, switching to more resilient crops and improving weather reporting is so crucial. Farmers need to be able to act now to adapt to climate change, to protect their own livelihoods and the health of their communities."

– Deputy Prime Minister Nick Clegg at the Rio+20 High Level Event - June 2012.

Further examples of UK Fast Start funded initiatives for adaptation include:

Protecting farmers	Supporting Local Communities Adapt
<p>The UK is supporting the development and implementation of catastrophe insurance for small scale farmers in the Caribbean through the Hazard Micro-Insurance programme</p> <p>Within 4 years, up to 15,000 farmers across the Caribbean should have access to insurance to protect their livelihoods (equating to approximately 50,000 beneficiaries including dependents). Once insured, they will receive a set pay-out whenever rainfall or wind strength during storms or hurricanes is above an agreed level.</p> <p>The UK has provided £1.5 million in Fast Start finance to the Hazard Micro-Insurance programme.</p>  <p>Aubergines in a farmers garden in Cap Rouge, Haiti © Abbie Trayler-Smith/ PANOS</p>	<p>The UK, in partnership with the European Commission, is supporting the Nepal Climate Change Support Programme (NCCSP), which focuses on building community resilience to climate change.</p> <p>Local communities will use a simple national adaptation framework to plan and prioritise adaptation activities. The UK support will help fund these activities to ensure the needs of the poorest and most climate vulnerable people in Nepal are addressed first.</p> <p>By 2015, the NCCSP programme will assist 3 million people from the poorest and most vulnerable groups (over half of them women and girls).</p> <p>The UK has provided £3 million in Fast Start finance to the NCCSP.</p>

Low Carbon Development – Supporting cleaner greener growth in developing countries

Adopting low carbon technologies will help developing countries to grow sustainably, alleviate poverty and reduce dangerous climate emissions. The benefits of clean, low carbon technologies will improve the lives of some of the poorest and most vulnerable people. For example, increasing access to renewable energy can have health benefits from a reduction in local air pollution. It can also result in reduced expenditure on kerosene or less time spent collecting firewood. Reductions in greenhouse gas emissions will also benefit some of the poorest and most vulnerable people by helping to avoid dangerous climate change.

The UK Government is helping developing countries to achieve a low carbon future that reduces poverty, focusing on the following areas:

- Helping poor countries develop in ways which avoid or reduce harmful greenhouse gas emissions;
- Helping millions of poor people secure access to clean energy;
- Securing private sector investment in low carbon development to complement public money spent.

The UK Government is supporting countries to access clean, renewable and sustainable energy, through our bilateral programmes and through major international climate funds. Many of these projects deliver large scale financial support to enable developing countries to plan for and then implement a low carbon, climate resilient future.

Support through multilateral funds includes:

Clean energy for all: The UK is supporting the **Clean Technology Fund (CTF)** which, when combined with earlier contributions and other donor funding, is expected to leverage over \$40 billion of investment in low carbon projects. For example, amongst a range of projects the CTF is expected to contribute towards 18 million people accessing low carbon and affordable transport and help to co-finance the construction of up to 12 new concentrated solar power plants in North Africa – providing clean electricity and thousands of jobs to local communities. Over the lifetime of the CTF, it is expected to contribute towards delivering greenhouse gas emission savings of 1.6bn tonnes CO₂e, the equivalent of Russia's annual emissions, and also to provide broader development and environmental benefits. The UK has provided **£305 million in Fast Start funding** to the CTF.

Integrating climate change: The UK is a major contributor to the **Global Environment Facility (GEF)** - the central funding mechanism for the United Nations Framework Convention on Climate Change (UNFCCC) and Convention on Biological Diversity. The GEF helps developing countries to integrate climate change and environment into poverty reduction strategies. It provides grants for projects related to, for example, climate change, land degradation, biodiversity and pollution. Since it was founded in 1991, the GEF has invested \$9.2 billion in grants and leveraged \$40 billion in co-financing providing an excellent example of public-private financing.

- During 2010 – 2012 the UK has provided £192.5 million to the GEF including **£74.7 million in Fast Start finance** to support sustainable development, including sustainable forest management, and

tackling climate change in some 165 developing countries and countries with economies in transition.

- Together with commitments from other donors, this support is expected to result in 500 million tonnes of carbon dioxide being avoided, 3-4 innovative technologies in 10-15 countries being implemented, and 0.5 gigawatts of new renewable energy capacity being created.

Case Study: Cutting edge Climate Innovation Centre in Kenya

The **Kenyan Climate Innovation Centre (CIC)** was launched in September 2012 as the first of its kind in Africa. The CIC is supported by the World Bank's infoDev in partnership with Denmark and the UK.

The CIC (including other donor funding) will help support over 70 new climate technology enterprises and provide over 104,000 households with low carbon energy by 2015. It is also estimated that the CIC will create up to 4,650 new green jobs (a third of which will be women) and support the development of local partnerships, supply chains and collaborations.



© World Bank

The CIC is an innovative model to accelerate locally owned and developed solutions to climate change. In addition to helping to reduce greenhouse gas emissions, the innovation centre will help improve climate resilience and accelerate business development in high-growth sectors such as renewable energy, agriculture, clean water, and energy efficiency.

The UK has provided **£2 million Fast Start finance** to the CIC in 2012.

"I want to provide clean water and cooking stoves to 24,000 households, and create 550 jobs, 400 of which will be for women. The support of the CIC would help me to commercialise and rollout our products at the national level."

- Kenneth Ndua, founder of start-up Fawandu, is an entrepreneur developing a high-efficiency stove that simultaneously cooks and sanitises water whilst boiling.

Further examples of UK support for low carbon development activities include:

Investing in Innovation

The UK is supporting the **Renewable Energy and Adapting to Climate Technologies (REACT)** programme. This fund is a window of the Africa Enterprise Challenge Fund (AECF) which aims to stimulate private sector investment in developing and delivering low cost, clean energy and climate adaptation technologies, such as solar power, biogas, irrigation and water efficiency measures.

By 2015, it is estimated that REACT will have helped deliver access to cheaper, cleaner energy technologies to 200,000 households and 50,000 small to medium enterprises.

The UK has provided **£3.3 million of Fast Start finance** to the REACT programme.



World Mali Solar Power Project.
© Curt Carnemark / World Bank 2008

Providing Energy Access

The UK is supporting the **Energy and Environment Partnership Programme with Southern and Eastern Africa (EEP)** which aims to support increased access to modern, clean, affordable and reliable energy services; support the wider uptake of renewable energy and greater energy efficiency for some of the world's poorest people.

The EEP programme supports innovation by bridging the gap between a good idea and investment, providing grants to kick start projects which support the use of clean, affordable and sustainable energy for rural populations in Africa.

The programme will ensure a minimum of 32,400 poor people obtain access to new and improved low carbon energy, improving their welfare, health and economic status.

The UK provided **£4.5 million of Fast Start finance** to EEP.

Working with the Private Sector

We are committed to creating new partnerships with the private sector to increase green investments. The aim is to demonstrate to private sector investors that climate friendly investments in developing countries are financially viable. Examples of UK support include:



Shenzhen, China © Debi Cohen

Encouraging private sector investment: The UK is supporting the **Climate Public Private Partnership (CP3)**. The UK will work alongside the Asian Development Bank and International Finance Corporation Asset Management Company in a joint effort to encourage new forms of private sector finance, such as sovereign wealth funds and pension funds, into climate investments. The CP3 programme aims to demonstrate to major private sector investors that climate friendly investments are financially viable. The UK will provide £130 million to the CP3 programme, including **£50 million Fast Start finance**. The UK will take a lead investor role, investing £110 million in two new private equity funds, managed by professional fund managers that will pick the best investments in sectors, such as water, renewable energy, energy-efficiency, low carbon transport and clean technology, to support developing country economies grow and prosper. Over the lifetime of the CP3 programme, it is expected to save an estimated 265 million tonnes of CO₂e, generate more than 7,000 megawatts of clean, reliable energy and create an estimated 40,000 new jobs. The UK support also includes £20 million of technical assistance to support lower income countries, new technologies and first-time fund managers.

Scaling up climate finance - Recognising that significant levels of investment are required to make the transition to a low carbon economy, the **Capital Markets Climate Initiative (CMCI)** was launched to help accelerate and scale up private climate finance flows to developing countries. CMCI brings together policymakers with some of the most significant institutions in the finance and investment sectors – institutional investors, investment banks, multilateral development banks and professional services. The platform pools this knowledge and expertise to address the barriers and constraints currently inhibiting development of markets for low carbon investments. The aim is to design new financing solutions that will shift investment away from high carbon and climate vulnerable investments and into climate compatible technologies, solutions and infrastructure.

Case Study: On Grid Small Scale Renewable Energy in Uganda (GET FiT)

The UK is supporting **GET FiT**, a project which will provide results based support to enable small-scale, private sector, on-grid renewable energy projects in Uganda to get to completion. This will help meet the anticipated increased energy demand in Uganda and avoid either an energy shortfall or the use of 'quick to build' temporary fossil fuel installations.

Small hydro in construction, Uganda. © JanMartin, Witte/ KfW



GET FiT (with additional support from other donors) will support the development of up to 125MW power capacity across 15 renewable energy plants, facilitate energy access to 2.1 million people and save the Ugandan electricity buyer up to £2.7bn between 2014 to 2035, enabling them to buy renewable energy instead of more expensive fossil fuel energy.

GET FiT will provide a grant to private sector power developers to top-up the tariff that the Ugandan buyer pays to make building power plants economically viable and facilitating World Bank guarantees to cover payment default and political risks. It will also provide capacity building support to the Ugandan Energy Regulatory

Authority. The project aims to demonstrate to the private sector that investment in a perceived high-risk, poor country is financially viable, whilst demonstrating to developing countries that support to renewables, cost-reflective tariffs and the right regulatory regime will help attract private investment.

The UK is providing **Fast Start finance** to GET FiT in 2012. Germany and Norway are also funding this project.

Supporting use of market mechanisms

We are working with our partners, including the Multilateral Development Banks and the EU, to deliver climate assistance to developing countries.

Case Study: World Bank Partnership for Market Readiness

The Partnership for Market Readiness (PMR) is a grant-based trust fund that supports middle-income countries develop and pilot market-based policies to reduce greenhouse gas emissions. The PMR brings together policy makers from governments with experts and stakeholders to provide a platform for piloting these market-based policies. The PMR is country-led and builds on developing countries' own mitigation priorities.

Initial funding is helping countries to design their market readiness proposals, detailing the capacity building support they require to implement their proposed mechanism. Since it began operating in 2011, the PMR has awarded preparation grants of \$350,000 to 15 implementing countries, with a 16th country to receive its preparation funds in 2013. Some countries have started coming forward with their Market Readiness Proposals (MRPs). If approved, countries will be eligible to receive implementation funding of US\$3 million to \$8 million.

Mexico is one of the first countries to develop their MRP and is exploring the development of a registry that would incorporate different carbon offset markets into one centralised system.

The UK has provided **£7 million Fast Start finance** to the PMR.

"This will help add quality and transparency to the carbon offsets being sold, independent of the market being utilised."

- Jose Antonio Urteaga, Mexico's Ministry of Environment and Climate Change.

Slowing deforestation and reducing emissions

Worldwide, some 1.2 billion people depend on forests for all or part of their livelihoods, and 60 million indigenous people depend on forests for their survival – as a vital source of food, livestock fodder, shelter, fuel and medicine. Forests contain more than half of all land-based plants and animals, and are one of the planet's great stores of carbon. Avoiding dangerous climate change will be significantly harder if deforestation continues unchecked.

Deforestation and forest degradation will impact the livelihoods of millions of the world's poorest people, as well as harming biodiversity and significantly contributing to climate change. Around a sixth of all greenhouse gas emissions are a direct result of deforestation – more than from all the cars, trains and planes in the world combined.

Slowing deforestation is one of the most cost-effective options for reducing global greenhouse gas emissions. The UK's action to tackle deforestation over the Fast Start period focused on three areas:

- Supporting forest nations to tackle illegal logging and improve forest governance;
- Empowering communities to manage the forests that they depend on for their livelihoods, and supporting them to protect these resources sustainably over the long-term;
- Supporting multilateral efforts to assist forest nations to develop strategies and implement pilot programmes to reduce deforestation.

Examples of UK support include:

Supporting scaled up investments to tackle deforestation: The **Forest Investment Programme (FIP)** is supporting 8 pilot countries to implement programmes to reduce deforestation, including innovative programmes to support community-based forest management in Burkina Faso. FIP investments will enhance the wellbeing of forest dependent communities, increasing their resilience to climate change and providing new sources of income, whilst reducing greenhouse gas emissions associated with deforestation. Funding will be used to tackle forest fires, establish tree nurseries, plant trees in degraded pastures and help farmers manage their woodlands more sustainably. The FIP programme is expected to save millions of hectares of forests and increase the incomes of many forest dependant people. The UK has contributed £100 million to FIP, including **£88 million of Fast Start finance**.

The World Bank **Forest Carbon Partnership Facility (FCPF)** is helping 37 countries to put in place the plans, systems and institutions they need to reduce emissions from deforestation. For example, in Ethiopia, the Facility has helped to build consensus amongst forest communities, Government and farmers who had conflicting views on the best way of managing forests more sustainably. This resulted in the Government agreeing on the importance of putting local communities at the centre of this effort. The UK has contributed **£10 million of Fast Start Finance** to FCPF.

Case Study : Forest Governance, Markets and Climate (FGMC) Programme

Monitoring the timber trade in Burma
© Environmental Investigation Agency



The **Forest Governance, Markets and Climate (FGMC)** programme aims to reduce the illegal trade in forest resources by addressing forest sector governance and market failures that permit illegal forest practices.

The FGMC programme will make use of trade and market incentives to influence reforms in timber-producing countries where governance failures often result in illegal logging and neglect for poor peoples' rights to forest land and resources.

By reducing illegal logging poor people will have a greater voice in what happens to their forest. This will not only reduce the likelihood of conflict over forest tenure, it could also help avoid up to £13 billion in revenue and tax loss to developing countries, by clarifying forest-dependent peoples' tenure rights and supporting improved governance and stronger enforcement of forest laws

Over the next 25 years, the FGMC programme will help protect up to 39 million hectares of forest (13 million hectares more than the size of the UK). It will help avoid billions of tonnes of carbon (CO₂e) emissions, protect the livelihoods of tens of millions of forest-dependent communities and increase the incomes of 50 million men, women and children reliant on farming.

The UK has committed £60 million, including **£16.9 million Fast Start finance**, to the FGMC programme.

Other examples of UK support for safeguarding forests and reducing emissions include:

Improving Forest Management

The UK is supporting the **Nepal Multi-stakeholder Forestry Programme**. This programme supports local forestry groups and institutions to effectively implement good governance, sustainable forest management and climate change adaptation, promoting sustainable management of forests and trees.

The programme is expected to increase the forestry sector's contribution to Nepal's GDP; reduce the climate vulnerability of over half a million households; create an additional 80,000 green jobs mainly for poor people; contribute to lifting 1.7 million poor and disadvantaged people out of poverty; and protect 1 million hectares of forests through improved management.

The UK will provide £19.67 million, including **£200,000 of Fast Start finance**.



Nepal © Anwar Hossein/IFAD

Reducing the rate of deforestation

We are supporting the **Reducing Deforestation in the Brazilian Cerrado Programme** which aims to reduce deforestation by improving compliance with the forest code, registration of land ownership and by supporting measures to prevent and deal with forest fires.

This project will contribute to reduced rates of deforestation, a reduced rate of biodiversity loss, poverty reduction and reduced greenhouse gas emissions in the Cerrado biome.

The UK will provide a total of **£10 million Fast Start funding** to this programme.

Building the Evidence and Knowledge to Respond to Climate Change

The UK is helping to build global knowledge and the evidence needed to tackle climate change and reduce poverty by supporting developing countries adapt to climate change and help them grow in a low carbon way. Our research covers a range of areas from climate science and impact modelling, to adaptation and mitigation, generating practical tools and technologies which can be applied in the field making a real difference to people's lives.

The UK is supporting a number of research initiatives through Fast Start finance, including:



Workers at a plant nursery in Ethiopia © Andy Johnstone/ PANOS

Building knowledge of climate change - The Climate and Development Knowledge Network (CDKN) is a five year initiative, launched in March 2010, to support 40 developing countries build their knowledge, capacity and action plans on climate change. CDKN is an alliance of 6 private and non-governmental organisations working across 4 continents to assist decision makers in developing countries to design and deliver climate and environmental policies and programmes. With its team of scientists, economists and policy analysts from both developed and developing countries, CDKN offers support to public, private and non-governmental decision-makers to develop new policies, introduce new technologies and mobilise new funding sources. To date CDKN has supported policy change in 23 countries across the globe. The UK is contributing £57 million including **£21.6 million Fast Start finance**. For more information on the CDKN see www.cdkn.org.

Bioenergy in East Africa – The UK is supporting the **Policy Innovation Systems for Clean Energy Security (PISCES)** research programme that aims to develop innovative knowledge on energy from biomass, to support improved access to energy and better livelihoods for poor people in sub-Saharan Africa and

South Asia. For example, PISCES' research has helped Kenya map its bioenergy resources and plan a more sustainable approach to bioenergy policies. In Tanzania, the private sector is partnering with PISCES on field trials of the most promising local modified plant oils to replace diesel in small generators, power tillers and irrigation pumps. PISCES is also working in partnership with Kiwia & Laustsen (K&L), a local company, who are manufacturing 30,000 agricultural waste gasifier stoves (Jiko Bomba), which PISCES helped to develop and test, as a clean energy solution that will help reduce the numbers of people with poor health caused by indoor air pollution and reduce extensive wood use for cooking. Gasifier stoves convert biomass fuels into burnable gases by heating them to very high temperatures, which creates a clean flame allowing for healthier cooking compared to conventional stoves or fires. The UK is providing **£4 million Fast Start finance** to support PISCES research. For more information on PISCES see www.pisc.es.or.ke

Case Study: M-KOPA Start-up, Kenya



© M-KOPA

New ways to access energy: M-KOPA (a small start up company based in Nairobi) is working on a new technological solution to allow low income consumers to purchase products, such as solar lanterns, using a simple 'pay-as-you-go' method via their mobile phone.

The UK is supporting research on 'machine-to-machine' (M2M) technology, which allows consumers to pay for the cost of products by making small incremental payments via their mobile phone rather than through a more traditional loan or credit scheme.

The M2M technology could benefit many low income and rural families, who will be able to make small, affordable payments remotely using their mobile phones. The UK has provided **£0.1 million Fast Start finance** to M-KOPA in 2012.

To see how M-KOPA Solar's 'paying bit by bit' business model is being received by local communities, see the Youtube video: <http://youtu.be/qBayu4h4ecU>

"As a father, this solar lantern helps me a lot. It really helps my children, especially when they're doing their homework. Solar is affordable, not like kerosene. It doesn't have smoke, and it's bright. I never thought I could own something like this."

- John Cherutich, local beneficiary, repairman and father

How is Fast Start Finance being delivered?

The UK's Fast Start finance for climate change is being delivered through major international climate funds, Multilateral Development Banks (MDBs), global and regional research and pilot schemes, and directly to developing countries through the UK bilateral aid programme.

We are on track to meet our pledge to provide £1.5 billion Fast Start finance between 2010 and 2012. Provisional expenditure figures are as follows:

- £384 million through our bilateral programmes
- £1,050 million to multilateral funds
- £66 million is programmes under development

Provisional figures for Total UK Multilateral and Bilateral Fast Start Expenditure 2010-2012 (as at 9 November 2012)

Figures in £ million Sterling

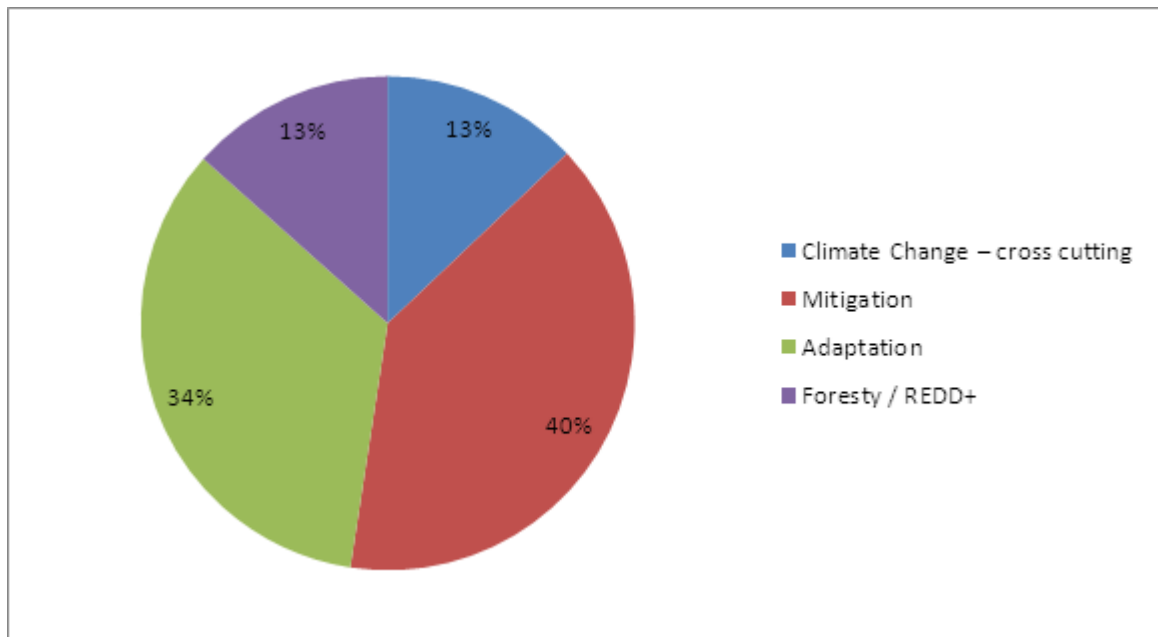
Programme	Thematic Area	Total Fast Start Spend
1. Climate Investment Funds		
- Pilot Programme for Climate Resilience (PPCR)	Adaptation	289
- Clean Technology Fund (CTF)	Mitigation	305
- Forest Investment Programme (FIP)	Forests	88
- Scaling-Up Renewable Energy Programme (SREP)	Mitigation	85
2. Congo Basin Forest Fund	Forests	36.5
3. Forest Carbon Partnership Facility (FCPF)	Forests	10
4. Global Environment Facility (GEF) – Climate Change element	Mitigation	74.7
5. Climate Development Knowledge Network (CDKN) and Advocacy Window	Cross cutting	21.6
6. UN Least Developed Countries Fund	Adaptation	30
7. UN Adaptation Fund	Adaptation	10
8. Adaptation Smallholder Agriculture Programme (ASAP)	Adaptation	100
Total UK multilateral Fast Start spend and commitments		1049.8
Climate Change – cross cutting *		164.1
Mitigation		101.5
Adaptation		61
Forest/REDD+ **		57.9
Total UK bilateral Fast Start commitments		384.5
Programmes under development pending approval (due to be disbursed by the end of 2012)		66
TOTAL		1500.3

Notes

* cross cutting = supporting more than one climate change objective

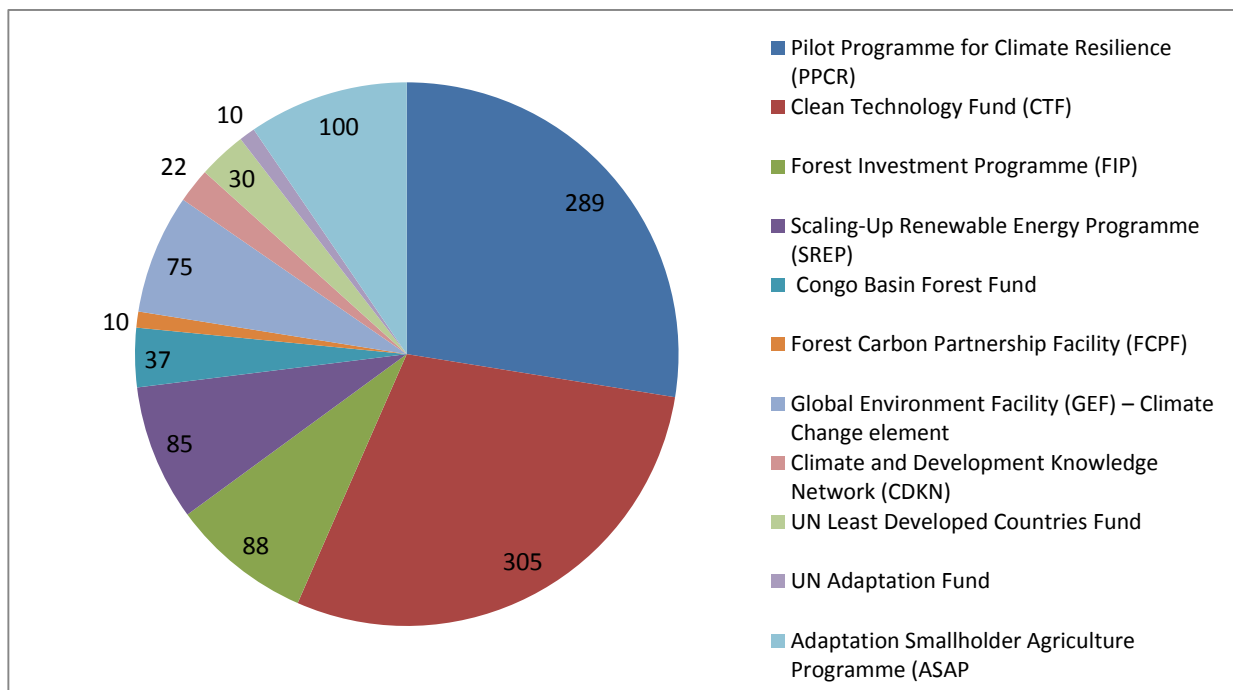
** Forest/REDD+ bilateral spend now includes the FGMC programme, previously detailed as multilateral spend in 2011

Total UK Multilateral and Bilateral Fast Start Spend 2010-2012



Note: This does not include programmes under development.

Total Multilateral Fast Start Spend 2010-2012



Case Study: Climate Investment Funds (CIFs)

The global Climate Investment Funds (CIFs) are trust funds which aim to deliver large scale finance in the form of grants and loans to support developing countries' own plans for low carbon, climate resilient development. Funds are delivered through multilateral development banks such as the African Development Bank and the World Bank. The CIFs enable developing countries to pilot new, innovative and transformational approaches at scale. Currently 48 developing countries are benefiting from CIF support.

Approximately \$7 billion has been pledged to the CIFs by 13 donor countries and over 50 developing countries are involved as equal partners in decision making or as recipients of finance. To date, the UK has provided over £1 billion to the CIFs, including **£767 million Fast Start finance**.

The UK is actively involved in the design and governance of the CIFs. For example, the UK and other donor countries actively encouraged the CIFs to develop rigorous results frameworks which have now been agreed. The CIFs will now include results reporting in their future Annual Reports.

To find out more about the Climate Investment Funds, visit www.climateinvestmentfunds.org.

Climate Change and promoting development

UK Fast Start finance is Official Development Assistance (ODA) and supports programmes that are helping to reduce global poverty by combating climate change. It does not include other forms of support such as export credit guarantees or carbon market finance. We are working to ensure that all of the UK's aid is 'climate smart' and will work with our international partners to 'speed up' the greening of their development assistance.

Transparency

In line with the UK Government's commitment to greater transparency in aid commitments, the UK has published a detailed list of programmes and projects receiving Fast Start funding available on our web pages – see www.dfid.gov.uk or www.decc.gov.uk. The UK complies with the International Aid Transparency Initiative (IATI) standards and project information is also available at the IATI registry <http://www.iatiregistry.org/>.

We only include as Fast Start the components of a project's spend that are directly targeting climate-related issues. For example, the Global Environment Facility tackles not only climate change but also biodiversity, water and ozone depletion. Of the UK contribution, only the climate change component is being funded by Fast Start. The UK is guided by the Organisation for Economic Cooperation and Development Assistance Committee's Rio marker definitions of adaptation and mitigation – see www.oecd.org for more information.

The Future of Climate Finance

The **International Climate Fund** (ICF) which was set up to support developing countries tackle climate change and reduce poverty will continue to provide scaled up climate finance to 2015. The ICF will focus on three priorities:

- Helping the poorest people adapt to the effects of climate change on their lives and livelihoods
- Helping poor countries develop in ways that avoid or reduce harmful greenhouse gas emissions and enabling millions of people to benefit from clean energy
- Protecting the world's forests and the livelihoods of the 1.2 billion people who depend on them.

We will do this through building evidence of what works; through supporting innovation and knowledge transfer; and by making sure all of the UK aid budget is 'climate smart' and achieving value for money.

ICF will provide £2.9 billion of climate finance for the period 2011–12 to 2014–15. This meets the UK's commitment to provide £1.5 billion of Fast Start finance by the end of 2012. For the longer term, developed countries have agreed to the goal of jointly mobilising up to \$100 billion of climate finance per year by 2020 from private and public sources. The ICF puts the UK on track to deliver its fair share of this finance.

For further information about the ICF visit:

<http://www.dfid.gov.uk/What-we-do/Key-Issues/Climate-and-environment/>

<http://www.decc.gov.uk/en/content/cms/tackling/international/icf/icf.aspx>

For Further Information

Department for International Development (www.dfid.gov.uk)

Department of Energy and Climate Change (www.decc.gov.uk)

Department for Environment, Food and Rural Affairs (www.defra.gov.uk)