

Long way to go on fast start finance – says development NGO

Tianjin, 9 October (Meena Raman) - Of the \$30 billion promised by developed countries under the Copenhagen Accord, only 13 per cent or \$3.9 billion has actually been given so far and just 7 per cent or \$2.2 billion is additional to pre-existing aid commitments, said the World Development Movement, a U. K based NGO in a report entitled '*A long way to go*' on the state of fast start climate finance.

"Most countries are double-counting all of their fast start finance as helping to meet their aid commitments as well," said the report further.

"Of the \$30 billion, only \$27.5 billion was ever pledged. Just 26 per cent (\$7.9 billion) has actually been committed to specific bilateral or multilateral programmes."

"Of the \$7.9 billion which has been committed so far, 42 per cent or \$3.3 billion is to be given to the World Bank and 47 per cent or \$3.7 billion is to be given to programmes which will give loans rather than grants," the report added.

The report which provides an update on the state of the fast start finance was released end of September before the climate talks began in Tianjin, China.

According to the controversial Copenhagen Accord (which was not adopted by the Conference of Parties), developed countries were "to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010 - 2012," referred to as fast-start finance.

According to the WDM report, " 'new' would commonly be understood to mean that it was money which had not been announced before and 'additional' means it would be additional to developed countries pre-existing aid commitments."

"However, nine months into 2010, developed countries have done little to reveal how they are meeting their pledges. On 3 September, the Netherlands published a

voluntary database where governments can disclose how they are meeting their pledges and on what money is being spent. So far, only six countries have put information on this website, and not all have given full details of their spending," said the report.

"Using the Dutch website, and information in the public domain, we did the work of developed countries for them "to reveal how much money has been pledged, committed and actually given, how much is additional and new, and how much is being given through the World Bank and as loans," said the report.

The research showed that "of the \$30 billion, only \$27.5 billion was ever pledged. Just 26 per cent (\$7.9 billion) has actually been committed to specific bilateral or multilateral programmes. For example, Canada, Denmark, Finland and Ireland have not yet made any announcements as to how their money will be spent."

"Just 13 per cent (\$3.9 billion) has actually been given so far. The vast majority of this is from Japan's Cool Earth Partnership, which was first announced in 2008," said the report.

"Just 7 per cent (\$2.2 billion) is additional to pre-existing aid commitments. The Netherlands has made all of its fast start finance additional to its aid commitments. However, most countries, including the U. K, are double-counting all of their fast start finance as helping to meet their aid commitments as well, such as those agreed at the G8 meeting in Gleneagles, Scotland, in 2005," it added.

"Just 17 per cent (\$5.2 billion) is clearly new money which had not been announced before Copenhagen. For example, \$770 million of UK fast start finance was first announced in 2007. \$14 billion of Japan's \$15 billion pledge was first announced in 2008 (and it includes money from the private sector in this total as well), said the report.

"Moreover, of the \$7.9 billion which has been committed so far, 42 per cent (\$3.3 billion) is to be given to the

World Bank; 47 per cent (\$3.7 billion) is to be given to programmes which will give loans rather than grants; less than 1 per cent (\$70 million) is to be given to the UN Adaptation Fund, the main fund established by international negotiations to help developing countries adapt to climate change," said the report.

According to the WDM report, "the UK pledged £1.5 billion (\$2.3 billion) over three years, £500 million a year, at Copenhagen. Of this, £519 million has been committed to particular programmes; £190 million has been given so far and none of it is additional to aid commitments."

"Of the U. K money so far committed, 89 per cent (£463 million) has been given or committed to the World Bank; 72 per cent (£376 million) has been given or committed to programmes which will give loans rather than grants," it said further.

According to the WDM report, "the coalition government has re-committed the U. K to spend £1.5 billion out of the aid budget on climate change between 2010 and 2012. It has yet to decide how to allocate money which has not already been spent."

"The Conservative Party policy is as far as possible, to give aid as grants not loans, and will encourage other donors such as the World Bank to give aid for social objectives, whenever possible, as grants. However, all UK money to the World Bank's two main climate funds, the Clean Technology Fund and Pilot Programme for Climate Resilience, will be given on as loans," according to the report.