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# Climate Change: Swiss Fast Start Financing from Public Sources (ODA)

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## Executive Summary

Developed countries have agreed to provide new and additional finance, approaching USD 30 billion for the period 2010-2012, to support developing countries' transition to low-carbon and climate-resilient growth with balanced allocation between Mitigation and Adaptation. This collective commitment is called Fast-Start-Financing (FSF).

In February 2011, the Swiss Parliament decided to increase the level of Official Development Assistance (ODA) to 0.5% of Gross National Income (GNI). As part of this decision, a new and additional amount of CHF 125 million was allocated with immediate effect for the purpose of Swiss FSF. This amount was added in equal parts to the international cooperation budgets of the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat of Economic Affairs (SECO). An additional amount of CHF 15 million is attributed to Swiss FSF as part of the Swiss contribution to the Fifth Replenishment of the Global Environment Facility (GEF). This brings the additional Swiss FSF from public sources i.e. ODA to CHF 140 million. This will bring total Swiss Climate Change financing for developing countries from public sources for the Fast Start Financing period of 2010-12 to an estimated CHF 400 million.

As of December 31, 2012, 149 million of the additional Swiss FSF have been allocated. Disbursements reached CHF 113 million by the end of 2012 and are attributable in roughly equal parts to Mitigation and Adaptation. The largest share of additional Swiss FSF is not country- or region-specific: some CHF 55 million were allocated to global pro-

jects. The remainder has gone to projects and programs in Asia, Africa and Latin America. In line with normal implementation time horizons and associated tranche payments, Swiss FSF disbursements are set to continue through 2014. Overall Swiss Climate Change finance levels are projected to increase in line with the general increase of Swiss ODA as decided by Parliament.

## Introduction

Climate Change represents a major global challenge and a potential threat to human welfare, economic and social development and to the fight against poverty. Aside from living in countries at greater exposure to extreme weather events such as drought, more intense storms, floods and environmental stress, poor people are also less able to cope with negative climate impacts on goods, infrastructure and income.

*Picture 1: The increasing frequency and intensity of floods as one example of the impacts of Climate Change*



Moreover, development benefits already achieved may be put in jeopardy by the continuing increase in global warming.

Long before Climate Change became a major international policy issue, Switzerland has been active in fighting desertification, in prevention and emergency response to extreme weather hazards and cleaner and more efficient production of basic goods. In recent years, Climate Change has become a core issue: both SDC and SECO have progressively established innovative strategies linking policy dialogue with concrete Mitigation and Adaptation actions.

## Background Information<sup>1</sup>

During the UNFCCC Conference of the Parties (COP) of 2009 in Copenhagen and again a year later in Cancun, developed countries agreed to a collective pledge to provide new and additional climate finance amounting to USD 30 billion for the period 2010-2012, with balanced allocation between Mitigation and Adaptation. This pledge is commonly referred to as FSF.

At the COP in Cancun, it was further reaffirmed that funding for Adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing States and Africa.

The COP invited developed country Parties to submit information on the extent and use of their FSF resources in May 2011, 2012 and finally in 2013.

## Key Parameters of Swiss FSF

In February 2011, the Swiss Parliament decided to increase the level of ODA to 0.5% of GNI by 2015. This decision took into consideration the need for Switzerland to honor its FSF commitment. New and additional resources were provided for SDC to expand its technical cooperation and financial assistance for developing countries and for SECO to expand its support for economic and trade policy measures in the context of Climate Change and development cooperation. Other areas of Swiss

international cooperation attributable to ODA under the existing rules of the Organization for Economic Co-operation and Development (OECD) are also set to benefit from this decision of the Swiss Parliament.

Switzerland was one of just a few developed countries who increased their ODA in 2011 and 2012. Swiss ODA rose from 2'400 million Swiss Francs in 2010 (0.39% of GNI) to 2'700 million Swiss Francs in 2011 and to 2'800 million Swiss Francs (0.45%) in 2012. With this, Switzerland is now ranked as 10<sup>th</sup> largest donor by the OECD.<sup>2</sup>

In the context of Climate Change, Switzerland has a solid track record as a country advocating progressive policy in international climate negotiations as well as domestically (e.g. CO<sub>2</sub> Law). This has helped strengthen Switzerland's position as a major clean technology export country. For the purpose of this final FSF report, however, climate financing from private sector sources had to be 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. An initial study as part of an OECD points to very large potential amounts, given the strength of the Swiss clean technology export sector. While this work continues, the FSF figures presented here are exclusively from public sources and are all grant based (no loans) attributable to ODA, as are the figures Switzerland has been reporting in regular intervals as part of our National Communications to the United Nations Framework Convention on Climate Change (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 is contributing to, with the sole exception of the GEF (see details in the next section). The reason for this is the difficulty of reporting the climate-relevant percentage of core contributions to multilateral organizations. The Multilateral Development Banks (MDBs) have

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<sup>1</sup> Source: UNFCCC

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<sup>2</sup> Source: OECD

launched a collective effort to generate their own climate finance data. We strongly support this effort and would encourage all other multilateral funds and agencies to follow this example, as it is clearly superior and more conducive to overall coherence than individual donor country estimates of such data.

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 in this report. This merely reflects our understanding and interpretation of the key 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.

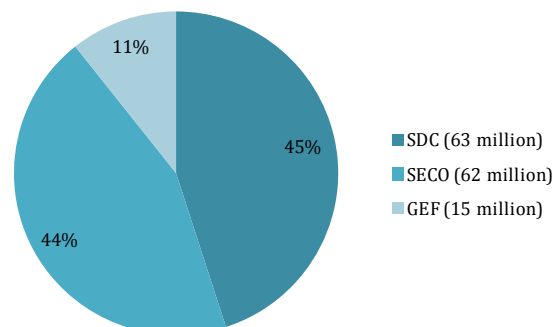
The general Swiss position on the provision of short and long term international Climate Change financing from public sources is that it should rest on a fair burden-sharing formula based on both the relative capacity to pay and relative levels of greenhouse gas (GHG) emissions. The latter should be 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 FSF uses existing delivery channels. Thus, some 90% of Swiss Climate Change financing is channeled through SDC and the SECO. SDC coordinates Swiss development policy and provides technical cooperation and financial assistance to developing countries. SECO provides support for economic and trade policy measures in the context of development cooperation. In addition, the Federal Office for the Environment (FOEN) provides the remainder of Swiss Climate Change financing through its budget for the Swiss contributions to the GEF, including its Climate Change

funds Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF).

*Figure 1: Allocation of new and additional public funds for Swiss Fast Start Financing*



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 FSF, 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 GEF 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 USD 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, 2012, the full amount was allocated. 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 and will be reported as part of the 6th National Communi-

cation to the UNFCCC and the First Swiss Biennial Update Report to the UNFCCC in early 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 were as follows:

Table 1: Allocation Pattern

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

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 GHG 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.

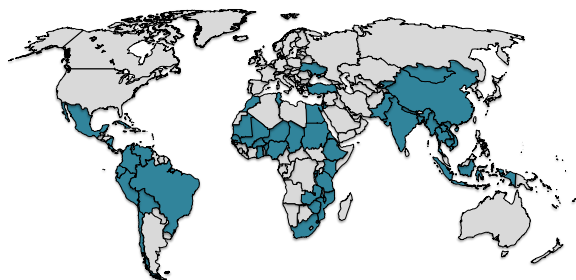
Swiss FSF is readily accessible through the established bilateral development cooperation channels i.e. the programs of SDC and SECO (see map next page). Key multilateral partner institutions include the multilateral, regional, national development banks and numerous United Nations (UN) system agencies.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

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.

Map 1: Countries with Swiss FSF Activities



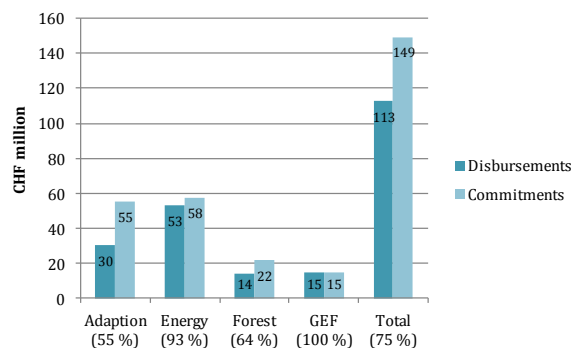
51 countries are benefiting from Swiss FSF. The largest number of countries is in Africa, with a subregional focus on the Sahel and Eastern and Southern Africa. Swiss FSF is also deployed in East and South Asia, as well as in Latin America and the Caribbean.

## Implementation and Disbursements

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 mo-

dalities based on contribution agreements, bilateral treaties, Memorandums of Understanding, etc.). At the end of 2011, a first Swiss supplemental ODA-contribution to the AF was made. By the end of 2012, the combined disbursement level for Swiss FSF was 75% and has progressed since.

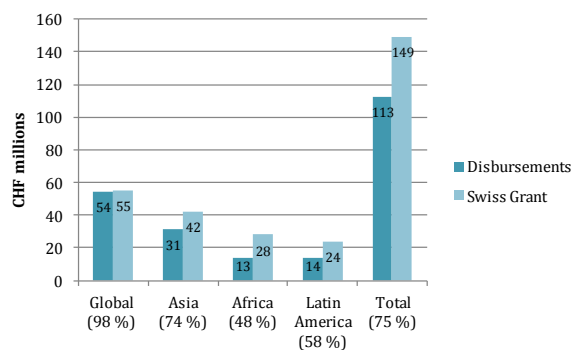
Figure 2: Commitments and Disbursements by the End of 2012 (in brackets the percentage of disbursements of the final objective)



As shown in Figure 2, CHF 58 million has been allocated to energy sector projects and programs (39% of the total). Nearly the same amount (CHF 55 million) has been allocated to Adaptation (37%). The disbursement level is higher in the energy sector (93%) than in Adaptation (55%). Some CHF 22 million have been allocated to forest sector activities (15% of the total) with a disbursement level of 64% by the end of 2012. The additional CHF 15 million for the GEF Climate Change Focal area counted as Swiss FSF have been fully disbursed, so the overall disbursement level was 75% at the end of 2012. This is at the upper end of the range predicted in the Swiss FSF report of May 2012 (60 to 80%).

Figure 3 shows the geographical distribution. The largest share (CHF 55 million or 37% of the total) is not country- or region-specific. As Climate Change is a global phenomenon, numerous projects tackle Climate Change at a global level. Examples include the project “Capacity Building for Climate Observation Systems CATCOS” or the “Resource Efficient and Cleaner Production Program RECP” (see next chapter). CHF 42 million have been allocated in Asia, CHF 28 million in Africa and CHF 24 million in Latin America.

Figure 3: Swiss Grants and disbursement levels (in brackets) by end of 2012



## Adaptation

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.

*Switzerland has allocated FSF of CHF 55 million in support of Adaptation measures in developing countries*

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 World Meteorological Organization (WMO), the Intergovernmental Panel on Climate Change (IPCC), or the World Glacier Monitoring Service (WGMS). In addition, Switzerland has supported the AF since its launching in 1998, both through

supplemental contributions and through continuous representation in the AF Board as representative of our UN Regional Group WEOG. Bilaterally, Switzerland concentrates its activities on high-risk areas such as arid (Sahel), mountainous (the Andes and Himalayas) or coastal areas (Bangladesh, Mozambique).

### Example 1: Capacity Building for Climate Observation Systems

**Location:** Global

**Swiss Grant:** CHF 2.3 million

**Project:** 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.

*Picture 2: The collection of climate data and their analysis is an important basis for the development of Adaptation measures.*



The expected impact of the intervention is an increased observational and scientific basis to inform climate and environmental policy decisions needed to predict, mitigate and adapt to Climate Change and health risks such as decreasing air quality, glacier changes impacting on natural hazards, regional landscape and the water cycle. Moreover, improved technical and scientific expertise and an enhanced capacity in the target countries to improve climate and environmental monitoring for the protection of life, livelihoods and property as well as environmental quality are expected.

It will allow climate and environmental data (GHG, aerosol and glacier mass balance data) to be publicly available for policy makers and international

data centers. Moreover the capacities in the target countries to produce, manage, and utilize such climate and environmental data should be increased.

### Example 2: Micro-Insurance against Climate Fluctuations

**Location:** Southern Africa  
**Swiss Grant:** CHF 0.335 million  
**Project:** To reduce the vulnerability of 100'000 farmers in four countries (Malawi, Swaziland, Zambia, Zimbabwe) to Climate Change, to promote and protect investment in farming and improve food sustainability through the provision of an additional instrument, Switzerland is assisting in setting up a micro-insurance scheme based on weather station measures of rainfall correlated with agronomic models.

Picture 2: Example of a Weather Station



This will provide an instrument to farmers to cope with climate fluctuations and thus enhances the regional program on food security. The project promotes a strong South-South interaction, borrowing from successful experiences in Kenya (in partnership with the leading national mobile network operator) and in Bolivia, where a similar micro insurance intervention supported by Switzerland has been successfully implemented.

### Example 3: Reducing the Vulnerability of Coastal Areas by Protective Construction Measures

**Location:** Mozambique  
**Swiss Grant:** CHF 3.575 million  
**Project:** This project is a repair project designed for present climate conditions including

forecasted changes up to 2030. Switzerland is investing in a coastal infrastructure project to safeguard the city's development potential and protect the 550'000 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 caused by waves and storm surges is reduced through the repair and upgrading of groynes (hydraulic structure built from an ocean shore to interrupt water flow and limit sediment movement) in order to enhance the resilience of citizens.

Traditionally, infrastructure maintenance has been rather insufficient. This is addressed through targeted training of municipal technical staff, assisted by a strongly committed policy at municipal level to ensure the sustainability of the project.

### Example 4: National Climate Change Adaptation and Mitigation Strategies and climate-related Policy Decisions based on High-Quality Weather and Climate Information.

**Location:** Peru  
**Swiss Grant:** CHF 3.175 million  
**Project:** An innovative partnership called CLIMANDES (Servicios CLIMáticos con énfasis en los ANdes en apoyo a las DEcisioneS) has been launched at the extraordinary session of the World Meteorological Congress in Geneva in October 2012. By strengthening climate services in Peru through increased numbers of dedicated professionals and students trained in meteorology and climatology by the newly established regional training centre, CLIMANDES aims to provide high-quality weather and climate information. This provides government agencies relying on climate information with a strongly improved basis for decision-making.

The project will extend through July 2015 under the coordination of the WMO and with several implementing partners such as the Peruvian National Service for Meteorology (SENAMHI) and the Federal Office of Meteorology and Climatology (MeteoSwiss).

Picture 4: CLIMANDES Headquarter



### Example 5: Adaptation to Climate Change through Integrated Flood Risk Management

**Location:** China

**Swiss Grant:** CHF 520'000

**Project:** Water resources in Changjiang River are distributed unevenly in both time and space, which results in frequent flooding during the wet season, while in the dry season, people may suffer from water shortages. Therefore, appropriate integrated water resources management with multiple objectives such as flood management and drought relief or social-economic development are in strong demand and will significantly improve Changjiang River basin management. Current needs are strongly accentuated by increasing Climate Change. The project's purpose is to develop, implement, and then share China's experience in integrating climate Adaptation into risk management in the water sector, which reduces China's vulnerability to Climate Change. This effort is resulting in lessons transferable to other developing countries and also to Switzerland.

## Forests

At a global scale, deforestation is responsible for up to 20 percent of global annual GHG emissions. Most emissions from deforestation emissions originate in developing countries. Decisive action in this area is crucial, because tropical forests are of enormous importance 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.

*Switzerland contributed CHF 22 million to support measures in sustainable forest management in developing countries during the FSF period.*

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 and enhanced 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 (ITTO) and the Forest Carbon Partnership Facility (FCPF), among others (see example below).

Picture 5: Deforestation



### Example 6: Forest Carbon Partnership Facility and REDD+

**Location:** Global

**Swiss Grant:** CHF 8.5 million

**Project:** FCPF is a major global partnership, which supports developing countries to get ready for REDD+. FCPF aims to reward countries



and local communities for GHG emission reductions and avoided emissions 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 8.5 million to this new phase of the FCPF. At the moment, an additional third phase is under review.

#### Example 7: REDD+ Presidential Task Force

**Location:** Indonesia

**Swiss Grant:** CHF 990'000

**Project:** 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 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 the government and local authorities.

#### Example 8: Regional Forests and Climate Change Program

**Location:** Andean Region

**Swiss Grant:** CHF 0.272 million

**Project:** The overall goal of the program is to reduce vulnerability to Climate Change of Andean forest ecosystems and of the people that depend on them, by strengthening the linkages between Adaptation and Mitigation, within the framework of sustainable ecosystem management. With the underlying aim to improve livelihoods of communities depending on Andean forests, the programme objective is to address the existing gap of knowledge and know-how to integrate Andean forests biomes to help to adapt to Climate Change and to mitigate GHG emissions in an integral way.

#### Example 9: Indigenous People and Climate Change

**Location:** Mekong

**Swiss Grant:** CHF 0.92 million

**Project:** Deforestation in Association of Southeast Asian Nations (ASEAN) countries contributes significantly to global GHG emissions, but forests also contribute to Mitigation and yield multiple benefits for the poor. In the countries of the Mekong subregion, ethnicity and poverty are highly correlated.

*Picture 6: Indigenous People should take into Account in National Adaptation Strategies*



In countries like Laos and Vietnam, the recognition of the rights and interests of ethnic groups is a complex matter. In the name of forest conservation, they are often excluded from consultative processes about sustainable forest management. Therefore it is urgent to find ways for local forest communities and indigenous forest peoples to be included in decision-making. Building the capacities and modalities for a partnership between indigenous communities, civil society organizations, government agencies, and donors will pave the way for inclusive development and implementation of rights-based, equitable and pro-poor national strategies. The aim of the project is that national strategies take into account long-term forest conservation goals and the rights and concerns of indigenous peoples/ethnic minorities.

## Energy

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 engaged CHF 58 million for energy projects in developing countries.*

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

*Picture 7: Brick Kiln in South Africa*



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.

### Example 10: Mobilizing Private Financing and Know-How for Renewable Energy Production

**Location:** Global

**Swiss Grant:** CHF 10.71 million

**Project:** The Private Infrastructure Development Group PIDG – an innovative public-private partnership - mobilizes private sector investment to assist developing countries in providing infrastructure vital to boosting their economic growth and combating poverty.

*Picture 8: Lake Kivu 25MW methane gas power station in Rwanda*



Since 2002, the PIDG has committed total funds of USD 1.5 billion for more than 200 big infrastructure projects in 50 developing countries.

One out of these 50 projects is the Lake Kivu 25MW methane gas power station in Rwanda. Hidden in the deep waters of Lake Kivu, one of Africa's Great Lakes situated between Rwanda and the Democratic Republic of Congo, lies a colossal reserve of methane gas. The project represents the first large scale use of this methane. Extracting it will greatly reduce the environmental hazards associated with a natural release of the lake gases, and also provide an environmentally friendly and sustainable source of power generation. The PIDG company, Emerging Africa Infrastructure Fund (EAIF), was the co-arranger for this transaction and invested USD 25 million. It is one of the largest ever private sector investments in Rwanda.

### Example 11: Resource Efficient and Cleaner Production Program (RECP) with UNIDO

**Location:** Global  
**Swiss Grant:** CHF 4.3 million  
**Project:** 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 Centers, 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 small and medium enterprises into clean technology.

*Picture 9: Reduced Water Consumption in the White Meat Cleaning Process*



### Example 12: Partnership for Market Readiness (PMR) with the World Bank

**Location:** Global  
**Swiss Grant:** CHF 7 million  
**Project:** 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.

### Example 13: Topten Energy Efficiency of Appliances

**Location:** China  
**Swiss Grant:** CHF 2.55 million (grant)  
**Project:** 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. In 2012, the Topten website recorded 1.2 million page views and 4.8 million clicks.

### Example 14: Sustainable Charcoal and Biomass Energy

**Location:** Tanzania  
**Swiss Grant:** CHF 2.91 million  
**Project:** In Tanzania, Switzerland is devoting funds to improve the efficiency and environmental sustainability of the charcoal industry and reduce biomass harvesting rates. The project promotes the transformation of Tanzania's charcoal sector and it has two main components: The first component targets charcoal producing households and small-scale farmers in order to establish commercially viable value chains for sustainably sourced charcoal. This will be done through the introduction of village-based

participatory forest management systems and the demonstration of forest-friendly agricultural practices. Also, sales and marketing strategy for sustainably sourced charcoal will be elaborated and particularly high-priced market segments will be identified.

*Picture 10: Sustainable Charcoal*



The second component addresses the policy level. The project seeks to convince high-level decision and policy makers of critical importance of biomass fuels for Tanzania's socio-economic development. This is expected to contribute to more biomass-friendly policies in Tanzania's energy sector as well as to an active governance and legalization of the charcoal sector. Finally, this should promote more sustainable charcoal production also to the benefit of Tanzania's rural communities.

### Example 15: Green Building Code

**Location:** Colombia

**Swiss Grant:** CHF 1.7 million

**Project:** The construction/building sector in general accounts for 45% of total energy and for 20% of total water consumption and contributes to 30-35% of total GHG emissions, especially in the residential sector. In the case of Colombia, 70% of the population lives in urban residential centers. The overall objective of developing a national Green Building Code is therefore to reduce CO<sub>2</sub> emissions by furthering energy efficiency, reducing water consumption during the use of buildings and improving waste management in the building sector. The program supports regulatory reform focused on the introduction of a national

Green Building Code, strengthening implementation capacities of national stakeholders, and awareness raising in the academic sector and among end users. A pilot project in the city of Medellín will help to develop the regional extension of the national code. The main results of a mapping study suggest that the reduction in GHG in the construction/building sector could reach 25% in the next 15 years following the gradual implementation of a Green Building Code. This project will be part of a series of "pilots" in various regions at the IFC level - the most advanced being the green building project in Indonesia. According to progress and lessons learned, it has the potential to become a replication model for other countries.

## Multilateral: Global Environment Facility (GEF)

For this current phase of the GEF, Switzerland has increased its overall contribution by 70% in US Dollar terms. The additional CHF 15 million 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.

*Attribution of an additional CHF 15 million in Swiss GEF-funding for Climate Change during the FSF period.*

The 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 LDCF and the SCCF. The current phase of the GEF is expected to deliver more than USD 1.5 billion for Climate Change action and to leverage additional billions from other sources.

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## Outlook

Climate finance from public sources should be used in more targeted ways to leverage additional funds from the private sector. Otherwise it is not possible to achieve the massive scale of climate-related financial flows needed to keep global warming within 2 degrees Celsius, in line with the ultimate objective of the Convention.

Current climate finance negotiations are excessively oriented towards financial inputs and need more emphasis on results and impacts. Leading studies on climate finance and the initial findings of the UNFCCC Work Program on Long-Term Finance clearly show that conducive national policies and framework conditions are crucial to attract investment in low carbon technologies and enhanced resilience.

It should therefore be a priority for all countries to develop and implement effective multisectoral Climate Change policies and to provide an environment that favors diffusion of low carbon technology and incentivizes investments in low carbon projects.

Regarding the future provision of international Climate Change finance from ODA, Switzerland is projected to increase steadily in volume over the coming years, in conjunction with the general increase of Swiss ODA to 0,5% of GNI by 2015 (decision by the Swiss Parliament of February 2011).

## Annex 1

### Project Overview

Project Title	Continent	Target Countries	Swiss Grant (CHF)	Disbursements End 2012	Sector
<b>Capacity Building for Climate Observing Systems (CATCOS)</b>	Global	Colombia, Ecuador, Chile, Kenya, Indonesia, Vietnam, Kyrgyzstan	2'300'000	1'576'775	Adaptation
<b>Forest Carbon Partnership Facility (World Bank)</b>	Global	Global	8'500'000	8'316'748	Forest
<b>Partnership for Market Readiness (World Bank)</b>	Global	Brazil, Chile, Colombia, Costa Rica, Mexico, China, India, Indonesia, Thailand, Vietnam, Jordan, Morocco, South Africa, Turkey, Ukraine	7'000'000	7'000'000	Energy
<b>Resource Efficient and Cleaner Production Program (UNIDO)</b>	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	Energy
<b>World Mountain Forum for Sustainable Development</b>	Global	Global	152'655	152'655	Adaptation
<b>Renewable Energy and Energy Efficiency Partnership REEEP</b>	Global	Global	2'500'000	2'500'000	Energy
<b>Sustainable Business Advisory (IFC)</b>	Global	Global	5'400'000	5'400'000	Energy
<b>Global Energy Basel 2012-2013</b>	Global	Global	572'500	572'500	Energy
<b>Swiss Platform Renewable Energy and Energy Efficiency in International Co-operation REPIC</b>	Global	Global	1'000'000	1'000'000	Energy
<b>Scaling-Up Renewable Energy Program SREP</b>	Global	Global	4'500'000	4'500'000	Energy
<b>Private Infrastructure Development Group PIDG</b>	Global	Global	10'710'000	10'710'000	Energy
<b>Consultance Environnement / briques</b>	Africa	Great Lakes	41'000	45'040	Energy
<b>Sustainable Charcoal and Biomass Energy</b>	Africa	Tanzania	2'910'000	1'103'099	Energy
<b>Micro-Insurance against Climate Fluctuations</b>	Africa	Malawi, Swaziland, Zambia, Zimbabwe	335'000	174'974	Adaptation
<b>Reducing the Vulnerability of Coastal Areas by Protective Construction Measures</b>	Africa	Mozambique	3'575'000	2'000'000	Adaptation
<b>Mitigation/Adaptation to Climate Change</b>	Africa	Tunisia	1'200'000	350'000	Adaptation
<b>Surveillance Environnementale Sahel</b>	Africa	Mauretania, Senegal, Mala, Burkina Faso, Niger, Nigeria, Tchad, Sudan, Eritrea, Ethiopia	3'750'000	375'000	Adaptation
<b>IUCN Forest Restoration Workshop</b>	Africa	Rwanda	35'700	33'350	Forest
<b>UNFCCC Adaptation Fund Workshop</b>	Africa	Africa	200'000	200'013	Adaptation
<b>Off-Farm Employment and Climate-Responsive Bricks</b>	Africa	Rwanda, Burundi	8'860'000	2'100'000	Forest

<b>Cleaner Production (UNIDO)</b>	Africa	Tunisia	2`058`408	2`058`408	Energy
<b>PFM Capacity Baseline in North-West</b>	Africa	South Africa	149`000	89`768	Energy
<b>Core Contribution Community Forestry / RECOFTC</b>	Asia	Mekong	1`530`000	1`440`000	Forest
<b>Partnership for Climate Change Adaptation in semi-arid Areas</b>	Asia	India	1`700`000	1`148`518	Adaptation
<b>Climate Resilience through Risk Transfer Solution</b>	Asia	India	3`200`000	1`050`000	Adaptation
<b>Himalaya Climate Adaptation</b>	Asia	India	3`720`000	824`026	Adaptation
<b>Linking Herders to Carbon Markets</b>	Asia	Mongolia	900`000	762`487	Adaptation
<b>Pastoral Ecosystem Management</b>	Asia	Mongolia	1`200`000	1`200`000	Adaptation
<b>Coping with Desertification</b>	Asia	Mongolia	2`052`315	1`261`879	Adaptation
<b>Index-Based Livestock Insurance</b>	Asia	Mongolia	1`400`000	800`000	Adaptation
<b>Climate Change Resilience Fund (BCCRF)</b>	Asia	Bangladesh	3`400`000	3`400`000	Adaptation
<b>Coastal Adaptation through Afforestation (CBACC)</b>	Asia	Bangladesh	2`100`000	1`900`000	Adaptation
<b>Water &amp; Energy Security through Micro Hydels</b>	Asia	Pakistan	1`160`000	797`244	Energy
<b>Economics of Adaptation in the Water and Agricultural Sectors</b>	Asia	China	200`000	200`015	Adaptation
<b>Small Actions in the Field of Climate Change</b>	Asia	China	200`000	24`977	Energy
<b>Adaptation to Climate Change through Integrated Flood Risk Management</b>	Asia	China	520`000	392`262	Adaptation
<b>Topten Energy Efficiency of Appliances</b>	Asia	China	2`550`000	1`461`456	Energy
<b>Power Plant Extension SCECO</b>	Asia	Nepal	500`000	471`290	Energy
<b>Poverty and Environment Initiative</b>	Asia	Lao PDR	1`806`000	790`605	Adaptation
<b>Indigenous People and Climate Change</b>	Asia	Vietnam, Lao PDR, Cambodia, Myanmar, Indonesia, Nepal, Thailand	920`000	540`000	Forest
<b>REDD+ Presidential Task Force</b>	Asia	Indonesia	990`000	910`000	Energy
<b>Resource Efficient and Cleaner Production</b>	Asia	Indonesia	4`064`136	3`600`000	Energy
<b>Renewable Energy Program</b>	Asia	Indonesia	4`453`200	4`452`750	Energy
<b>Environmental and Social Financing Standards</b>	Asia	Asia	1`846`600	1`846`600	Energy
<b>Climate Change Adaptation Program</b>	Latin America	Peru	1`880`500	1`700`000	Adaptation
<b>Climate Change and Glacial Hazards in the Andean Region</b>	Latin America	Peru	4`000`000	2`087`339	Adaptation
<b>National Climate Change Management</b>	Latin America	Peru	220`000	207`215	Adaptation
<b>Climate Change Communication and Incidence</b>	Latin America	Peru	175`000	217`566	Adaptation
<b>Climate Change Scaling-Up of PRRD</b>	Latin America	Bolivia	1`670`000	1`570`000	Adaptation

<b>National Climate Change Adaptation and Mitigation Strategies and climate-related Policy Decisions based on High-Quality Weather and Climate Information CLIMANDES</b>	Latin America	Peru	3'175'000	871'000	Adaptation
<b>Sustainable Management of Natural Resources GESTOR</b>	Latin America	Bolivia	2'700'000	900'000	Adaptation
<b>Women and Climate Change</b>	Latin America	Bolivia	200'000	184'000	Adaptation
<b>BioGas</b>	Latin America	Bolivia	700'000	484'000	Adaptation
<b>FORDECAPI</b>	Latin America	Bolivia	1'750'000	1'100'000	Adaptation
<b>Regional Forests and Climate Change Programme</b>	Latin America	Chile, Ecuador, Colombia, Peru, Venezuela	272'000	180'988	Forest
<b>Reducing Climate Change Risks</b>	Latin America	Cuba	335'000	195'000	Adaptation
<b>Retos de la Naturaleza</b>	Latina America	Cuba	180'000	140'000	Adaptation
<b>UN-Habitat: Capacidades ciudad.</b>	Latin America	Cuba	200'000	200'000	Adaptation
<b>Condesan</b>	Latin America	Andean Region	823'000	668'671	Adaptation
<b>Las Segovias</b>	Latin America	Nicaragua	3'500'000	1'310'000	Adaptation
<b>Indigenous People and GEF and UNFCCC-REDD</b>	Latin America	Latin America Regional	480'000	388'500	Forest
<b>Green Building Code</b>	Latin America	Colombia	1'622'000	1'370'000	Energy
<b>TOTAL</b>			<b>149'344'214</b>	<b>112'606'917</b>	



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## Annex 2

### Links

For further information please visit the following websites:

#### Swiss Fast Start Financing Contributors:

- SDC:  
[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/en/Home/Themes/Climate_change_and_Environment/www.deza.admin.ch/ressources/resource_en_181507.pdf)
- SECO  
[www.seco-cooperation.admin.ch](http://www.seco-cooperation.admin.ch)
- 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)
- Green Climate Fund  
<http://gcfund.net/home.html>
- UN Adaptation Fund  
[www.adaptation-fund.org](http://www.adaptation-fund.org)
- Special Climate Change 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 (CIF)  
[www.climateinvestmentfunds.org](http://www.climateinvestmentfunds.org)
- World Bank Global Facility for Disaster Reduction and Recovery  
[www.gfdr.org/gfdr/](http://www.gfdr.org/gfdr/)