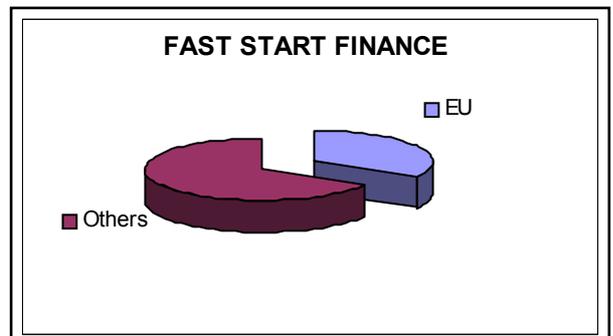


THE EU IS DELIVERING ON ITS FAST START FUNDING COMMITMENT

The European Union is meeting its fast start pledge of €2.4 billion annually, which represents around a third of global commitments

During the European Council meeting of 10-11 December 2009, Heads of States and Government took the lead by committing fast-start funding from the EU and its 27 Member States for developing countries of €2.4 billion annually for the years 2010 to 2012. This represents approximately one-third of the collective fast-start funding commitment subsequently made by developed countries under the Copenhagen Accord. In March the European Council reiterated that the EU and its Member States will implement their commitment.



Ministers of Finance have confirmed in May 18th the availability of committed funding

Despite recent economic difficulties and strong budgetary constraints, all 27 Member States and the European Commission will contribute to this funding. 25 Member States and the Commission have integrated their individual pledges into their internal budgetary procedures. Confirmed pledges to date add up to €2.39 billion for 2010 and € 7.55 billion for 2010-2012, confirming that the EU will meet its commitment.

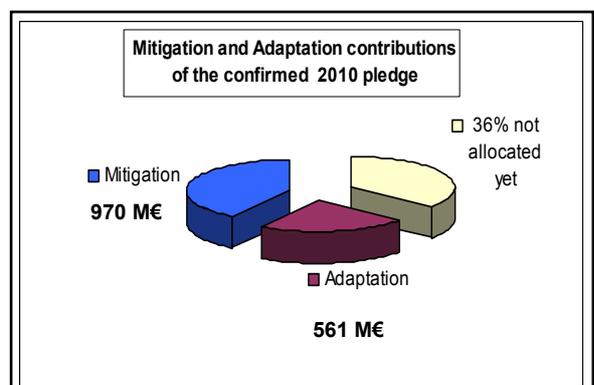
| EU commitment (2010-2012) | Confirmed pledges (2010-2012) | EU commitment for 2010 | Confirmed pledges for 2010 |
|---------------------------|-------------------------------|------------------------|----------------------------|
| € 7.2 billion | € 7.55 billion | € 2.4 billion | € 2.39 billion |

This fast start funding complements substantial existing EU climate finance flows

The EU and its Member States, which together represent the world's leading donor of development aid, remain committed to these broader climate finance activities. The EU's fast start contribution will not reduce the amount of funding provided to fight poverty and continue progress towards achievement of the Millennium Development Goals. Climate action will play a key role in contributing to the achievement of these goals.

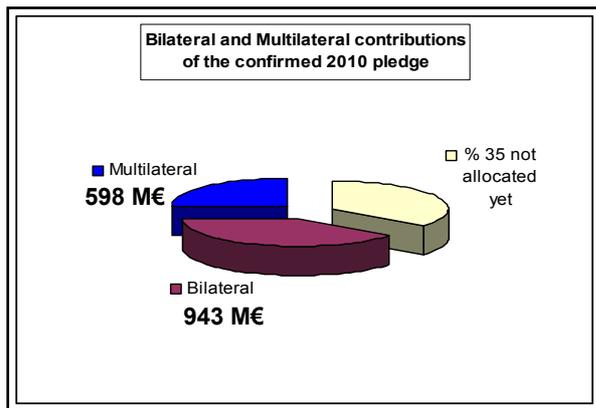
How the EU is implementing its fast start funding for 2010¹

- **Balance between mitigation and adaptation.** 19 EU Member states and the European Commission - representing 64% of the confirmed EU pledges for 2010 - have already decided how much they will allocate to mitigation and adaptation (63% and 37% respectively of their contributions). Just over one-third of the confirmed EU pledges for 2010 has yet to be allocated.



The total amount pledged by some EU Member States under the Paris-Oslo Process on REDD+ is around €1 billion over 2010-2012, which represents approximately 15% of the total EU fast start funding.

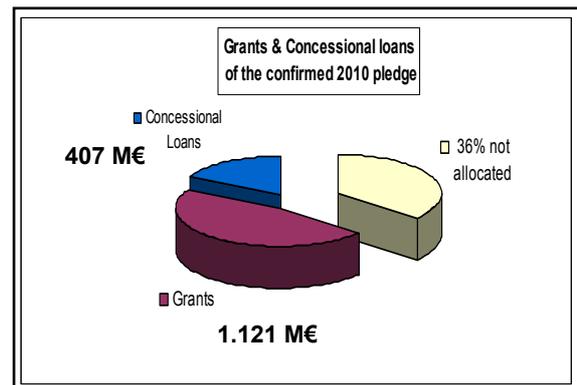
¹ This information reflects the detailed data of Member States that have already decided on the allocation of their fast start finance



➤ **Bilateral and Multilateral distribution:** 23 EU Member States and the European Commission - representing 65% of the confirmed EU pledges for 2010 - have already decided which type of channels to use for disbursing fast start funding. 61% of this amount will be channelled through bilateral channels and 39% through multilateral channels.

➤ **The main multilateral channels confirmed to be used are²:** Climate Investment Funds (€208 million), Global Environment Facility³ (€108 million), Adaptation Fund (€56 million), Inter-American Development Bank (€28 million), Consultative Group on International Agricultural Research (€20 million) and Forest Carbon Partnership Facility (€20 million). A high share of the bilateral contributions - 63% - will be allocated to African countries.

➤ **Type of funding:** 20 EU Member States and the European Commission - representing 64% of the confirmed pledges for 2010 - have already decided what form their funding will take. 73% of the resources will be grants. In some cases financing will be channelled through concessional soft loans and according to OECD/DAC terms.



This is a dynamic process and further dialogue is needed

Fast start funding is a process of 'learning by doing'. The EU and its Member States will continue dialogue with developing countries to get to know their needs and expectations better. Lessons learnt will be very valuable in helping to decide where to direct funding not yet allocated, thus increasing its effectiveness and better targeting the most immediate needs of developing countries. To this end, the Paris-Oslo process on REDD+ and the partnerships being developed on adaptation and MRV are proving very useful. Experience with fast start funding will be key in shaping the post-2012 climate finance architecture.

The EU is committed to transparency

The EU and its Member States will also continue to provide detailed reports on implementation of fast start funding in Cancún and thereafter on an annual basis.

² Besides these pledges, the EU member states have made substantial contributions to the above mentioned funds for climate change purposes not counted as fast start finance.

³ Globally, 54 % of the total amount pledged for the 5th replenishment of the GEF (US \$ 4.25 billion) will come from EU Member States. US \$ 1.35 billion of the total has been programmed for climate change.