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Working Paper

THE NORWEGIAN FAST-START FINANCE CONTRIBUTION

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EXECUTIVE SUMMARY

Developed country governments have repeatedly committed to provide new and additional finance to help developing countries transition to low-carbon and climate-resilient growth. This assessment considers Norway's efforts to provide "fast-start finance" (FSF) in 2010 and 2011 in the context of the pledge by developed countries to mobilise USD 30 billion from 2010 to 2012 under the United Nations Framework Convention on Climate Change (UNFCCC). It is part of a series of studies scrutinising how developed countries are defining, delivering, and reporting FSF.

Norway is one of the largest contributors of international development assistance and climate finance in the world, although it is a relatively small economy. Key characteristics of the Norwegian FSF contribution are quantified in Figure 1.

Norway has made a substantial effort to mobilise climate finance. Norway's bilateral climate finance contribution was USD 676 million in 2010, and USD 734 million in 2011. Norway's contribution is one of the largest amongst developed countries, even though it is one of the smaller economies. The majority of Norwegian bilateral climate finance has supported mitigation measures under a program to reduce emissions from deforestation and degradation (REDD+). While at the time of publication official reporting on 2012 spending was not yet available, budget numbers for 2012 indicate climate finance was maintained at a similar high level. Meanwhile, the budget for 2013 entails a very large increase in grants to renewable energy.

Norway counts only public grants as its FSF contribution, most of which are clearly linked to climate change. Some of the multilateral funds to which Norway makes grant contributions (for example, the Climate Investment Funds), in turn make finance available to developing countries using concessional loans and other instruments. The majority of the projects supported do seem to have climate change as a primary or significant objective.

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Suggested Citation: Moe, Thorvald, Steffen Kallbekken, Smita Nakhooda, Taryn Fransen, and Alice Caravani. 2013. "The Norwegian Fast-Start Finance Contribution." Working Paper. World Resources Institute, Washington DC, and Overseas Development Institute, London. Available online at http://www.wri.org/publication/ocn-nor-fast-start-finance.

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Figure 1 | **Overview of Norwegian Fast-Start Finance**

Norway's FSF contribution can be considered new and additional by some, although not all, definitions. Norway has substantially increased international finance that explicitly targets climate change. From 2006 to 2011 the share of bilateral climate finance increased from 3 to 21 percent of total Norwegian official development assistance (ODA) (Norway, 2011). Yet, at the same time Norway counts funding delivered against pledges that were made prior to 2009 as FSF, notably pledges of funding to support developing country efforts to reduce emissions from deforestation and forest degradation.

Norwegian FSF reporting practices would be substantially strengthened through reporting on the specific programmes supported. For 2010 and 2011 Norway provided overview reports to the UNFCCC of its FSF contribution. The Norwegian FSF report includes substantial quantification of the objectives and recipients of climate finance. There is substantial project-level information on how REDD+ finance has been spent. However, there is no comprehensive list of all of the projects that have been supported by Norwegian FSF, which poses significant challenges for independent scrutiny of the contribution. Norway participates in the International Aid Transparency Initiative (IATI) for its ODA spending. This includes relatively comprehensive information on the institutions receiving and implementing projects.

We recommend that Norway:

- Sustain its support for international climate finance, which can play an important role in global efforts to support ambitious collective action on climate change
- Disclose underpinning project-level spending information alongside aggregate reporting to the UNFCCC
- Ensure that project lists consistently specify the recipient institution for finance to reduce discrepancies and enhance transparency

Box 1 | **Fast-start finance in the 2009 Copenhagen Accord**

The collective commitment by developed countries is to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010 – 2012 with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing states, and Africa.

Source: UNFCCC. Decision 1/CP.16. Paragraph 8

- Report more consistently on the status of disbursement of projects
- Work in cooperation with other donors and multilateral institutions to strengthen and harmonise reporting on climate finance, particularly with regard to the status of disbursement

INTRODUCTION

Norway is one of the largest contributors of international development assistance and climate finance in the world, especially in relation to the size of its economy. Climate finance has increased substantially in recent years as part of ODA, which stands at around 1% of GDP. Norway's bilateral climate finance contribution was USD 676 million in 2010, and USD 734 million in 2011.[1] No official accounting figures were available for 2012 as of April 2013, but budget figures for 2012 indicate that these levels have been maintained or even increased in real terms in 2012 compared to 2011 (Norwegian Ministry of Finance, 2012).

These resources have been mobilised in the context of developed countries' pledges under the UNFCCC to provide fast-start finance "approaching USD 30 billion for the period 2010 – 2012." These pledges were first articulated in the Copenhagen Accord of 2009, and reiterated in the Cancun Agreements of 2010 (see Box 1).

This study considers the scope and distribution of Norway's climate change finance in a global context. There are divergent views on what "counts" toward international climate finance in general, and FSF in particular. Contributor countries have also taken different approaches to delivering and reporting on their climate finance spending. This has impeded an informed discussion of the adequacy of efforts in this regard. This assessment is one in a series of Open Climate Network (OCN) studies, developed by the World Resources Institute (WRI) and the Overseas Development Institute (ODI) in consultation with a range of experts, that aims to shed light on how developed countries are defining, delivering, and reporting FSF. The objectives of the assessments are to:

- Clarify what major contributor countries have counted as FSF
- Quantify FSF, by contributor country, in terms of the institutions through which it flows, the financial instruments it comprises, and the ends – particularly the objectives and recipients– it serves
- Identify best practices and areas for improvement in reporting on climate finance

The assessments do not aim to provide full third-party verification of FSF reports, evaluate on-the-ground impacts or effectiveness of FSF, or take positions on specific political issues related to FSF.

BACKGROUND AND CONTEXT

Since 1992, developed countries have pledged to help developing countries meet their climate mitigation and adaptation needs (see Box 2), most recently committing to provide USD 30 billion in fast-start funds for the years 2010-2012 and USD 100 billion annually by 2020. Parties to the UNFCCC have recognized the need to provide the timely transfer of sustainable, predictable, and adequate international climate finance to developing countries to help ensure that these countries – particularly the poorest and most vulnerable – have the resources necessary to adapt and cope with the effects of climate change and to transition onto a low-carbon, climate-resilient development pathway.

While private finance, as well as domestic finance from developing country governments, will undoubtedly play a significant role in meeting developing countries' climate needs,[2] public finance mobilised by contributor countries plays a unique role, and merits special scrutiny for three main reasons. First, developed countries have pledged climate finance in the context of complex and often contentious international negotiations in which countries have not yet achieved the necessary levels of trust and ambition to formulate a successful, collective response to climate change. Delivery on these pledges therefore carries significant implications for the level of trust countries place in the UNFCCC process – and each other – to achieve fair and effective outcomes. Second, whereas private-sector finance responds primarily to existing and anticipated market conditions, public finance can in some circumstances help shape those conditions by leveraging private finance to magnify investments in climate goals. Finally, while efforts are underway to engage the private sector in adaptation,[3] private climate finance to date has tended to support mitigation objectives. Adaptation efforts are highly dependent on public funding.[4] At the same time, those countries most vulnerable to severe impacts and disruptions from climate change typically also have the most limited domestic resources to address climate change, and thus have the greatest need for international support.

Box 2 | **What are the finance needs, and are they being met?**

Estimates of the level of funding required to meet developing countries' climate change needs vary widely. For adaptation, the UN's 2007/2008 Human Development Report estimates that additional adaptation finance needs will amount to USD 86 billion annually by 2015. The UNFCCC puts the price tag at USD 28-67 billion per year by 2030, while a 2010 World Bank study estimates it at USD 70-100 billion per year between 2010 and 2050. For mitigation, estimates from the World Bank, the Climate Group, and the UNFCCC range from USD 100-170 billion per year by 2030; the International Energy Agency has also published estimates out to 2050.

While developed countries' 2010 FSF reports indicated they had collectively generated USD 10 billion of the USD 30 billion FSF pledge, some developing countries have said that as little as USD 2.4 billion has actually been made available. These disparate figures demonstrate a number of issues that can impact the perceived amount of finance that is flowing, from different reporting practices, to differing definitions of climate finance, to administrative or procedural delays in disbursement.

Source: World Bank 2010a, UNFCCC 2007, UNDP 2007, Haites 2008, World Bank 2010b, Buchner et al. 2012, BNEF and UNEP 2011, WRI 2011, IEA 2008.

The Politics of Climate Finance

This paper reviews the scale, objectives, and modalities of climate finance with reference to many of the issues that have been debated under the UNFCCC. Developed and developing countries have different views about channelling institutions, with developing countries generally expressing a preference for their own institutions to have direct access to climate finance (Ballesteros et al., 2010). There is also a growing emphasis on the need to build capacity within countries to address climate change and manage climate finance, with some stakeholders expressing the view that this requires increasing reliance on developing-country-based institutions. Developed countries, on the other hand, have tended to prefer working through their own development institutions and international organizations, which generally give contributor countries greater voice. Financial instruments have also been a source of debate: many developing countries and non-governmental organizations (NGOs) hold that climate finance – especially adaptation finance – should be delivered primarily in the form of grants to avoid burdening developing countries with additional debt. However, loans, capital contributions, and guarantees are often seen as appropriate instruments by some developed countries. The issue of how to mobilise climate finance at scale from new sources – other than contributions from national budgets – has been a topic of significant interest, and was the focus of the High Level Advisory Group on Climate Finance convened after the Copenhagen Conference of the Parties (COP) by the United Nations Secretary General.[5]

The distribution of climate finance is also a topic of concern. There is general agreement that support for adaptation and mitigation should be balanced, recognising that most finance has prioritised mitigation to date and there is a need to scale up support for adaptation. However, there is a lack of agreement on how balance should be interpreted in practice given the urgency of reducing greenhouse gas (GHG) emissions; we therefore consider the current balance of thematic priorities for the Norwegian FSF spend. Furthermore, the geographic distribution has been a topic of debate, with many stakeholders expressing the view that the most vulnerable countries should receive the most support. We therefore consider the regional distribution of the Norwegian FSF. A related concern is the need for timely disbursement of climate finance, and the need for clarity on the status of pledged funding.

Finally, the UNFCCC states that climate finance should be "new and additional." This refers to the fact that responding to climate change will require new effort and a substantial scale of resources, and should not divert funding from other development goals. In practice, however, there is a lack of agreement on what constitutes "new and additional." We therefore evaluate the nature of the Norwegian contribution with reference to the four main considerations that have been raised in international debates.

Challenges in Climate Finance Tracking

In this context, it is important to develop consistent and credible information that sheds light on the extent to which contributor countries have delivered on their climate finance commitments, how they have done so, and to what effect. A number of resources for tracking climate finance contribute to this effort (see Annex 1). Despite this, climate finance tracking is complicated by several factors, including lack of consensus as to what constitutes climate finance, vague and divergent reporting guidelines, and uneven and at times opaque application of these guidelines by reporting countries and other entities.

While the Cancun Agreements require developed countries to report on their FSF contributions, few guidelines are provided as to what information these reports should include. Nonetheless, various sources have suggested reporting practices that would facilitate an assessment of the extent to which contributor countries have adhered to the FSF stipulations in the Cancun Agreements and would support the measurement, reporting, and verification (MRV) of climate finance more generally. In addition to aggregated statistics, some observers have requested project-level information regarding supported activities and themes, recipient countries and institutions, financial instruments, and disbursement status. This would be necessary to support verification of aggregate figures; to improve coordination between contributors, recipients, and other stakeholders; and to promote accountability. Our assessment therefore also considers these factors.

METHODOLOGY AND APPROACH

This assessment reviews the self-reported Norwegian FSF contribution for 2010 and 2011.[6] It analyses the contribution with regard to issues of both pragmatic and political significance as outlined above. These include the themes and activities supported, channelling institutions and financial instruments employed, recipients, and the extent to which the finance might be considered new and additional. Throughout the assessment, our aim has been to clarify what Norway has counted as FSF, and discuss the implications of its contribution, without taking a position on what should "count" toward the international FSF pledge. It also reviews the broad objectives of its 2012 FSF contribution, but as of mid-2013 the government had not yet provided a detailed report to the UNFCCC on its 2012 contribution.

To prepare this assessment we consulted a variety of official sources of information. First, we reviewed the Norwegian government's self-reports on the status of its fast-start climate finance spending to the UNFCCC for 2010 and 2011. Because the reports do not contain a list of projects supported, we then reviewed the Norwegian Agency for Development Cooperation (Norad) official development statistics and the OECD Creditor Reporting System (CRS) database, in order to access detailed project-level information on climate related bilateral assistance. Norway is a signatory of the International Aid Transparency Initiative, and provides substantial detail on ODA delivered. This information was complemented with information from the Norwegian national budget.[7] The official FSF report stated that all funding had been made available as grants to the UNFCCC. We have therefore excluded more than USD 200 million in climate related funding channelled through the Norwegian Investment Fund for Developing Countries (NORFUND), as this institution primarily makes investments (although it is sometimes entrusted with managing grants). We cannot be completely certain that all of the projects we have identified were definitely counted as FSF in Norway's self- report, even though this research method follows the approach detailed in the FSF self-report.[8]

We used this documentation to identify the project descriptions, amount, contributor country agency, and, where relevant, the multilateral channelling institution and the fund for each project or program. Where possible, we also identified the financial instrument and information regarding the recipient (including region, country, and recipient institution). We conducted interviews with representatives of the Ministry of Environment, the Ministry of Foreign Affairs, and the Ministry of Finance to better understand the scope and objectives of Norway's FSF contribution. For each project, we then surveyed a range of additional sources to identify information on the parameters that were not available in the FSF reports and to inform our judgment regarding the objectives of the project as they relate to climate change.[7]

Annex 2 explains our methodology in more detail. In addition to listing the parameters comprised by our data set, it also details how and from which sources we compiled information, and describes how we analyzed certain parameters, such as source; recipient region, country, and institution; financial instrument; objective; and activity. It also describes the basis for our assessment of the extent to which Norway's FSF may be considered "new and additional" and lists transparency considerations that we evaluated. An earlier version of this methodology was subject to expert peer review coordinated through OCN, and included representatives of bilateral and multilateral institutions involved in climate finance, as well as independent experts.

FINDINGS

What Norway counts as FSF

Norway counts the following sources of finance as FSF:

- Bilateral funding that has climate change mitigation or adaptation as a significant or primary objective, which is sourced through contributions from the national budget. This includes contributions to multilateral climate funds and programmes, such as the Climate Investment Funds, the UN REDD program, and the Forest Carbon Partnership Facility.
- A share of its core contributions to multilateral institutions such as multilateral development banks, the CGIAR, and the Global Environment Facility. In its 2011 FSF report Norway lists these contributions as separate from its bilateral contribution without counting these contributions in the headline total amount of climate finance delivered. It notes the need for multilateral agreement on what share of these institutions' activities are climate relevant, before core contributions can be "counted" as climate finance.

Quantification: Norway's official FSF reports quantify the objectives and regional distribution of its bilateral climate finance. The majority of Norwegian FSF has supported efforts to reduce emissions from deforestation and forest degradation (REDD+), and there is substantial reporting on the channels through which this finance is spent and the particular projects that it has supported. As outlined above, however, complete project-level information – including on supported activities and objectives, recipient countries and institutions, and disbursement status – is necessary to support verification, coordination, and accountability. This level of detail has not been included in official reports on FSF.

Eligibility: The national budget approves funding support for dedicated climate change and environment related programming, including for REDD+. In addition, Norway has used the Rio Markers to identify climate change related projects within its bilateral development assistance programmes, which have been included as FSF. As such, Norwegian FSF should meet Rio Marker definitions and criteria. As noted, Norway provides around 1% of its GDP as ODA at present.

Reporting: Table 1 presents a snapshot of our findings regarding Norwegian reporting practices.

Norway's FSF is spent primarily through multilateral institutions

During the FSF period, Norway entered into high-level strategic bilateral partnerships to support climate change action in a number of developing countries including Brazil, Indonesia, Mexico, Tanzania, Guyana, and Ethiopia. In many of these countries support is offered on the basis of demonstrated performance toward achieving agreed objectives over a relatively long time frame. In general, these partnerships have been effective in raising the political profile of climate change issues in the partner country (Creed and Nakhooda, 2011). Nevertheless, much of this funding – about 70% of the total FSF portfolio – is managed and administered through multilateral institutions. The remaining 30% of funding is channelled bilaterally,

Table 1 | **Norwegian FSF reporting practices at a glance**

REPORTING PARAMETER	NORWEGIAN PRACTICE IN OFFICIAL FSF REPORT
Aggregate Information	
Objectives supported	Identified in general terms.
Channeling institution	Usually specified, however, the lack of project-level reporting makes it difficult to clarify how money is being managed and spent.
Financial instrument	Aggregate self-reporting states that all funding has been made available as grants.
Geographic distribution of countries supported	Included.
Disbursement status	Disbursement to channelling institutions is specified. However, channelling institutions and intermediaries do not always report disbursement to recipients within developing countries.
“New and additional” criteria	States that the Norwegian ODA contribution of 1% exceeds the 0.7% target confirmed in the Monterrey Accord. However, Norway has made a domestic commitment to maintain ODA at 1% of GNI for several years before the FSF period.
Eligibility criteria	Not explained.
Project-specific Information (based on the submissions to the UNFCCC)	
Objectives/thematic area	Not specified in FSF report. Norwegian aid reporting usually makes this clear (or it can be clarified through desk research).
Channelling institution	Not specified in FSF report. Always specified in Norwegian Aid reporting.
Financial instrument	Not specified in FSF report. Always specified in Norwegian Aid reporting.
Recipient countries & institutions	Not specified in FSF report. Always specified in Norwegian Aid reporting.
Disbursement status	Not specified in FSF report. Always specified in Norwegian Aid reporting.

largely guided by the Ministry of Foreign Affairs. Norad and the Ministry of Environment also play a role in managing Norway’s FSF.

Norway is the largest contributor to some of the multilateral funds through which it channels finance, notably the Amazon Fund to which it committed more than USD 400 million during the FSF period as part of a USD 1 billion pledge of finance. The government of Germany is the only other international contributor to the fund, with a commitment of USD 2 million for technical assistance to support fund management on a performance basis. Norway also works with UN agencies and multilateral development banks (MDBs) as implementing agencies for climate change related programmes, including through the World Bank administered Climate Investment Funds (CIFs). Figure 2 presents the dedicated multilateral climate funds that are partners in the delivery of Norwegian FSF.

Norway’s FSF report also notes that some share of its core contributions to multilateral institutions is likely to be climate relevant. It makes reference to its contributions to MDBs such as the International Bank for Reconstruction and Development, the International Development Agency, the African Development Bank, the Asian Development Bank, and the Inter-American Development Bank; UN agencies such as UNEP, UNDP, UNIDO, the UNFCCC Secretariat, UN Habitat, the World Food Programme, the World Meteorological Organisation, and the International Fund for Agricultural and Development; and international initiatives such as the Consultative Group on International Agriculture Research. In 2010, the FSF report estimated that 10% of its contributions to the core budgets of these organisations could “count”. In 2011 it merely listed its core contributions to these institutions rather than “counting” it in the total amount of FSF delivered, noting that the climate-relevant share of this contribution to multilateral institutions needs to be decided multilaterally.

Figure 2 | **Funding for dedicated multilateral climate funds (USD)**

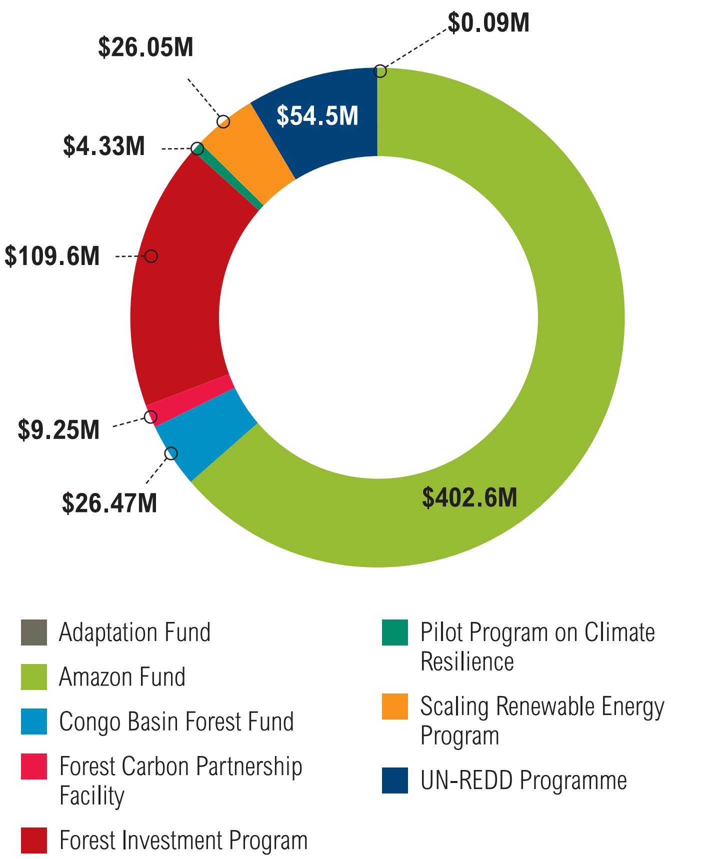
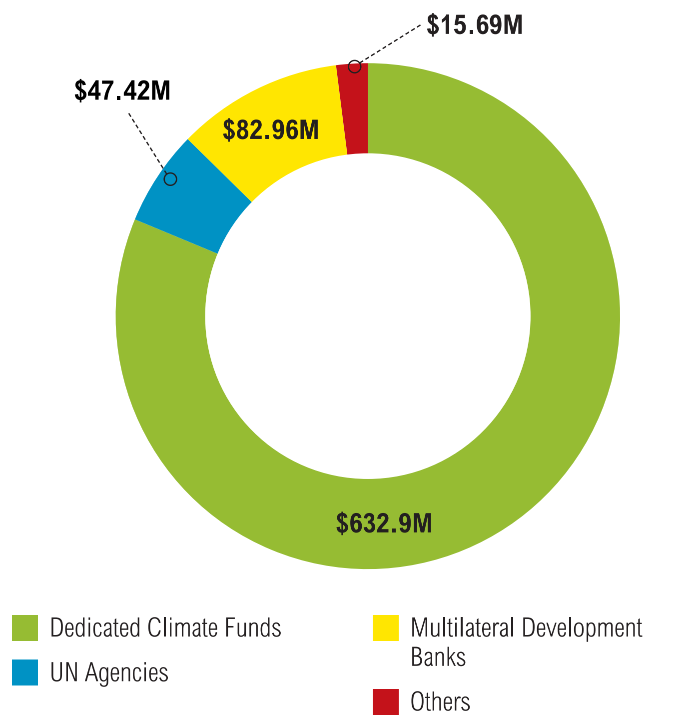


Figure 3 | **Funding for multilateral institutions (USD million)**



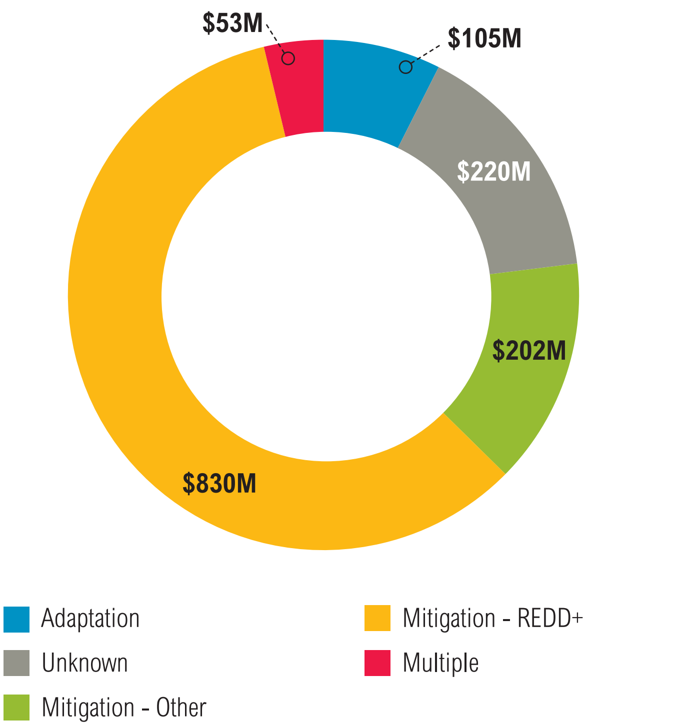
More than 70% of Norwegian FSF primarily supports mitigation activities, with the majority supporting REDD+.

The majority of funding (through both multilateral and bilateral channels) has supported efforts to reduce emissions from deforestation and forest degradation (REDD+) in developing countries (see Figure 4). Renewable energy deployment has also received substantial support. Norway's official FSF reporting acknowledges the need to increase support for adaptation activities. Norway has been a major proponent of REDD+ efforts in the international community, stressing the potential for climate and development synergies through such efforts. At the Bali UNFCCC Conference of the Parties in 2007 it launched Norway's International Forest Climate Initiative (NICFI), with the goal of scaling up finance for REDD+ initiatives. It aims to support development of an international REDD+ architecture and simultaneously achieve cost-effective and verifiable GHG reductions from deforestation and forest degradation in developing countries in all types of tropical forests.

In 2010 Norway disbursed approximately USD 450 million for REDD+ activities, and in 2011 disbursement dropped slightly to USD 360 million (as disbursement of finance to the Amazon Fund is tied to progress toward agreed objectives on a performance basis). The adoption of performance-based approaches to delivering climate finance is an important innovation with potential to strengthen the effectiveness of finance through linking payments to results on the ground. However, it has raised some operational challenges when the prospective recipient cannot yet demonstrate progress toward agreed performance objectives. This precludes funding from being disbursed, which means it cannot be counted as spent ODA. To date, the Amazon Fund is one of the only instances of performance-based approaches for climate finance.

NICFI worked closely with the Forest Carbon Partnership Facility, the UN-REDD Program, the Forest Investment Program (FIP), and the Congo Basin Forest Fund (CBFF). Norway also supported civil society engagement on REDD+. Norway's national budget for 2012 – 2013 in-

Figure 4 | **Objectives of the Norwegian FSF spend (USD)**



cluded USD 488 million funding for Climate and Deforestation, which is the source of funding for REDD+ activities (Norwegian Ministry of Finance 2012 – reference budget post 73). As a result, Norway has continued its strategic partnerships with Brazil, Indonesia, Guyana, and Ethiopia, and contributions to the UN REDD program, the FCPF, the FIP, and the CBFF. It also supported smaller programmes in the Congo basin, Tanzania, Vietnam, Mexico, Myanmar, and the Amazon basin.

After REDD+, the remainder of mitigation finance has focused on supporting the deployment of clean technologies to extend access to energy.

Norway's support for mitigation has had a strong focus on extending access to energy and addressing energy poverty, reinforced by its engagement with the UN Secretary General's Sustainable Energy for All Initiative. In 2011 it launched the Energy + partnership, which is piloting the model of readiness activities and performance based finance used to support REDD+ initiatives in the context of accelerated access to renewable energy in developing countries. Norway is also one of the largest contributors to the Scaling Renewable Energy Programme (SREP) of the Climate Investment Funds, which provides grant and concessional finance to extend access to clean energy particularly in low-income countries. Norway also channels mitigation-related finance through multilateral funds aimed at leveraging private investment in clean technology such as the Global Energy Efficiency and Renewable Energy Fund (GEEREF), and smaller multilateral partnerships such as the Renewable Energy and Energy Efficiency Partnership (REEEP); these are referenced in the official FSF reports. The official Norwegian budget for 2012 – 2013 included USD 234.5 million for renewable energy, representing a substantial increase in dedicated funding for such programmes (Norwegian Ministry of Finance, 2012).

Adaptation is a small share of the contribution, and finance has focused on disaster risk reduction and food security

A review of project-level information suggests that about 7% of Norway's FSF appears to have targeted adaptation activities in developing countries. Official self-reporting states that adaptation finance "increased from $64 million in 2010 to $76 million in 2011. Support for measures classified as both mitigation and adaption increased from $27 million in 2010 to $60 million in 2011" (Norwegian Ministry of Foreign Affairs, 2011). Nearly 50% of bilateral adaptation finance appears to have supported disaster risk reduction and food security related programmes in Sub-Saharan Africa. Norway supports the Pilot Programme on Climate Resilience of the Climate Investment Funds, and provides a small amount of funding for the Adaptation Fund of the Kyoto Protocol. It has also funded the UNFCCC adaptation-focused financial mechanisms of the Special Climate Change Fund and the Least Developed Countries Fund, both administered by the Global Environment Facility. Given the strong synergies between REDD+ and adaptation, and the role that access to energy services can play in enhancing the resilience of the poor to climate change, there are arguably some strong synergies between Norway's support for climate change mitigation programmes and adaptation in practice, even if such synergies are not expressly targeted through the programmes.

Climate change seems to be a primary driver of most mitigation projects, and at least a significant driver of most adaptation projects

To determine the extent to which projects supported by Norway FSF target adaptation or mitigation objectives, we attempted to independently apply the Rio Marker system used by the OECD DAC to the largest Norwegian FSF projects (all projects larger than 2 USD million), on the basis of Norad and OECD project descriptions and easily accessible supplementary information. The Rio Marker system provides definitions and criteria for determining whether a project qualifies as adaptation or mitigation. It assigns a "2" to projects that have climate change as a principal or fundamental objective, when the activity would not have been undertaken in the absence of a climate objective, and a "1" to projects that have climate change as an important, but not principal, objective. We classified Norwegian FSF projects as follows:

- Principal: Climate change as a main driver for the project/financial flow (equivalent to the 2 of the Rio Marker system)
- At least significant: Climate change is a driver of the project, but it is not possible to determine if the project would not have happened without the climate change component. (This may include some cases when climate change has been integrated later in the cycle of a particular project; at least 1 in the Rio Markers.)
- Ambiguous: Climate change relationship with the project is not clear (such as with energy projects that do not necessarily contribute to emission reduction as a specific objective and climate is not mentioned).
- Unknown: There is not enough publicly available information to support an assessment.

We found that most programmes counted as FSF do indeed have climate change as a principal objective (63%), or at least a significant objective (18%).[9] More than 72% of mitigation finance clearly had climate change as its principal objective. There was some ambiguity for 15% of the funding identified. The picture was less clear for adaptation finance, however. While the majority of the adaptation projects reviewed had either a principal or at least significant focus on adaptation, we found that the links with adaptation for 36% of bilateral adaptation finance was ambiguous (for example agriculture projects, without a clear link to adaptation in the project description and available documentation). If we were not able to find enough information to reach a reasonable conclusion, we categorised these projects as "unknown". It is quite possible, however, that we were not able to gain a full appreciation of project objectives from the desk review that we completed. This finding may also reflect the closer links between adaptation and development finance.

We identified a number of projects that seem to have been incorrectly classified in official reporting (for example tagged as adaptation instead of mitigation), seemingly as a result of technical or human errors in reporting (this accounted for 6% of the total amount of bilateral finance committed in 2010 and 2011).

There is a case to be made for ensuring policy coherence across interventions made in developing countries with public support, so that interventions made to support the scale-up of investment in clean technology are not in tension with other projects that invest in conventional fossil-fuel technologies that cause climate change. Similarly, support for efforts to reduce emissions from deforestation and forest degradation should be coherent with other programmes to support economically productive uses of land, including through support for agriculture programmes, which must also be designed to be environmentally sustainable. Norway's FSF report notes that its climate change contribution is made in the context of efforts to mainstream climate change considerations into its development portfolio as a whole.

100% of Norwegian FSF is delivered as ODA grants or capital grants

As noted, some of this finance is made available on the basis of demonstrated performance toward agreed objectives and impacts. A small share of climate change ODA (USD 227 million) appears to be channelled through NORFUND, which makes investments in private-sector projects that will deliver development benefits. However, these contributions have usually been made as capital grants (with specialised management by NORFUND). We have not included NORFUND managed projects that were coded as climate relevant in NORAD or OECD databases in our underlying review, because the official FSF report noted that all funding had been made available as pure grants. Some of the multilateral funds to which Norway has made grant contributions, such as the FIP, SREP, and PPCR of the CIFs, as well as the GEEREF, in turn make finance available to developing country entities as a combination of concessional loans and grants.

Official FSF reports include information on fund disbursement, however there is a need to strengthen reporting by intermediary institutions

The official FSF report includes information on funding disbursed rather than just funding committed or pledged. However, much of this funding is disbursed to an intermediary institution (including multilateral funds), and may take some time to be disbursed to in-country institutions. Information on the status of disbursement needs to

Figure 5 | **Regional Distribution of Norway FSF Contributions (USD)**

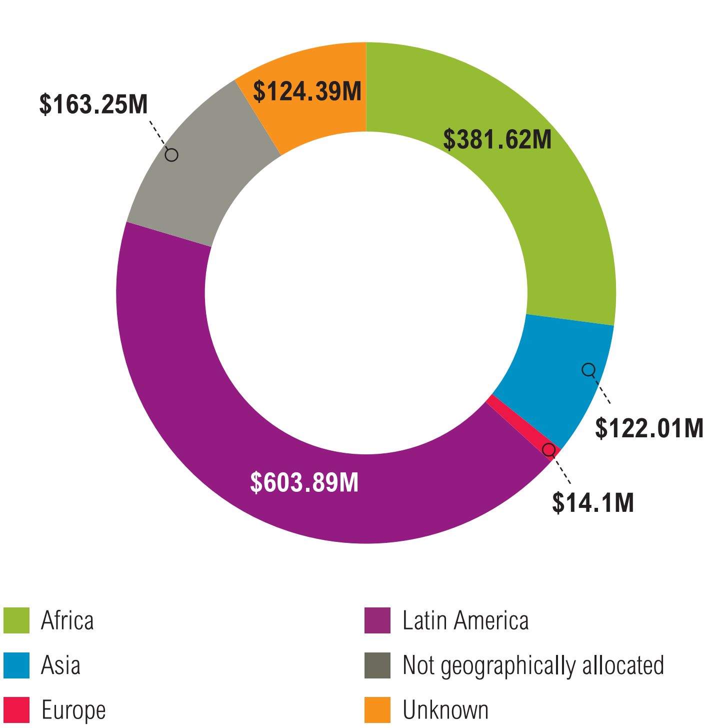
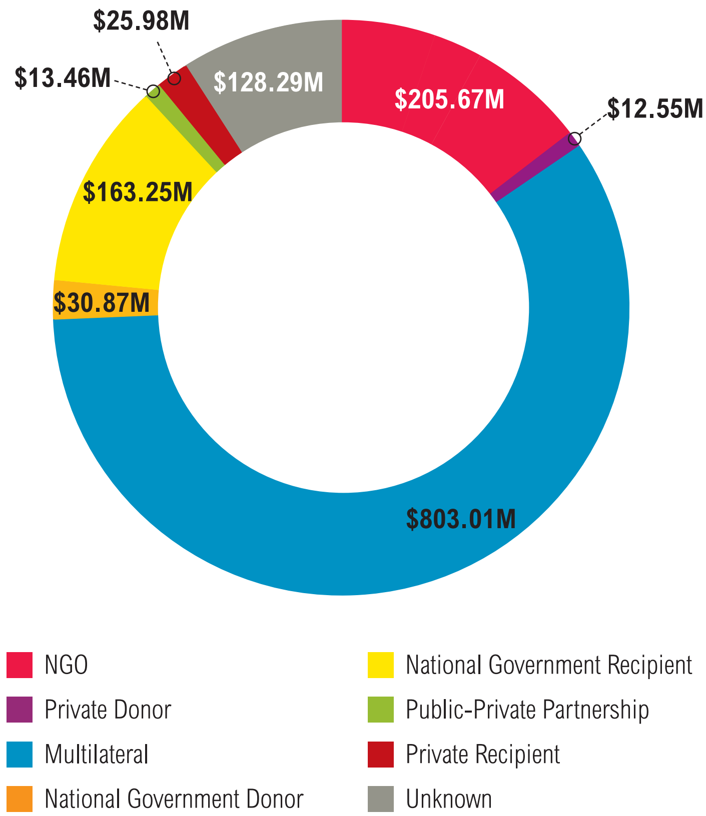


Figure 6 | **Recipients of Norway's FSF**



be provided by the channelling institution entrusted with managing the finance. Many of the dedicated multilateral funds through which Norway channels its climate finance (see Table 2) do not consistently report on the status of disbursement of funding to the projects that they have approved and committed to support. The CIFs have recently begun to report in aggregate on funds disbursed in recipient countries through implementing MDBs on a biannual basis at the meetings of its sub-fund governing committees. The CIFs are also implementing systems to report on disbursement from the trustee to implementing MDBs in real time. The Congo Basin Forest Fund does not report on the status of disbursement at all. These inconsistencies highlight a need for more coordinated and harmonised approaches to monitoring and reporting.

Latin America and Africa are the largest recipients of FSF. Much of the funding is directed to global programmes that involve multiple countries

More than 40% of Norway's FSF in 2010 and 2011 has been committed to programmes in Latin America, notably through the long-term commitment to the Amazon Fund (see Figure 5). About 27% targets Africa, both for REDD+ programmes, as well as renewable energy deployment, and in support of adaptation. Norwegian self-reporting suggests that 50% of adaptation finance targets African countries, and less than 5% of bilateral adaptation finance was directed at Latin America (Norwegian Ministry of Foreign Affairs, 2011). However, because much of the funding for Latin America is offered on a performance basis, only USD 28 million of more than USD 200 million committed in 2011 could actually be disbursed. Since much of the funding directed to Latin America did not flow, the majority of funding disbursed as of the end of 2011 was directed to African countries. In 2012 funding for Asia may increase as a result of the Norwegian commitment to REDD+ in Indonesia.

After multilateral organisations, much of Norwegian FSF is channeled to recipient country governments and NGOs

As noted, much of the FSF committed through strategic bilateral partnerships between Norway and developing country governments is managed by multilateral institutions (see Figure 6). In addition, Norway contributes to the many multilateral institutions who undertake climate change related activities and multilateral climate funds.

Nearly 15% of FSF is directed through NGOs, including international NGOs (5%), developed country NGOs (3%), and developing country based NGOs (7%). Eleven percent of funding is channelled to developing country governments directly. Norwegian Aid reporting includes impressive detail on the recipients of finance, and allows substantial quantification of the nature of the recipients of bilateral climate finance.

New and additional?

Negotiations on climate change finance under the UNFCCC have resulted in an agreement in principle that climate change finance should be new and additional to traditional development assistance. How to apply this principle in practice, however, is unclear and contested. We therefore consider the Norwegian FSF contribution with reference to a number of criteria that are referenced in international debates and the climate finance literature (Brown et al., 2010).

Does annual Norwegian FSF exceed annual Norwegian environmental spending in the years prior to the fast-start period?

The share of climate-relevant ODA is reported to have increased from 3% in 2006 to 21% in 2011 (Norwegian Ministry of Foreign Affairs, 2011). It is not possible to access official OECD reporting on climate-related ODA prior to the FSF period, as the Rio Markers were only introduced in 2010. Figure 7 compares environment-related spending as a share of Norwegian ODA prior to the FSF period with environmental spending, including climate, as a share of Norwegian ODA during the FSF period: this analysis suggests that average environmental spending per year has increased from 2% of total aid in the period prior to FSF to 14% of total aid during the FSF period.

Does Norwegian FSF "recycle" or duplicate previously pledged climate finance?

The majority of FSF delivered supports REDD+ programmes, consistent with the objectives of the Norway International Forest Climate Initiative launched in 2007 in Bali. Norway was also an early contributor to the PPCR when it was established in 2008. These pledges were therefore made prior to the start of the FSF period. In its FSF reporting Norway has only included funding disbursed during the FSF period, and its commitments of funding have increased relative to the total levels of finance anticipated when funding was first pledged.

Do projects and programmes identified as FSF include more climate finance than they did prior to the fast-start period?

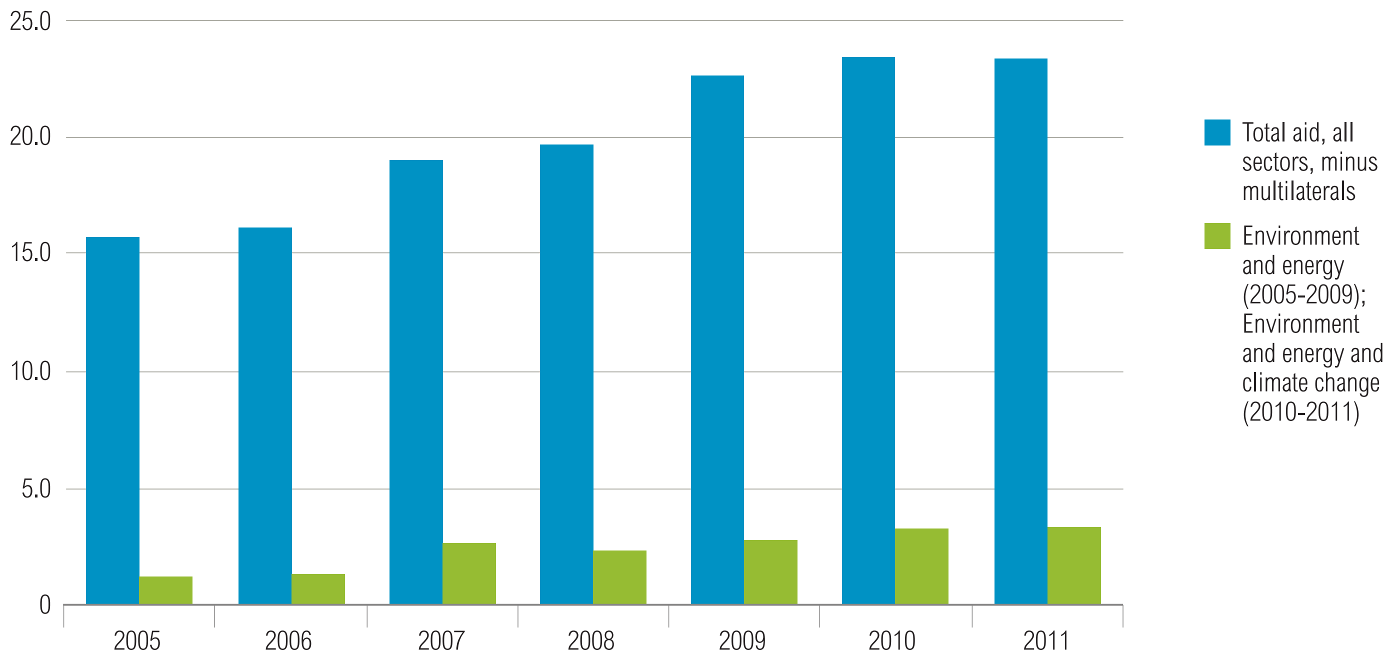
A comprehensive evaluation of the funding history of

Table 2 | **Application of Rio markers to Norwegian FSF projects**

CLIMATE OBJECTIVE	ADAPTATION ONLY (TOTAL EUR 358.8)		MITIGATION (INCL. REDD) (TOTAL EUR 930.3)	
	% (IN MONETARY TERMS)	EXAMPLE PROJECT TYPES	% (IN MONETARY TERMS)	EXAMPLE PROJECT TYPES
Principal	8	Contributions to dedicated adaptation funds, adaptation plans, and measures of the impact of climate change	72	Contributions to dedicated mitigation and REDD+ funds or to the International Energy and Climate Initiative - Energy+
At least significant	56	Conservation agriculture, disaster risk reduction, food security programmes with adaptation relevance but for which it is unclear whether adaptation is principal or significant objective	12	Clean energy or promotion of sustainable forest management programmes for which it is unclear whether mitigation is principal or significant objective
Ambiguous	36	Conservation agriculture program without an explicit focus on climate change	15	Hydropower project with no explanation of link to mitigation
Unknown	0	Not enough public information available to assess	1	Not enough public information available to assess

Source: own calculations, based on PPCR, 2012; CTF, 2012; AF, 2013; LDCF/SCCF, 2012

Figure 7 | **Norwegian Climate and Aid Spending 2005 - 2011**



Source: NORAD database and ODI-WRI data

projects and programmes reported as Norwegian FSF was beyond the scope of this assessment. As noted, much of the funding for REDD+ was committed prior to the start of the FSF period, and several programmes date back many years. Some of these programmes appear to have received additional support as a result of Norwegian climate finance commitments.

Is Norwegian FSF additional to its ODA commitment?

In the view of some stakeholders, fast-start finance must be additional to the pledges that many developed countries made at the Monterrey Summit in 2002 to increase development assistance to 0.7% of their national budgets. This view reflects fears that increasing climate finance will divert aid from other development priorities. Norway is one of the few countries to have exceeded the 0.7% target; in fact, it has committed to delivering 1% of its GNI as ODA, and met this target in 2009 (Statistics Norway, 2013). In 2010 and 2011, however, Norwegian ODA contributions fell slightly short of 1% because promissory commitments to the Amazon Fund that had been set aside for performance-based payments could not be counted as ODA expenditures. Therefore, while a share of Norway's FSF could be considered additional relative to the 0.7% threshold applied to most countries, it would not yet be considered additional relative to Norway's own, more ambitious, 1% commitment.

How does the change in Norway climate finance from the pre-fast-start period to the fast-start period compare to the change in Norway development assistance over the same period?

Norwegian aid statistics suggest that ODA rose 4% from 2009 to 2010. By contrast, climate finance appears to have increased at a rate of 17% over the same period. These figures suggest that climate finance has been increasing at a higher rate than ODA as a whole. If this trend is sustained, it may have implications for the distribution of Norwegian ODA as a whole.

CONCLUSIONS AND RECOMMENDATIONS

Norway has made a large contribution to FSF relative to the size of its economy, and has experimented with innovative approaches. To date, it has entered into a number of high-level bilateral partnerships on climate change, managed through a mix of bilateral and multilateral channels. The majority of finance has supported REDD+. Norway's FSF reporting recognises the need to increase support for adaptation. Norway is one of the few countries in the world to have met and exceeded the Monterrey target to increase official development assistance to 0.7% of GNI, and presently delivers around 1% of its GNI as ODA. In this respect, its FSF can be considered additional even though it is financed through Norway's ODA budget. Norway has also experimented with innovative performance-based financing mechanisms through the Amazon Fund.

Aggregate information on Norway's FSF is readily available, but project-level detail would usefully complement this reporting.

The Norwegian FSF report includes substantial quantification of the objectives and recipients of climate finance. There is substantial project-level information on how REDD+ finance, which accounts for about 60% of bilateral FSF, has been spent. However, there is no comprehensive list of all of the projects that have been supported by Norwegian FSF, which poses challenges for independent scrutiny of the contribution. Strong reporting practices for ODA allow substantial insight into the likely constitution of the Norway FSF contribution as a whole. However, this requires significant additional research, and we cannot state with certainty that all of the projects that we have identified through this supplementary research have definitely been included in official FSF reporting.

Going forward, it would be good practice for underpinning project-level spending information to be disclosed alongside aggregate reporting. Project-level reporting should meet Norwegian aid reporting standards (which specifies the name of the project, the amount of funding committed, the recipient institution, the relevant sector, the recipient region, and alignment with objectives including the Rio Markers). Given the high level of ODA transparency already practiced by Norway, this would represent relatively modest incremental effort.

Improved reporting practices may strengthen developing country partner appreciation for the full scope of Norway's efforts to deliver climate finance support. It is also likely to be of substantial interest to domestic stakeholders, and help build their understanding of the purpose of international climate finance.

Reporting and transparency standards for both contributor countries and implementing institutions – notably dedicated multilateral climate funds – need to be strengthened and harmonised.

There is a need to improve standards for reporting on disbursement on the part of intermediary agencies, including the dedicated multilateral climate funds through which a substantial share of Norway's FSF is directed. On the one hand, desk research revealed a large amount of information on the scope, objectives, and recipients of climate finance because the multilateral agencies receiving finance report substantial information. However, the scope of information reported is not consistent, and there is a particular gap when it comes to information about the status of disbursement of finance in the absence of agreed standards on disclosure of information. Adopting more robust and harmonised reporting standards, especially on disbursement across contributor countries and intermediary institutions, may be necessary to increase the transparency of climate finance.

While Norway's FSF contribution is additional to international commitments to increase ODA to 0.7% of GNI, it is unclear if the contribution is "new and additional" by all standards.

Since 2009, Norway has provided about 1% of its GNI as ODA, and all funding counted as FSF is also counted toward ODA. FSF is therefore not additional to its domestic ODA commitments. Since climate finance is only 21% of ODA, however, it seems clear that more than 0.7% of Norwegian GNI still supports development support, which makes this contribution additional to international commitments to deliver 0.7% of GNI as ODA. As noted, some of the finance delivered fulfils pledges made prior to the start of the FSF period (even though only funding delivered during the FSF period is counted). In addition, climate finance has increased at a faster rate than ODA as a whole during the past 3 years.

Continued attention to the effectiveness of climate finance is needed.

As noted, the political value of Norway's pledges of significant volumes of long-term finance in key countries has been valuable in raising the political and economic profile of climate change issues within these countries. Nevertheless, recent experiences have suggested a need for improved and continuous due diligence to avoid misuse of funds, and a sustained focus on securing national-level ownership of the priorities that are being supported. Norway has experimented with performance-based approaches to delivering climate finance: the results of these efforts need to be better understood. Progress on these counts will also be useful in maintaining domestic support for the delivery of international development assistance more generally, and climate finance specifically.

Climate finance needs to be sustained.

Climate finance provided by developed countries will continue to play a critical role in catalysing global action on climate change by directly supporting adaptation and mitigation in developing countries. Such public finance can play a crucial role in meeting the additional costs of climate-compatible development, helping correct market failures, and creating incentives for investment in climate-compatible development, including from the private sector. Furthermore, climate finance delivered in keeping with the principles of the UNFCCC helps foster trust and participation in collective action on climate change. It remains imperative to scale up the delivery of new and additional finance to developing countries in ways that effectively deliver climate benefits. Norway is in a position to play a leadership role in this effort, given its strong commitment to global collective action on climate change. Sustained support is essential after the close of the FSF period, even though it may not be an easy challenge to meet. There is a particular need to ensure that support for adaptation increases.

ACRONYMS

CBFF	Congo Basin Forest Fund
DAC	Development Assistance Committee
FIP	Forest Investment Programme
FSF	Fast-Start Finance
GEF	Global Environment Facility
GHG	Greenhouse Gas
GNI	Gross National Income
IATI	International Aid Transparency Initiative
IFC	International Finance Corporation
MDB	Multilateral Development Bank
NICFI	Norway's International Climate and Forest Initiative
NOK	Norwegian Kroner
NORFUND	Norwegian Investment Fund for Developing Countries
OCN	Open Climate Network
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
PPCR	Pilot Programme on Climate Resilience
RDB	Regional Development Bank
REDD+	Reducing Emissions from Deforestation and Forest Degradation + Conservation
SIDS	Small Island Developing State
SREP	Scaling Renewable Energy Programme
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollars
WRI	World Resources Institute

ANNEX 1: CLIMATE FINANCE TRACKING INITIATIVES

- **National Communications:** Under the UNFCCC, Annex II Parties are required to report information on climate finance, including bilateral and regional support by recipient country, support to multilateral institutions, and support to the GEF. They are also required to indicate the "new and additional" financial resources provided, and to clarify how they have determined these resources as such.[10]

- **Fast-Start Reports:** The 2010 Cancun Agreements invite Parties to submit information to the UNFCCC Secretariat in May of 2011, 2012, and 2013 on the resources provided to fulfil their FSF commitment. In November 2011, the UNFCCC Secretariat launched an FSF module[11] on its Finance Portal that links to the May 2011 reports. The Netherlands has also established www.faststartfinance.org, to which both contributor and recipient countries self-report.

- **OECD DAC:** The OECD DAC compiles data on international aid from its 23 members and 12 multilateral organizations, and has collected data on aid for mitigation since 1998 and for adaptation since 2010.

- **Multilateral Development Banks:** As climate change investments comprise a growing share of MDBs' portfolios, a number of MDBs have begun to develop systems for monitoring climate finance.[12] In 2011, the MDBs agreed to harmonise the manner in which they track their climate change finance, and subsequently established an MDB Working Group on Climate Finance Tracking to work toward this goal.[13]

- **Independent Initiatives:** Initiatives by non-governmental organizations and the private sector, such as AidData, the ODI HBF Climate Funds Update, WRI's FSF summary table, and Bloomberg's New Energy Finance also complement and supplement climate finance tracking efforts.[14]

ANNEX 2: OCN FINANCE ASSESSMENT PARAMETERS

The following parameters were examined for each project:

PARAMETER	OPTIONS	EXPLANATION
Title	Project title	Based on review of climate-change-relevant ODA as reported to the OECD CRS and through Norad Aid Statistics.
Description	Qualitative description of the project as reported	Based on review of climate-change-relevant ODA as reported to the OECD CRS and through Norad Aid Statistics.
Fiscal Year	■ 2010 ■ 2011	Based on the year of the FSF project list and based on review of climate-change-relevant ODA as reported to the OECD CRS and through Norad Aid Statistics.
Amount	in USD millions	As reflected in the FSF self-report and in climate-change-relevant ODA as reported to the OECD CRS and through Norad Aid Statistics.
Status	■ Pledged ■ Identified with domestic legal force ■ Deposited ■ Approved for disbursement ■ Disbursed	As included in the Norad FSF report and Norad aid statistics project descriptions and supplementary information.
Source	■ Budget appropriations ■ Development finance/export credit ■ Innovative Source: Public carbon market revenue, levy/tax on international transportation, or financial transaction tax ■ Private: Leveraged private finance, foreign direct investment, private carbon market revenue	All of the Norway FSF is from the national budget.
Recipient Region	■ Africa ■ Asia ■ Europe ■ Latin America and the Caribbean ■ North America Based on UN regional classifications: http://unstats.un.org/unsd/methods/m49/m49regin.htm	Based on the country listed on the FSF self report and climate-change-relevant ODA as reported to the OECD CRS and through Norad Aid Statistics. For multilateral funds, in order to determine the recipient country and region breakdown, we imputed assistance from the climate-specific funds back to the donor countries. We assigned this parameter based on the recipient country that the finance is intended to benefit, which does not necessarily signify that the finance was transferred to an institution within that recipient country.
Recipient Country	Based on the country listed on the FSF self-report and review of climate-change-relevant ODA as reported to the OECD CRS and through Norad Aid reporting. For multilateral funds, in order to determine the recipient country and region breakdown, we imputed assistance from the climate-specific funds back to the donor countries. We assigned this parameter based on the recipient country that the finance is intended to benefit, which does not necessarily signify that the finance was transferred to an institution within that recipient country.	
Recipient Institution	Information on the recipient institution was usually but not always provided through Norad Aid reporting. Information on the recipient institution was often available through desk research. Where information was available, we attempted to identify the name and type (e.g., governmental, NGO, or private, and recipient- or donor-based) of the institution receiving funding from the Norwegian government.	

PARAMETER	OPTIONS	EXPLANATION
Recipient Institution Type	■ Multilateral ■ Regional public donor ■ Regional public recipient ■ National government donor ■ National government recipient ■ State/City government donor ■ State/City government recipient ■ NGO donor ■ NGO recipient ■ Private donor ■ Private recipients	Classified based on recipient institution.
Fund Type	■ Bilateral ■ Multilateral	Assigned based on whether the funding flowed through a multilateral fund.
Contributor Country Agency	Name of contributor-country government entity administering the financial instrument to the recipient	Through Norad Aid reporting and the FSF self-report.
Channeling Institution	For funds channelled through a multilateral institution, the name of the multilateral institution	Based on a review of the project documentation associated with the project description and any supplementary information revealed through desk research.
Fund	For funds channelled through a multilateral fund, the name of the fund	Based on a review of the project documentation associated with the project description and any supplementary information revealed through desk research.
Financial Instrument	■ Capital Contribution ■ Grant ■ Loan ■ Loan Guarantee ■ Equity ■ Insurance ■ Other (specify)	Primarily based on the information provided in the Norway FSF self-report and through Norad Aid reporting. Complemented by a review of the project documentation associated with the project description and any supplementary information revealed through desk research.
Financial Instrument Characteristics	Any information on the characteristics of the finance (e.g., grant element), and/or how the country is counting that financial instrument toward its total fast-start amounts, where available. Based on a review of the project documentation associated with the project description and any supplementary information revealed through desk research.	
Objective	We attempted to identify the extent to which FSF projects target the climate-related objectives of adaptation and mitigation. We did this at three levels of rigour: First, we identified how Norway seemed to be counting each project. For a subset of projects, for which we had access to sufficient supporting information, we assessed the extent to which each project would meet a more rigorous definition of adaptation or mitigation based on the OECD DAC Rio Markers. Finally, we examined those projects whose categorisations were ambiguous in more detail, and documented which project types were involved.	
Objective: Level 1	■ Mitigation ■ Adaptation ■ Forestry? Yes/No	For the first level of assessment, we simply assigned each project to adaptation or mitigation on the basis of the description in the FSF report and Norad Aid reporting.

PARAMETER	OPTIONS	EXPLANATION
Objective: Level 2	For Adaptation and Mitigation Rio Marker ■ 0 - Ambiguous ■ 1 - At Least Significant Objective ■ 2 - Principal Objective	For the second level of assessment, we examined projects on the basis of the OECD DAC Rio Markers for adaptation and mitigation. The Rio Markers were developed for use by donor countries to self-identify ODA that contributes to a range of specific objectives, including adaptation and mitigation. They also are designed to distinguish between projects that support those objectives as a "principal" objective versus those that support them as a "significant" objective (but may be primarily targeted at another, non-climate objective). The Rio Markers employ the following definitions: ■ Mitigation: "[The activity] contributes to the objective of stabilization of GHG concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions or to enhance GHG sequestration." ■ Adaptation: "[The activity] intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience." The OECD has published further criteria and a decision tree to promote consistency in self-reporting, which we attempted to follow (OECD, 2011). Under the Rio Marker system, a project is labelled with a 2 – indicating that it "principally" targets the Rio Marker – if it matches the OECD criteria for eligibility and would not have been undertaken without mitigation or adaptation as an objective, a 1 – indicating that it "significantly" targets the Rio Marker – if it matches the criteria for eligibility but would have been undertaken without mitigation or adaptation as an objective, and a 0 if it does not match the criteria for eligibility. We assigned the Rio Markers based on our own assessment of the nature of the project, without regard to how Norway reported the project to the OECD DAC. We assigned them only to those projects for which sufficient information was available.
Objective: Level 3	For projects that received a 0, or whose score on the Rio Markers was not clear, we made note of any projects that would not appear to provide climate benefits. These might include, for example, commercially viable fossil fuel projects, road projects not associated with sustainable transportation alternatives, and transmission lines and power sector reform not linked to clean energy.	
Activity	■ Assessment, planning, strategy development ■ Research and development ■ Demonstrations ■ Deployment/Implementation ■ Capacity Building ■ Monitoring, evaluation, and review	Based on a review of the project documentation associated with the project description and any supplementary information revealed through desk research. We noted each activity, and attempted to indicate which would be primary (where possible based on the information provided).
Intended impact	Information regarding expected or actual project impact in terms of GHG reduction, energy capacity, or other relevant metric. In most cases this information was not available as projects remain in their early stages of implementation; this is an important area to capture in future work analysing FSF.	

New and Additional: For the purposes of this paper, we consider new climate finance as climate finance that has increased over previous years' allocations and/or pledges and additional climate finance as that which does not divert funding from development objectives. Due to the lack of consensus on these definitions and criteria for meeting them, in this assessment we evaluate Norway FSF with regard to multiple possible considerations without endorsing any single one.

Considerations related to "newness":

- Does FSF for a given year exceed annual climate finance in the years prior to the FSF period?
- Does FSF recycle or duplicate previously pledged climate finance?
- Do projects or programmes identified as FSF include more climate finance than they did prior to the FSF period? For example, if funding is being counted for a project that began prior to the FSF period, has it received more funding relative to what would have been given in the absence of the fast-start commitment?

Considerations related to additionality:

- Has the contributor country in question achieved 0.7% GNI for ODA?[15]
- How does the change in climate finance from the pre-FSF period compare to the change in ODA over the same time frame?

See Brown et al. (2010) for further discussion.

Transparency: We evaluated Norway's FSF reporting with regard to aggregate and project-specific metrics that facilitate interpretation and verification of climate finance information. The factors listed below are drawn in part from sources including Ciplet et al. (2011), Stasio (2011), and Tirpak et al. (2010).

Aggregate information:

- Eligibility criteria (e.g., project types and countries eligible to receive FSF)
- "New and additional" criteria, as defined by the contributor country
- Objectives supported
- Channeling institutions
- Financial instruments
- Geographic distribution of countries supported
- Disbursement status

Project-specific information:

- Objectives supported
- Channeling institutions
- Financial instruments
- Recipient countries
- Recipient institutions
- Disbursement status

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ENDNOTES

1. In 2010 and 2011, however, Norwegian ODA contributions were slightly less than 1% because promissory commitments to the Amazon Fund that had been set aside for performance based payments could not be counted as ODA expenditures.
2. Buchner et al. (2011) place private finance at almost 57% of current climate finance. The UNFCCC (2007) identifies a significant role for domestic resources.
3. For example, the Private Sector Initiative under the Nairobi Work Programme, and "Caring for Climate" under the UN Global Compact.
4. Buchner et al. (2011).
5. For example, countries such as Germany have used revenues from Certified Emission Reduction sales to help finance their International Climate Initiative, and the government of Japan has counted private Japanese companies' investments in climate-relevant sectors as part of its FSF reporting.
6. http://unfccc.int/files/adaptation/application/pdf/norwegian_fast_start_finance_report_2012.pdf
7. This research approach differs slightly from the approach used for other studies in this series as a result of lack of access to a detailed list of the projects supported by Norway's FSF contribution. In all cases, the approach has been to compile the most complete and accurate list possible based on information at hand, which differs from country to country.
8. We have been unable to identify precisely the projects supported by $100 million of the reported FSF spend in 2010 and 2011.
9. Sources consulted for each project are detailed in Annex 4.
10. Note: we only applied the Rio Markers to those projects for which basic desk research revealed reasonably comprehensive information that allowed us to make judgements about the scope and intention of the programme. This accounts for nearly 60% of the FSF contribution, and all projects larger than USD 2 million.
11. The guidelines for national communications do not provide a definition of new and additional.
12. http://unfccc.int/pls/apex/f?p=116:13:4497118034125415
13. Examples include the World Bank's climate co-benefits tracking and the Asian Development Bank's Procedures for Estimating Investments Renewable Energy and Energy Efficiency.
14. For more information, see: http://www.aiddata.org/ ; http://www.climatefundsupdate.org/ ; http://www.wri.org/publication/summary-of-developed-country-fast-start-climate-finance-pledges ; http://www.newenergyfinance.com/.
15. Parties in the international climate negotiations have often referred to additionality in relation to an amount or percentage of Official Development Assistance (ODA). One baseline for additionality that has been proposed by developing countries is that of the 0.7% of Gross National Income (GNI) for ODA pledge reiterated by developed countries over the past several decades (e.g., in the Monterrey Consensus in 2002, at the World Summit on Sustainable Development in Johannesburg in 2002, and most recently at the Gleneagles G8 summit in 2005). Note, however, that some aid experts have argued that countries must rethink the traditional measure of ODA given the diversification of goals it is asked to pursue and the multiplication of instruments used to achieve policy objectives (Severino et al.).

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ACKNOWLEDGMENTS

This paper has benefitted from the peer review of numerous colleagues. Ingrid Næss-Holm of Norwegian Church Aid and Ola Skaalvik Elvevold Friends of the Earth Norway provided comments. Jennifer Morgan and Tom Mitchell also provided input. Jenna Blumenthal, Greg Fuhs, Hyacinth Billings, and Nick Price at WRI and Will McFarland at ODI supported the production of the report and provided research support. We are grateful for comments and information provided by Norwegian government officials regarding the Norwegian FSF contribution on a previous version of this paper.

ABOUT WRI

WRI focuses on the intersection of the environment and socio-economic development. We go beyond research to put ideas into action, working globally with governments, business, and civil society to build transformative solutions that protect the earth and improve people's lives.

ABOUT ODI

ODI is Britain's leading independent think tank on international development and humanitarian issues. Our mission is to inspire and inform policy and practice which lead to the reduction of poverty, the alleviation of suffering, and the achievement of sustainable livelihoods in developing countries. We do this by locking together high quality applied research, practical policy advice, and policy-focused dissemination and debate. We work with partners in the public and private sectors, in both developing and developed countries. In partnership with the Heinrich Boell Foundation North America, ODI coordinates Climate Funds Update, an independent website monitoring and verifying dedicated public climate finance (http://www.climatefundsupdate.org).

ABOUT CICERO

CICERO's mission is to conduct research and provide reports, information and expert advice about issues related to global climate change and international climate policy with the aim of acquiring knowledge that can help mitigate the climate problem and enhance international climate cooperation. The Norwegian government established CICERO in 1990. CICERO is an independent research center associated with the University of Oslo.

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The Open Climate Network brings together independent research institutes and stakeholder groups to monitor countries' progress on climate change. We seek to accelerate the transition to a low-emission, climate-resilient future by providing consistent, credible information that enhances accountability both between and within countries. http://www.openclimatenetwork.org.