



U.S. International Climate Change Finance

Summary: A Commitment to Implementing the Copenhagen Accord

The United States is committed to the full implementation of the Copenhagen Accord. As part of this commitment, we are working together with our partners to provide “fast start” climate finance approaching \$30 billion during the period 2010-2012 to help meet the adaptation and mitigation needs of developing countries. Climate-related appropriations for 2010 total \$1.3 billion, and the Administration has requested \$1.9 billion in appropriations for Fiscal Year (FY) 2011. These funds include support for the Administration’s pledge to provide \$1 billion for Reducing Emissions from Deforestation and Degradation (REDD+). In addition to these appropriations, U.S. development finance and export credit agencies are on track to provide more than \$700 million in 2010, and nearly \$900 million in 2011, in financial instruments that help American firms and investors, with their foreign partners, deploy clean energy technologies in developing countries. As we work to increase climate finance in the short term, we will continue to work with the international community to make operational the longer term financing provisions of the Accord. These include the goals of establishing the Copenhagen Green Climate Fund and, in the context of meaningful actions and transparency on implementation, to mobilize jointly \$100 billion a year by 2020 to address the needs of developing countries.

A Significant Increase in Resources

The Obama Administration has worked with the U.S. Congress to significantly scale up international climate finance through appropriated resources and export and development finance:

- **U.S. climate-related appropriations more than triple in 2010, and the President has requested another sizeable increase for 2011.** For FY 2010, funds disbursed through USAID and the U.S. Departments of State and Treasury will be three times higher than in FY 2009, rising from \$315 million to \$1.0 billion. The FY 2011 Budget includes \$1.4 billion for these agencies. In addition, other agencies of the U.S. government provide an additional \$70 million for FY 2010 and \$104 million for FY 2011.
- **We are boosting our investment in programs that deliver significant climate co-benefits:** As our international assistance agencies succeed in mainstreaming climate considerations into development activities, a substantial and increasing portion of assistance will support climate mitigation and adaptation. We estimate that \$226 million of finance in 2010, and \$386 million in 2011 for purposes such as food security health, water, and biodiversity will support adaptation or mitigation.
- **In addition, U.S. development finance and export credit agencies aim to use an array of financial instruments to mobilize increased investments in clean energy projects in, and exports to, developing countries.** These instruments, estimated at \$706 million in 2010 and \$873 million in 2011, will help American firms and investors, with their foreign partners, deploy clean energy technologies.

Highlights

\$1.9 billion in international climate finance requested for 2011

Nearly \$900 million estimated for climate-related export credit and development financing in 2011

\$1 billion pledged for REDD+ for 2010-2012

\$375 million already delivered in 2010 to the Climate Investment Funds

Table 1: 2010-2011 U.S. International Climate Change Finance

U.S. climate finance by type (millions \$)			Appropriated climate finance by focal area (millions \$)		
	FY10	FY11 (request)		FY10	FY11 (request)
Climate-related appropriations	1,304	1,881	Adaptation	448	624
Climate focused export credit and development finance	706	873	Clean energy	595	805
			Sustainable landscapes	261	452

Fast Start Money is Already Flowing

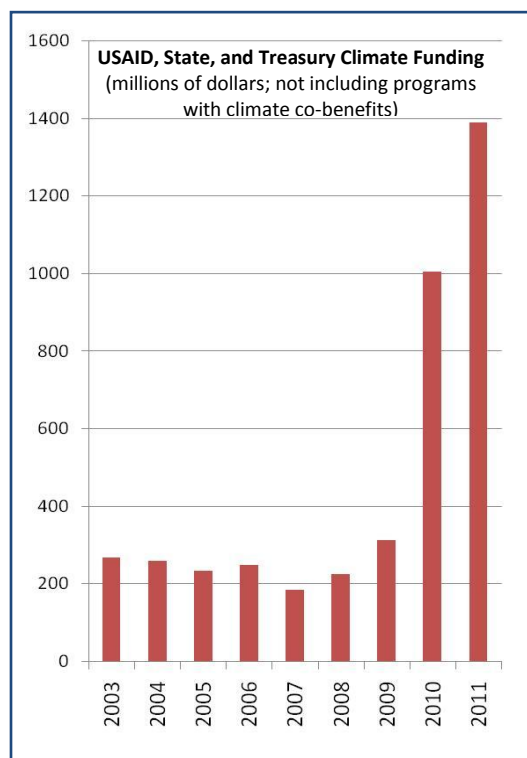
The U.S. is moving quickly to disburse FY 2010 climate finance to help address the most urgent and immediate needs of the most vulnerable developing countries and to help developing countries lay the groundwork for long-term, low-emission development. We are working to make critical investments today that have short-term transformative impacts and to scale up quickly by delivering resources through existing funding channels and institutions even as we work internationally to establish future climate finance arrangements. The U.S. has also budgeted for a significant increase in FY 2011.

Multilateral Finance

Nearly 60% of U.S. climate funding goes through multilateral channels. Multilateral funds leverage own government finance, the private sector, and other contributing countries to scale up support for adaptation, REDD+, and clean energy activities in developing countries. The U.S. has already delivered \$375 million in 2010 to the Climate Investment Funds (CIFs) and has budgeted \$635 million for the CIFs in FY 2011. The U.S. is delivering at least \$26 million in 2010 for climate investments at the Global Environment Facility (GEF) and has budgeted \$90 million in FY 2011.

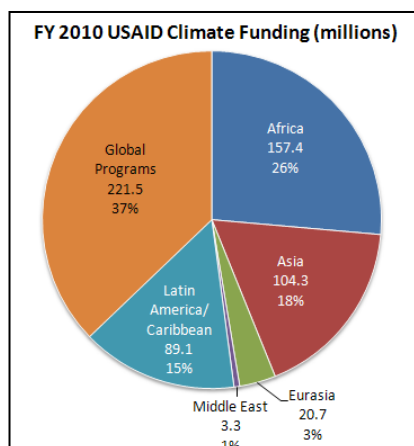
Examples of Multilateral Support:

- \$300 million delivered in FY10 for clean energy through the Clean Technology Fund and \$400 million budgeted in 2011, supporting programs in more than a dozen countries.
- \$55 million delivered in FY10 for adaptation through the Pilot Program for Climate Resilience, with \$90 million budgeted for 2011, supporting programs in 8 countries and 2 regions.
- \$50 million provided to the Least Developed Countries Fund and for the Special Climate Change Fund in 2010, and another \$50 million is budgeted in FY11.
- In the area of REDD+, \$20 million delivered in FY10 and \$95 million budgeted in 2011 for the Forest investment Program, supporting programs in 5 countries; \$32 million budgeted through the GEF in 2011; and \$10 million provided in FY10, and \$10 million budgeted in FY 2011, to the Forest Carbon Partnership Facility.



Bilateral Finance

Over 40% of U.S. climate finance goes through bilateral channels, principally through USAID, and is targeted to help the most vulnerable countries adapt to climate impacts and to partner with countries on mitigating their emissions. USAID is finalizing plans to program over \$500 million in 2010 and has budgeted over \$750 million in 2011 to meet these goals. These funds are disbursed via grants and similar mechanisms.



Examples of Bilateral Support:

- Nearly two-thirds of U.S. bilateral adaptation funding in 2010-11 focuses on Small Island Developing States, Least Developed Countries, and Africa.
- USAID is on track to provide over \$300 million in 2010-2011 bilateral assistance to REDD+ efforts, including in the Congo Basin, the Amazon, and Indonesia.
- USAID is on track to provide more than \$200 million in bilateral clean energy assistance over 2010-2011 and is working with interagency colleagues to support the development of 30 low-emission development strategies by 2013.