

Soros: Climate financing dispute could wreck talks (Update)

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Demonstrators stage a protest in the main hall at venue of the Climate Summit in Copenhagen, Thursday Dec.10, 2009. The largest and most important UN climate change conference is underway in Copenhagen, aiming to secure an agreement on how to protect the world from calamitous global warming. (AP Photo/Peter Dejong)

(AP) -- The \$10 billion a year proposed by rich nations to help the poor adapt to climate change is "not sufficient" and the gap between what's offered and what's needed could wreck the Copenhagen climate conference, American billionaire George Soros said Thursday.

At a European Union summit in Brussels, meanwhile, wealthier

members of the 27-nation bloc were having to press poorer, reluctant neighbors in Eastern Europe to contribute to the \$10 billion fund.

"Europe should take its fair share" of the \$5 billion to \$7 billion a year target sum for 2010-2012, said Swedish Prime Minister Fredrik Reinfeldt, whose country holds the EU's rotating presidency.

The EU is expected to announce later Thursday the amount of money it will offer to impoverished, developing nations. Britain has said it will contribute \$1.3 billion over three years, and Sweden will give euro800 million (\$1.2 billion). German Chancellor Angela Merkel said Germany would contribute but gave no figure.

Soros, one in a line of international notables visiting the 192-nation Copenhagen meeting, told reporters he had developed a partial solution on funding. The investor-philanthropist suggested shifting some International Monetary Fund resources from providing liquidity to stressed global financial systems to a new mission of financing projects in developing countries for clean energy and adapting to climate change.

About \$100 billion in a one-time infusion could be generated, said Soros, a major supporter of causes in the developing world.

But he acknowledged a major roadblock in Washington.

"It is possible to substantially increase the amount available to fight global warming in the developing world," he said. "All that is lacking is the political will. Unfortunately the political will will be difficult to gather because of the mere fact that it requires congressional approval in the United States."

Soros said he had "informal discussions" with Obama administration officials and they recognized the difficulty of getting congressional

approval. But he said the issue was too important to sweep aside.

"I think it is already becoming apparent in the negotiations that there's a gap between the developed and developing world on this issue which could actually wreck the conference," he added.

The international financier dropped in on the two-week conference on its fourth day, as rich and poor nations pressed on behind closed doors and in open forums to bridge wide differences and reach agreements on how to combat global warming.

They have just a week to deliver something for President Barack Obama and more than 100 national leaders to sign on Dec. 18, the final day of the climate summit.

The Kremlin said Russian President Dmitry Medvedev will attend next week, raising expectations that a U.S.-Russian nuclear arms deal could be signed at the same time.

"People are really getting down to work. I sense that there is a real seriousness now to negotiate," U.N. climate chief Yvo de Boer said.
"Good progress is being made in a number of areas."

He said a growing number of environment ministers will be coming to Copenhagen this weekend - earlier than planned - to take up higher-level negotiations prior to the arrival of presidents and prime ministers on Dec. 16-17.

In one key area, delegates are trying to agree on how much industrialized nations should reduce their emissions of carbon dioxide and other global-warming gases after the 2012 expiration of the 1997 Kyoto Protocol, which covered 37 richer nations. The U.S. had rejected Kyoto. An agreement is also expected to include targets by such poorer but

emerging economic powers as China and India for scaling back emissions growth.

The second key area involves climate change financing, money for poorer nations to build coastal protection, modify or shift crops threatened by drought, build water supplies and irrigation systems, preserve forests, improve health care to deal with diseases spread by warming, and move from fossil fuel to low-carbon energy systems, such as solar and wind power.

The World Bank and others project that hundreds of billions of dollars a year, in public and private money, will be needed eventually for the climate change shift.

Yet industrialized countries thus far are talking only about a quick package - three years of funding at \$10 billion a year. Much of that would go toward training, planning and getting a fix on needs.

Developing nations are pressing the U.S., Europeans, Japanese and others for more upfront money and for assurances about long-term financing so they can plan on a stable source for many billions more.

"Financing should be the 'crunch issue' here next week, for the heads of state to deal with," said Alden Meyer of the U.S. Union of Concerned Scientists.

Soros said the \$10 billion-a-year short-term plan is "more than nothing, but not much, it's not sufficient."

He suggested climate financing be boosted with some \$100 billion in Special Drawing Rights, the artificial "currency" of the International Monetary Fund, formulated as a basket of major currency values and held in reserve for lending in financial emergencies.

In response to the recent global financial crisis, the IMF created more than \$200 billion in new Special Drawing Rights. But Soros noted that the Obama administration had difficulty getting U.S. approval for that through Congress.

He had found "quite widespread support" from other governments, but "other countries are reluctant to do something that is uncomfortable for the United States," Soros said.

A key European negotiator was wary of Soros' idea.

"We have to be very careful in the way we use the Special Drawing Rights," said Artur Runge-Metzger of the European Commission.

On Wednesday, the U.S. and China exchanged barbs at the Copenhagen climate talks, underscoring the abiding suspicion between the world's two largest carbon polluters about the sincerity of their pledges to control emissions.

U.S. chief negotiator Todd Stern urged China - now the world's biggest polluter - to "stand behind" its promise to slow the growth of its carbon output and make the declaration part of the Copenhagen agreement.

China rejected that demand, and renewed its criticism of the U.S. for failing to meet its 17-year-old commitment to provide financial aid to developing countries and to reduce emissions of carbon dioxide and other gases warming the Earth.

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