

Raising \$100 billion for climate fund in dispute

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In this image made available by Greenpeace, activists form a giant lion's head as they call for on global warming during the second week of the climate conference in Durban, South Africa, Wednesday, Dec. 7, 2011. The conference is focusing on efforts to move toward a future agreement to legally bind all nations to emissions targets, including China and the United States. (AP Photo/Shayne Robinson, Greenpeace) EDITORIAL USE ONLY NO SALES

(AP) -- Even in hard times, fighting climate change is not a luxury but a necessity, U.N. Secretary-General Ban Ki-moon said Wednesday, as climate negotiators bickered about how to raise hundreds of billions of dollars to adapt to a warming world.

Creating a body to govern a \$100 billion a year fund is a central issue at the 194-nation U.N. [climate conference](#) nearing its end in South Africa, but it was unclear whether the final document will mention how the money will be mobilized for the Green [Climate](#) Fund.

Ban said Wednesday that while many countries are tightening budgets, contributing money to fight [climate change](#) is "an imperative. We have to do it."

A high level advisory group appointed by Ban reported last year that money should flow from governments, [private investment](#) and international sources such as a levy on global merchant shipping and aviation.

The fund is earmarked to help poor countries adapt to the severe [effects of global warming](#) and to help them reduce emissions in the future. Government leaders approved a \$10 billion a year fast-track fund from 2010 to 2012, which is supposed to scale up to \$100 billion a year by 2020.

Norwegian Prime Minister Jens Stoltenberg, who co-authored last year's report, said the crisis roiling markets around the world underscored the need to vary the sources of funding.

"It is challenging, but it is feasible to mobilize \$100 billion by 2020. But we have to do many different things and look for different sources of finance," Stoltenberg said during a panel discussion that included Ban.

Ethiopian Prime Minister Meles Zenawi, who was Stoltenberg's co-chair, said the current state of the [global economy](#) is "irrelevant," and the report commissioned by Ban took into account that governments will face financial constraints.

"The proposal was made on the assumption that major countries don't have money in the treasury," he said.

One proposal would put a price on carbon, either a direct tax broadly on emissions of carbon dioxide or a cap on emissions coupled with trading in emissions allowances.

About 90 percent of funds raised by carbon pricing would go to national coffers, and the remaining to the Green Climate Fund, said Nicholas Stern, who wrote a landmark 700-page report in 2006 on the effect of climate change on the global economy.

A draft decision during closed-door debates says funds should be raised by taxing global shipping, and that the levy should be designed by the International Maritime Organization, the London-based U.N. agency that regulates the merchant marine which carries more than 90 percent of world trade.

The United States is opposing the shipping fund in the document, which is due to be adopted when the conference ends Friday.

Reports that the U.S. was seeking to delete that and other financing clauses prompted criticism from Oxfam.

"Right now we need progress not roadblocks," said David Waskow. "The U.S. actions to throw obstacles in the way of any discussion on sources of finance for the Green Climate Fund risks condemning the Fund to kickoff as an empty shell."

The U.S. says public money should be used to leverage investment funds.

"There is a vastly larger pool of private capital in the world that is

potentially available if the right kind of mechanism is put in place" to govern the funds, said U.S. climate envoy Todd Stern. "There should be as much public money as there possibly can, there's no doubt about that."

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