

UN summit to test commitment to climate fund

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Hela Cheikhrouhou, executive director of the Global Climate Fund, speaks during a press conference in Songdo, Incheon, on December 4, 2013

A global fund created to spearhead climate change financing faces a key test at a UN summit this week when it looks to the leaders of the industrialised world to stump up billions of dollars to fill its underflowing coffers.

For the South Korea-based Green Climate Fund, the climate summit in New York on Tuesday is an opportunity for the developed world to demonstrate its financial commitment to securing a new, legally binding global climate deal with poorer countries in 2015.

The fund was born out of the UN [climate summit](#) in Copenhagen in 2009, when developed countries made a political commitment to mobilise \$100 billion annually for developing countries by 2020.

So far only Germany has come up with a substantial commitment to the GCF, pledging around \$1.0 billion dollars in July.

"We expect at the summit other countries to come forward and show they are leading the way in contributing to the fund," said GCF executive director Hela Cheikhrouhou.

"Early pledges, like Germany or those who pledge in New York, are incredibly important for trust-building," Cheikhrouhou told AFP in an interview in Incheon.

The GCF, which was formally established in 2010, has had a slow gestation period, and it took 3-1/2 years to reach a working consensus on what it should do and how it should go about it.

"That's where people got impatient," Cheikhrouhou acknowledged. "It took a long time to agree on the foundational policies and operational guidelines."

The fund's board is composed of 24 members, with equal representation from developing and developed countries.

'Stormy' debate

Cheikhrouhou said debate had been "stormy" at times, but argued this was inevitable with an institution being built from scratch and entrusted with such a pivotal role.

The GCF was set up to channel funding from wealthy to poorer nations, helping them to shift their development pathways towards a greener track and shore up defences against climate peril.

"We have to start this paradigm shift now," Cheikhrouhou said. "The more we delay action, the harder and more expensive it will be in the future."

The fund currently has around \$55 million in its coffers, while Christiana Figueres, the head of the UN Framework Convention on Climate Change (UNFCCC), has called for an initial capitalisation of \$10 billion by the end of the year.

Confidence in the GCF is seen as critical for the UNFCCC's conference in Lima, Peru in December, which aims at clearing the way to a global pact on climate change a year later in Paris.

"Essentially, the fund should be proof that help will be on the way if you agree to an agreement," Cheikhrouhou said.

But that proof means money in the fund's account—and enough to satisfy the expectations of developing nations, who had wanted as much as \$15 billion in the initial capitalisation.

Cheikhrouhou said she hoped Tuesday's summit in New York would help "crystallise the sense of urgency" and see other [countries](#) follow Germany's lead.

"The German pledge has served as a benchmark, which other

contributors are looking at and readjusting their calculations—in many cases increasing their calculations," she said.

Norway is expected to reveal a "substantial contribution" at the summit, but much more will be needed to give the GCF the status and credibility it needs to win the confidence of the developing world.

Credibility on the line?

"Actually, I don't think it is the credibility of the fund which is at stake," argued Cheikhrouhou. "It's more the credibility of those who promised the money."

Much has been made of the target of reaching \$100 billion in annual funding for climate change projects in developing projects by 2020.

But Cheikhrouhou said there was still disagreement on what sort of financing would be included in that figure, and stressed that it was never envisaged that all of it would pass through the GCF.

What does come into the fund will be disbursed equally between projects aimed at mitigating climate change by reducing emissions and those aimed at adapting to the actual impact of [climate change](#).

Until recently, something like 85 percent of climate financing went towards mitigation and only 10 or 15 percent to adaptation, but Cheikhrouhou said the most vulnerable nations needed urgent help now.

"When you are drowning in a boat, first you need to plug the hole. Then you can start bailing water," she said.

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