

Leaders target \$100bn a year in climate funds

October 9 2015, by Fabien Zamora



US President Barack Obama speaks with Commander Col Ronald Jolly as he tours a solar power array at Hill Air Force Base in Utah on April 3, 2014

The movers and shakers of the world economy are trying to close in on the magic number of \$100 billion a year to fight climate change as they meet this week in Peru.

But with the world well shy of that target, everyone seems to think the

rest of the money should come from somewhere else.

The global talks on fighting [climate change](#) have stumbled over the issue of getting money to the countries that are most vulnerable to global warming and often least responsible for causing it.

Wealthy nations have pledged to come up with \$100 billion a year by 2020, but with two months to go to clutch United Nations [climate](#) talks, a new report this week found the world is less than two-thirds of the way there.

French Finance Minister Michel Sapin, whose country will host the December talks, said Thursday that governments have given pretty much all they can, and called on institutions like the World Bank and European Investment Bank to step up.

"That will be decisive, because they haven't done a lot," he told journalists on the sidelines of the International Monetary Fund and World Bank annual meetings, which have gathered finance ministers and central bank chiefs from 188 countries.

"If we want the Paris conference to be a success, the question of funding has to be nine-tenths settled, if not 100 percent," said Sapin.

On Wednesday, US Secretary of State John Kerry also singled out the World Bank and company, saying: "The United States looks to the multilateral development banks to set ambitious targets for scaling up mitigation and adaptation finance" at the Peru meetings.

The Organization for Economic Cooperation and Development (OECD) calculated this week that wealthy countries came up with \$61.8 billion in climate funding last year, including \$23.1 billion in bilateral deals between countries, \$20.4 billion from multilateral institutions and \$16.7

billion from the private sector.



Movers and shakers of the world economy are trying to close in on the magic number of \$100 billion a year to fight climate change

But while development banks could indeed do more, governments should not be let off the hook, climate experts say.

"Multilateral institutions can do more, but countries must also do more," said UN Secretary General Ban Ki-moon's point man on climate change, Under-Secretary General Janos Pasztor.

International charity Oxfam's climate policy expert Isabel Kreisler echoed that view, saying: "Both the multilateral banks and governments should pay more."

'All that glitters...'

Responding to such appeals, the Inter-American Development Bank pledged Thursday to increase climate finance from about 14 percent of lending to between 25 and 30 percent by 2020.

And the Asian Development Bank announced last month it would increase climate finance from \$3 billion to \$6 billion, directing 30 percent of its lending toward green projects.

Pierre Moscovici, the European commissioner for economic and financial affairs, meanwhile said he would pile "positive pressure" on European Union members to rise to the occasion in Peru, particularly the 10 countries that have yet to make pledges on climate funding ahead of the Paris talks.



"Multilateral institutions can do more, but countries must also do more," says UN point man on climate change, Under-Secretary General Janos Pasztor

But is \$38.2 billion more even enough?

Some activists are critical of the OECD's calculations, saying part of the \$61.8 billion in climate funding it reported should not have been counted.

"All that glitters isn't gold," Oxfam's Kreisler told AFP.

She said supposedly "green" funding such as agricultural projects had been counted even when not directly linked to fighting climate change.



Oxfam says supposedly "green" funding such as agricultural projects has been counted even when not directly linked to fighting climate change

Activists have also criticized the OECD for counting too many loans,

which will have to be repaid, saying more of the \$100 billion should be in the form of grants.

"There are still problems with the accounting method, which includes a lot of loans," said Denis Voisin, of the Nicolas Hulot Foundation, a French environmental group.

"For now, the OECD report is a report for the countries of the north.... And that's great. But now all countries need to get involved in this process," Pasztor told AFP.

© 2015 AFP

Citation: Leaders target \$100bn a year in climate funds (2015, October 9) retrieved 2 May 2024 from <https://phys.org/news/2015-10-leaders-100bn-year-climate-funds.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--