

Copenhagen's climate finance pledges

A number of commentators have rightly blamed the train wreck in Copenhagen on a lack of trust between Parties, especially between the developed and developing worlds. Out of the confusion came one seemingly clear and ambitious promise in the Copenhagen Accord that might support rebuilding that trust: "Scaled up, new and additional, predictable and adequate funding." The funds are to begin with US\$30 billion in 'fast-start finance' for developing countries in 2010 to 2012, ramping up to US\$100 billion a year by 2020.

US\$100 billion a year is a lot of money: all global foreign assistance adds up to just above US\$150 billion a year, so meeting this pledge with official funds could nearly double North-South flows. The number of US\$100 billion was bandied around frequently during 2009 by developing countries as a minimum to show the seriousness of wealthy nations in addressing their needs, and as a down payment for addressing 'climate justice'.

Upon closer examination, however, the climate finance promise rings very empty. That is because the Accord wording makes it nearly impossible to measure whether these promises have been met. The Accord says "this funding will come from a wide variety of sources, public and private..." Unfortunately,

THE FINAL WORD

J Timmons Roberts describes how to ensure that the climate finance pledges made in Copenhagen actually materialize

this means that the word "predictable" should be replaced by "unpredictable," since investments and markets are notoriously unsteady. Of the funds coming from governments, it is not clear how much will be grants and how much will be loans. If there are

loans, then their repayment should count as negative funding in repayment years, but this is nowhere specified.

Some proposed mechanisms to raise "innovative finance" from small levies on international air travel or carbon trading, or tiny currency transaction taxes on speculators, are extremely appealing. They are clearly "new," and they could be designed to be deposited directly into funds governed by the 192 na-

tions which are Parties to the United Nations Framework Convention on Climate Change. (Doing this avoids the national treasuries of developed countries, where funds are often usurped for local needs.) Even so, systems are urgently needed to track these funds from contributor to recipient and implementation.

There will nearly certainly be other funds which contributor nations will wish to count, such as 'climate-related' projects in their portfolio of foreign assistance through national and multilateral agencies (like the Global Environment Facility and World Bank). Independent definitions, verification of projects and evaluation of effectiveness, supervised under the climate treaty, are needed for the Copenhagen pledges to ring true.



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