

## Media briefing: Durban COP17 UN climate talks

This briefing outlines the two key issues, climate finance and emissions reduction, for the UN climate talks in Durban and the World Development Movement's position on these. The World Development Movement will have staff both inside the talks and outside taking part in the mobilisations, as well as staff in London tracking the talks.

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### Climate finance

Developed countries are largely responsible for causing climate change, whilst developing countries are most likely to feel its impacts. Climate finance is the money provided by rich industrialised countries to developing countries to assist them in adapting to climate change, and in and moving to a low carbon development path (referred to as 'mitigation').

### Green Climate Fund

A new Green Climate Fund is set to be established at Durban. If established, this would be a new UN led financial institution to manage climate finance for adaptation and mitigation in developing countries. The US and Saudi Arabia have so far failed to support proposals on the design of the fund, potentially leaving it open for re-negotiation during the summit. Developing countries and civil society groups have strong concerns over the current proposals on finance for the private sector and the role of the World Bank.

**Financing the private sector:** Providing finance directly to the private sector risks wasting scarce public money on projects which would have happened anyway and which will not help those most in need, as has been seen with the World Bank's existing climate funds. Scarce public finance should be used for projects which would not otherwise attract funding, for example adaptation projects, or projects providing energy to low income communities that would not generate a significant financial return.

**Role of the World Bank:** The World Bank is largely discredited in the eyes of people from developing countries that are due to receive climate finance. This is due to its undemocratic donor dominated governance, its history of damaging economic policies and disastrous projects, and its current financing of fossil fuel industries.

Earlier this year the UK environmental audit select committee concluded that the World Bank "is not the most appropriate channel for future UK climate finance".<sup>1</sup> The World Bank's climate adaptation fund has burdened the 14 countries that have so far received finance with an additional \$1.1 billion in debt.<sup>2</sup> The World Bank has also used finance intended to help countries transition to a low carbon development path to provide cheap electricity to allow multinational corporations to expand, or to support risky lending by banks to wealthy companies.

Although the World Bank was given the role of 'trustee' in Cancun, the World Development Movement is calling for its role to be strictly limited in the new Green Climate Fund. The fund should not be housed within the World Bank or be reliant on it for its operations.

### **Long term finance**

According to the UN World Economic and Social Survey, \$500 - \$600 billion is needed annually for climate adaptation and mitigation in developing countries.<sup>3</sup>

At the Copenhagen climate talks, developed countries pledged to provide "approaching \$30 billion" in 'fast start finance', however this is due to finish at the end of 2012. The Cancun agreements include an ambition to 'mobilize' \$100 billion per year by 2020, from both the public and private sectors, but no firm commitments on public finance have been made. So far only \$6.1 billion of fast start finance has been committed to specific programmes.<sup>4</sup> Much of the finance committed has been taken from developed countries' existing overseas aid commitments and given as loans – increasing the debts of developing countries.<sup>5</sup>

The World Development Movement is calling on developed countries to commit long term finance beyond 2012 to ensure that there is no gap in provision, and to set out plans for scaling up public finance to provide at least \$100 billion annually by 2020. It is also calling for significant progress to be made in 'innovative sources' of climate finance, such as taxes on aviation and shipping or a financial transactions tax (FTT), within the UN climate negotiations. A framework for sourcing and delivering reliable finance at scale is key to a balanced outcome at Durban.

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### **Emissions reductions**

The incompatible approaches of legally binding emissions reductions under a second commitment period to the Kyoto Protocol, due to start in 2012, and the voluntary 'pledges' proposed through the Copenhagen Accord, will be the key issue of the Durban talks. Developed countries are trying to move away from legally binding emissions reductions and towards ineffective voluntary 'pledges' – an approach that history has demonstrated to be ineffective.

The principles of agreeing a long-term deal on emissions reductions were established in 2007 in Bali by all members of the United Nations Framework Convention on Climate Change (UNFCCC). Signatories to the Kyoto Protocol agreed to a second commitment period, developed countries that did not sign the Kyoto Protocol (the US) would undertake similar emissions reductions, and developing countries would move towards a low carbon development path, supported by finance and technology from developed countries.

Now developed countries are refusing to agree to legally binding emissions reductions targets, tying their commitments to action by other countries or bribing developing countries through making finance dependent on them committing to emissions reductions.

### **Developed countries**

The voluntary emissions reductions 'pledges' made by developed countries in Cancun would lead to total emissions reductions of only 13 – 17 per cent by 2020, based on 1990 levels. According to the United Nations Environment Programme and the Stockholm Environment Institute this would lead to an average increase in global temperature of around 4°C or more, double the 2°C target set in Cancun.<sup>6</sup> A 4°C increase in global temperatures would lead to devastating impacts, especially

across developing countries where the World Bank estimates that 75 – 80 per cent of the impacts of climate change will be felt. According to the Intergovernmental Panel on Climate Change (IPCC), limiting the rise in temperature to 2°C would require as much as a 40 per cent reduction in emissions by developed countries by 2020.<sup>7</sup>

Developed countries have historic responsibility for causing climate change and are most able to act to reduce emissions. The World Development Movement is calling on developed countries to commit to legally binding emissions reductions to ensure temperatures do not increase by above 1.5°C.

## **Developing countries**

The US is proposing scrapping Kyoto and placing all emissions reductions on an even footing now, while the UK and Europe state that they would only support a second commitment period on the condition that developing countries commit to legally binding emissions reductions under a future deal. These proposals ignore the UNFCCC principle of ‘differing capabilities’, which recognises that developed countries are far more able to achieve legally binding emissions reductions than developing countries faced with tackling poverty and addressing the impacts of climate change. It also ignores developed countries’ historical, and current, disproportionate responsibility for causing climate change.

There has been a strong focus from rich industrialised countries on the status of the ‘emerging economies’, stating that they should no longer be treated as developing countries. However, Chinese GDP per capita is just 12 per cent of the UK’s and Chinese per capita emissions are only 40 per cent that of the US.<sup>8</sup> India still has more people living in poverty than Sub-Saharan Africa, and an estimated 700 million people in India are at direct risk from the impacts of climate change.<sup>9</sup> These countries are clearly not as wealthy as developed countries and need to be able to tackle domestic poverty, as well as being far from the level of emissions of rich industrialised countries.

Finance and technology transfer from developed countries is urgently needed to support meaningful mitigation action by developing countries. Forcing developing countries onto the same playing field as rich developed countries is not a just solution to climate change.

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