



Photo: Jörg Böhling

The financing of climate change mitigation and adaptation in developing countries is one of the most important topics at the COP17 Climate Change Conference in Durban, South Africa. Many of the particularly vulnerable developing countries are tying their willingness to progress with negotiations to clear successes in the area of international climate finance. For “Brot für die Welt” and Church Development Service (EED), climate finance is a question of justice, closely linked to the realisation of human rights.

From short-term to long-term financing: The Green Climate Fund

Industrialised countries should make a fair contribution to financing that does justice to their historical responsibility for climate change and also reflects their economic power. At the Climate Summit in Copenhagen in 2009 the industrialised countries promised to provide \$30 billion fast-start finance in the years 2010 to 2012, and \$100 billion annually from 2020 on. Furthermore, preparatory work began for a new climate fund – the Green Climate Fund, which is supposed to complement existing climate funds to distribute money for mitigation and adaptation projects in developing countries. In Durban the Green Climate Fund needs to be adopted. The fund should be set up under the UN, with a board that ensures fair participation of both beneficiaries and donor countries, and grants developing countries direct access to its funds.

New sources for climate finance

To date climate finance originates primarily from taxes and limited revenues from emissions trading. This is not sufficient. Additional sources must be exploited. A fee on international aviation and maritime transport would offer great potential for raising funds and create incentives for reducing emissions. EED-climate expert Richard Brand emphasises: “An international financial

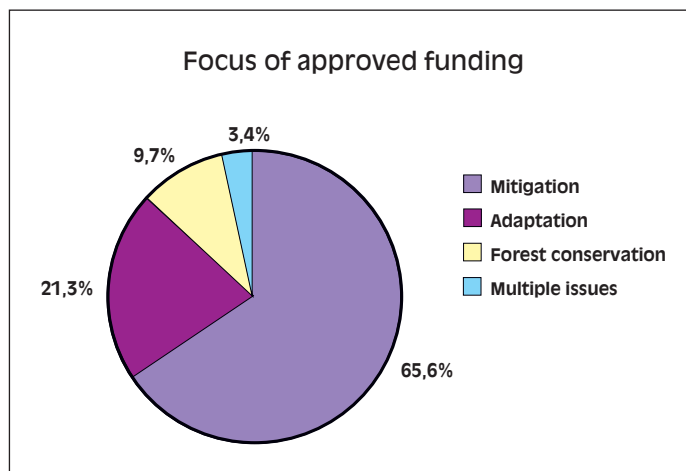
transaction tax can also generate considerable funds for climate finance without placing an additional burden on the world’s poor. Such a policy would impose a minimal tax on transactions in all speculative areas.”

Adaptation underfinanced

Developing countries need financial support for adaptation, mitigation and forest conservation as the most important carbon sinks. Officially, the financing of adaptation and mitigation are of equal importance, but in practice less than a quarter of the allocated funds go to adaptation projects (see diagram). “There is no adequate investment in central areas such as food production and measures against increasing water shortages. This is catastrophic for the most vulnerable people in developing countries”, criticises Thomas Hirsch of “Brot für die Welt”.

Securing better quality in fund disbursement

Climate finance must be targeted at the protection of the most vulnerable countries and population groups from harmful climate impacts. Therefore climate finance must not contradict other development goals, like poverty alleviation and safeguarding human rights. It is also essential that the projects are developed with the participation of all affected population groups as well as non-governmental organisations. “Indigenous peoples



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often have no voice in the politics of their countries, yet they are directly affected by climate projects and need fair participation in project development”, demands Nigel Crawhall from the “Brot für die Welt” partner organisation IPACC, which fights for the rights of indigenous peoples in Africa. An important prerequisite for being able to monitor the fulfilment of these criteria is improved transparency in the allocation of funds. This should be taken into consideration in the structure of the Green Climate Fund.

Demands

In Durban decisive action is required to give substance to the positive steps of the last years. “Brot für die Welt” and EED thus demand for COP17:

- To enact the Green Climate Fund without reopening the draft resolution;
- To pass a work schedule with clear timetables for expanding climate finance step by step in order to raise \$100 billion annually as promised from 2020 on;
- To adopt a mandate advocating fees on international aviation and maritime transport as well as a financial transaction tax for climate finance;
- Germany to pledge that it will raise its own contribution to climate finance by around one billion euros (2012) to eight billion euros in 2020;
- To apply vulnerability and sustainability criteria and improve transparency in the allocation of funds.

For more information

Brot für die Welt: Facts 17 „Climate funding. Towards a Just Climate Policy“, 2011

Brot für die Welt: Analyse 17 “German climate finance put to the test”, 2011.

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