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Media Reaction

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Climate money can be generated, political will needs to come from Cancun

New York, USA: A high level analysis of climate finance submitted to the UN today has demonstrated the feasibility of putting up by 2020 US\$100 billion a year in public funding to fight climate change.

According to WWF, this conservative analysis by the special High-level Advisory Group on Climate Change Finance (AGF) sets the stage for a finance agreement to come out of the UN climate summit starting late this month in Cancun, Mexico.

“The Secretary General’s high level group has come up with the financial mechanisms, now we look to governments to come up with the political mechanisms to get the finance actually flowing,” said Gordon Shepherd, leader of WWF’s Global Climate Initiative.

Financing, agreed in principle under the Copenhagen Accord from the last UN climate summit, is needed to support action in developing countries to halt the destruction of tropical forests, speed the transition away from high-emission models of development, and to help vulnerable countries adapt to climate change impacts.

“These public funds are critical to speed up the development and implementation of new technologies, as well as for adaptation and resilience building, new energy efficient infrastructure, and for construction. It will also be used to leverage private sector finance which will contribute much of the investments needed in clean energy technologies,” said Shepherd.

“Our experience is that public investment and initiatives play key roles in mobilising and directing private investment.”

The AGF report gives strong support for financing from carbon pricing mechanisms, with one of the most promising sectors being international aviation and maritime transport, whose emissions are as yet unregulated. “We expect decisive action in Cancun to put this finance source on a fast track to implementation”, said Shepherd.

Other promising sources were downplayed because of opposition from some individual group members, with the chief casualty being the financial transaction tax (FTT).

“Financial transaction taxes have been successfully implemented in more than a dozen countries and at this point we should be examining all potential sources of finance on their merits”, said Shepherd.

This press release and associated material can be found on www.panda.org

WWF– World Wide Fund For Nature (also known as World Wildlife Fund)



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Although the assumptions used by the AGF to assess the scale of potential financing generated are extremely conservative, and some members placed undue emphasis on private sector investments in meeting the \$100 billion per year financing milestone, the report provides a useful starting point for moving forward.

Parties in Cancun can build upon the AGF recommendation on the way to establishing a much needed new UN Climate Fund and could contribute to host country Mexico's wish for progress on all elements of a "balanced" Cancun package.

The AGF was set up by United Nations Secretary-General Ban Ki-moon in February, Co-chaired by Prime Minister Stoltenberg from Norway, and Prime Minister Zenawi from Ethiopia, to explore innovative financing sources and mobilize the financing promised for climate change during the United Nations Climate Change Conference in Copenhagen last December.

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More information on financing for climate change and AGF: www.panda.org/climatefinance