

# International Climate Finance

Karen Orenstein, Friends of the Earth U.S.

1. Scale

2. Sources

3. Channels

Definition:

The transfer of funds from the North to the South to help enable developing countries to adapt to the unavoidable impacts of climate change (i.e. adaptation), reduce greenhouse gas emissions (i.e. mitigation), and embark on clean energy development paths.

## Cumulative CO2 Emissions, 1850–2002

Country	% of World	(Rank)
United States	29.3	(1)
EU-25	26.5	(2)
Russia	8.1	(3)
China	7.6	(4)
Germany	7.3	(5)
UK	6.3	(6)
Japan	4.1	(7)
France	2.9	(8)
India	2.2	(9)
Ukraine	2.2	(10)

### UN Framework Convention on Climate Change

**Foundational principle: Common but differentiated responsibilities and respective capabilities**

#### Article 4, UNFCCC

*The developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations*

*The developed country Parties and other developed Parties included in Annex II shall also assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting costs of adaptation to those adverse effects.*

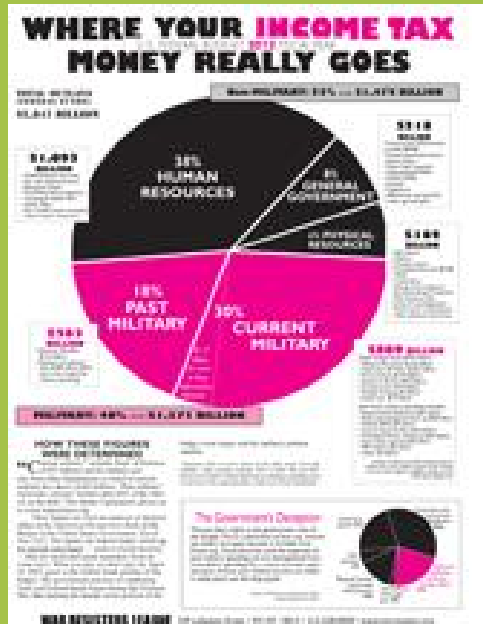
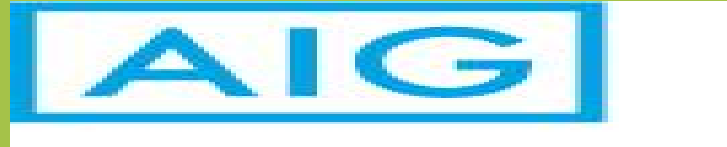
*The developed country Parties and other developed Parties included in Annex II shall take all practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies and know-how to other Parties, particularly developing country Parties*

Source: WRI, CAIT.

Polluter Pays Principle



# What's the need?



# Sources of Climate Finance



Budgetary Contributions



Shifting Fossil Fuel Subsidies

IMF Special Drawing Rights



**stop** corporate tax dodgers  
**fund** climate solutions



Bunker Fuel Levies – aviation & shipping

Carbon Tax



FTT



# Private Finance Fever

## IS THIS REALLY THE MAGIC PILL?

Bypasses:

- Adaptation
- Lower income countries
- Marginalized communities in middle income countries



Some stats:

- Less than 29% of IFC investment → poorest countries (i.e. IDA countries) – 2012
- 37% of all investment → Brazil, India, Russia, China, and Turkey -- 2009
- 2.4% of IFC investment in low income/lower-middle income countries went to small and medium enterprises – 2006-2011
- >75% of all projects in Clean Development Mechanism pipeline → China, India, Brazil and Mexico – 2012

# Channels

Spaghetti Bowl of Climate Finance



- World Bank's Climate Investment Funds – will they sunset?



- Green Climate Fund (GCF)

# Green Climate Fund: Key issues to keep an on

- Role of the private sector
- Genuine country and local community ownership
- Environmental/social standards/safeguards, gender equity
- Relationship with UNFCCC
- Money



# Civil Society Engagement ???





Karen Orenstein  
Friends of the Earth U.S.  
[korenstein@foe.org](mailto:korenstein@foe.org)

Questions?  
Comments!

