


Opinions

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Mobilizing Resources for a Climate-Resilient Future



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In 1992, over 100 countries joined the international treaty, known as the United Nations Framework Convention on Climate Change (UNFCCC). The ultimate objective of the Convention is to limit average global temperature increases by reducing greenhouse gas (GHG) emissions and to cope with the adverse impacts from the resulting climate change. One major outcome of the Convention is the Kyoto Protocol, whose goal is to strengthen the global response to climate change by creating legally binding commitments to GHG emission reduction for developed countries. The Protocol's first commitment period started in 2008 and ended in 2012.

The negotiation on the second commitment period was due to be completed at the 15th Conference of the Parties (COP) in 2009;

however, it failed to produce a specific timeline. Some countries did not even agree to sign up for the second commitment period. Although the failure at Copenhagen disappointed the world, there was one positive sign. Developed countries indicated their support for developing countries' attempts to cope with climate change.

At the 16th COP in 2010, the parties to the Convention reached an agreement to scale up the so-called 'climate finance' to 100 billion dollars per year by 2020 to fight climate change. The adopted decision, dubbed the 'Cancun Agreement' mandated the establishment of the Green Climate Fund (GCF), a multilateral fund dedicated to support developing countries in their efforts to reduce GHG emissions (mitigation) and to build resilience to the adverse effects of climate change (adaptation). The GCF is anticipated to play a crucial role in delivering increased financial resources for climate actions.

In 2013, total bilateral climate-related ODA by the OECD DAC member countries amounted to 21.9 billion dollars, representing 17 percent of the total bilateral ODA. Climate-related other official flows (OOF) reached almost 1 billion dollars. The amount of climate finance by multilateral development banks was over 13.5 billion dollars, or about 19 percent of their total contribution to developing countries. Recently, dozen countries have pledged to mobilize initial resources of the GCF, which now reach approximately 10 billion dollars. This is quite a desirable move towards solving global problems. Negotiators expect the pledges will set the tone for future negotiations on climate change.

In order to achieve the long-term goal of mobilizing climate finance of over 100 billion dollars a year, mobilizing financial resources from private sector is essential and public sectors can play a key role in leveraging those private resources. Policy makers at home and abroad should provide a clear and predictable direction for potential private investors. In addition, a variety of financial instruments needs to be utilized, including non-grant and non-concessional funding. To promote the paradigm shift towards low-emission and climate resilient development pathways, non-concessional funding may be a better way to finance longer-term climate change projects requiring high up-front investments. The international community should wait and see how such unconventional financing performs.

2015 will be a very important year for the international community fighting climate change. The GCF and scaled-up climate finance compose major elements of a new climate agreement that will be implemented in 2020. The new agreement will be applicable to all parties,

implying that developing countries as well as developed countries will be responsible for reducing GHG emissions. The negotiation deadline for the new agreement is the 21st COP which will be held in Paris in 2015. Achieving the goal of mobilizing 100 billion dollars will depend on the efforts put forth by developing countries in terms of meaningful mitigation actions and transparent implementation of the mitigation targets. According to the Convention's basic principle of common but differentiated responsibilities, each group should take their own parts to protect our Mother Earth. With the changes in the environmental and political landscape over the last three decades, the top-down approach adopted in the Kyoto Protocol is no longer effective at encouraging all parties to make genuine and concerted efforts. Today, respective capabilities and circumstances of each individual nation should be taken into account to derive collective actions from all the participating parties. **KIEP**