

## **Climate Finance promises being broken; LDC's warn of increased poverty as result**

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Bonn- 11 May 2012—The least developed countries (LDCs) today expressed their increasing concern about the direction that discussions on climate finance might take in the negotiations.

The issue was discussed during the LDC preparatory meeting that has been taking place in Bonn over the last two days ahead of the official climate negotiations on Monday. The chair of the group, Pa Ousman Jarju, said there was increasing concern from LDC's that the developed world was not taking its financial commitments seriously.

“Many developed countries seem to be spending more time trying to re-negotiate pledges and decisions made in Copenhagen and Cancun, rather than concentrating on delivering much-needed finance in the right way - and the result could put lives in danger across the developing world,” he said.

“In Copenhagen, many developed country Heads of State stood up and told the world that they would provide developing countries with funding to address climate change,” he said.

They agreed to provide “***new and additional*** resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010–2012, ***with a balanced allocation between adaptation and mitigation***. (...) and that ***funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing States and Africa.***”

“While it is true that funding has been allocated to developing countries, since 2010, fast start finance has not been allocated under the conditions promised.”

It has not been new; it has not been additional. A large part of it has been provided under loan schemes and not as non-repayable grants - and adaptation has not been prioritized.

“What’s more, funding to emerging economies has been accounted as fast start which is supposed to prioritize the world’s most vulnerable countries,” said Jarju.

Beyond fast start finance, the decisions also referred to “developed country Parties commitment, in the context of meaningful mitigation actions and transparency on implementation, ***to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries***”.

“Anyone serious in these difficult and exhausting negotiations knows what this commitment means and should imply: that this funding should be available after the fast start finance period, annually from 2013, building up to USD \$100 billion a year by 2020.

“Yet some developed countries are now arguing that this money should not be available until AFTER 2020. If this were to happen, then means of implementation of enhanced mitigation ambition of developing countries will not be sufficient and the cost of adaptation of developing countries will not be met- to the point that the lives of our people will be increasingly endangered and we will have to abandon any prospect of sustainable development and escaping from poverty.”

“The Least Developed Countries are extremely concerned at any possible reinterpretation of the commitments these governments made on the glare of the world stage.”

“It was absolutely clear that financial pledges made in Copenhagen and confirmed in Cancun were intended to show that developing countries would be supported from 2010 to 2020 with no interruption or reduction of the provision of this finance. The concept behind fast start finance essentially was to prepare developing countries for the reception of larger volumes of climate finance post-2012. Now where we approach the end of fast start finance we need to have a clear indication that the committed increased level of funding will be delivered from 2013 onwards, utilizing the experiences and capacity building efforts of the fast start finance period. Yet now there is no place in the negotiations to discuss post-2012 finance- because it seems developed countries want to escape from it.”

The LDC's called for the Durban work programme on sources of long-term finance to accommodate its schedule to settle this issue. Either that or the South African Presidency should find a way to create space for this purpose, so that appropriate decisions can be taken in Qatar.

“Any other option would be a signal of lack of good faith by developed countries in this process and will be damageable.”