

# The UN Boys Club tasked with redefining climate finance

by Oscar Reyes  
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Climate finance is a central element to any future international framework for tackling climate change, but a closed-door UN panel could redefine the terms of the debate away from the responsibilities of industrialised countries and encourage the further expansion of carbon markets.

The UN Secretary General's High-level Advisory Group on Climate Change Financing (AGF) will "conduct a study on potential sources of revenue for the scaling up of new and additional resources from developed countries for financing actions in developing countries." Loosely translated, it is plotting a course that would help industrialised countries to avoid paying the \$100 billion referred to in the Copenhagen Accord from their national budgets.

Instead of treating "climate finance" as a commitment by industrialised ("Annex I") countries to remunerate their responsibility for causing climate change, the panel seeks to identify other "innovative" funding sources. The expansion of carbon markets look set to be among the key recommendations of the AGF report, which will be released in November 2010.

The AGF is considering various approaches, which it has arranged into eight different work streams. Its definition of "public" finance includes "direct budget contributions" as one strand, with five others envisaging finance from carbon auction revenues; revenue from international transport (shipping and airline taxes); carbon taxation; multilateral funds (most notably, IMF Special Drawing Rights); and an international financial transactions tax. Two work streams considering private finance will cover "using public finance to leverage private investment/finance" (including debt swaps and insurance schemes) and carbon markets (which includes CDM reform and sectoral proposals). Initial indications suggest that the US will obstruct any recommendations that favour a transport levy or financial transactions tax.

The AGF grouping of 19 men and 1 woman is co-chaired by Ethiopian Prime Minister Meles Zenawi, Norwegian Prime Minister Jens Stoltenberg, and Guyana President Bharrat Jagdeo. A series of closed door meetings are being held, culminating in Addis Ababa in October. This has raised concerns that the official UN negotiations are being downgraded, with a select "in group" of countries forcing through their views to the exclusion of the majority of country negotiators, and without civil society participation.

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Further reading

[High-level Advisory Group on Climate Change Financing website](#)

[Background paper for first meeting](#)

