

# ACCOUNTING METHODS OF CLIMATE FUND QUESTIONED

Relevant for: Environment & Disaster Management | Topic: Environmental Conservation, Sustainable Development & EIA

Charting the way: Environment Minister Harsh Vardhan at the COP24 summit in Katowice, Poland, on Tuesday. AFP

The Finance Ministry has issued a 'discussion paper' that has criticised the accounting methods used by developed countries to report how much money they have given, so far, to developing countries to address climate change.

Accounting procedures, regarding the flow of climate finance, is one of the most controversial issues being debated at Katowice, Poland where countries have gathered to agree upon a 'Rule Book' to implement the Paris Agreement of 2015, that commits countries to ensure the earth doesn't warm 2C beyond pre-industrial levels.

In 2019, developed countries are expected to make available \$100 billion annually to developing countries, according to a 2010 agreement in Cancun.

In 2016, developed countries published a road map to \$100 billion, which claimed that public climate finance levels had reached \$41 billion per year in 2013-14. In 2015, India had disputed this figure arguing it was only \$ 2.2 billion. "The 2017 numbers also tell a similar story. Only around 12% of total pledges to climate funds have actually materialised into disbursements," the Ministry paper notes.

## No clarity

It argues that the definition of climate finance in the UNFCCC has remained "imprecise and incomplete." There was no clarity on whether the developed countries' commitment to 'provide funds' meant funds committed or those that made it to their intended recipients.

The total pledges to the Green Climate Fund, the largest multilateral fund, was a "meagre" \$10.3 billion. Further, most of the total climate finance has flowed into mitigation (a reference to preventing carbon dioxide from being emitted).

The growth in the reported climate specific finance actually slowed down from 24% between 2014 and 2015 to 14% between 2015 and 2016, the paper notes, quoting a report by the finance committee of the UN that manages climate-affairs.

The questions raised by the paper are similar to those articulated by India's Environment Ministry-led delegation, now part of negotiations in Poland.

Our existing notification subscribers need to choose this option to keep getting the alerts.

**END**