



## **Green fund impasse threatens to derail Durban talks**

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Diplomatic talks to develop a multibillion-dollar global climate change fund hit a brick wall this week, and international leaders are blaming the United States and Saudi Arabia.

The implosion came late Tuesday when the United States and Saudi Arabia, for different reasons, refused to accept a draft blueprint for how the Green Climate Fund might operate. The tense meeting in Cape Town, South Africa, ended with frustrated diplomats beseeching the United States to sign off on the draft and prevent seven months of work from unraveling.

"Let me just plead," said Trevor Manuel of South Africa, the co-chair of the 40-member transitional committee charged with designing the fund. He and others warned that without an agreement, the Green Fund could become the victim of a free-for-all in which members of all 194 country members of the U.N. Framework Convention on Climate Change take the opportunity to rip apart hard-fought negotiating text to add and remove their pet points. "What we have on the table is a consensus document. If you open the one side, you have to open the other side, and we're going to go down in a spiral of negativity," Manuel said. "It would be bad management, bad judgment collectively."

Countries agreed to the Green Climate Fund at last year's U.N. climate talks in Cancun, Mexico, as a vehicle for delivering money to vulnerable countries to adapt to the impacts of climate change and transition to low-carbon economies.

Major big-picture questions have yet to even be fully addressed, like how much money the fund will handle and who will provide it and how. For now, the transitional committee is deciding architectural things like what governing body should manage the money and how the board will be chosen. The committee is charged with delivering a document to the 17th Conference of the Parties to the UNFCCC -- better known as COP 17 -- in Durban, South Africa, in December.

When committee leaders emerged late Tuesday with such an agreement, nearly every country voiced objections but agreed to put reservations aside in order to move the draft forward. Developing countries in particular said they were particularly concerned that the private sector is given too strong a role in coming up with money, something many object to because they believe climate funding should come from the coffers of wealthy countries with high greenhouse gas emission levels.

"We have very specific issues, and we continue to highlight them. Some have been captured [in the text], and others have not. But such is life," said Ali'ioaigi Feturi Elisaia, Samoa's ambassador to the United Nations. Added Audrey Joy Grant, a negotiator from Belize, "Of course I don't have everything I wanted in the document, but we can move forward to share the goals."

And several, like Idrissa Ouedraogo of Burkina Faso, reminded delegates that their nations' futures are on the line.

"When I left my country to come here, I saw my country struggling to get food to people because we didn't have enough rain," Ouedraogo said. "There is no room to fail."

Asked for comment yesterday, Treasury spokeswoman Kara Alaimo issued a statement saying the United States supports the Green Climate Fund and is intent on working with other countries on the committee to develop new language.

"We believe that more work is needed before we send a proposal to the COP and are eager to collaborate with our international counterparts to ensure that the final recommendation is innovative and effective," Alaimo wrote.

### ***U.S. and Saudi Arabia voice objections***

U.S. Treasury Deputy Assistant Secretary for Environment and Energy Gilbert Metcalf said in Cape Town that the United States had concerns about several provisions, including the close relationship between the fund and the U.N. climate regime. He also countered that some of the provisions could actually restrict the ability of the private sector to raise capital for climate aid.

Saudi Arabia, meanwhile, objected to private-sector provisions, as well, but said the private sector had too great a role.

Environmental groups noted that while the two countries had different concerns, the optics of the United States being lumped in with Saudi Arabia -- a country that for years tried to squash the climate talks -- are problematic.

"It didn't make the U.S. look good," said Ilana Solomon, senior policy analyst at ActionAid International. She and others said U.S. negotiators appeared to be using the Green Climate Fund as a bargaining chip to force China and other major emerging countries to make more concrete concessions in Durban about reducing their emissions and monitoring such promises.

"This is all the U.S. has to offer," Solomon said. "They don't have finance on the table to offer; they've yet to come out with a clear strategy for their emissions reductions.

"There's still a lot they want from developing countries, and I think they're going to play hardball until the last minute. But it's a dangerous strategy. The U.S. is already not seen in a particularly favorable light," she said.

Ultimately, negotiators sent the draft text to Durban while noting the U.S. and Saudi objections. But, analysts said, that makes the document vulnerable to hundreds of new changes at a time when countries should be finalizing agreements. The result, many warned, raises the chance that negotiators might leave Durban without creating the Green Fund -- the one concrete outcome that many had expected from the summit.

"I am honestly very, very worried, said Maria Athena Ballesteros, a senior program manager at the World Resources Institute.

"The U.S. cares about the Green Climate Fund," she said. "I don't think they can afford to be named as the country that has blocked the adoption of the instrument at the end of the day in Durban."