

TOPIC OF THE WEEK
OCT'18 (25 to 31)

GCF approves USD 1 billion to tackle climate change

The UN-backed fund to help poor countries tackle climate change have approved more than USD 1 billion in new investments. Green Climate Fund (GCF) has approved these investments for 19 new projects to help developing countries tackle climate change. The decision was taken during four-day meeting of GCF in Manama, Bahrain.

The officials overseeing the Climate Fund also agreed to start seeking fresh money next year as its initial capital of about \$6.6 billion will soon be used up.

Background:

The debates within the Green Climate Fund have often split Western countries and large emerging economies such as China, Egypt and Saudi Arabia.

The fund's former director, Howard Bamsey, resigned in July 2018 after a very difficult and disappointing meeting.

The recent meeting has taken place weeks before a summit in Katowice, Poland, on the future of the 2015 Paris climate accord.

The meeting is also expected to be centred on funding to help developing countries mitigate and adapt to global warming.

Key Highlights:

- The funding was approved for projects linked to geothermal energy in Indonesia, greener cities in Europe and the Middle East and protection for coastal communities in India.
- Besides this, host nation Bahrain put forward a request to approve funding for a project aimed at protecting its freshwater resources.
- The request led to a debate between the delegates present, in which the environmentalists pointed out that the Gulf nation could pay for the project itself using the money it has made off its vast reserves of oil and gas.
- The contested project was eventually approved, but with only \$2.1 million of the \$9.8 million requested by Bahrain.

- In other decisions, the decision on a funding bid by China was postponed after concerns from Japan and the United States about the possibility that the money could be used to subsidise research into new technology.

Significance:

The Fund is a unique global platform to respond to climate change by investing in low-emission and climate-resilient development.

It was established to limit or reduce greenhouse gas (GHG) emissions in developing countries and to help vulnerable societies adapt to the unavoidable impacts of climate change.

Given the urgency and seriousness of this challenge, the Fund is mandated to make an ambitious contribution to the united global response to climate change.

Challenges:

The green fund, considered a key vehicle for climate-related development programs, was originally meant to receive over \$10 billion from rich countries by 2018.

However, US President Donald Trump's decision to withhold \$2 billion of the \$3 billion pledged by his predecessor, Barack Obama, has contributed to a shortfall in its projected assets.

Environmentalists had argued the Gulf nation should pay for the project itself using money it has made off its vast reserves of oil and gas.

Conclusion:

GCF's assist developing countries in adaptation and mitigation practices to counter climate change by redistributing the money contributed by the developed countries. It also supports projects, policies, programmes and other activities in developing country Parties using thematic funding windows. It was intended to be the centrepiece of efforts to raise Climate Finance by 2020.

Suggested Reading:

- ✓ <https://energy.economictimes.indiatimes.com/news/renewable/green-climate-fund-approves-1-billion-for-projects-in-poor-countries/66310141>

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- ✓ <https://newsok.com/article/feed/6685235/climate-fund-approves-1b-for-projects-in-poor-countries>