

Oxfam Briefing: Green Climate Fund Pledging Conference

What is the Green Climate Fund?

The Green Climate Fund (GCF) was announced at the otherwise disappointing UN climate summit in Copenhagen, Denmark in 2009 and formally agreed at the UN climate talks in Cancún, Mexico in 2010. It is designed to be the main channel for financial assistance from developed countries to developing countries. It aims to support developing country efforts to limit or cut greenhouse gas emissions, and adapt to the changing climate. The Green Climate Fund has become a cornerstone of the international climate effort to implement the Paris Agreement.

The GCF provides support in the form of grants, loans, equity, or guarantees, and aims to allocate equal amounts to adaptation and mitigation. Half of the funds spent on adaptation are ring-fenced to support particularly vulnerable countries such as small-island developing states or the least developed countries.

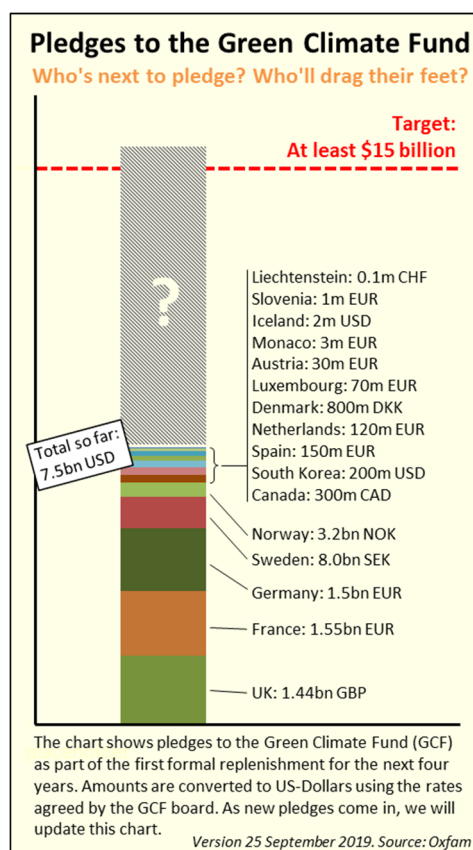
Since the initial pledging round in 2014/15 the Fund has attracted US\$7.5 billion¹. The fund has allocated over US\$ 5 billion to more than 110 projects in developing countries to date – including the expansion of solar power in Nigeria and Mali, the restoration of forests in Honduras, and projects to increase the resilience of agriculture systems in Bhutan and Belize.

A board made up of 12 representatives from developing countries and 12 from developed countries governs the GCF. The Fund's daily operations are administered by a secretariat based in South Korea.

The GCF is one of a range of channels, funds and initiatives through which developed countries provide climate finance to developing countries, in order to meet their overall target of delivering \$100 billion in climate finance a year by 2020. The GCF is the largest multilateral climate fund to support developing countries. Features of the GCF such as the ability of recipient countries to directly access funding (rather than going through multilateral implementing entities such as UNDP or UNEP) and its 50:50 balance between adaptation and mitigation make this a unique support instrument of the international climate regime. Recent agreements reached at the board level in governing the fund mean it is ready to become the most important multilateral fund to support climate action.

2019: First formal replenishment

With over 80 funding proposals and more than 250 concept notes for future projects in the Fund's 'project pipeline' the GCF has begun its first formal replenishment process that will culminate in the pledging conference in Paris on 24 and 25 October 2019. Developed countries are expected to announce their contributions for the next four-year funding period in advance of, or at, the Paris conference.



Oxfam is calling for developed countries to pledge at least US\$15 billion to the GCF over the next four years – double the amount contributed in the first phase. This is based on the

growing needs of developing countries, the increased programming capacity of the GCF secretariat, and the aim to make the GCF the main multilateral channel for climate finance.

Oxfam estimates countries fair contribution towards the US\$15 billion target based on their responsibility for causing the climate crisis (expressed in cumulative emissions between 1990 and 2016), their relative economic capabilities in comparison to other donor countries (expressed as GDP), and their relative willingness to contribute (expressed as relative contribution to annual global overseas development aid they provide). Oxfam particularly expects pledges from countries listed in Annex 2 of the UN Framework Convention on Climate Change (i.e. those countries that have a legal obligation under the UN Framework to provide climate-related support to developing countries).

The pledging conference in Paris is a key moment for countries that have yet to pledge to announce their contribution – and for countries that have made inadequate pledges to upgrade them.

Countries yet to pledge – or improve inadequate pledges

Seventeen countries have made pledges to date adding up to a total of US\$7.5 billion (see graphic above). Countries such as Germany, Norway, UK and France have made an acceptable or fair contribution to the Fund having pledged to double their contributions compared to the initial 2014/15 funding round. Sweden's pledge is, by far, the most generous when considered in relation to its economic capabilities.

Other countries have announced contributions well below their fair share. For instance, Canada, Austria and the Netherlands have pledged around a third of what Oxfam estimates to be their fair share. Canada has pledged the same amount as it did in 2014/15, and Austria and the Netherlands have only marginally increased their contributions.

Inadequate pledges: Austria, Canada, and the Netherlands

Country	Current pledge	Fair contribution*	Funding gap*
Austria	30m EUR (US\$ 34 m)	US\$ 130-210 m	US\$ 96-176 m
Canada	300m CAD (US\$ 226 m)	US\$ 580-960 m	US\$ 354-734 m
Netherlands	120m EUR (US\$135 m)	US\$ 360-610 m	US\$ 225-475 m

*See footnote in the following table for explanation of Oxfam's fair contribution assessment.

Many donor countries have yet to announce their contributions – the table below outlines what a fair contribution would be for ten key countries. The US is not listed because the Trump Administration has already made it clear it will not contribute to the GCF, even though the US has the greatest responsibility for fuelling the climate crisis, and the greatest economic capacity to tackle it.

Fair contributions of ten key countries that have yet to pledge

Country	Fair contribution to US\$15 billion target*
Japan	US\$ 1.5-2.5 bn
Italy	US\$ 580-960 m
Australia**	US\$ 440-730 m
Switzerland	US\$ 220-370 m
Belgium	US\$ 190-310 m
Finland	US\$ 100-170 m
Ireland	US\$ 90-140 m
Portugal	US\$ 60-110 n
New Zealand	US\$ 50-90 m
Poland***	US\$ 30 m

*Fair pledge 2019' shows Oxfam's indicative amounts for a fair share to achieve a total volume of US\$15bn in pledges, based on a country's relative responsibility (expressed in cumulative emissions since 1990), its relative capability (expressed in countries' share in total GDP), and its relative willingness to contribute (expressed as relative contribution to annual global overseas development aid). The lower limit of the range is based on a US\$15 billion target being shared by all Annex 2 countries including the United States. The upper end is if all Annex 2 countries except the US share the US\$ 15 billion target.

**Australia has indicated (but not confirmed) that it will not pledge any new funds in this round.

***Poland is not an Annex 2 country so it has no legal obligation to contribute however because it has a relatively high responsibility for fuelling climate crisis, and relatively high economic capabilities, Oxfam believes it should make a contribution.

Note: Ireland has committed to double its annual contribution of \$US2M, but has yet to formally make this pledge.

ⁱ Original pledges resulted in a total of 10.2 billion USD, but the current US Administration refuses to transfer the remaining US\$2 billion of its pledge under President Obama. Exchange range fluctuations bring the remaining total down to US\$7.5 billion.