

» [Print](#)

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: [www.reutersreprints.com](http://www.reutersreprints.com).

## ADB chief says climate finance insufficient

Sun, Dec 13 2009

By [John Acher](#)

COPENHAGEN (Reuters) - The head of the Asian Development Bank said on Sunday that rich countries' offers of funds to developing countries for measures to mitigate or adapt to climate change remain insufficient a week into U.N. talks.

ADB President Haruhiko Kuroda also told Reuters in an interview that if governments were to fail to reach a climate deal in Copenhagen, it could lead to a collapse of the carbon market which would hit efforts to deal with climate change.

Rich and poor nations differ over how much the developed world should pay to help developing economies combat or cope with climate change.

"Whatever is agreed in this process, financing is really key -- financing for mitigation as well as adaptation efforts to be done particularly by developing countries," Kuroda said during a one-day break in 190-nation negotiations in the Danish capital.

"If meaningful financing arrangements are agreed, that would facilitate the core agreement on greenhouse gas emissions reduction targets, threshold or benchmark by the international community, which would be absolutely necessary to stabilize climate change at the latest by 2015," he said.

Kuroda said many different figures had been mentioned of the need for financing for a climate deal ranging anywhere from \$10 billion to \$100 billion.

"At this stage the figures committed by the developed world are still insufficient and must be substantially increased over the years to come," Kuroda said, but did not give a figure for how high it needed to rise.

The bank's Japanese president said that the European Union's pledge of 7.3 billion euros over three years was "a significant first" toward a global financing deal.

### ADAPTATION MONEY

Financing is needed, he said, especially for developing countries' adaptation measures which are not so "automatically financed" as mitigation efforts which benefit from funds generated by the cap-and-trade system.

Mitigation means curbing greenhouse gas emissions while adaptation comprises efforts to cope with climate change by widely ranging means from flood defenses to development of drought-resistant crops and disease control.

"Some Asian countries are going to be disproportionately affected by climate change," he said, mentioning Bangladesh, Vietnam, Thailand, the Philippines, Indonesia and Pacific islands as vulnerable to sea rises, typhoons, cyclones and other weather phenomena.

"Many of them are low-income countries, and the adaptation costs are huge," he said. "So the international community must provide adequate support for those severely affected and low-income countries."

Kuroda said it was the role of the multilateral development banks, including his Manila-headquartered ADB, to assist governments in the process, though the banks are not directly involved in the Copenhagen negotiations. Kuroda said failure by governments to reach a new accord on climate measures extending beyond the Kyoto Protocol period ending in 2012 could have grave repercussions.

"If there is no agreement post-Kyoto, then the carbon market would collapse," he said. "That would cause great damage to the global effort to reduce effort to reduce GHG emissions."



© Thomson Reuters 2011. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: [www.reutersreprints.com](http://www.reutersreprints.com).