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Fighting climate change can require all our energy subsidies

What we spend on energy subsidies each year in the world will be needed to fund the climate action plans for the 80 developing countries that have specified their financing needs – \$5.4 trillion, the United Nations Conference on Trade and Development (UNCTAD) said on 11 September.

Fat chance that we'll do the switch. It's an indication of how far the world is from taking the climate crisis seriously, or of putting the resources into helping the poorest cope with its impacts.

And, looking closer at the situation, the wealthiest 20% of households in developing countries receive 43% of the benefits from such fossil fuel subsidies. The poorest 20% get only 7%, UNCTAD observes.

Launching its Commodities and Development Report 2019, UNCTAD also observed that coping with climate change will require investments in education and health as well as measures to promote individual sectors.

In a refrain that is as frequent as it is incredible to contemplate, UNCTAD Secretary-General Mukhisa Kituyi warned that the crisis "will result in the collapse of some economies if decisive action is not taken now".

SIDS (small island development states) that earn much of their merchandise export earnings from fisheries are at particular risk from rising sea-surface temperatures, the report notes. They include Kiribati (88%), Maldives (79%) and the Federated States of Micronesia (75%).

It also goes the other way: if the world moves substantially into greener energy, countries such as Brunei Darussalam, Kuwait and Qatar are "equally at risk" though they have some of the highest levels of greenhouse-gas emissions per capita, it pointed out.

The 70-page report is entitled *Commodity Dependence, Climate Change and the Paris Agreement* [on climate control]. It "echoes warnings from experts that commitments made by countries to mitigate climate change under the Paris Agreement are not ambitious enough," UNCTAD says. "The commitments need to quadruple to limit global temperature rise to 1.5C above pre-industrial levels."

UNCTAD's Commodities Director Patricia Coke-Hamilton said "we are facing the perfection storm: of lack of action and ambition" to help developing countries tackle their climate crisis.

The news is not all bad. "The global push towards renewable energy and energy efficiency creates opportunities in countries with large reserves of materials used in clean technologies," UNCTAD suggests. "For example, in 2018 the Democratic Republic of the Congo accounted for 58% of the

global supply of cobalt, a key commodity used in the production of electric vehicle batteries, while Chile and Argentina jointly accounted for 71% of global reserves of lithium, another key component in the manufacture of batteries.”

UNCTAD launched the report during the first UN Trade Forum: SDGs [Sustainable Development Goals] and Climate Change. The one-week Trade Forum organized by UNCTAD is designed to feed into the UN climate summit. It is discussing overfishing, biotrade, and ocean plastics as well as trade in climate mitigation efforts.