

## A public-private global warming fix

By Ned Helme - 10/07/13 09:00 AM ET

Reducing carbon emissions is a challenge for both developed and developing countries. The best way to maximize their limited resources – contrary to general belief – is to ask the public and private sectors to work together.

The public too often accepts the idea that reducing air pollution will also reduce employment. In fact, by including the private sector in the quest to reduce carbon emissions, the amount of resources and chances for success can increase – as can job creation.

The United Nations' Green Climate Fund offers great potential for creating such a win-win scenario. The GCF is expected to become one of the primary vehicles for deploying climate finance, and its board is meeting on October 8-10 in Paris to discuss how it will operate. Developed countries have pledged to raise \$100 billion a year from public and private sources by 2020 to support the GCF's goal of combating climate change in developing countries.

Recent debates in the climate community have focused on how the GCF will work and whether private sector involvement is wise. Some critics have disputed the merits of allowing the private sector to have access to GCF funds. These arguments seem to pit development priorities against climate mitigation, and the private sector against the public good.

There's no reason for this division. Through a cutting edge set of programs called NAMAs (Nationally Appropriate Mitigation Actions), the goals of the GCF can be met – a cleaner better world, one country at a time.

The GCF's primary objectives are to cause a "paradigm shift towards low-emission and climate-resilient development pathways," through a "country-driven approach" that supports "sustainable development." Those are lofty sounding goals but they can be reached by using programs such as NAMAs.

Like the GCF, the NAMA concept emphasizes that anti-air-pollution actions should be driven by the host country. Both the NAMA model and the GCF embrace the need to incorporate the dual goals of greenhouse gas mitigation and sustainable development.

In addition, NAMAs are more than a short-term fix. They have the potential to provide sector-wide improvements rather than just project-based patches. When done right, NAMAs can serve as catalysts for significant private-sector investments that can transform an entire sector of an economy in a way that significantly reduces carbon emissions.

For example in Chile, a NAMA-like mechanism is set to stabilize the price of renewable-produced electricity until the marketplace is strong enough to support renewable energy itself. Once that's accomplished, clean power from the sun and wind can begin to displace coal-generated electricity, which creates large quantities of greenhouse gases.

In Colombia, a NAMA that creates a business for composting and recyclables can reduce the amount of waste that goes into methane-emitting landfills. The list goes on and on.

The GCF should select projects on a competitive basis, with the best ideas receiving the largest sums. In addition, truly transformational policies should move to the top of the list. The GCF should reward the programs that reduce air pollution the most while at the same time improving the lives of impoverished citizens.

If history is guide, the GCF will offer financing to governments and to the private sector through separate "windows." To ensure the best outcomes, private sector proposals that are consistent with new government policies on climate change should be given priority.

The private sector provides almost three quarters of all climate finance, significantly more than what governments are able to fund. The NAMA vision provides a framework for scaling up climate mitigation by mobilizing private sector investments in low carbon projects in ways that remain consistent with national interests. NAMAs can lead to transformational change by linking government policies to financing mechanisms that attract private sector investments. Such investments would have to be sustainable or else private dollars wouldn't go there.

Global climate change must be fought over the long haul. How better to guarantee the resources necessary for such combat than to create on-going businesses to carry on the cause?

*Helme is the president of the Center for Clean Air Policy in Washington, D.C. He is an authority on clean air and industrial policy, and serves as an adviser to government officials and corporate executives around the world.*