

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4986
ANSWERED ON:02.09.2011
FAST FLOW OF FUND TO DEVELOPING NATIONS
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Will the Minister of FINANCE be pleased to state:

- (a) whether India has suggested at the recently held Berlin Ministerial, a reporting format that would help overcome the `huge lack of clarity` on fast start finance and ensure transparency and multilateral monitoring;
- (b) if so, the details thereof and response of the industrialised nations thereto; and
- (c) the follow up steps taken or proposed to be taken by India on behalf of the developing countries and ensure fast flow of funds to developing nations?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b) During the second Petersberg Climate Dialogue organized by the Government of Germany and South Africa in the form of an informal Ministerial consultations on climate change in Berlin on July 3-4, 2011, India underscored the importance of actual disbursement of fast start finance as the most important confidence building measure in the climate change negotiations. India emphasized that a gap in the promised flows and actual disbursements as well as lack of transparency in the information relating to the flow of funds was likely to undermine the confidence in the process and effectiveness of actions aimed at addressing climate change. In this context, the need to urgently institute a mechanism that ensures and records the actual disbursements in a transparent manner was stressed.

(c) Climate Change Finance forms a core issue in the on-going climate negotiations under United Nations Framework Convention on Climate Change

(UNFCCC). According to the UNFCCC, provision of financial support to developing countries to address the challenge of climate change is an obligation that the developed country parties should urgently fulfill in order to address the problem of climate change. In this background, India and other developing countries have been stressing in the negotiations that the timely and transparent delivery of finance to developing countries holds key to addressing climate change. India is actively working with the members of G77 and China, the group of developing countries in the climate change negotiations under the UNFCCC to develop consensus on the issue of fast start finance, long term finance, the reporting mechanism of the fund flows and the Green Climate Fund (GCF) that has to be set up as per the Cancun decisions.