

INNOVATIVE FINANCING FOR DEVELOPMENT AND THE CLIMATE

In Cannes, the G20 has, for the first time, mobilized in support of innovative financing for development and climate change.

The needs of financing for development and the fight against climate change are great. The current sources of financing mobilized to those ends by developing countries themselves and by donor countries will not be sufficient. Although it attained a record level of 129 billion dollars in 2010, the level of official development assistance is still not sufficient to achieve the Millennium Development Goals. -{}-The commitment made in Copenhagen on climate change financing also requires 100 billion dollars to be mobilized annually, from both the public and private sectors, from 2020. -{}-

Given these needs, the models of financing for development and climate change must be reviewed. Innovative financing, which can mobilize both the private and public sectors, must allow these objectives to be met.

A majority of G20 countries use it already, in addition to their traditional assistance, but we must go further in order to meet the challenges of international solidarity.

Several reports have furthered the thinking this year and were made public on the occasion of the Cannes Summit:

■ The report on financing for development prepared by Bill Gates for the Cannes Summit, at the request of the President of the French Republic, which lists:

- the contributions to globalized activities: Tax on airline tickets (already in place in certain countries), tax on the bunker fuels of airlines and ships, tax on tobacco, tax on financial transactions, of which several reports have already confirmed the technical feasibility (IMF, High-Level Advisory Group on Climate Change Financing (AGF), Gates report, Leading Group on Innovative Financing for Development);
- Advanced Market Commitments, which can speed up the research on vaccines, as was the case for research on the vaccine against pneumonia;
- Other market mechanisms, such as pull mechanisms, based on the G20's research work on tropical agriculture;
- Diaspora bonds to mobilize migrants' savings and channel them towards investments in their home countries.

■ The report of the World Bank, IMF, OECD and regional development banks, in collaboration with the International Marine Organization (IMO) and the International Civil Aviation Organization (ICAO), on the financing of climate change. This report goes into greater detail on the work carried out in 2010 within the framework of the United Nations and sets out, among other sources, the technical feasibility of a contribution from the maritime and air-transport sectors;

■ An approach in the form of a menu of options was decided upon by the Heads of State and Government in Cannes with the commitment of the G20 Members to move forward using some of these different options. The G20 Finance Ministers will in particular continue their work on the taxation of the financial sector and on financing for development and the fight against climate change. For its part, France reiterated its commitment to establishing, along with other countries, a tax on financial transactions.