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Oopsie! \$1 Billion in UN Funds to Fight Climate Change Built Coal Power Plants Instead

BY ZOË SCHLANGER 12/2/14 AT 9:29 AM

About \$1 billion in Japanese funding that Japan claimed was part of a UN initiative to help developing countries take action against climate change went, unnoticed, towards Japanese companies for the construction of three coal-fired power plants, the [Associated Press](#) reported Monday.

Coal-burning power plants are the world's biggest source of atmospheric CO₂, a key driver of global warming.

U.N. climate chief Christiania Figueres was apparently unaware of where those funds wound up until it was brought to her attention by the AP. Figueres told the AP that "there is no argument" for supporting coal-powered projects with climate money, and that "unabated coal has no room in the future energy system."

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The slip-up highlights major gaps in oversight when it comes to funding climate projects in developing countries. The three power plant projects, built in Indonesia by Japanese companies, were listed as "climate finance." But the U.N. has no formal definition of what constitutes legitimate climate finance, nor does it have a watchdog agency to ensure climate dollars end up in appropriate places.

Japan allocated the funding to Japanese companies under U.N. loans described as "thermal power plants," with no indication that they were coal-fired projects.

The funding came from a pot of money established by the U.N. in 2009, when wealthy nations pledged to accumulate \$30 billion in climate finance over the following three years. At the time, Japan agreed to provide about half that sum. Meanwhile, the recently-established Green Climate Fund, which has similar goals to help poorer nations adapt to the warming climate, also has no watchdog agency or formal definition of climate finance, according to the AP. President Obama [recently pledged \\$3 billion](#) to the fund.

Japan denies any wrongdoing in the case of the coal plants, and it appears the country has not broken any laws or treaties, since there was never a formal definition of climate finance.

The revelation comes at a particularly embarrassing moment for the U.N., while international climate negotiators [are meeting in Lima, Peru](#), to forge a draft agreement to slow global climate change.

This article was corrected to clarify that the nearly \$1 billion were not specifically U.N. funds, but rather Japanese funds that Japan claimed at the U.N. were part of its contribution to a U.N. initiative on climate finance.

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