

# We must find a solution to funding the global Green New...

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As [Larry Elliott notes in the Guardian](#) this morning:

*Urgent action is needed to prevent record debt repayments by the world's poorest countries developing into a full-blown crisis, the [World Bank](#) has warned.*

The Washington-based multilateral body said the escalating cost of servicing past borrowing caused by rising interest rates was siphoning money away from spending on health, education and [tackling the climate crisis](#).

This matters, enormously.

First, it shows the disastrous impact of US Federal Reserve interest rate policy in large parts of the world that pay interest on dollar-denominated debt but who have not suffered the inflation that this misguided policy was meant to tackle. The spillover consequence is of staggering proportion.

Second, it makes clear the scale of the problem facing the next climate COP. COP28 might have staggered to a close, with a better-than-nothing but far from good enough deal on phasing down the use of fossil fuels, but the next COP is on climate finance.

As is all too clear from the Labour Party's lame attitude towards financing the costs of climate change in the UK, which treats the issue as an optional extra and not as an imperative, very few politicians have come even remotely close to tackling this fundamental issue.

For some time, Colin Hines and I have been doing so through our work as [Finance for the Future](#), which is the publisher of the [Taxing Wealth Report 2024](#). During that work, which followed on from our mutual involvement in writing the first ever [Green New Deal](#), we have suggested that the answer to climate funding is to be found in QuEST - which stands for:

\* QE

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Savings

\* Tax

There are no other options, in my opinion: ultimately, those three summarise the sources of the funding required. Governments either create the money needed for this purpose, or they redirect savings to tackle it, or they assist countries that cannot necessarily use their own currencies to meet all the costs that they face in raising extra tax revenues.

I will be summarising this work in a new publication - maybe a book - next year. Thinking about internationalising these ideas will be a key part of that thinking.