

#### Climate Change and Water Scarcity. Financial Assistance to Developing Countries

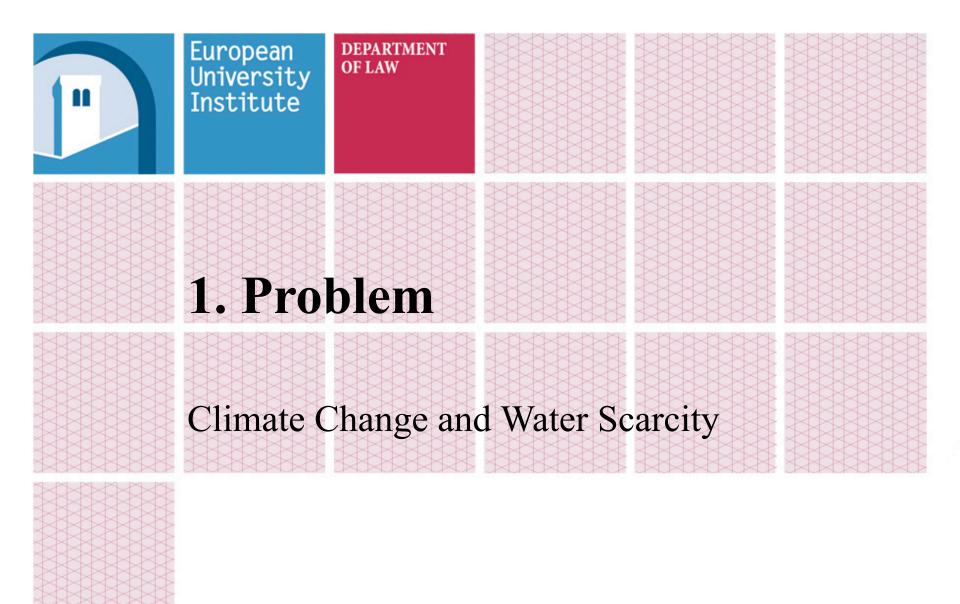
#### **Gonzalo** Larrea

PhD Researcher in Public Law

EUI - Law Department



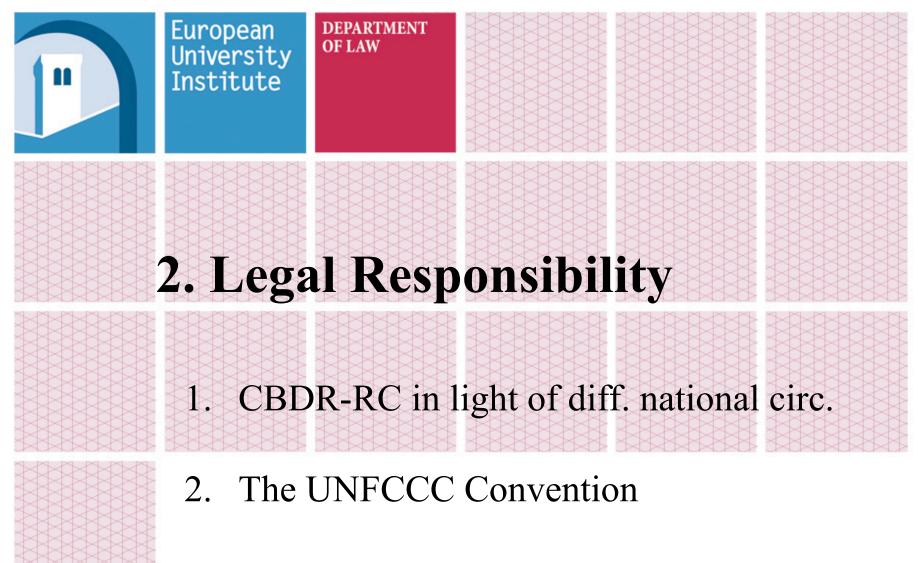






#### 1. Problem

- Climate impacts in developing countries
  - Dif. Impact: 75-80%
  - Dif. Contribution: 16% CO2 & 25% deforestation
    Dif. Capacity: USD 215 to 274 billion/year
- Impacts on water supply: 5 b people by 2050
- UNFCCC



3. The Paris Agreement



# 2.1. CBDR-RC in light of diff. national circ.

- Principle of sovereign equality v. differential treatment.
- Article 3(1) UNFCCC Convention.
- Article 2(2) of the Paris Agreement.



#### 2.2. The UNFCCC Convention, Art. 4(3).

- Annex II developed countries *shall* provide
- "... new and additional financial resources"
- "needed by the developing country Parties"
- "to meet the agreed full incremental costs..."
- "that are agreed between a developing country Party and the international entity"



#### 2.3. The Paris Agreement Art. 9(1) and (2)

- Art. 9(1): Developed countries *shall*.
- Art. 9(2): Other than developed countries are encouraged.
- Quantities: Ples. of highest possible ambition and progression to inform the level of ambition





#### **3.1. The GEF Trust Fund**

- <u>Governance</u>: (1992) GEF Council, GEF Secretariat and World Bank Trustee.
- <u>Water-related funded activities</u>: Both mitigation and adaptation – freshwater: drinking water, irrigation and hydropower. *Environmental Protection and Sustainable Integrated Management of Guarani Aquifer*.
- <u>Resource mobilization</u>: Replenishments from both D and d. USD 19.95 billion



# **3.2. The LDCF and the SCCF**

- <u>Governance</u>: (2001) LDCF/SCCF Council, GEF Secretariat and World Bank Trustee.
- <u>Water-related funded activities</u>: Adaptation freshwater. *Building Capacities to Integrate Water Resources Planning in Agricultural Development*.
- <u>Resource mobilization</u>: No replenishments. USD 1.59 billion, and USD 354.44 million.



#### **3.3.** The AF

- <u>Governance</u>: (2001) AF Board, GEF Secretariat and World Bank Trustee.
- <u>Water-related funded activities</u>: Adaptation Water Management. *Increasing Climate Resilience through an Integrated Water Resource Management Programme.*
- <u>Resource mobilization</u>: No replenishments. 2% CERs + D countries' donations. USD 997.09 million.



### 3.4. The GCF

- <u>Governance</u>: (2010) GCF Board, GCF Secretariat and World Bank Trustee.
- <u>Water-related funded activities</u>: Both mitigation and adaptation – Water security. *Building resilience in the face of CC within traditional rain fed agricultural and pastoral systems in Sudan*.
- <u>Resource mobilization</u>: Replenishments from both D and d. USD 10.3 and 9.87 billion.



# Developing countries → Partner Agencies → FI FI → PA → FI FI Board/Council → Trustee → Partner Agency Developing country (implementation)





3. Negative impacts on local stakeholders



### 4.1. Quantities mobilized

- Climate finance USD 681 billion
  - USD 71 billion from D to d.
  - USD 10.7 billion through the climate Funds.
- Literature critic
  - WRI, 'Adaptation Finance Accountability Initiative' (2020) WRI.
  - OECD in collaboration with Climate Policy Initiative, 'Climate Finance in 2013-14 and the US\$100 billion goal' (2015) OECD Publishing.
  - C. Watson and L. Schalatek, 'The Global Climate Finance Architecture' (2020) Climate Finance Fundamentals, 3.
  - R. Clémençon, 'What Future for the Global Environment Facility?' (2010) Journal of Environment and Development, 50–74
- 14 developed countries
- Should we aim at adopting top-down legally binding commitments for developed countries?



## 4.2. Decisionmaking

- Fairness of the Funds
  - M.J. Mace, 'Funding for adaptation to climate change: UNFCCC and GEF developments since COP-7' (2005) 14(3) Review of European Community and International Environmental Law, 225-246.
  - J. Paavola and W.N. Adger, 'Fair adaptation to climate change' (2006) 56(4) Ecological Economics 594-609.
- Insufficient definitions of funded activities
  - M. Bapna and H. McGray, 'Financing Adaptation: Opportunities for Innovation and Experimentation' (2008).
  - A. Möhner & R.J.T. Klein, 'The Global Environment Facility: Funding for Adaptation or Adapting to Funds?' (2007) Stockholm Environment Institute.
  - Ballesteros et al., 'Power, Responsibility, and Accountability: Re-thinking the Legitimacy of Institutions for Climate Finance' (2010) World Resources Institute.
- Length of Approval
  - L. D. Mee, H. T. Dublin, and A. A. Ebergard, 'Evaluating the Global Environment Facility: A Good Gesture or a Serious Attempt to Deliver Global Benefits? (2008) 18 Global Environmental Change, 800-10.
  - J. Werksman, 'Consolidating Global Environmental Governance: New Lessons from the GEF?' in N. Kanie and P. Haas (eds) *Emerging Forces in Environmental Governance* (2004) United Nations University Press.
- Recipient countries
  - R.J. Klein, "Which countries are particularly vulnerable? Science doesn't have the answer!" (2010) Stockholm Environment Institute (SEI)
  - R.J. Klein, 'Show me the Money. Ensuring Equity, Transparency and Accountability in Adaptation Finance' in G.
     Sweeney et al., (eds.), *Global Corruption Report: Climate Change* (2011) Earthscan 228.
- Will institutional reform solve these problems?



# 4.3. Negative impacts on local stakeholders

- Local stakeholders: private sector-actors, CSOs, vulnerable groups, women and IP
- Climate adaptation
  - A.G. Patt & D. Schröter, 'Perceptions of climate risk in Mozambique: Implications for the success of adaptation strategies' (2008) 18 Global Environmental Change 458-467
  - J. Omukuti, 'Country Ownership of Adaptation: Stakeholder Influence or Government Control?' (2020) 113 Geoforum 26-38
  - T.A. Smucker et al., 'Differentiated Livelihoods, Local Institutions, and the Adaptation Imperative: Assessing Climate Change Adaptation Policy in Tanzania' (2015) 59 Geoforum, 39-50.
- Climate mitigation funding
  - Ballesteros et al., 'Power, Responsibility, and Accountability: Re-thinking the Legitimacy of Institutions for Climate Finance' (2010) World Resources Institute.
  - P. Veit, 'Threats to Village Land in Tanzania' (2012) Land Tenure Center, 11-22.
- Accountability to local communities
  - N. Adger et al., 'Successful Adaptation to Climate Change across Scales' (2005) 15(2) Global Environ. Change, 77-86.
  - L.C. Stringer et al., 'Advancing Climate Compatible Development: Lessons from Southern Africa' (2014) 14(2) Reg. Environ. Change, 713-725.
- Insufficient consultation, participation and transparency
  - J. Radner, 'Looking Ahead for Lessons in the Climate Investment Funds: Emerging Themes for Learning' (2009).
  - J.D. Ford et al., 'The Status of Climate Change Adaptation in Africa and Asia' (2015) 15 Regional Environmental Change, 801-814.
  - Mopan, 'Organisational Performance Brief. Global Environment Facility (GEF)' (2019) MOPAN 2017-18 Assessments.
- Are climate Funds sufficiently accountable to local stakeholders for their funding decisions?



## **MOLTES GRÀCIES!**

#### **Gonzalo** Larrea

#### Ph.D. Researcher in Public Law

European University Institute (EUI) Law Department Via Bolognese 156 - Villa Salviati 50139 Florence, Italy (+34) 674924727

Email: gonzalo.larrea@eui.eu

Website: https://me.eui.eu/gonzalo-larrea/