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Climate Change and Water Scarcity. Financial Assistance to Developing Countries

Gonzalo Larrea

PhD Researcher in Public Law

EUI - Law Department



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1. Problem

Climate Change and Water Scarcity



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



2. Legal Responsibility

1. CBDR-RC in light of diff. national circ.
2. The UNFCCC Convention
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. Role of International Bodies

1. The GEF Trust Fund
2. The LDCF and SCCF
3. The AF
4. The GCF



3.1. The GEF Trust Fund

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



3.2. The LDCF and the SCCF

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



3.3. The AF

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



3.4. The GCF

- Governance: (2010) GCF Board, GCF Secretariat and World Bank Trustee.
- Water-related funded activities: Both mitigation and adaptation – Water security. *Building resilience in the face of CC within traditional rain fed agricultural and pastoral systems in Sudan.*
- Resource mobilization: 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)



4. Criticism

1. Quantities mobilized
2. Decisionmaking
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. Cléménçon, ‘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/>