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Reaching climate funding targets: The polluters aren't paying. And green parties do not make a difference

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Reaching climate funding targets: The polluters aren't paying. And green parties do not make a difference.

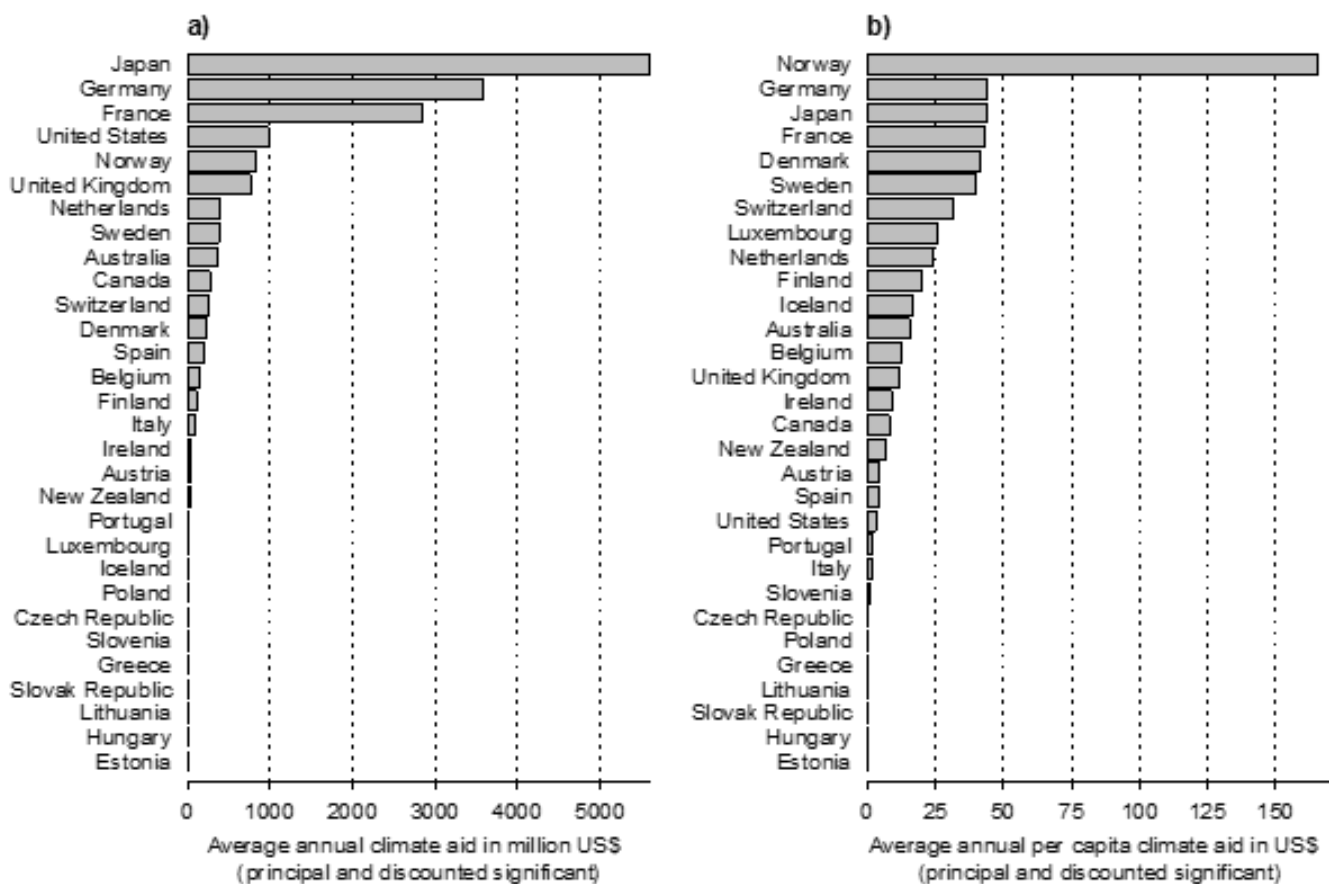
At the 2009 Copenhagen Climate Summit, it was decided that by 2020, donors should rally up not less than US\$100 billion per year for climate change adaptation and mitigation in developing countries. How much each donor should contribute to that annual target remains an open question, however. Dividing that 'burden' in equal parts would be rather unfair. Some countries are bigger and/or richer, but more importantly, some carry more responsibility for climate change than others in terms of their share in greenhouse gas emissions.

So, although the Climate Summit in 2009 did not establish a clear scheme of burden-sharing, the 1992 [UNFCCC \(United Nations Framework Convention on Climate Change\)](#) provides one general principle as a starting point: *Common but Differentiated Responsibilities and Respective Capabilities* (CBDR&RC). Put simply, this means that countries that have higher CO₂ emissions (and thus pollute more than other countries) should take up larger financial commitments, as should richer countries. But have they done so? Who has provided how much climate finance to date?

What has become of all these nice promises?

To start with, reaching the US\$ 100 billion per year by 2020 appears to be off-track. Given the lack of agreed definitions and baselines, estimates of how much climate finance is being mobilised differ widely and figures are contested. Regardless of how generously climate finance is measured, however, studies and reports agree that climate finance will be insufficient to meet the demand.

Interestingly, bilateral donors differ strongly in how much bilateral climate funding they provide, as the figure below shows.



In absolute volumes, the largest climate donors by far are Japan, Germany and France, with an average of \$5.6, \$3.6 and \$2.9 billion in the years from 2011 to 2015 respectively. Together, they are responsible for about 70% of all bilateral climate aid. However, absolute volumes can also be somewhat misleading: larger countries tend to have larger budgets and thus more money available for climate funding. It is therefore important to take the size of the population into account.

When we do this, a very different picture emerges. Norway is the biggest climate donor on a per capita basis, spending no less than \$165 per capita and per year (on average over the time frame of the study). Norway is followed by Germany, Japan (both around \$44) and France (\$43). Other Nordic countries also provide quite high levels of climate aid per capita annually: Denmark \$42 and Sweden \$40. In contrast, other countries, including some Central and Southern European countries, allocate very little to climate projects, both in absolute terms and per capita.

So the above clearly shows that bilateral donors differ in how much aid they spend on climate related projects and programmes. The question is why? Can the differences be explained by the principle of Common but Differentiated Responsibilities and Respective Capabilities?

Our research looked into this question and the results are worrisome.

The polluter pays? Currently, they're not!

In the period 2010-2015, the statistical exercise clearly shows that bigger polluters do not contribute more to the US\$ 100 billion target. Quite to the contrary. Those countries most responsible for increased atmospheric concentrations of greenhouse gases (like the USA) provide the lowest levels of climate aid, with the largest emitters predicted to give close to nothing (on a per capita basis). By contrast the countries that have in total contributed the least to global CO₂ emissions provide the highest levels of climate aid per capita, at approximately \$12 per capita and year.

On a positive note, our findings do suggest that richer countries – all else being equal – do spend more on climate funding than poorer countries. The richest countries in our panel spend well over \$20 per capita on climate projects, compared to less than \$3 per capita for the poorest countries.

Do green parties make a difference?

What about other explanations for variation in the level of climate aid provided? Ideology could of course play a role. [From other research](#) (paywall), we know that left-wing and right-wing governments differ in how generously they support aid projects. That Nordic countries are quite generous climate aid funders may be due to ideology. Yet, our results on ideology and countries' "greenness" are rather striking and worrisome.

While we expected that the presence of green parties would positively affect the levels of climate funding, the statistics show no relation whatsoever between spending and green parties in power, and/or number of green members of parliament. This robust finding – tested with different variables – calls for more research because it is completely counterintuitive and worrisome. One possible explanation is the problem of under- and over-reporting of climate aid. Other research has found considerable levels of over-reporting and mislabeling of funds, and some find that governments' decision to mark or report a given aid flow as climate aid or not might depend on a political/ideological interpretation.

What to do?

First of all, the fact that polluters are not paying implies that the internationally agreed upon principle of *Common but Differentiated Responsibilities* is a hollow token. This finding indicates the need to think about and establish accompanying measures at the international level to realise this principle. The UNFCCC has an important role to play here since the UNFCCC negotiations are the platform on which these agreements and principles are established. We strongly argue that the UNFCCC should not settle for principled agreements alone but they should also think about and negotiate accompanying measures which address unfair burden sharing arrangements. Civil society has a role to play here too. Naming, shaming and blaming the polluters who are not taking up their responsibility is one soft power tool that can be deployed. Researchers providing evidence can support endeavours to push for the realization of the principle of "common but differentiated responsibilities".

Second, data quality and reliability is an issue that needs to be addressed by the climate negotiations. At the moment, both UNFCCC and OECD/

DAC data rely entirely on donors' own classification of their aid as climate relevant or not. As several studies have shown, donors tend to overestimate the climate relevance of their development assistance, mislabel funds and double- or even triple-count funds against several objectives. Accordingly, it is difficult to track climate finance and to monitor and verify reported flows, yet such monitoring and verification is necessary to hold donors to account to their promise of "mobilising" USD 100 billion per year by 2020. The UNFCCC as well as the OECD/DAC, on which most donors rely for their reporting of climate finance, need to develop clear definitions and guidelines to improve transparency and regain trust in the negotiations. Civil society and researchers on the other hand can also play a watchdog role here in unveiling different reporting practices.

Further reading

Klöck, C., Molenaers, N., & Weiler, F. (2018). Responsibility, capacity, greenness or vulnerability? What explains the levels of climate aid provided by bilateral donors?. *Environmental Politics*, 1-25.

Recommendations

For UNFCCC and OECD/DAC

Consider and establish accompanying measures to realise the principle of Common but Differentiated Responsibilities

Develop clear definitions and guidelines to facilitate tracking, monitoring and verification of climate finance

For civil society and researchers

Naming, shaming and blaming of polluters who do not fulfil their responsibilities

Watchdog role: unveiling different reporting practices