**Mutually Reinforcing: Climate Justice, Equitable Climate Finance and the Right to Development**

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**Thirty years ago, in 1986, and thus long before the world’s attention focused on climate change as the defining existential challenge of our times, the UN General Assembly adopted the Declaration on the Right to Development. Development and climate change are inextricably linked. The effects of climate change on development efforts exacerbate issues of inequality, inequity and persistent poverty. In light of this, it is timely to explore the ramifications of the right to development as an inalienable human right for the global challenge of climate change more broadly and more specifically for the concept of climate justice and its application to climate finance provision.**

The Right to Development (RTD) with its human rights-centered, inclusive approach, which highlights people as right-holders and focuses on states as duty bearers to individually and collectively create the conditions for people to be active participants in determining and beneficiaries of the right path to development (articles 2.1. and 3.1 of the declaration),[[1]](#endnote-2) must be at the center of climate actions globally.

**RTD as Core Principle of Climate Justice**

The RTD is also a core principle of the concept of climate justice[[2]](#endnote-3), which focuses on safeguarding the rights of the most vulnerable – both countries and people – and on fair and equitable burden-sharing to address climate change.

The concept of climate justice acknowledges the inherent fundamental injustice of the global climate crisis: those that have benefitted the least from the fossil-fuel driven economic growth model that fueled the industrial might of developed countries and caused dangerous greenhouse gas (GHG) emissions to spiral out of control are also those already most severely affected by climate change impacts, in particular Least Developed Countries (LDCs), Small Island Developing States (SIDS) and African states. Within countries, climate change affects the most vulnerable and politically disenfranchised populations groups disproportionally, including rural communities, women and Indigenous Peoples.

States (“parties”) in the UN Framework Convention on Climate Change (UNFCCC) are tasked to collectively address the challenges of climate change. Collaboration and cooperation are also among the hallmarks of the RTD (Article 3) as the duty for states to identify and eliminate obstacles to development. In the global climate regime, the UNFCCC acknowledges that parties coordinated responses must be guided by the core principle of equity and common but differentiated responsibilities (CBDR) and respective capabilities. This principle is also a building block of the new Paris Climate Agreement to guide global climate actions post-2020. The principle of equity and CBDR is at the heart of the obligation of developed countries under the UNFCCC (Art. 4) to provide the means of implementation for decisive climate actions by developing countries, especially finance Art. 4.3 and 4.4), but also technology transfer and capacity-building support, in order to allow developing countries to develop in a low-carbon and climate-resilient way.[[3]](#endnote-4)

**RTD as the Right to Decouple Development from Fossil Fuels**

In 2016, 30 years after its adoption by the world community, the RTD –in order to conform and be mutually reinforcing with the concept of climate justice – must be interpreted in a way that makes it clear that a right to development can no longer mean the right to pollute, but must focus on increasing assistance to developing countries in support for their right to decouple development from fossil fuels. Nowhere becomes that more clear than when looking at the best ways to address persistent energy poverty around the world, including its gender dimension by focusing on improving energy access[[4]](#endnote-5): The International Energy Agency reported that more than 1.2 billion people (or 16% of the global population of currently 7.3 billion) have no access to electricity with more 2.7 billion (or 37% percent of the global population) lacking clean cooking facilities.[[5]](#endnote-6) Solutions that are in sync with climate justice and the right to development would prioritize approaches of energy democracy that allow for the participation of households and individuals in the planning and decision-making on how to use and create clean energy that is local and renewable, for example through an increased focus on off-grid and mini-grid renewable energy provision through cooperatives and community-owned renewable energy- based electricity infrastructure. Instead, too many current efforts continue to focus on government- or international investors-led provision of “trickle down” energy services through large-scale, on grid electricity generation (which often prioritizes industrial and export needs over households needs and often bypasses rural areas in the poorest developing countries where 80% of the global energy poor live).

Seen in this context, the RTD can provide the ethical framing and vision to direct and sustain the economic transformation demanded by climate change. Climate justice demands that this economic transformation is framed by rethinking existing economic and financial market approaches through a shift away from short-termism and the profit-maximization approach of stock exchanges worldwide toward reregulation and increased corporate accountability on behalf of people and in support of global goods, such as a stable climate, on with people depend for their livelihoods and survival. This would include the reform or rescinding of many existing trade and investment rules, specifically with respect to intellectual property rights regimes hindering technology development and transfer, or investor-state clauses in many agreements that can have a chilling effect on national and local governments’ ability to enforce environmental and climate regulations. It is therefore not surprising that climate justice activists are skeptical of market mechanisms as the proposed best way to address the root causes of climate change.

Central to the discussion of climate justice and for the economic transformation demanded by climate change is the provision of climate finance, especially for adaptation, as mandated transfers from developed to developing countries in support of climate actions under the UNFCCC. The goal from the 15th Conference of Parties (COP15) in Copenhagen in 2009 for developed countries to provide US$ 100 billion per year by 2020 to developing countries from a variety of sources was confirmed in December 2015 in Paris as the starting point for long-term climate finance provision under the Paris Agreement post-2020.

The Paris Agreement, which entered into force on 4 November 2016 with the ratification by more than 55 countries collectively responsible for more than 55% of global carbon emissions[[6]](#endnote-7), formally acknowledges the link between climate action and the RTD. Its preamble urges parties, “when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity “. It also notes the concept of climate justice. [[7]](#endnote-8) And while many would have preferred a stronger integration of the human-rights contexts also in the operational and technical sections of the Paris Agreement, their anchoring in the umbrella of principles, which are supposed to guide the Paris Agreement implementation, provides at minimum a good starting point.

Looking at the climate finance provisions in the Paris Agreement, from a climate justice and RTD perspective this leaves still much to be desired. The Paris Agreement weakens the moral imperative for developed countries to provide the majority of public climate finance post-2020. This might allow the collective dragging of feet to continue: Developed countries have in particular fallen short of their obligation to provide adequate public finance for adaptation for those countries already most severely affected by climate change, such as the SIDS, LDCs and African states. At the moment, only about 10% of public climate finance flows from developed to developing countries are for adaptation; instead most of their money is provided for mitigation and heavily concentrated in emerging market economies. With those flows, industrialized countries also aim to offset their own too slow emissions reductions efforts in a less expensive way in developing countries, thus delaying necessary structural and policy reforms at home. This undermines the additionality of climate finance flows to developing countries further (as it is not provided on top of own ramped up climate actions in developed countries and often provided in the form of redirected official development assistance – potentially at the expense of ODA that would have been otherwise used to support health or education measures abroad). While a roadmap by developed countries on how to jointly mobilize the US$100 billion in promised annual climate finance provided by 2020, which was published just weeks before COP 22 in Marrakesh, promises a doubling of finance flows for adaptation over the next few years[[8]](#endnote-9), even this falls short significantly of real adaptation needs which are estimated to amount to US$ 70 to 100 billion per year by 2020 in developing countries and could reach US$140 to 300 billion per year already by2030.[[9]](#endnote-10) In contrast, because of the widespread use of tax havens by global corporations, it is estimated that developing countries lose US$170 billion per year in domestic tax revenues[[10]](#endnote-11) – money that could be used for domestic efforts for low-carbon and climate-resilient development.

**RTD as Ethical Frame for Climate Finance Provision under the UNFCCC**

The RTD is well-suited to serve as an ethical frame for climate finance provision under the UNFCCC and the new Paris Agreement. A number of core principles, as identified by the Working Group on the Right to Development and elaborated in the declaration itself, underlie the right to development, namely people-centered development, a human-rights-based approach, equality, non-discrimination, participation, transparency and accountability, as well as equity, the rule of law and good governance at all levels.[[11]](#endnote-12) These key elements of the RTD, as elaborated in more detail below, are also key to realizing climate finance justice.

**People-Centered Development**: While focused on low-carbon and climate resilient development, climate actions must provide multiple benefits that address social, gender equality, economic, political, cultural and non-climate environmental concerns at the same time as reducing emissions and addressing vulnerabilities of people and ecosystems to climate change impacts. Given the scarcity of public climate finance such multiple win-focused investments are crucial and should be made the rule and not the exception. They are also the only ones fully compatible with a people-centered development approach into which climate change considerations have been fully integrated. Although a number of climate funds acknowledge the need for providing their funding in a way that results in additional benefits on top of climate rewards, , such as the GCF’s Governing Instrument[[12]](#endnote-13), the notion of “co-benefits” really implies a hierarchy which could lead to a side-lining of people-centered climate actions by prioritizing climate impacts as goal above all others. However, an implied hierarchy that subordinates social, economic, political and cultural aspects of climate investments under an emissions reductions mandate, for example, might not be the most effective and efficient way to spend climate finance, as it could put the sustainability of the project or program into question once the funding support ends.

**Human-Rights Based Approach**: Climate actions, even if focused on maximizing emissions reductions as cost-efficiently as possible, can never justify the violation of inalienable human rights such as the right to food or water. Thus, not every climate action that is good for mitigation or adaptation is also upholding and supportive of human rights. Certain climate actions largely incompatible with basic human rights should therefore not be financed by climate funds. Among the approaches and technologies that should be on such a human-rights based exclusion list one would find continued support for improved fossil fuel technologies (such as “clean coal”), nuclear energy, large hydro dams or bioenergy with carbon capture and storage (BECCS) to name just the most prominent. BECCS for example (touted as a key technology to allow for negative emissions approaches under the UNFCCC)[[13]](#endnote-14) highlights the problem that in the name of reducing CO2 emissions through large-scale replacement of fossil fuels with bioenergy the resulting land grab can lead to the displacement of small-scale farmers, the loss of their livelihoods and increased food insecurity for many, thus violating the basic human rights of people affected by such actions.

**Transparency and Accountability:** For the just provision of climate finance both among countries (globally) and within countries, transparency and accountability are key.

On the global level, those principles point to the need for a monitoring, reporting and verification (MRV) approach to climate finance provision that captures both the quantity as well as the quality of financial transfers provided for climate actions in developing countries. In the absence of a universally accepted definition of what can be considered climate finance, comprehensive MRV has proven to be elusive. To be in line with climate justice demands, climate flows between countries would be transparently disclosed using comparable methodologies and definitions and thus allowing the global community and citizens to hold industrialized countries’ governments to account for their promises (such as the provision of US$ 100 billion per year by 2020 and how they are intending to achieve it). A climate-just MRV system would outlaw double-counting; the relabeling of ODA flows as climate finance contributions; only count the grant equivalency of loans and seek to avoid them entirely for adaptation; and would not count funding channeled through developed countries’ Export Credit Agencies (ECAs) as climate finance, as the express goal of ECAs’ actions is to guarantee finance reflows to the country which provided the money in the first place.

Within developing countries, which are the recipients of climate finance flows, the principles of transparency and accountability point to the need for a public disclosure of the funding amounts received, as well as publicly available information on domestic climate policies and activities. On the level of funded projects and programs, transparency and accountability mean the public disclosure of relevant documents as well as active redress and grievance mechanisms by project/program implementers, the originating multilateral funds, as well as domestic government agencies to allow people and communities negatively affected by specific climate actions to seek remedies or compensation for a wrongful action or grievance.

**Participation:** Climate-just finance provision calls for the early and comprehensive involvement of all relevant stakeholders in climate actions, in particular that of local communities, marginalized and vulnerable groups, women, and Indigenous Peoples. Their active participation must be supported and ensured throughout climate policy development and decision-making on climate actions to ensure that the elaboration of country priorities and country-owned strategies and plans reflects their needs and contributions as well. Early and comprehensive participation of all relevant stakeholders, not just consultation (which often implies a one-way information sharing) is important throughout the entire project cycle for climate funds supported projects and programs from the design phase to project development to implementation to monitoring and evaluation. Throughout, the focus must be on participatory monitoring by project-affected people who are ideally not only the beneficiaries of project implementation, but also the guarantors for the sustainability of financing efforts.[[14]](#endnote-15) Participatory monitoring implies for example a role for local communities in determining indicators of implementation success (which in all likelihood are different from indicators more conventionally used as a sign of success by funds or implementing entities) or the ability to act as early warning systems and raise red flags if project implementation goes astray. It therefore allows for rapid course correction and necessary adjustments during implementation

**Equity:** The principle of equity is core to the understanding of climate justice and the fair distribution of climate finance internationally and within recipient countries. Who has access to climate finance? What is climate finance provided for? Who benefits from it? And how can we assure that those countries and people neglected by the main channels, funds and funded actions get a fair share? Internationally, climate funding flows overwhelmingly for mitigation actions with large sums going to just a small number of countries and primarily emerging market economies while many poorer developing countries receive only little or no climate funding. Cumulatively, this is reflected by the fact that almost 94% of all climate finance and still close to 84% of international public climate finance goes into emissions reduction efforts, despite the fact that most of the poorest countries need scaled-up adaptation financing most urgently[[15]](#endnote-16). The promise in the Paris Agreement to work toward a balance of mitigation and adaptation financing is a step toward more equity. The Green Climate Fund (GCF) has even gone further in its allocation approach. It not only committed to a clear goal for a 50:50 funding split for mitigation and adaptation actions, but also safeguards 50% of all adaptation spending for those countries considered the most vulnerable to climate change, namely LDCs, SIDS and African States. In contrast, the refusal by developed countries under the Paris Agreement to accept any financial liability for the loss and damage already occurring in developing countries is the perpetration of inequity in multilateral climate finance. So is the refusal by developed countries to contribute climate finance under mandatory assigned contribution shares determined by the need of developing countries and in line with the CBDR principle and particularly industrialized countries’ respective financial capabilities.

**Equality and Non-Discrimination:** There is no climate justice without gender-justice. Climate change and its impacts as well as actions to address it are not gender-neutral. Therefore, climate finance provided must be fully gender-responsive as a matter of climate justice. Women and men must have equal opportunities to access and benefit from climate finance. This means addressing through funded climate actions existing cultural, political and legal barriers and biases as well as ongoing ignorance that perpetuate the discrimination against women in climate policies and actions domestically and internationally. RTD specifically elaborates that “effective measures should be undertaken to ensure that women have an active role in the development process” (Article 8). Such measures taken as part of a comprehensive gender-mainstreaming approach are fundamental for just climate finance provision as well. Encouragingly, many multilateral climate funds have made significant progress in acknowledging that their funding must contribute to gender equality. The Global Environment Facility (GEF) and the GCF as operating entities of the UNFCCC financial mechanism, and as such of central importance for the implementation of the Paris Agreement, have approved a gender mainstreaming policy and multi-year gender action plans. However, much remains to be done, including rethinking the use of financial instruments and approaches to increase the access of women in developing countries, both as stewards of family and community welfare, but also as owners of micro- and small-scale enterprises. And lastly, gender balance and gender expertise continue to lack in most international and domestic climate-related decision-making and policy-making bodies, including those focusing on technology and finance.[[16]](#endnote-17)

**Relevance of RTD for Global Climate Change Approaches Never Greater**

The case for the mutually reinforcing relationship between climate justice approaches to climate financing and the RTD can certainly be made in further detail. Nevertheless it seems appropriate to conclude, looking ahead at the implementation of the global Paris Agreement on Climate Change post-2020 and what the global community can and must do up to then, that the relevance of the RTD for climate justice approaches to the international collaboration on climate change has never been greater. RTD can provide an important guiding framework for the just and equitable provision of climate finance which is fundamental for the successful collaborative implementation of the Paris Agreement globally.

1. **Endnotes:**

 <http://www.un.org/documents/ga/res/41/a41r128.htm>. [↑](#endnote-ref-2)
2. See for example the definition of climate justice and its core principles the work of the Mary Robinson Foundation – Climate Justice; available at: <http://www.mrfcj.org/principles-of-climate-justice/>. [↑](#endnote-ref-3)
3. UNFCCC, English text available at: <http://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf>. [↑](#endnote-ref-4)
4. According to the International Energy Agency (IEA), energy access is about providing modern energy services to everyone around the world. These services are defined as household access to electricity and clean cooking facilities (e.g. fuels and stoves that do not cause air pollution in houses). [↑](#endnote-ref-5)
5. Based on 2013 numbers; see: http://www.worldenergyoutlook.org/resources/energydevelopment/energyaccessdatabase/ [↑](#endnote-ref-6)
6. Information on the Paris Agreement and its entry into force is available at <http://unfccc.int/paris_agreement/items/9485.php>. [↑](#endnote-ref-7)
7. The English text of the Paris Agreement is available at: <http://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf>. [↑](#endnote-ref-8)
8. The developed countries’ roadmap to reach US$100 billion by 2020 in climate finance is available at: <http://dfat.gov.au/international-relations/themes/climate-change/Documents/climate-finance-roadmap-to-us100-billion.pdf>. [↑](#endnote-ref-9)
9. UNEP (2016). Adaptation Finance Gap Update 2015. Available at: <http://web.unep.org/adaptationgapreport/sites/unep.org.adaptationgapreport/files/documents/unep_adaptation_finance_gap_update.pdf>. [↑](#endnote-ref-10)
10. As reported on <http://www.ohchr.org/EN/Issues/Development/Pages/SearchOfDignity.aspx>, quoting: <http://radioonefm90.com/oxfam-to-stop-tax-havens-in-developing-countries/>. [↑](#endnote-ref-11)
11. OHCHR (2016). Fact Sheet No.37. Frequently Asked Questions on the Right to Development. New York and Geneva; Human Rights Council, 15th Session (2010), Marcos Orellana (author). Climate Change and the Right to Development: International Cooperation, Financial Arrangements, and the Clean Development Mechanism. A/HRC/15/WG.2/TF/CRP.3/Rev.1. [↑](#endnote-ref-12)
12. <https://www.greenclimate.fund/documents/20182/56440/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235>. [↑](#endnote-ref-13)
13. For some elaboration on BECCS and examples of its current implementation, see <http://biofuelstp.eu/bio-ccs.html>. [↑](#endnote-ref-14)
14. For an elaboration on participatory monitoring as related to climate change adaptation, see for example <http://www.careclimatechange.org/files/2014_PMERL.pdf>. [↑](#endnote-ref-15)
15. CPI (2015). Global Landscape of Climate Finance 2015. Available at: <http://climatepolicyinitiative.org/wp-content/uploads/2015/11/Global-Landscape-of-Climate-Finance-2015.pdf>. [↑](#endnote-ref-16)
16. <http://us.boell.org/2016/09/01/what-it-will-take-strengthen-gender-mainstreaming-unfccc>. [↑](#endnote-ref-17)