

20 PUBLICFINANCE OCTOBER 2019

WWW.PUBLICFINANCE CO.UK 21



The picture in the US is a little less clear. President Donald Trump's administration said in 2018 that it was cutting the country's contribution to the Global Environment Facility by half, which would have left it around \$300m short of its previous funding levels.

Congress eventually allocated more than the president recommended, and budgets from the house and senate indicate that funding may not drop at all. But uncertainty remains over how committed the US - the world's biggest

spender on aid - is to addressing the threat of global warming.

The US was one of just three Annex I countries - developed nations that were members of the OECD in 1992 - that did not submit its biennial climate report to the UN, along with Ukraine and Belarus. This report would have made it clear exactly how much of its aid spending went on climate change.

Developed countries certainly appear to be taking climate change more seriously. However, complete transparency on how

Our house is burning': French president Macron's tweet led to an £18m G7 aid offer, but this Brazil and derided

Local people really understand the problem best, but the analysis is done by 'experts' sitting far away from where the problem is. The way that decisions are made just doesn't work at all for climate change. It needs to be much more 'bottom-up'

Clare Shakya, International Institute for Environment and Development



3.3m hectares

THE ARCTIC CIRCLE THIS SUMMER. GREENPEACE RUSSIA

where the money is going. Furthermore, she says that donors often give projects names that are later changed by agencies, NGOs or firms - leading to what she describes as a "huge obfuscation".

espite some good examples, such as DfID's 'Devtracker'. which offers detailed information on specific projects. climate financing has a long way to go before it can be considered truly transparent, Shakya adds.

A lack of transparency also hinders the ability to ensure initiatives are helping those most in need, according to Shakya.

Many of the people most threatened by climate change already live in poorer communities - indigenous people and communities with coastal or agricultural livelihoods. Smallhold farmers in developing countries, for example, feel the effects of climate change - such as droughts - at a rate far outweighing other areas.

"Local people really understand the problem best, but the analysis is done by 'experts' sitting far away from where the problem is," Shakya says, "These experts can only generalise a good response, but local people can ensure responses are appropriate to their specific context.

"Business as usual isn't working," she says. "The way that decisions are made just doesn't work at all for climate change. It needs to be much more 'bottom-up'."

Dr Lisa Schipper, environmental and social science research fellow at the University of Oxford's Environmental Change Institute, says another major issue for debate when it comes to climate change funding is how money should be split between preventative initiatives versus ones that deal with outcomes.

"Part of the problem is that there are very different interpretations of what we are trying to achieve," she says, pointing to discussion over how much development money should be spent on climate change mitigation, such as efforts to reduce emissions, versus adaptation - increasing the ability of communities to deal with the impacts of global warming.

The OECD found that 66% of climate finance in 2017 went on mitigation projects, 21% on adaptation and the remainder on 'cross-cutting' schemes that addressed both.

much is being provided by donor countries and how money is being spent appears to be lacking. Clare Shakya, director of the

International Institute for Environment and Development's climate change group, says IIED research shows that just 7% of climate finance is transparent enough to track exactly how it is being used - leading to distrust 'on the ground' in the places where aid is being deployed.

"There is some resistance to being clear about what's being done," Shakya says.

"Some donors - at least in the past - were counting programmes that increased efficiency in coal power as 'climate finance'. Clearly, anything to do with coal power shouldn't be considered that way at all."

One problem, she says, is that input sector codes, which are used to categorise aid spending, limit transparency.

Projects are often listed with codes that are too vague, such as 'education facilities and training', says Shakya, adding that these labels tell people little about exactly





While you can talk about resilience in a positive way, it sort of clashes with the goal of transforming society. Many adaptation projects make people more vulnerable – not less

Dr Lisa Schipper, Environmental Change Institute, University of Oxford



Irrigation projects in Ethiopia could cause more problems long term as now farmers depend on crops that need water

chipper says
adaptation is a
"massive concept", and
"while you can talk
about resilience in a
positive way, it sort of
clashes with the goal
of transforming
society".

Solving immediate threats, she says, "might not be the best way to achieve long-term change".

What's more, she adds, many adaptation projects, "rather than fixing problems in communities, make people more vulnerable – not less."

She cites the example of Ethiopia, where donors often talk of huge untapped water resources. Irrigation projects have allowed smallhold farmers to grow new crops, but when systems fail because of drought or technical problems, the farmers are left completely unable to adapt because they now rely on growing crops that depend on irrigation.

This "maladaptation", Schipper says, is the result of donors and agencies not thinking about alternative solutions from the outset: "I find it quite shocking how little the context around these projects seems to matter."

To fix this, Schipper says aid donors and agencies should work more closely with new communities, looking for alternatives to the traditional approaches. By focusing

THE PROPORTION OF CLIMATE FINANCE THAT IS TRANSPARENT ENOUGH TO TRACK EXACTLY HOW IT IS BEING USED. INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

resources on the same, familiar places, with familiar people and the same organisations, she says, large parts of the global population are at risk of being missed.

Kasia Paprocki, assistant professor in environment at the London School of Economics, cites the example of aid in Bangladesh being used to reshape the economy. Justified by climate change being presented as an existential threat to villages, aid programmes fund the migration of people from rural communities into cities to work in factories.

This adaptation, which Paprocki argues is better thought of as "agrarian dispossession", is lauded as an opportunity for development and growth.

Last month, the UN released a report into sustainable development, which criticised the prevailing economic model of chasing growth by increasing the consumption of material goods. This, it said, was "no longer a viable option at the global level".

International development, which in the past has sought to increase prosperity according to the prevailing economic model, has improved countless lives. But, the report says, it has also contributed to bringing the world "close to tipping points with the global climate system and biodiversity loss". So a change of course seems necessary, not only in how we administer, allocate and report aid but in how we think about development itself.

Donors and institutions seem committed, but they need to pay closer attention to the effects their projects are having, and relinquish some more control on the ground.

Climate change is an existential threat, especially to the planet's marginal communities, and if they are to survive the coming crisis they will need to be allowed to play a much more prominent role in organising and distributing the means by which their benefactors seek to help them.