

# Is the climate finance system equitable and fair?

## PERCEPTIONS ARE BUILDERS (OR BREAKERS) OF TRUST.

If we believe we can achieve something, we have a better chance of achieving it.

In the case of climate solidarity and collective action, everything is at stake.



The independent Global Stocktake (iGST) asked\* 12 experts their perceptions of equity in finance related themes of the Paris Agreement.

Tell us what you think, whether you agree or disagree...



\*ODI conducted these interviews, which is co-chair of the Finance Working Group of the independent Global Stocktake (iGST)

# What would equitable climate finance look like?

Countries with more **HISTORIC RESPONSIBILITY** for climate change and **GREATER CAPABILITIES** should **PROVIDE AND MOBILISE FINANCE** for countries with less responsibility and fewer capabilities.



**HOW MUCH** climate finance should there be,

given **BY WHOM** and **TO WHOM**;

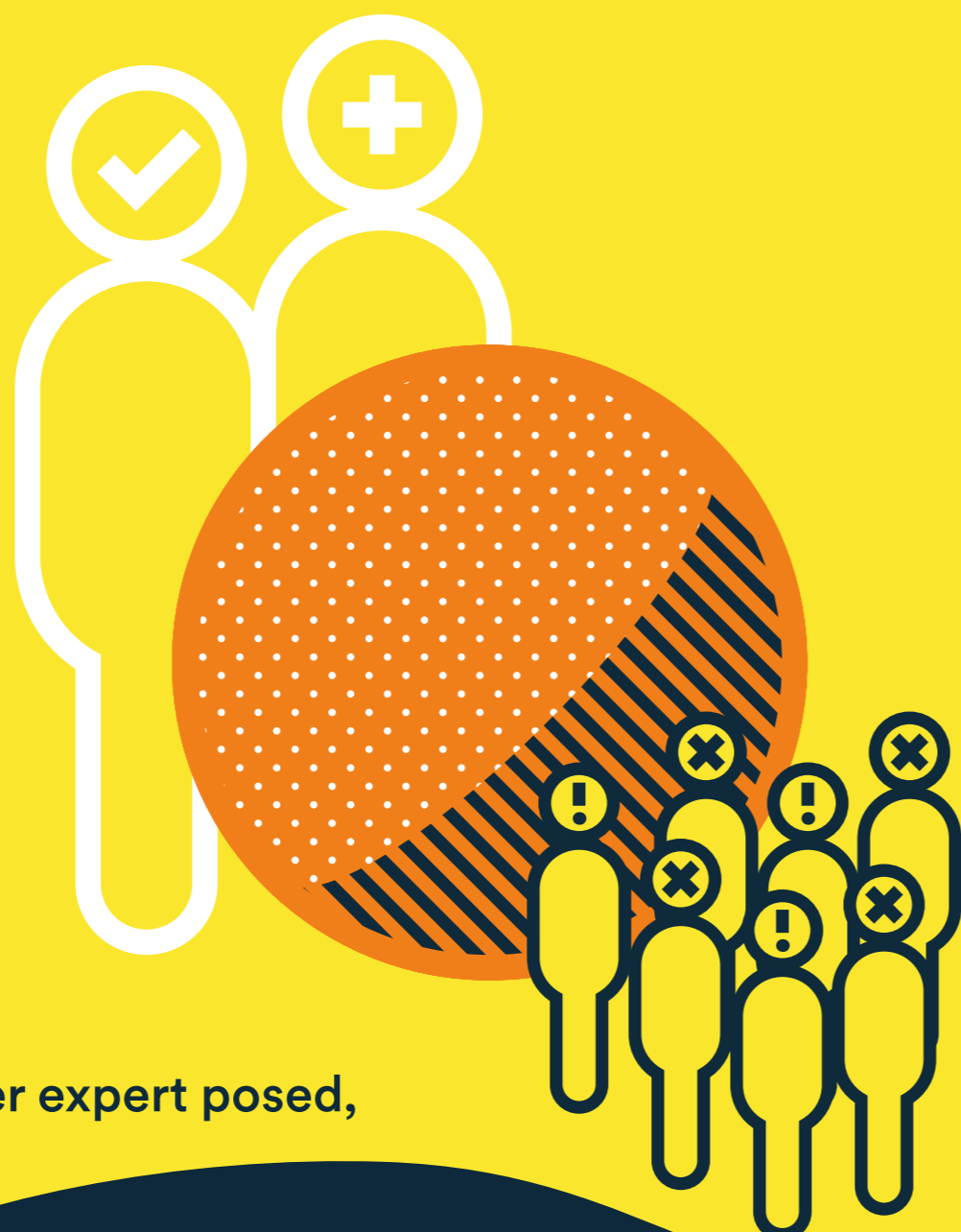
**HOW**; and **ON WHAT** conditions?

But, answering these questions is politically charged

# Whose interests is the climate finance agenda serving?

One expert stated,

"Climate finance access and threshold criteria is often driven by the UN and multilateral development banks — often without much perspective or input from developing countries."



Another expert posed,

"Bias for mitigation is evident in private, bilateral and multilateral funding, and even in NGO funding. Mitigation anywhere delivers global benefits, but adaptation is viewed with a narrow, territorial framing."

# Are there contradictions in finance flows?

**TOTAL GLOBAL FINANCE FLOWS DWARF FINANCE FOR CLIMATE ACTION** and are often **INCONSISTENT** with climate objectives.

One expert expressed,

"Actors driving climate finance are investing far more in fossil fuel and high emitting industries and sectors than in climate finance."

This sparks **DISTRUST** and illustrates that **NORMS** and **AGENDAS** outside of climate deliberations will **INFLUENCE PERCEPTIONS OF EQUITY** in climate finance.

# How can we tackle inequity in climate finance?

One expert posed,

"A just approach would be: for developed countries to work with developing countries together to make assessments of shared future shared security, instead of putting onus on developing countries of demonstration in negotiations, like a continuation from colonialism."

Another expert stated,

"Inequity in climate finance cannot be resolved in a linear fashion. The entire system must change, including fossil fuel subsidy reform, transformation of the global financial system, climate-smart and sustainable debt restructuring and a mindset shift to collaborate for a shared, prosperous future."

**THE GST IS AN OPPORTUNITY TO ACKNOWLEDGE CHALLENGES OF EQUITY AND FAIRNESS IN CLIMATE FINANCE, AND UNDERTAKE WORK TO HEAR PERCEPTIONS, BUILD TRUST AND RAISE COLLECTIVE CLIMATE AMBITION.**

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