Climate Change Negotiation Technical Paper Series

Durban to Doha

Climate Finance: In search of additionality, accessibility and equity

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Discussion Paper

Draft version for comments and discussion

Background

Discussion on financial mechanism under UNFCCC seems to be an issue where developed and developing countries' views differ considerably. Continuum evidence of climate change by IPCC in their various assessment reports and associated scientific reports from other bodies makes adaptation and mitigation as the most comprehensive ways to tackle the impacts of climate change. However, adaptation and mitigation efforts by the developing countries could not advance to its expected level due to financial constraints. Even though finance discussion occupies the central focus for the last few COPs, but the outcome has been criticized for its insufficient scale and institutional framework.

Since Copenhagen, developed countries repeatedly have been showing their interest to raise fund for assisting developing countries in climate adaptation and mitigation, but except few bi-lateral efforts (mostly diverted money from Official Development Assistance), the world did not see any collective action at global or even regional scale. The basket of commitment further enriched in the recent international climate negotiation (COP 17[4]), where the Annex 1 parties promised to mobilize 100 billion USD additionally by 2020 under Green Climate Fund (GCF). The issue of finance robustly came into attention to the global community as the outset of First Start Finance (FSF) discussion at Copenhagen conference of the parties in 2009, where the developed countries promised to allocate 30 billion USD for the period of 2010-2012, with a balanced share both for mitigation and adaptation. They also agreed to disburse these funds beyond Official Development Assistance (ODA).

Subsequently, in Durban (COP 17) the Annex 1 parties further pledged to mobilize additionally 100 billion USD by 2020, as a commitment for long term finance, to meet the raising demands of climate finance by the developing countries. Such pledge after pledge bring forth particularly two critical queries: how the developed countries could define the additionality of climate finance? and how this large amount of financial assistance could be raised?

Understanding how much and what types of support will be available to advance the actions on low carbon, climate resilient development, and how these types of

[4] Seventeenth Conference of the Parties held on 28th November to 9th December at Durban, South Africa

supports correspond to countries' needs, and whether financial resources are being promised are too crucial to build the trust among parties and to ensure the effective utilization of the available financial resources. This policy brief particularly focuses on the debates relating to the rights and additionality of climate finance and several others issues, which were placed on the Durban negotiation table and recommends the feasible next steps to be discussed in the COP 18 and onwards.

Historical Overview: Financial mechanisms in climate regime

Financial mechanism has been regarded as a separate pillar since COP 13 at Bali, Indonesia, where a comprehensive process, termed as the Bali Action Plan (BAP), was launched to implement the convention sustainably through long-term cooperative action (LCA) up to now and beyond 2012. Underpinned on the COP decision at 2007[5], the requirement for enhanced action on the provision of financial resources and investment was identified. To clarify and deepen the understanding of paragraph 1(e)[6], a workshop on "Investment and financial flows to address climate change'' was held during the second session of the AWG-LCA on 26th November 2008[7] that discussed couple of issues including scaling up financing, optimizing financing, creating enabling environments and appropriate incentives, governance of financial resources under the convention and additionality of climate finance.

Subsequently, a political accord was signed during the conference of the parties at Copenhagen (COP 15) that included the issue of first-start finance (30 billion USD) for the year, 2010-2012[8]. Since it was agreed to allocate a balanced share for adaptation and mitigation under first-start-finance, but it is much less clear where the money went and in particular how much went for adaptation and how much for mitigation? IIED and Brown University jointly carried a study on climate finance (2012)[9] and observed that only 10% of total fund so far spent on adaptation which is far from achieving the "balance" between adaptation and mitigation. Moreover, majority of the disbursement followed

[5] http://unfccc.int/cooperation_and_support/financial_mechanism/items/4053.php

[6] Paragraph 1(e) of Bali Action Plan focuses on how financial support for developing countries should be generated, governed and delivered.

[7] For details please visit http://unfccc.int/resource/docs/2008/tp/07.pdf

[8] http://unfccc.int/files/adaptation/application/pdf/inf_fsf.pdf

[9] The eight unmet promises of fast-start climate finance; http://pubs.iied.org/pdfs/17141IIED.pdf

multilateral channels (such as the World Bank, UNDP, etc) and bilateral agencies (such as DFID, GIZ, USAID, etc), other than developing countries demanded UNFCCC created funds such as the Adaptation Fund and the Least Developed Countries Fund.

In between the Cancun (COP 16) and Durban (COP 17) conference of the parties, an inter-sessional meeting was held on 1-7 October, 2011 at Panama[10], where the negotiators discussed the issue to be forwarded to the Durban negotiation table for further discussion with a view to reaching in a consensus agreement. Later, from 2-4December 2011, over 700 local Government representatives from across the world gathered at the Durban LG convention to attended a high level conference titled "Adopting to a Changing Climate"- to discuss the priority areas for discussion for COP[11] 17/ CMP7[12] and beyond. The decision on First Start Finance was taken basically as a testing ground for long term financial support for climate change mitigation and adaptation. Taking into account the need of developing countries, financial responsibilities mainly vested to developed countries for their historical emission responsibility based on the principle of fair burden share.

Later in 2010, during the Cancun Conference of the parties (COP 16) a decision on long term finance was taken for the year of 2013-2020 through the proposed Green Climate Fund. The discussion continued in Durban (COP 17) also with a focus on operational framework for Green Climate Fund which was first launched in Cancun (COP 16). Despite couple of initiatives, source of funding yet to be settled. Under this circumstance, the question of the additionality is adding a new dimension to the climate finance discussion. The issue becomes complex since a gap has emerged in between the ending of first-start finance (2010-2012) and time to reach a decision on long-term finance and its implementation (2013-2020).

The Gap between commitment and Reality

The Copenhagen Conference of the parties (COP 15) came up with an idea of

10 http://unfccc.int/meetings/panama_oct_2011/meeting/6247.php

11 Cop- Conference of the Parties

12 CMP- Conference of the Parties serving as the Meeting of the Parties

establishing a financial mechanism for the year of 2010-2012 (i.e. First-start finance which amount to 30 billion USD) where developed nations would generate money to help the developing and most vulnerable countries of the world with a balanced share for climate change adaptation and mitigation finance through several windows including public, private, bilateral and multilateral.

Developed countries' historical responsibility should be reflected through financial assistance to developing countries, but often times they pay a deaf ear regarding "fair burden share" and violate the Article 3 section 1 of the UNFCCC[13]. A lack of political realism[14]among the state players ultimately resulted in the emergence of two opposing groups in climate negotiation table at Durban; the first group consisted of the donors and the later consisted of the recipients.

Since the decisions on GCF taken into account at Copenhagen, a curtain was found in between the decision of short and long-term finance and its implementation procedures that gave rise to several questions that are still needed to be settled (See table 1) –

Table 1: Query related to climate finance

Query to be answered regarding Finance	**Issues of great debate at Durban regarding Finance**
How to fulfill the pledge and from what source?	Long-term finance;
Which institutional channel is needed to use or create? How to balance and rationalize the global financial architecture?	Green Climate Fund (GCF); Report of the Transitional Committee on GCF;
Whether and how to align the monitoring, reporting and verification (MRV) climate finance with that of emission reduction?	Principle of Climate Finance(Adequacy ,predictability , equity, public); and Principle of governance of Climate Finance.

Source: www.unfccc.int, www.twnside.com

Issue of Additionality in Climate Finance:

Additionality in climate finance is another unresolved issue as most of the time it is treated same as Official Development Assistance (ODA). The developed countries have to provide 0.7% of their GNI as ODA for the purpose of poverty reduction and

[13] The principle of common but differentiated responsibilities and respective capabilities has been defined in the Article 3, section 1 of the UNFCCC (1992).

[14] Political realism is a theory of political philosophy that attempts to explain, model, and prescribe political relations.

development related activities in developing countries as decided the United Nations General Assembly in 1970; but the Annex 1 parties often tends to include climate finance with the Official Development Assistance (ODA). Unfortunately, both Copenhagen and Cancun conference failed to define additionality of climate finance. Different views exist in defining and interpreting additionality of climate finance:

Climate finance should not be included in 0.7% ODA

This definition is supported by Netherlands and Norway. In 2005, the developed countries pledged to reach the 0.7% target by 2015[15]. According to this definition any types of financial support or aid by the developed countries to the developing countries should be in addition to this 0.7% ODA. This means, climate finance should be over or above the 0.7% ODA.

International development community does not support to include the climate finance into the 0.7% ODA. The argument behind this is that, although climate finance is also a part of ODA but if it included with 0.7% of ODA then there is a possibility of diversion of 0.7% ODA from longstanding commitment to support traditional development needs for the poor countries. From political perspective this has two different implications just like the two sides of a single coin; at one side, due to the current economic recession of Europe it is almost difficult to provide any financial support for climate change in addition to 0.7% ODA. On the other side of the same coin, from the perspective of developing country, if the climate finance is provided as part of 0.7% ODA then their traditional development initiatives could be hampered due to financial limitations. This is because most of the developing countries are poor and the climate induce calamities imposed additional burden to their tormented shoulder.

ODA disbursement in 2009 should be considered as the baseline of future disbursement

This definition, regarding the additionality of ODA, is supported by Germany. According to this definition, increase in any amount of ODA disbursement on climate change after 2009 should be considered as additional. Here the disbursement of ODA in 2009 is considered as the reference level. For instance, if country disbursed 2.0 million USD ODA towards climate change

[15] for details please visit http://ec.europa.eu/europeaid/how/delivering-aid/monterrey_en.htm

in the year of 2009 and is intended to disburse 3.0 million USD in 2010, then the 1.0 million USD would be considered as additional (subtracting the reference level 2.0 million USD from 3.0 million USD).

Firstly, if 2009 ODA spending is considered as baseline then there would be a possibility of the diversion of ODA spending from development assistance in poor developing countries. For example, country like the USA provided only 0.2 %(OECD website 2010) ODA in 2009 and has limited contribution in climate change funding. In that case if 2009 ODA spending is considered as baseline, it is highly likely that the future spending on climate change will be diverted from the 0.7% level of ODA spending on development in poor countries. On the contrary, countries like Netherlands, who has already meet the 0.7% ODA target, any additional money spending, which is above 0.7% ODA target, does not mean any possibility of diversion from developmental support under ODA in developing countries (www.climateFundsUpdate.org). These foregoing two case studies imply that acceptance of such definition would have different implication in terms of cross donor equity. Moreover such definition would give the Annex 1 parties 'a last mover advantage' over countries who have already meet the 0.7% target.

Increase in Climate finance spending should not be included to ODA

Another definition of climate finance additionality is that climate finance spending should not be included to the ODA target. This definition separates any amount of financial support for climate change from the ODA target. However, the separation of climate funds does not imply how funds would be raised. The challenge of this definition is structural and monitoring. The donors countries will face political challenge on designing the structure of this new financial mechanism and also tracking the flows of climate finance.

Spending on Climate Finance should be limited to 10% of traditional aid

According to the former prime minister of United Kingdom, Gordon Brown, climate finance should flow in line with the traditional aids and should be limited to a certain portion, which is up to 10% (Brown's Speech 2009). The developing countries need for development assistance for poverty reduction should not be replaced by finance for adaptation and mitigation.

Climate change has been aggravating the poverty situation in developing countries. It is therefore important to address both climate change and poverty simultaneously in developing country. An overlap between development assistance and financing for climate change mitigation and adaptation will limit either spending on climate change or poverty. To this proposition, it is important to identify how much money is needed for adaptation and mitigation in developing countries. However it is difficult task to identify due to overlapping nature, as stated earlier. On the other hand, Annex 1 parties who failed to reach targeted 0.7% ODA, the ratio to ODA spending seems to be based on the current scenario of contribution. In that case the developing countries would hardly be benefitted due to the possibility of the diversion of ODA spending from development assistance to climate change mitigation and adaptation.

Debate over the additionality of Climate Finance

Discussion on additionality of climate finance under UNFCCC and other fora has been focused but an unresolved issue for the last couple of years; which is partly due to overlap between Official Development Assistance and the financial flows to address climate change. ODA diversion from traditional development assistance to mitigation and adaptation activities in developing countries gives rise to few questions like how the poor developing countries will reduce poverty and achieve economic growth; how countries are able to cope with changing climate; are there any implicit tradeoff between responding to climate change and reducing poverty; and how could ODA and flows of climate finance meet their stated goals without compromising others?

Both adaptation and mitigation is considered as prerequisite to achieve the MDGs. An analysis of aid flow shows that, if much of the ODA is allocated for adaptation and mitigation activities than other sectors like education, health then achieving MDGs will be a distant dream.

Needs for Climate Change and development finance vary from sectors, again between geographical areas. If climate finance follows the adaptation priorities then finance for climate change would be high in developing countries, in compare to financial assistance for development activities.

Finance for adaptation in sectors like water would be very high in Middle East, Asia and

Latin America. Similarly finance in sectors like education, health and aid for trade in Africa would be low if the traditional aid is used to address climate change needs. Despite some overlapping priorities, in most cases development and adaptation efforts are complementary. It is therefore very urgent to ensure a new source of additional finance to address climate change.

Climate Finance in UNFCCC Negotiations

Discussion over financial issues in UNFCCC has undergone several phases since Copenhagen. Sometimes it seemed the discussion was going to produce a comprehensive consensus based financial mechanism; soon after it found locked in new complexity. The views on finance not necessarily vary between developed and developing countries rather within developing countries' block it varies considerably based on regional or polito-economic interest.

In case of fund raising, majority of states called for a 0.5% or up to 2% of developed country's GDP to be spent on climate action. Brazil and EU proposed a fixed amount for adaptation finance (i.e. US 67bn or 100bn Euro). Bangladesh proposed "the polluter pay principle" using a green or carbon levy as air passenger duty. Norway suggested for auction of assured amount of unit but it was unclear whether revenue will flow to existing funds or not. G77 and China was opting for a uniform global tax on CO_2 emission with exemption of developing countries as a source of additional climate finance.

Green Climate Fund (GCF):

During the sixteenth conference of the parties at Cancun, a Transitional Committee was formed, comprising 40 members, with 15 members from developed country parties and 25 member from developing country parties to design the operational structure of Green climate Fund.

The Transitional Committee met four times in 2011 but failed to agree on several issues relating to finance.

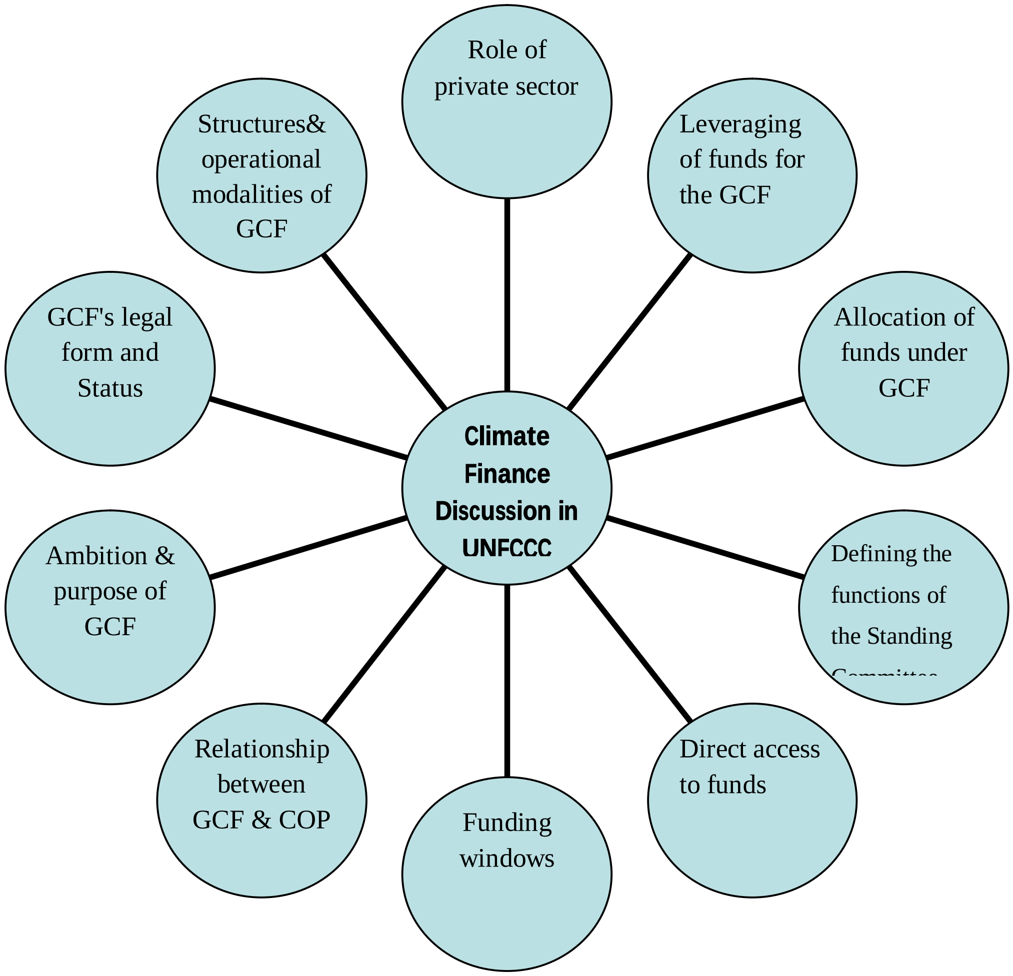

Figure 1: Financial negotiations in UNFCCC

There were divergent views on procedures as suggested by the Transitional Committee (TC) which included the governing instruments of the fund as it was not adopted in consensus, following the objection from the USA and Saudi Arabia. As included in the appendix 5, USA has been consistently supportive of the GCF since 2009 and emphasized on the importance of leveraging private finance. The G77 and China called for an open, transparent and inclusive process through a contact group to draft necessary decision for the COP related to the GCF. European Union (EU) regarded GCF as an essential part of a balanced package and argued that continuous debate on the draft composition is counterproductive. Democratic Republic of Congo, on behalf of the Africa Group urged that despite some limitation the fund should be made operational. On the other hand, Norway, Indonesia, Grenada and other states agreed to accept the draft as with minor corrections.

Regarding the governance of the climate finance, a debate over public and private finance is also noticeable. The basic argument that private sectors may not be interested to invest on agriculture or disaster risk reduction, as current trend shows due to little profit incentives in these sectors, even though many core adaptation activities are taken place in these sectors as identified under NAPA[16]. Under this scenario, it is rational to opine for public finance source for the committed 100 billion USD as Green Climate Fund.

Debate also mounted on management of the fund. The developing countries are in favour on direct access and argued that the fund should be managed by UNFCCC, but the developed countries proposed the fund disbursement either by own bilateral aid channels or World Bank managed climate investment funds. The negotiators also put emphasis on a virtual extension of the aid architecture. This is because a new balance of power, responsibility, and accountability that could enhance recipient country's ownership.

Issues of Adaptation and Mitigation Finance: Critical Scenario for LDCs

Adaptation finance distribution among the most vulnerable countries at the recipient end is uneven and also the scale of finance is not commensurate with estimated needs. Sub-Saharan Africa receives the highest volume of finance for adaptation with an average of share of 35.2% of total adaptation disbursement in 2010-11 (Table 4). And,

[16] NAPA- National Adaptation Programmes of Action

other region of the world gets only 9.1 percent for their adaptation and mitigation actions.

Table 4: Average share of adaptation recipients

Region	Percentage
Sub-Saharan Africa	35.2
Middle East & North Africa	8.6
Other Region	9.1
Asia-Pacific	27.4
Latin America	19.6

Source: www.fundsupdate.org

However, developing countries demand for finance is escalating with the increased impacts of climate change, which is also evident from UNFCCC report (2007) on investment and finance flows to address climate change. The report concluded that additional 10 thousand billion USD would be needed for adaptation and 200-210 billion USD for mitigation by 2030[17]. The World Bank also conducted a study in 2011 entitled *'The cost of adapting to extreme weather events in a changing climate'*[18] focusing Bangladesh and estimated that Bangladesh will require approximately 5.7 billion USD by 2050 from the increased risks of cyclone and inland monsoon floods in a changing climate along with climate smart policies to make the country resilient to the climate change.

Bangladesh in climate finance negotiation

This is no more rhetoric that Bangladesh contributes zero level GHG in global carbon emission, but suffers the most as the IPCC asserts the issue in their fourth assessment report. Bangladesh's demand, therefore, for support in adaptation is rational and international communities should pay more attention both in the form of fund and technology. Unfortunately, the country did not able to secure adequate fund for its adaptation programmes.

Bangladesh is very active in International negotiation forum both as a member of LDCs and MVCs. The country currently serves as the chair for MVCs along with co-

[17] www.unfccc.int
[18] www.worldbank.org

chairing transitional committee on finance. Bangladesh has been raising couple of issues both in UNFCCC and other climate related forums that gains wider support from other developing countries. The country has been advocating for a "Burden Sharing Mechanism" to ensure a balanced allocation both for mitigation and adaptation. This is because, currently in compare to adaptation finance, huge amounts of climate finance are disbursed only for the mitigation efforts. According to the official web site of UNFCCC, it is estimated that less than 20% of major dedicated public fund to date has been disbursed for adaptation[19]. It is therefore important to design the proposed GCF in a way that could guarantee a "fair share of resources for adaptation" that is also compatible with Transitional Committee's Terms of reference (Appendix iii, 1c) on achieving the objective of "balanced allocation between adaptation and mitigation[20]. Bangladesh also demands for a transparent climate finance governance having the authority of management to accountability to COP. The country further opts for a legally binding adaptation framework.

Searching for a equitable and accessible financial regime

International climate finance is highly fragmented, leading to duplication and inefficiency. Moreover, it is neither transparent nor accountable. During COP 17, the rich industrialized states failed to implement what they had pledged at Copenhagen and Cancun regarding climate finance. These include-

A balanced financial support both for mitigation and adaptation:

Major share of climate finance is approved and disbursed for the mitigation activities, where emerging economics like India, China, Brazil and South Africa are getting more access than most vulnerable developing countries. In between 2004 and 2011, approximately 2.97 billion USD has been approved for mitigation projects through dedicated climate funds and 1.17 billion USD has been disbursed to date[21]. Least developed countries, who are also most vulnerable to climate change, are deprived of getting sufficient access to climate finance as most of their priority is

[19] For details please visit http://unfccc.int/files/cancun_agreements/green_climate_fund/application/pdf/can_submission_on_general_submission.pdf

[20] http://unfccc.int/resource/docs/2011/cop17/eng/06.pdf

[21] See www.climatefundsupdate.org

adaptation and also technical complexity in fund disbursement. LDCs, therefore, urged for a balance financial support for adaptation and mitigation. Although both the Copenhagen accord and Cancun agreement put emphasis on a balance financial support in line with the demands of the developing countries, but the reality never reached the expectation of the developing mass.

Adequate funding and need based targeting

Currently, bulk portion of adaptation and mitigation finance is going to the emerging economics such as China, India, Mexico, Turkey, where emission are growing rapidly compared to the developing and least developed countries. The Forum of Vulnerable Countries argues that the adaptation finance should be on "need based targeting". The fund provided by the developed countries fails to meet the basic need related to climate change, such as the replenishment of the Least Developed Countries Fund. Of the 2.5 billion USD required to fund National Adaptation Programmes of Action in the Least Developed Countries, developed countries have contributed only USD 455 million[22], which is insufficient and even huge shortfall from the pledged amount. Until June 2010, the LDCF[23] had funded 36 projects in 32 LDCs, allocating USD 126 million in total with an average projects size of USD 3.5 million. The level of funding for implementation of priority adaptation projects is inadequate given the scale of the adaptation challenge which LDCs have been facing. Moreover, with increased pace of challenges posed by climate change, previous estimated amount of USD 4 billion seems inadequate and the scientists are now arguing that $ 17 billion may be required per annum by 2030[24]. In response, total disbursed funds for climate change initiatives, both within and outside of the UNFCCC, add up to only USD 2.3 billion[25].

Fair burden of share

The idea of fair burden sharing is linked to the debate on Common But Differentiated Responsibility (Article 3, section 1) Vs Common For All. The ongoing tension between the developing and developed nations is now fueled by the disagreement on CBDR principle. There exist a huge gap in between the financial commitment by the developed nations and its fulfillment (see the table 5 given below). The developed

[22]See , Adaptation finance: how can Durban deliver on past promises? www.iied.org

[23] LDCF- established in 2001 to support the LDC Work Programme.

[24] www.unctad.org

[25] See www.climatefundsupdates.org

countries are yet to provide a sufficient amount as climate finance.

The table 5 shows the gap in between the financial commitment and its fulfillment

Fund	**Pledged (million)**	**Deposited (million)**	**Approved (million)**	**Disbursed (million)**
Adaptation Fund	USD 273.52	USD 257.91	USD123.94	USD 30.14
Least Developed Countries Fund	USD 425.57	USD379.07	USD188.57	USD115.24
GEF Trust Fund-Climate Change Focal Areas	USD1032.92	USD1032.92	USD1152.57	USD941.00
Clean Technology Fund	USD 4433	USD2992.47	USD1937.50	USD384.00
UN REDD Programme	USD150.84	USD119.65	USD108.13	USD9.90
International Climate Fund	USD4640.00	-------------------	USD231.44	-------------
Total	11099.55	2089.02	3742.15	1480.28

Source: http://www.climatefundsupdate.org/projects

A consensus source of finance

The Durban conference (COP 17) failed to adequately address a consensus source of financing for the developing states to make them capable to cope up with the severe impact of climate change. However, during the Copenhagen Conference (COP 15), Annex 1[26] parties or the rich industrialized nations pledged to provide additional 100 billion USD as long term finance by the year of 2020 for the developing countries and decided to form a Green Climate Fund, sequentially put in to place at Cancun. A comprehensive and predictable funding system is needed for the developing states. Even though at COP 17, the parties attempted to clarify the ways of operating and dispersing the GCF, but the mechanism yet to be operationalised.

Transparent governance

Transparent governance of climate finance often refers to the measurement, reporting and verification (MRV) of finance. This is very important to build a robust climate regime for both developed and developing countries. The developed countries could use MRV to gain international recognition for their financial support as well as the developing countries also can gain assurance that the pledged amount of money is delivered. Moreover, this can also help stakeholders and policy makers to assess the scale of support provided and identify the gaps in sectors or region to ensure need based targeting.

At Durban, the issue of transparent governance of climate finance came in a variety of contexts (i.e. measurement, reporting, and verification) in the final agreement on long-term co-operative action. From the sections of reporting and review for the developed and developing countries to the registry, to the standing committee, make these multitude provisions of transparency of climate finance as a challenge. In reality, the negotiators at Durban fall short to ensure what is needed for the transparency of climate finance.

Message to Doha: LDCs position

The structure of climate finance (i.e. windows to finance, source of finance, governance of finance) is still confined to a complex web of contradiction. Lots of negotiations have been taken place from Bali to Durban, but what the actual outcomes are some broken promises. Due to

[26] Annex 1 parties includes the industrially developed states (i.e.USA, Canada, EU, Australia, etc)

the inconsistencies in labeling and defining the windows of climate fund, the operationalization of long-term finance is in a hanging position.

We may have enough time for further negotiation, but no time for LDCs struggle for survival against climate change. Any further delay will cost more than proposed annual demand of USD 100 billion. Considering graving vulnerability, LDCs demand should be prioritized both in finance allocation and easy access. Objectively, Doha conference can uphold the spirit of the convention through protecting the rights of LDCs who are the sufferer despite not being offender. LDCs, therefore, demands:

To put emphasis on public source of finance;

To ensure that climate finance is framed by considering the relationship between rights-holders and duty-bearers[27]*;*

To ensure that the Annex 1 parties would filled up the gap of post-2012;

To settle the debate between "CBDR Vs Common for all" regarding finance;

To retreat from the donor-driven priority to determine needs in terms of finance at national level

To finance irrespective of their national interest for the betterment of the earth;

To settle the road map for long-term financial source

At Doha, the discussion on finance should take into consideration the existing relationship between the donors and the recipients and a new global response to human-induced climate change, in which industrialized countries should respond by applying the principle of common but differentiated responsibility (CBDR).

Moreover, the normative framework which includes Human Rights, International Environmental Law and Democratic Approaches are very crucial for the mobilization and disbursement of climate finance. Alongside national ownership, accountability and transparency mechanisms should be ensured.

[27] *Due to the principle of historical responsibility the concept of fair burden share was evolved. It means those who are more responsible for climatic changes (the duty bearers, i.e. the industrialized states and the emerging economics like India, China) should takes the burden of climatic impact on developing countries, who produced a low level of GHG, which caused climate change. As a result here the developing and most vulnerable states are appeared as the right-holders.*

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