NEGOTIATING CLIMATE CHANGE IN CRISIS

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20. Climate Finance and the Promise of Fake Solutions to Climate Change

Sarah Bracking

This essay explores how promises of money from global institutions and governments have financialised people's hopes and expectations of government action to adapt to climate change and slow the emission of greenhouse gases. Because of the cultural power of money in our understanding of the world, climate finance has had the particular job of signifying action while delivering very little. In order to move forward with the actual material changes to energy, infrastructure, production and income distribution that lie at the heart of an effective response to climate change, we need to accept that largely fictional promises of money that 'can change things' are a phantasmagorical expression of meaning—a firewall that prevents real change. In making this point, the essay traces the small disbursement figures for the main pots of climate finance and in doing so offers a stringent critique of the obfuscating power of the language of finance.

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Introduction

Finance is a key contemporary mediator of the relationship between humans, more-than-human natures and Nature.[1] This chapter explores how promises of money from global institutions and government have financialised people's hope and expectations of government action to adapt to climate change and slow the emission of greenhouse gases. Because of the cultural power of money in our understanding of the world, climate finance signifies extensive action. In practice, however, it is small and delivers even less (as also articulated by Kaplan and Levy, this volume).

Material and foundational changes to energy regimes, infrastructure, production and income distribution lie at the heart of an effective response to climate change. In order to progress with these changes, we need to discard the largely fictional promises of money that 'can change things' which act as a phantasmagorical expression of meaning: becoming a 'firewall' or barrier that prevents real change. We are being offered a financialised spectacle of climate change action which obscures both the empirical reality of ecosystem and biodiversity loss, and the uncomfortable imperative of how our ways of living need to change (as also foregrounded by Halme et al. and Harris, this volume). This essay is intended as a plea to give up on the idea of money as our conduit for action in favour of real shifts in production and in human and more-than-human relations.[2]

I proceed by exploring the definition, amounts and governance of climate finance that we currently have through a set of eleven propositions and their evidenced negation.

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1 'More-than human' refers to the subset of the whole of nature that is not human—all other animals, trees, plants and so forth. For definitions of this term, and other related terms such as 'beyond-human', 'other-than-human' nature(s) or 'nature-beyond-the-human' I draw on Sullivan (2015: 3). For an extended ontological discussion see also Sullivan (2017).

2 This chapter updates an earlier version published in 2011 as the Green Climate Fund was being brought into existence in Durban, South Africa. See 'Climate Change: Beware,large-sounding-sum-of-moneyapproaching!',https://www.theafricareport.com/7959/climate-change-beware-large-sounding-sum-of-money-approaching/.

Proposition 1: Climate Finance is Big and Expanding

The Paris outcome (COP21 2015) urged developed nations to mobilise US$100 billion per year by 2020 for climate action in developing nations. Partly as a consequence, many commentators believe the volume of public and private finance addressing climate change is slowly rising in aggregate toward this number—particularly at the sub-national level and by non-state actors—but that there remains a significant and large investment gap (UNCTAD 2020). In this world view, the Organisation for Economic Co-operation and Development (OECD) (2017) has estimated an 'infrastructure gap' of US$95 trillion globally in the investment required for energy, transportation, water and telecommunications decarbonisation transitions by 2030 to address climate change, of which 60–70% will be needed in developing countries.

These and similarly large-sounding numbers have inspired a wide body of work discussing the merits of blended finance and climate congruent activities of non-state and sub-state actors, such as corporations and cities, in order to meet the financing challenge in a climate crisis that is multi-scalar. Many academics and the public have also been mesmerised by this idea that we are discussing large numbers—but we are not. Current climate finance for adaptation that is unique, additional, and concessionary is approximately, on a generous interpretation, US$29 billion per year *globally* (Buchner et al. 2019). But even this figure is inflated. The NGO Care International recently analysed the details of reporting and wrote that official figures were hugely exaggerated, arriving at $9.7 billion globally as a corrected figure for 2018 (Care International, 2021). Paltry at $0.0097 trillion.

Whether estimated in billions or trillions, however, money matters in context, and in relation to how you count. For example, whilst the 'infrastructure gap' of US$95 trillion mentioned above evokes an emergency, it is in fact similar to 'normal' levels of investment that would be made anyway in a global economy of a ballpark $170 trillion. At best, these figures remind us of the real need to switch investments *in type and purpose* to decarbonisation pathways. Unfortunately, this switch is slow, and so far has been market-led as the price of energy generated from renewable technologies falls below the cost of energy generated by burning fossil fuels. The role of regulation and government action has

contributed very little to the speed of this shift (as also noted by Wright and Nyberg, and Newell, this volume). Few governments have forcibly closed coal mines or oil fields.

Meanwhile, although the 'billions' figure for 'climate finance' from Paris sounds big, US$100 billion equates to only $0.1 trillion, and has not been implemented in practice. Indeed, the main purpose of the 'huge gap + large-sounding commitment' rhetoric appears to be to legitimise the next fashionable tinkering and boutique products of the climate finance market, and to privilege the private sector as a trustworthy handmaiden of change.

Proposition 2: Climate Finance is Innovative and Bespoke

This fore-grounding of the private sector in climate finance fits a wider pattern as capitalist development faces a legitimacy crisis, which has in turn generated a green-washing or 'green halo' effect (Sörqvist et al. 2015), involving constant rebranding of 'brown investments' and the lauding of finance, technology and innovation as components of a growing green economy (Bracking 2012, 2019; Sullivan 2012, 2018a). The depiction of 'greenness', complexity and novelty within environmental finance products appears to hold its academic and wider audiences in awe. This is despite the continuation in practice of both the environmental injustices born of centuries' old private property relations (see Lave 2018; Bigger and Millington 2020), and the salience of traditional metrics for calculating financial return, such as the discounted cash flow model, where 'green' is still a poor add-on.

Alongside grants, debt-based instruments have grown in type and apparent dedication, such as municipal bonds, habitat bonds, conservation bonds, species bonds, climate bonds, green bonds and more latterly transition bonds and sustainability bonds (Sullivan 2013, 2018b; Bracking 2019). These last two are the latest products, saluted and enthroned as comprising a spectacularly growing asset class in the UNCTAD 2020 *World Investment Report*. Private sector involvement is also growing in insurance-based instruments: climate risk insurance and securitisation (Taylor 2020), catastrophe bonds, hazard and disaster risk insurance (Surminski and Architesh 2020), and even humanitarian

and pandemic health insurance (World Bank 2017; Erikson and Johnson 2020), although many products are faltering without public sector involvement to subsidise the cost of risk and artificially create 'demand' from a body who can afford to pay (see InsuResilience 2020). Many of these instruments promise the incorporation of modern innovations in algorithmic and artificial intelligence, weather and risk modelling, earth observation and even blockchain and cryptocurrency technologies as providing efficiency gains in what is basically debt finance.

These convivial sounding bonds and insurance products, however, also act both as a firewall and fetish to protect against encroaching reality, and provide a new means of providing debt-based finance to entities often already in ecological and financial deficit (see Jones et al. 2020). They largely fund incremental shifts in industrial emphasis, rather than the seismic shifts needed for meaningful infrastructure decarbonisation.

Proposition 3: Climate Finance Is a Distinct and Additional Source of Finance

Although an internationally-agreed definition of 'climate finance' has been elusive, the United Nations Framework Convention on Climate Change (UNFCCC) now refers to it expansively as "local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change" (UNFCCC 2019: online). This definition signals the move in conception away from more traditional ideas of climate finance as principally flows of public development aid, concessional loans and grants, to a polycentric mix of public and private capital leveraged using financial technologies and institutions, governed by a range of actors in various combinations (Pattberg and Widerberg 2015: 685). Put more critically, what is envisioned is a New Washington Consensus[3] which subsidises investors in order to leverage and reward private capital (Mitchell and Sparke 2016).

3 The 'Washington Consensus' refers to the agreed set of conditionalities structuring lending to states by International Financial Institutions, post-1989, which thus shape flows of finance directed towards reform and structural adjustment.

In terms of the private green bond market where money to alleviate the effects of climate change (adaptation finance) or slow down and reduce the things that cause it (mitigation finance) is raised as 'climate bonds', 'green bonds' or 'transition bonds' (to help dirty or 'brown' industries change to be cleaner and more 'green'), the classification of what is 'green' is decided by the issuer in a 'self-labelled' action. Or it is classified according to what the money will be spent on—'use of proceeds'—with some reference to either the issuers' narrative or to a common 'standard' such as the Climate Bond Principles. This is kept deliberately vague, apparently so that market entrants are not deterred by too much regulation.

In terms of the public sector, climate finance is different, or additional, to market-based loans only because of the provenance of the issuer and the context of the lending. Climate finance is a part of a bigger pool of money generically called concessionary finance from governments, which includes grants, loans, and more recently 'blended finance'—a mixture of public and private money. Some call all of these categories 'aid'. The sums quoted are directly related to how it is counted and categorised, rather than to any actually growing amount of money or, technically, 'liquidity'. When public money is joined with private money as 'blended finance', the claim to be green or developmental, or both, is decided by the issuer and the regulator of official development assistance (ODA, or 'aid'), the OECD. In relatively new statistical rules implemented by the OECD *Development Assistance Committee* (OECD 2020a, 2020b), classification criteria were made more expansive, and reclassification of commercial flows as concessionary spiked, while actual grants have shrunk from most major countries. Now, anything looking vaguely developmental or climate-related can be added into the data as 'blended finance', even if it transfers from seller to buyer (or donor to beneficiary) at market rates and above. In other words, blended finance can be more expensive than private finance, but can be seen as 'green' or 'developmental' just because of who is issuing it and the authority of their claim to be 'green', within the technical rules of classification for overseas development assistance. Actual global climate finance in the form of grants were a measly $27 billion per year for 2017/18 (Climate Policy Initiative 2019: 12). The OECD estimates climate finance grants from the 'developed' to 'developing' countries at only $12 billion per

annum from 2016–2018 (OECD 2020c: 9). Even here, we are including in the totals the salaries and overheads of the organisations delivering the money. On the ground, climate finance adaptation resources for the most vulnerable are as rare as an endangered species.

Proposition 4: Climate Finance Can Be Better as Blended Finance

The OECD *Development Assistance Committee* (OECD 2020b) argues that blended finance is the answer to drops in bilateral and multilateral public finance and offers synergies for increased efficiency, augmentation and the alignment of public and private ambition. Blended finance refers to public funds pooled with private funds, largely under private fund management. It forms the centrepiece of the 'billions to trillions' narrative (World Bank 2015; UNCTAD 2019) of mobilising private finance to meet the Sustainable Development Goals (SDGs) 'financing gap' of USD2.5 trillion per annum in developing countries (UNCTAD 2014). Often the public money is used to 'de-risk' the investment, which means that if it fails, the public sector takes the loss, and if the investment succeeds, the public sector has the last and worst dividend. It is a bonanza for private investors who enjoy highly competitive market rates on their 'tranches'. Within the blended finance realm, development and climate change management have morphed and merged into new categories depicting synergies and mutual co-benefits, often hiding contradictions in practice inherent to decarbonisation pathways.

In the context of climate finance, the official and hegemonic position dates from the Kyoto Protocol and sees an unproblematic synergy between market logic and public sector policy (Andrade and de Oliveira 2015). Current international climate governance thus emphasises partnerships, synergy with private actors, blended finance and leverage of private funds, alongside consensus-oriented governance driven by "[m]arket-oriented rationales" (Kuyper et al. 2018: 9). The *Climate Policy Initiative* compiles data on climate finance for their Global Landscape of Climate Finance report (Buchner et al. 2019). Their data for 2017–2018 show, for example, that finance for mitigation far outweighs adaptation, with the latter constituting only 5% of total flows. The former is paid to companies to clean up industrial processes to emit

less carbon, often quite incrementally, such as by putting in sulphur capture chimneys at coal-fired power stations. The 5% for adaptation is intended to help people 'adapt' and become 'resilient' to climate change as it undermines their livelihoods and ecosystems. For example, it might be a grant for drought-resistant seeds. Of the US$30 billion of climate change adaptation finance, grants from governments totalled US$29 billion, reflecting that there is little money from the private sector to fund adaptation—there is no profit in it. By comparison, private sector actors contributed loans (debt) at market rates to mitigation projects worth US$223 billion; equity investment to projects worth US$44 billion; and balance sheet financing (debt and equity) worth US$219 billion, with these latter categories largely contributing to the US$537 billion for mitigation overall. All of this private sector climate finance used to be called (normal) debt and equity investment, made up of finance expecting a (normal) market rate of return. Counting this finance as 'climate finance' involves the self-labelling of climate-related 'improvements', which in practice can be just about anything. At best it is funding alternatives to fossil fuel energy generation (with due regard to surrounding people, animals and ecosystems). At worst, it is financing such oxymorons as 'clean coal'.

Proposition 5: Climate Finance Can Be Found in Private Debt Products

The illusion of money solving a problem is also maintained by the private markets in climate finance's sibling products—the green bonds, transition bonds and sustainability bonds—all of which are apparently enjoying a boom (Sullivan 2018b; Bracking 2019). According to the UNCTAD *World Investment Report* (2020: v) "investment in the SDGs show that sustainability themed funds in global capital markets are growing rapidly. [... But] they show these finances are not yet finding their way to investments on the ground in developing countries". The boom in green finance can be attributed to both classification issues and to trends in the immanent market. In terms of classification, a number of features wildly inflate the sense of 'greenness', including: that any investment can be 'self-labelled' green by its issuers; generally only just more than 50% of the principal needs to be 'green' for the whole bond

to be classified that way; and because 'green' can be applied on the basis of a 'use of proceeds' narrative which may inflate the climate change mitigation/adaptation potential of the investments. In terms of the market, there has been a shift in the underlying cost of energy generated from renewable sources versus energy generated from fossil fuels, and many climate bonds and green bonds are simply following this market shift and investing in renewables because of better returns. This is a good thing, but giving these debt instruments the 'climate bond' or 'green bond' name makes it seem that investors are doing more than that; that they are in some way giving up a profit margin for the greater good. This is generally not the case.

In short, the private sector has been successful in continuing investments in existentially dangerous production practices, while simultaneously green-washing and reclassifying investments as green when the underlying asset and context has largely stayed the same. Meanwhile, all bond finance is still debt, and bonds issued in the Global South, particularly by municipal or sovereign authorities, ultimately extract from those least able to pay, and least likely to have historically caused planetary warming.

Proposition 6: Climate Finance Can be Found in Insurance

Climate finance also includes climate insurance, which is depicted as having several 'benefits' over other approaches to managing climate change. A loss and damage approach accepts that some people need compensation for losses that others have caused. Similarly, ecological debt and climate justice approaches endorse a variant of the 'polluter pays' principle where the victims of climate change are owed redress from the historical polluters (nations or companies). But climate insurance does not rest on these philosophical foundations, and for some this is seen as a benefit. For example, Horton (2018: 285) summarises in the Harvard-based *Carbon and Climate Law Review*, that climate insurance: "does not require that causation be demonstrated [...] is oriented toward the future rather than the past, [... and is] contractual, rather than adversarial". These three aspects make it look fair, based on the freedom of exchange that people widely associate with market-based

solutions—while obscuring all the responsibility and culpability that could otherwise lie with the historic polluters.

But the limits to climate insurance are that if you are rich, and making profits fast and first, you can ignore the need for it by shifting costs to others, normally by effectively moving them into a time in the future. In Florida or Miami, for example, real estate investors build new towers by the waterside and then sell their stakes within a few years with no continued flood liability (Taylor 2020). Conversely, if you are poor, and in the absence of any other investments in basic goods or welfare, insurance is often not available, and weather and disaster prediction technologies are of limited use. For example, in some parts of Mozambique, Zimbabwe and Malawi advanced warning of the tropical cyclone 'Idai' in 2019 was ineffective as persons had few options to mitigate the outcome of the disaster. Another scenario where insurance is not an option is when the risk is certain and not probabilistic. For example, where inundation by the sea is already happening in small islands, and where it is seen as a certain outcome, insurance is not available to protect these first victims of climate catastrophe.

Theoretically, risk insurance algorithms and complex hazard and weather modelling, appropriately commoned, could assist the poor and vulnerable, if structured through a huge democratic risk-management and governance panopticon. This would only arise if action follows knowledge, in this case advanced modelling software of the likely weather. But under capitalism, action follows money, and it is more likely that these technologies will remain market edge and proprietary, allowing the owners of new complex predictive knowledge about the weather a financial advantage in futures trading. On the other hand, and metaphorically if not literally a world away, the poor and vulnerable may not get access to news about a pending hazard, or the resources to mitigate their risk.

This inequality reproduces itself when risk is used to manage resources. As we saw above, one benefit of climate insurance for the privileged has already been collected: using insurance as a way of managing a changing climate applies a future-looking resetting of the clock on who will pay, while discarding calculations of ecological debt. In

this re-setting, risk pools for climate insurance bake in intersectionalities and hierarchies of economic inequality, postcoloniality, race and gender.

Proposition 7: Climate Finance Is Managed by People with Expertise Using Modern Technologies

Within financial products, particularly in climate insurance and disaster risk insurance, the insertion of calculative devices is common, to affect probabilistic calculation, but also to perform worth and expertise, helping to legitimise the central role of financial managers in our everyday lives (cf. Munden Project 2011). As Larry Lohmann (2020) suggests, however, the effort to use automation and technology to entrain humans and other species in actual processes of accumulation is constantly fraught with confrontation, a push and pull between capitalist asset making and peoples' resistance and acts of commoning. Some technologies end up working for capital, while others prove dysfunctional, and this depends largely on the class and power relations within the marketisation process. In particular, if a conservation, development or climate change project 'on the ground' seeks finance from a climate finance institution, its workers or 'beneficiaries' are then caught up in arrangements which make them subject to calculative technologies deciding risk and price. The product could involve earth observation and weather modelling, for example, with both or either of these becoming locked into parametric triggers for insurance pay-outs. Once climate change insurance becomes securitised and sold on as climate change catastrophe bonds, their risk will also be traded in markets using algorithmic 'sniffers' to check on the trading prices of the bonds, in the face of changing environmental conditions.

These exotic tools of investment management are not the norm, however. Old technologies remain the most common. For example, while the Green Climate Fund is home to the 'paradigm shift' to 'transformatory change' involving the co-production of climate change, environment, conservation and development co-benefits, it is also home to very orthodox calculative technologies, and extremely well-paid fund and project managers (Bracking 2015).

Consider, for example, a very recent Green Climate Fund project worth over $1 billion, about one tenth of all its committed funds:

The High Impact Programme for the Corporate Sector (GCF 2020). This 'High Impact Programme' is managed by the European Bank for Reconstruction and Development (EBRD) and addresses what it sees as deficits in corporate capacity in respect of climate change planning. It supports the "integration of risk analysis and gender-responsive climate change consideration into strategic decision making, target setting and investment planning", and aims to improve corporate climate governance and management by using apparently innovative 'High Impact Loans', which incorporate flexible interest rates and link these to "financial performance, the innovation being the link to climate and corporate governance performance" (GCF 2020: 3). Governance performance here is evaluated by the EBRD itself, using its own matrix and governance scorecard, a climate change governance (CCG) assessment tool that performs a gap analysis, finds entry points for low carbon strategy and then builds "low-carbon roadmaps" (GCF 2020: 5–13). The project will additionally promote "private-public sector dialogue [...] sector-level decarbonisation roadmaps... [and] collaborative knowledge exchange" in a two-step approach: "shift 1—uptake of high climate impact technologies; and shift 2—behavioural change at corporate governance and management levels" (GCF 2020: 5). In other words, the fund uses orthodox 1990s performance management of roadmaps and impact assessment. It re-packages these slightly for the 2020s by using more recent signifiers for "impact investment" (cf. Chiapello and Godefroy 2017; Sullivan 2018b), like "[p]aradigm shift potential: [where] The concessional loan has the potential to trigger behavioural change at corporate sector management level to incorporate climate change targets and corporate climate governance principles into strategic decision making" (GCF 2020: 13).

But behind this signalling of modernity and radicalism—the paradigm shift—is a stalwart mediocrity: the EBRD is spending $1 billion to ask managers to consider climate change. This is hardly novel, but it is insulting that the grant component, small as it is, appears to fund the technical assistance that the EBRD provides for its own loan, i.e. its own management costs (GCF 2020: 15).

Proposition 8: Climate Finance Is Spent with Due Accountability

When climate finance is being dispersed largely through the private sector as blended finance, aspects of its accountability, authority and legitimacy are handed to financiers to determine, framed using privatised metrics and calculations. In this form of governance, the public and private sectors join in what Asiyambi (2018: 533–36) so cogently analyses, for the green economy more broadly, as *spaces of mutuality*, where durable processes *of becoming* generate new green assets.

Asiyambi (2018) uses Foucault's idea of organising actions in his account of REDD+ (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries) to explore how environmental financialisation is constructed. For climate finance, public finance is authorised globally by multilateral development banks (MDBs) and bilateral aid and development finance institutions (DFIs), and is then combined with private equity or used to leverage debt with diverse non-state actors. The mutuality is then a co-dependence. Public finance is critical to non-state actors in their contribution to aspects of climate finance governance: to the underwriting of risk and debt (reducing costs for private actors), the legitimising of the mode of implementation and the authority ascribed to the venture. In turn, private financiers contribute to climate finance governance, in that products are increasingly operated, implemented and governed by them, using market-based logics and profits-based rates of return.

The accountability of blended finance *ex ante* relates to contracts signed between the investors and the fund managers which are largely private as they contain 'commercially sensitive' data. There is also a process-based accountability found in corporate social responsibility monitoring and economic, social and governance scoring. Since fund managers themselves largely do this paperwork for their own investors, however, it is not a convincing exercise. It is self-reporting, as outlined above. Accountability *ex post* is largely financial and is indicated by the outcomes of the investment against the contract commitments on closure and any ESG and CSR scores attached. This again is largely private. In effect, given the opacity of all the metrics, peoples' trust in

climate finance is largely a spectacle based on their trust in bankers and investors and the moral universe that they present. A spectacle of money.

Authority is inscribed by the status and reputation of the fund managers and banks involved. The legitimacy of the fund is built by the 'narrative authority' it produces (Leins, 2020), an account of itself which includes voluntary standards, disclosure, rankings, and ultimately financial performance. Thus the weakest area of research on climate finance governance is what happens once finance is co-invested and blended within the private financial sector, in this space of apparent mutuality. It is weak because researchers are rarely granted access to analyse these private transactions. This matters because scientific knowledge and climate justice concerns, and the civil society, government and academic actors who voice them (who are not mutually exclusive groups), are consigned to a weak power to comment on and influence how climate finance is spent. Without transparency there can be little accountability.

In climate finance provided through risk-based insurance, the opacity is a combination of conventional secrecy excused by 'commercial confidentiality' combined with the opacity of the automated machine of parametric insurance triggers, which few persons can see or understand. It is hard for the buyers of a product to work out how or why it may or may not pay out. Despite this uncertainty, insurance products use risk to socialise costs and privatise profits. In an interesting shifting calculation, risk shifts costs to sovereign states who pay premiums to access the insurance on behalf of their citizens. As the case of the Malawi drought in 2016 demonstrated, even in a famine a glitch in the model (in this case it being programmed on the basis of the wrong type of maize) might stop the insurance paying out (ActionAid 2017: 9–10, citing research from Lilongwe University of Agriculture and Natural Resources). But the insurance must be paid for, and its cost is a sovereign liability which means it is passed on to citizens through the tax relationship. Often, the poor pick up this bill, particularly so in regressive tax systems where the burden of tax falls disproportionately on them, despite their being least culpable for climate change. In many countries this is not an accountable relationship as increasing sovereign liabilities is effectively a privilege of the political class (see Pogge 2007), rather than subject to democratic process.

Proposition 9: Climate Finance Is a Public Good

The mainstream position on climate finance delivery revolves around the efficiency of the private sector within a business model and its contribution to climate change governance (Figueres et al. 2017). Correspondingly, the dominant model for providing climate finance is lending through equity funds, which are often domiciled in secrecy jurisdictions, which is sometimes called the indirect or 'fund-of-funds' model (Bracking et al. 2010). This has several consequences for efficacy and morality at the supranational level.

The first is that a significant amount of climate finance is used to pay for the management and service costs of the accrediting and implementing entities (DFIs, MDBs and so forth), and then again for the remuneration of fund managers if these are in the private sector (few are kept 'in house'). The supply chain of climate finance is skewed in favour of the suppliers who claim most of the value, which represents an unacceptable loss to the finance available for work with climate-affected persons (Bracking et al. 2010, 2015). This problem is compounded by the opacity of the indirect investment and lending model itself. Specifically, the secrecy jurisdiction domiciles of much public development finance compromises transparent reporting and makes evaluation of value-for-money challenging (NOU 2009; Bracking et al. 2010). In short, being a fund manager of climate bonds, even when issued nominally by a public institution, can be extremely lucrative. By comparison, many workers and 'project participants' at the site of the investment are very poorly remunerated and adversely incorporated, while their sovereign state may additionally become responsible for paying the loan back if the 'business model' for extracting an income stream from the project itself fails.

Proposition 10: Climate Finance Is Global and Inclusive

Citizens also become entrained in the representational language of climate finance, as 'beneficiaries' who are counted in order to express a figure for the worth and benevolence of the 'donor' financier. These narratives of climate finance and climate products are a ghostly reinvention of development power, where climate finance has inherited,

largely intact, the intersectional, race, gender and postcolonial signifiers from within the international development discourse. The Global South is represented as 'lacking' and 'failing' on a number of counts, including in expertise, resources and in the generation of 'bankable projects' and 'governance standards'. By contrast, the MDBs, DFIs and their private partners can 'de-risk', make 'bankable', and insist on 'qualifying governance standards' from their self-assigned positions of expertise. When this binary world connects in an issuance of climate finance, whether it be equity, bond or insurance, the economic outcome is also similar to that generated in the political economy of development: it can be five times as expensive as a commercial loan (Africa Climate Resilience Investment Summit 2021). Of course, access to even these loans is not given to the riskier, often poorer, nations without the handmaiden 'leadership' and imposed governance of the MDGs and DFIs.

Climate finance projects and 'interventions' have thus inherited the same institutions and sometimes people who were the 'experts' in the age of development. This is because the structures of global power and political economy through which climate finance now travels, are inherited from a past that was justified and legitimised through ideas and practices of development expertise, knowledge and power, despite the amazing post-development (Rahnema and Bawtree 1997; Crush 1997; Escobar 1995; Ashish et al. 2019) and postcolonial critiques (Spivak 1988) that punctured development discourse from the late 1980s.

In sum, climate finance is managed within power structures which conditioned, and continue to do so, the political economy of development, through the institutional reproduction of economic inequality and vectors of race, coloniality and patriarchy (Bracking 2009). It might be tempting to see the climate crisis as a wider or bigger 'crisis' than the development crisis, which has arguably become normalised in the eyes of the privileged as an 'everyday' structural violence of poverty and premature death. After all, the climate crisis is an existential planetary crisis of the whole more-than human biosphere. But this might not be helpful as humanity is now facing both—and they are closely connected. Perhaps if the development challenge had been equitably addressed—by changing the foundational structures of power and political economy globally—the newer climate crisis might

have been of a different disposition. The relationship between the two crises is complex, but the contributing underlying political economy of capitalism is the same. Also similar, is that the institutional arrangements currently directed toward the climate crisis are those that have already failed us in the development domain, and we can extrapolate that they will do the same again. In short, whatever its effect on climate change, the current arrangements for delivering climate finance mean a forecast of continued inequality, oppression and exclusion.

Climate financiers have replicated and extended the very old game of the development industry, where development, conservation and now climate change are marketised to suit the interests of northern financial institutions. This old game relies on projects with full operating costs recovery where a large proportion of funds are spent on consultancy, planning and management using northern-based firms or DFIs. Overpaid consultants make excessive claims for their own knowledge products while ignoring domestic capacities. Employment is generated in Europe, and the contribution of research money spent in Europe is double counted as Overseas Development Aid—but there is still no relief for the climate-stressed. The financiers make logframes and 'roll out road maps' that reproduce historical inequalities, while simultaneously retreating from the possibilities that new technology could be owned in common and democratised to produce outcomes in favour of the vulnerable. Instead, the application of risk calculation, folded into apparently 'radical' new concepts of 'resilience', 'adaptation', and 'just transitions', financialises nature at an abstract scale in order to provide dividends to people who own money and lend it out.

These concepts are synergistic in style and design to a superstructure of eco-cybernetics, eco-modernism and biopolitics (see Braun 2014). In Europe we hear of sustainability-linked loans (SSL), or performance-based financing (PBF), or the Task Force on Climate-Related Financial Disclosures (TCFD), the Carbon Disclosure Project (CDP) and the Principles for Responsible Investing as if they were revolutionising the future. Changing the behaviour of directors through High Impact Loans with flexible interest rates is still a 'paradigm shift'! The problem is that these initiatives, promoted as the most 'advanced international

standards' are not working in Europe, and shouldn't be 'rolled-out at scale'.

These acronyms and other 'inventions', such as blended finance, transition bonds and sustainability bonds, will make up the (non) signifiers, firewalls and black boxes in discussion at the upcoming COP26. But they have very little substance, and certainly no high science. Rolling out metaphorical roads and road maps hides inaction, and even the continued financing of actual roads and fossil-fuel infrastructure.

Proposition 11: Climate Finance Works!

Unlikely.

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