

# Leveraging Public Finance to De-Risk Private Investments: Legal Mechanisms to Close the Climate Finance Gap

Jihyeon (Cherry) Sung<sup>\*†</sup>

Jan, 2025

## Abstract

This study examines the role of legal mechanisms in scaling climate finance by leveraging public funding to incentivize private investment, which is essential to bridge the climate finance gap in line with Nationally Determined Contributions (NDCs) under the Paris Agreement. The paper analyzes existing legal frameworks and proposes methods to de-risk private investments through public finance, with a focus on enhanced roles of multilateral and public financial institutions, reforms in international investment law, and minilateral initiatives, such as Climate Clubs.

**Key words:** Climate finance; Paris Agreement; Bilateral investment treaty; Minilateralism; Energy Charter Treaty; International investment law.

## 1 Introduction

The international community needs legal mechanisms to significantly increase climate finance to close the climate finance gap with the voluntary climate finance pledges in Nationally Determined Contributions (NDCs) under the Paris Agreement. Possible sources of climate finance include the public sector, private sector, and mobilized private sector investments. The rationale for this focus is clear: private investments are crucial for scaling climate finance to the necessary levels, and relying solely on public funds is insufficient to meet the extensive financial demands of climate initiatives.

---

<sup>\*</sup>Chadwick International School (Incheon, South Korea), Grade 12

<sup>†</sup>cherrysung06@gmail.com

Private investors often encounter considerable political and economic risks when engaging in climate projects, highlighting the need for legal frameworks that can effectively de-risk these investments. Risk reduction plays out in different ways, such as putting public money in front of private money and pay-out. International investment law systems should be reformed to increase equity funding and guarantee it through public funds and financial institutions.

This paper aims to provide reasonable recommendations for a holistic approach to de-risking private investments in climate projects. Expressly, member states of the Energy Charter Treaty (ECT) should withdraw from the treaty as soon as possible and establish new bilateral investment treaties (BITs) that embed climate protection and Investor-State Dispute Settlement (ISDS) provisions. Furthermore, equity and guarantee are financial mechanisms to increase private climate finance flows by de-risking private investments. Multilateral funds, like the Green Climate Fund (GCF) and the Green Environment Facility (GEF), and the public financial institution Multilateral Investment Guarantee Agency (MIGA), should expand mechanisms to expand equity and guarantee provisions by coupling loans or grants with them. To enhance these de-risking mechanisms to increase private climate finance flows, a rise of a new minilateralism in the form of Climate Clubs is required to commit nations to greater funding for the funds and the MIGA, which enables the financial institutions to use a suite of their financial mechanisms to maximize private climate finance mobilization.

The organization of this paper is as follows: Section 2 reviews the existing literature on climate finance and legal mechanisms. Section 3 presents the study's methodology. Section 4 lays out the hypotheses to be tested using Section 5's case studies. Section 6 proposes three distinct approaches to leverage public funding for private investment and discusses two methods to enhance these approaches. The paper concludes by summarizing the key findings, their implications, and potential avenues for future research.

## **2 Literature review**

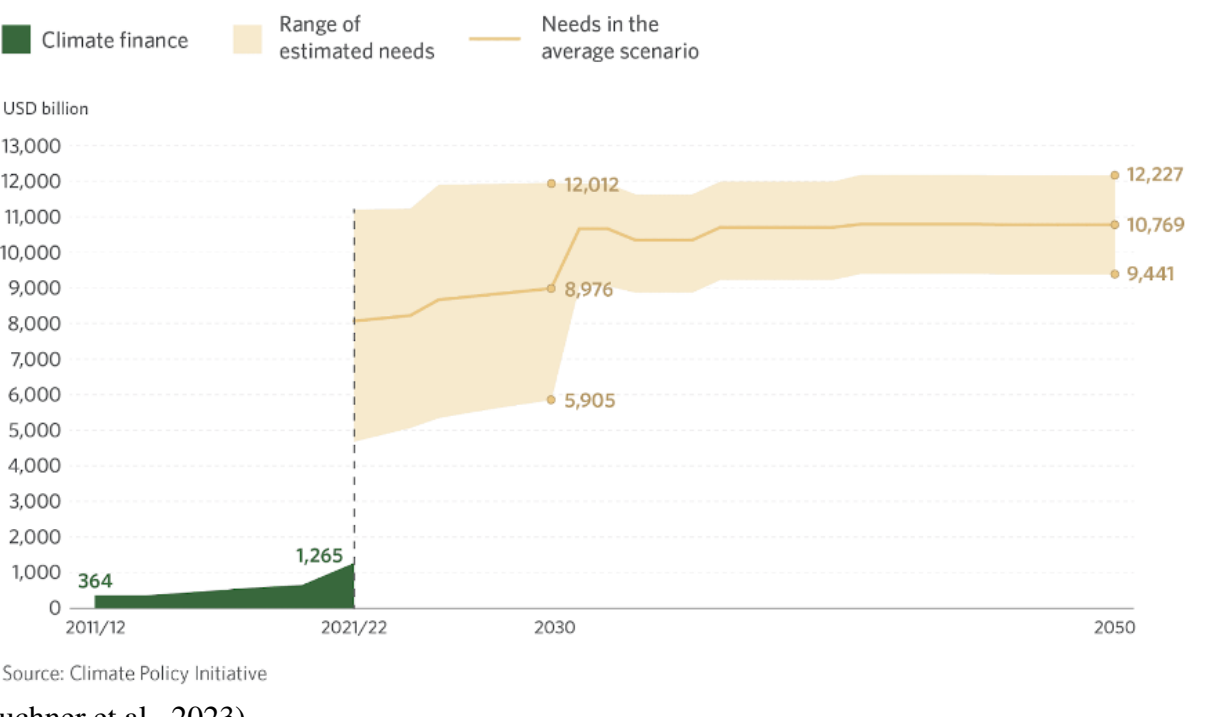
This literature review has five sections discussing published information about the mobilization of private climate finance flows. First, the scope of the climate finance problem will be clarified.

Second, the need for private climate finance flows will be outlined with data about the distribution of public and private finance sources. Third, different barriers to private climate finance flows will be analyzed. Fourth, different scholarly views on increasing mobilized private climate finance flows will be examined. Finally, a gap in existing literature will be identified to clarify the area of this paper’s contribution.

**Scope of the climate finance problem**

A clear climate finance gap exists, as shown in the gap between the green and yellow areas in Figure 1. The average annual climate finance flows recorded around USD 1.3 trillion in 2021/2022 (Buchner et al., 2023). This is significantly below the UN’s Global Stocktake estimate, which states, “By 2030, both public and private investments will need to reach \$5.2 trillion per year (Srouji and Cogan, 2023).” Looking forward, with estimated needs exceeding \$10 trillion annually from 2031 to 2050, countries must significantly increase their climate finance efforts (Buchner et al., 2023).

**Figure 1:** Global tracked climate finance and average estimated needs through 2050



(Buchner et al., 2023)

International legal frameworks like the Paris Agreement call for nations to mobilize climate finance. The Paris Agreement emphasizes the need for climate-friendly and equitable finance flows,

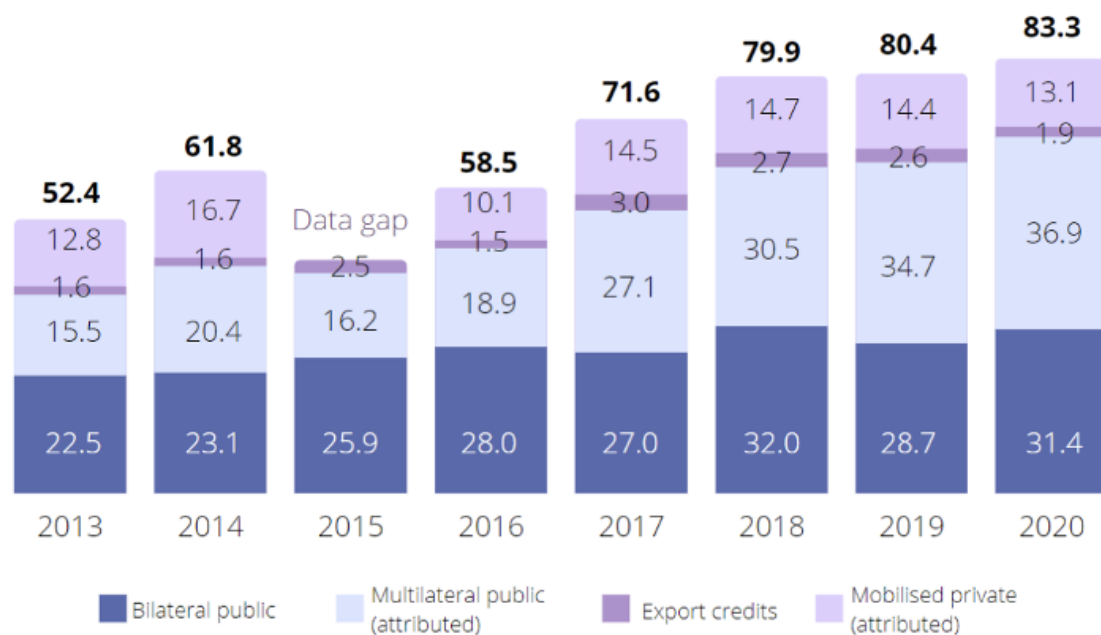
guided by the principles of common but differentiated responsibilities (UNFCCC, 2015). Under Article 2(c), countries agree to coordinate financial flows to promote low-carbon and climate-resilient growth (Ibid.). Article 9 of the Agreement encourages developed countries to lead the “mobilization of climate finance from various sources” and to “voluntarily communicate biennially such information” (Ibid.). Although the term “mobilization” is nowhere officially defined, it can be interpreted based on the UN 100 billion climate finance report as a “coordinated effort to make financial flows (Bhattacharya et al., 2020).” It is important to note that this definition demonstrates how “mobilization” does not equate to “provision.”

However, the Paris Agreement, despite its ambitious goals, has largely failed due to its reliance on voluntary Nationally Determined Contributions (NDCs) without any enforcement penalties. This voluntary framework has allowed countries to prioritize their self-interest, leading to inadequate contributions to climate finance.

### **The need for private climate finance flows**

To meet climate finance pledges, public funding can be used to incentivize private finance flows. As seen in Figure 2, public climate finance, which has accounted for the majority of total climate finance, increased by 80% from \$38 billion in 2013 to \$68.3 billion in 2020 (OECD, 2022). These resources can be used to incentivize private finance flows so that global climate finance is more sustainable with varied channels. However, the public sector should limit its role in public-private partnerships to address market failures, ensure policy credibility, and address equity concerns, as extensive government involvement may lead to inefficiencies (Bowen et al., 2009). Mobilized private climate finance grew by nearly 30% from 2016 to 2020 (OECD, 2022). However, more is needed, and realizing it comes with various challenges.

**Figure 2:** Global tracked climate finance and average estimated needs through 2050



Note: The sum of components may not add up to totals due to rounding. The gap in time series in 2015 for mobilised private finance results from the implementation of enhanced measurement methods. As a result, grand totals in 2016-20 and in 2013-14 are not directly comparable. Source: Based on Biennial Reports to the UNFCCC, OECD DAC and Export Credit Group statistics, complementary reporting to the OECD.

(OECD, 2022)

### The barriers to private climate finance flows

Economic and political risks deter private investors from low-carbon investments (Prasad et al., 2022). Low-carbon and climate-resilient projects that countries agreed to promote under the Paris Agreement involve risks due to investments in new technologies and regions. These factors elevate perceived risks among private investors. Consequently, investors seek higher returns, leading to elevated financing costs for these high-risk, low-carbon projects compared to their lower-risk, polluting counterparts that are more attractive to investors (Buchner et al., 2014). There are high currency risks for loan-recipient countries dealing with high interest rates and external debt in foreign currency, particularly in less developed countries vulnerable to climate change, a phenomenon that adversely affects economies (Voïta, 2023). In early 2023, 54 lower-income countries were identified as being at high risk of debt distress (Ibid.). Some international investment agreements, such as the Energy Charter Treaty (ECT), hinder climate finance. Fossil fuel producers have used Investor-State Dispute Settlement (ISDS) in the ECT to protect fossil fuel investments, with legal claims against climate finance potentially exceeding \$340 billion (UN OHCHR, 2022).

## **Different scholarly views on increasing mobilized private climate finance flows**

Scholarship offers four different suggestions for using public funding to mobilize private climate finance flows. The first perspective is to revise international investment agreements that protect fossil fuel investments and hinder state regulatory actions for climate adaptation and mitigation. Another proposal is to establish a new multilateral investment protocol to facilitate cross-border climate finance. The third is to encourage Multilateral Development Banks (MDBs) to use equity finance and risk insurance more extensively for climate projects. The fourth suggestion is to develop climate clubs, a coalition of nations that agree to implement substantial emission reduction strategies and establish penalties for non-participating nations.

The first approach suggested is modifying legal mechanisms that protect fossil fuel investments to the extent that impedes climate change mitigation and adaptation. Several scholars advocate for the modernization of the Energy Charter Treaty (ECT), suggesting a reduction in the treaty's scope or modifications to its Investor-State Dispute Settlement (ISDS) clauses (Bernasconi-Osterwalder and Brauch, 2019). Some experts emphasize the importance of addressing the Most Favored Nation (MFN) clause. This clause restricts host States from distinguishing between climate-friendly investments and similar investments that are not environmentally beneficial (IISD, 2010). It also allows investors to avoid climate-friendly provisions in one IIA in favor of more favorable terms from another IIA to which the host State is a signatory (Ibid.).

However, the feasibility of such modernization necessitates thorough evaluation due to its inherent complexities. Engaging in a comprehensive dialogue involving all stakeholders—governments, investors, and civil society—will be crucial in navigating these complexities. Regarding the ECT, the UN Special Rapporteur on Climate Change and Human Rights recommended the repeal of the ECT as a whole (UN OHCHR, 2022). While this recommendation for the repeal holds merit, its implementation must address the interests of member states benefiting from the ECT, as well as the intentions of prospective member nations.

An alternative proposal suggests establishing a new investment protocol under the United Nations Framework Convention on Climate Change (UNFCCC) to enhance multilateral climate finance (Burke-White, 2024). This protocol, entitled “Green Investment Protocol (GIP),” would include a pre-screening process to ensure investments align with climate agendas, determining

their eligibility for legal protection (Ibid.). Legal protections would be restricted to investments co-financed by UNFCCC funds (Ibid.). To mitigate the negative impact of less climate-friendly international investment agreements (IIAs), the protocol would incorporate a “fork in the road” provision (Ibid.). Additionally, it aims to balance investment protection with the rights of states to regulate and provide indemnification for countries most vulnerable to climate change (Ibid.). This comprehensive approach incentivizes both State and private climate investments and rightfully aligns international investment law with international climate law, yet great ambition is needed from the UNFCCC as a whole to adopt and implement the GIP.

Another recommendation, coming from the International Monetary Fund (IMF), is the MDBs “making greater use of equity finance (Ehlers et al., 2022).” Only 1.8% of MDBs’ commitments to climate finance in developing economies are currently equity finance, so more equity can be exploited to de-risk private finance flows into climate-friendly projects (Ibid.). However, the IMF did not elaborate on strategies to expand equity provisions.

Establishing climate clubs is another approach to resolving the failures of global efforts to tackle climate change. Minilateralism involves a smaller number of countries committed to more decisive contributions and imposing penalties on non-party States. By focusing on a limited group of willing and capable nations, minilateralism can foster more effective collaboration. These countries can set stringent targets, creating a ripple effect that encourages broader participation in climate goals and engagement with private-sector corporations. The Climate Club would gather countries that agree to commit to “harmonized emission reductions” and an “international target carbon price (Nordhaus, 2020).” Members would reap mutual benefits such as military alliances or concessional trade agreements, while non-participating states would face penalties such as tariffs on imports (Ibid.). The idea of an exclusive club helps mitigate the Prisoner’s dilemma and free-rider issues associated with climate change. This concept is also relevant to private climate financing, as it could incentivize the private sector to contribute more alongside the public sector for the global public good of the climate. A climate finance club, per se, could mobilize substantial resources and foster collaboration across sectors. However, this ambitious proposal requires careful consideration of governance structures and leadership to ensure its effectiveness and equity.

### **The gap in the existing literature**

While earlier works primarily addressed the legal perspective of tackling the issue of the ECT acting as a barrier to private climate finance flows, this paper fills a critical gap by evaluating the viability of ECT modification itself from both legal and political perspectives. The paper also compares the sustainability of an international investment treaty with that of multiple bilateral investment treaties to suggest a novel approach. Regarding achieving financial institutions' enhanced roles to increase climate finance flows suggested by scholars, this paper provides greater clarity on how States can contribute greater funding to create a basis for financial institutions' provision of de-risking financial instruments – not only equity but also guarantee, or risk insurance. This paper also discusses the concept of climate club in the context of climate finance and elaborates on potential governance mechanisms. This paper hereby provides new insights into and advances the understanding of ways countries can mobilize public resources to incentivize private climate flows to close the finance gap under the Paris Agreement.

### **3 Methodology**

To answer the research question, “How can countries mobilize public resources to incentivize private climate finance flows to close the finance gap under the Paris Agreement?” and propose approaches to de-risk private climate investments, the paper uses qualitative research based on case studies compiled by primary and secondary sources. Primary sources comprise multilateral funds and agencies' website resources, treaties such as the Paris Agreement, and official communiqués. Secondary sources include non-governmental organization (NGO) reports, think tank publications, specialized research institutes' findings, and intergovernmental organization (IGO) blogs. An analysis of the case studies will lead to a comprehensive outline of proposals to facilitate and advance the mobilization of private climate finance.

The first case study is on how the Energy Charter Treaty (ECT)'s ISDS article impinges on countries' energy transition and climate investment while protecting investors to a great extent. The ECT imposes significant liabilities on countries attempting to shift from fossil fuel investments to renewable energy, creating an indirect and direct legal barrier to private climate investments. It exemplifies an ineffective legal framework. Evaluating the ECT can offer insights into how the inadequate international investment agreement can be reformed to make ISDS more climate-

friendly but still useful in de-risking private investments.

The second case study examines how the two large public funds, the Green Climate Fund (GCF) and the Global Environment Facility (GEF), have mobilized billions of dollars from the private sector using de-risking financial instruments. Both funds specialize in environmental investments and engage with both the public and private sectors. Researching approaches that these funds can take to expand equity provisions through public-private partnerships can lead to ways to enhance multilateral funds' roles in closing the finance gap.

The third case study investigates how the Multilateral Investment Guarantee Agency (MIGA) has effectively issued guarantees for private climate financing. Analyzing MIGA's current role in de-risking private climate finance through risk insurance can illuminate opportunities for further enhancements and identify the additional support it requires to expand its impact.

The fourth case study inspects how Group-7's coordination as a small group of countries with a shared commitment to climate action enables effective agreements on cooperation for greater private climate finance flows. Examining G7 communiqués provides evidence of coordination and solidarity among G7 nations that enables an investigation into the capability of smaller groups to mobilize adequate climate finance. Through this case study, the compatibility of the G7 as a climate finance club can be assessed.

## **4 Hypotheses**

Addressing the challenges of incentivizing private climate finance flows requires innovative mobilization of public resources through international law. This paper puts forth three mechanisms for leveraging public funding to incentivize private investments through ways that de-risk private investment: 1) Investor-State Dispute Settlement (ISDS), 2) equity – blended finance arrangement where the public sector puts money that sits behind private sector investments into transactions, and 3) guarantee – public money that guarantees the private sector money so that if the deal goes wrong, the public sector will reimburse the private sector. These mechanisms will be enhanced through the processes of 1) multilateralism manifested in the form of a climate club and 2) addressing inefficient international investment agreements (IIAs).

As discussed in the literature review about barriers to private climate finance flows, ISDS is a de-risking mechanism that could incentivize private investments, yet **ISDS provisions under legal frameworks** should be reformed to advance climate goals. The ECT puts serious impediments on countries that wish to regulate investments in non-renewable energy to tackle climate change and ultimately prevents private climate finance flows. The UN Special Rapporteur on Climate Change and Human Rights recommended repealing the ECT (UN OHCHR, 2022). This research will evaluate two ways to tackle this inadequate legal agreement: modification and termination.

Expanding mechanisms to provide **equity and guarantee** is a way to enhance the role of multilateral funds and Public Financing Institutions (PFIs) in mobilizing climate finance from the private sector. Although equity and guarantee methods introduce risks for governments and hence taxpayers, a well-designed regulatory framework can mitigate these risks (GCF, n.d.). The Multilateral Investment Guarantee Agency (MIGA), created by the World Bank Group, is responsible for promoting climate finance flows by providing guarantees to investors and lenders (MIGA, n.d.). Such established funds and agencies can strategize mechanisms to increase equity and guarantee proportions of climate finance.

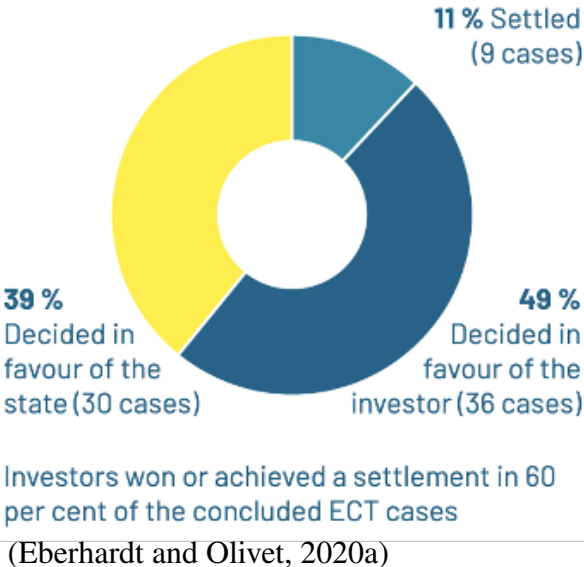
## **5 Case study and analyses**

### **1. The ECT is an ineffective legal framework where ISDS impinges on countries' energy transition and private climate investment by over-protecting fossil fuel investments**

The first case study that this paper will look at is the Energy Charter Treaty (ECT). The ECT is a multilateral legal framework designed to “promote energy security (International Energy Charter, 2019).” It binds countries to commit to protecting investors' investments in various energy projects. Despite the ostensibly positive intentions of the treaty, it heavily protects fossil fuel investments, putting serious impediments on countries that wish to regulate investments in non-renewable energy to tackle climate change. Over the past 30 years since 1994, governments have been “ordered or have agreed to pay” damages from such investment disputes of more than \$52 billion, which exceeds the amount of yearly sum required to achieve universal access to energy (Eberhardt and Olivet, 2020a).

This unsought consequence comes from the ECT Article 26, which includes provisions for Investor-State Dispute Settlement (ISDS), detailing steps for negotiation, arbitration, and other legal resources available to investors who feel that their investments have been harmed by the actions of a contracting state. Although ISDS is a de-risking mechanism for private investments, the ECT’s ISDS does so for the wrong investment: ones not related to clean energy. This creates an indirect legal barrier to private climate investments by limiting public finance use to incentivize private climate finance flows and hindering a top-down approach to increase climate ambitions from the State to the private sector. It also poses States the risk of expensive legal battles and potential compensation claims against fossil fuel producers and investors. As illustrated by Figure 3, among the ECT cases by October 2021, investors have won the majority (60%) in lawsuits, leading to financial burdens on States (Eberhardt and Olivet, 2020b). The ISDS also creates a direct legal barrier to private climate finance flows. Private sector investors prefer stable regulatory environments. The financial risk of policies being challenged in court can deter investment in capital-intensive renewable energy projects.

**Figure 3:** Global tracked climate finance and average estimated needs through 2050



Several examples of climate litigation highlight the contentious nature of the ISDS, all of which demonstrate the need for changes in ISDS regulations for a green transition. The RWE v. Netherlands litigation involved the German coal power corporation suing the Netherlands for restricting RWE’s capacity by 35% due to the Dutch plan to phase out coal by 2030 in line with the

Paris Agreement (Shaw, 2023). The ISDS award ruled the Netherlands to pay RWE €331.8 million (equivalent to \$355 million) for its forgone income in 2022-24 (Ibid.). This exemplifies how, under the ECT, a government's decision to reduce fossil fuels can lead to costly legal disputes. This thereby limits a top-down approach to raising climate ambitions and potentially deters future regulatory actions aimed at addressing climate change, including investing in climate-friendly projects that de-risk private finance flows.

Another notable controversial case using ECT's ISDS is *Rockhopper v. Italy*, where the UK-based oil and gas company Rockhopper filed a lawsuit against Italy in 2015. This was in response to Italy's refusal to grant a concession for oil drilling within the 12-mile limit of the coastline due to environmental concerns. Rockhopper sought compensation for its investment and anticipated profits of at least \$200 million (Sabin Center for Climate Change Law, 2024). In 2022, the ECT arbitration panel concluded that Italy had breached its commitments under the ECT. As a result, Rockhopper was awarded €190 million in compensation with a yearly compounded interest (Rockhopper Exploration Plc., 2023). This case illustrates how the ECT delays mitigation policies despite public opposition. As shown through the case conclusion in favor of Rockhopper, the ECT hinders a green transition and its finance it. Although tens of thousands of Italian protestors condemned the Ombrina Mare oil drilling project, the public was powerless under the ECT's vicious fossil fuel investment protection (ISDS Red Carpet Court, 2022). It also demonstrates the difficulty of a country's complete withdrawal. Italy withdrew from the ECT in 2015 but will remain subject to its regulations until 2035 because of the treaty's 20-year sunset provision in Article 47(3) (ISDS Red Carpet Court, 2022; International Energy Charter, 2019).

To mitigate regulations that hamper states' mobilization of private climate finance, the ECT should be extensively modified at a structural level. Modifications to the treaty to prevent the ISDS clauses from over-protecting fossil fuel corporations can take an approach of limiting the definition of investments to those that are low-carbon energy investments, limiting the scope of investment protection to allowing ISDS for low-carbon energy investments only, or limiting the access to ISDS itself to low-carbon energy investments only (Bernasconi-Osterwalder and Brauch, 2019).

There have been negotiation efforts to modernize the ECT, yet no tangible progress has been made to improve conditions for countries to phase out fossil fuels in order to increase climate-

friendly investments. In 2018, a list of topics for modernization negotiations was approved, yet the negotiations in 2021 made no significant changes to the treaty (Eberhardt and Olivet, 2020a). In May 2020, the EU unveiled a detailed proposal for modernizing the ECT to address climate change. Although the Agreement in Principle on the Modernisation of the Energy Charter Treaty (AIP) was adopted in June 2022 and largely mirrored the EU's proposal, it did not offer practical measures to protect against ISDS challenges (Council of the European Union General Secretariat, 2022).

Furthermore, the tedious process of modernization makes it an inconvenient approach to tackle the legal barrier to incentivizing private climate finance flows. Proposing a negotiation requires the approval of the Energy Charter Conference on the list of agenda items created by consultations among “ECT member states, observer states, energy industries, and the broadest possible base of stakeholders interested in or affected by global energy investment processes (Bernasconi-Osterwalder and Brauch, 2019).” Reaching a required majority in such a polarized setting is difficult, and even if modernization is successful, the treaty ultimately needs to be re-implemented into domestic law, which could be another lengthy process. A reform of the negotiation process for modernization is also unfeasible due to the reform's possible violations of the sovereignty of member states under the treaty and the nature of treaty ratification that declares the autonomy of member states in deciding their legal commitments under collective agreements. After failing to pass the proposal to modernize the ECT, the European Commission proposed a Council decision on withdrawal (Dulian, 2023).

A different approach to reforming the ECT is urgent because, in addition to the lengthy process of potential treaty modernization that hinders climate action until actualization, the 20-year protection of existing investments under the ECT even after a state withdrawal will create a longer lag if the reform procedure prolongs. Since there is no practical way to void the post-withdrawal umbrella clause, termination of the treaty seems more viable.

Such a termination must be done as soon as possible to prevent more countries from being locked into the ECT. The ECT Secretariat has been endeavoring to expand membership, where an accedence will lock in a country for 26 years (Eberhardt and Olivet, 2020b). By bringing in new member states that might prioritize fossil fuel interests over carbon emissions reduction, the poten-

tially divided membership would make it harder to achieve consensus on modernizing the treaty to address climate change. Additionally, new members with significant fossil fuel investments might resist reforms that could negatively impact their economic interests, further complicating efforts to align the treaty with global climate goals. Therefore, a more effective approach to addressing this inadequate legal framework in the long term than modernizing the ECT would be for the current climate-conscious member states to convince non-member-states to refrain from signing the treaty and to collectively withdraw from it.

## **2. The Green Climate Fund (GCF) and the Green Environment Facility (GEF) have mobilized billions of dollars from the private sector and can expand mechanisms to equity to incentivize greater private finance flows**

The second case study examined in this paper is equity used by the GCF and GEF. The GCF is the “largest global fund” created to combat climate change (GCF, n.d.-a). Established in 2010, the GCF is mandated to serve as “the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement” for developing countries (Ibid.). One of its key strategies for climate finance involves leveraging public funds to “crowd in private finance (Ibid.).” Out of the \$10.3 billion raised by 31 July 2023, the GCF has “58 private sector projects, *5 billion in financing, and a portfolio value of 22.6 billion* (GCF, n.d.-d; GCF, n.d.-c).”

Despite the varied funding types that the GCF provides, only 12% are in equity (GCF, n.d.-b). Equity helps mitigate private investment risks since equity allows the public sector to absorb initial investment risks. Thus, increasing the use of this financial mechanism can significantly boost private sector investment in climate initiatives. The GCF and GEF, by expanding mechanisms to equity by coupling loans or grants with it, can play a crucial role in increasing the financial resources necessary for closing the climate finance gap.

There are cases of approved GCF projects that involve equity, public money sitting next to private funds. The Blue Green Bank (FP213) is a small-scale project by Barbados valued at \$30.5 million in investments and 16.7 million tonnes of emissions reduction (GCF, 2023b). It is 50.8% financed by GCF through equity and 49.2% co-financed by the private sector through equity as well (Ibid.). Project FP213 is expected to help Barbados fulfill its Nationally Determined Contributions

(NDCs) to the Paris Agreement through adaptation and mitigation projects (Ibid)

The \$250-million “Hardest-to-Reach (FP211)” project is designed to invest in clean and affordable energy provision in 16 hard-to-reach countries in Africa with a total of 54.3 million beneficiaries (GCF, 2023a). With a 74% to 26% ratio in financing between the GCF and the private sector, the fund would finance \$50 million in equity and \$15 million in grants, while the private investors would co-finance \$55 million in grant and \$130 million in equity (Ibid.).

Similarly, the “Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in Other ASEAN Member States (FP196)” project valued at \$247.7 million will increase Indonesia’s mitigation capacity (GCF, 2022a). This medium-sized project includes the GCF’s \$5 million grant and \$100 million guarantee, as well as a mix of loan, equity, and in-kind contributions from the private sector (Ibid.). This variety of projects evinces the capability of GCF’s equity provisions as an independent funding mechanism or as an accompaniment to other types of financing. It can be deduced that the risk-sharing mechanism of equity between the GCF and the private sector incentivizes the investors to pool in finance since they do not bear full risk.

The GEF is a global “family of funds for the environment” founded in 1991 that has financed over \$25 billion and mobilized \$145 billion globally (GEF, n.d.-g). The World Bank, which established the GEF, now serves as the GEF Trustee to help mobilize financing for the GEF Trust Fund, disburse funds, monitor budgets, and prepare periodic reports (GEF, n.d.-e). It engages countries through capacity-building activities like dialogues, workshops, seminars, and meetings (GEF, n.d.-b). It also collaborates with agencies such as MDBs, non-governmental organizations (NGOs), and UN organs to pool expertise in financing and executing projects (GEF, n.d.-c). Through co-financing, the GEF engages with the private sector and mitigates private investor risks. By 2023, GEF achieved “over 650 projects with private sector co-financing, including more than 141 projects with equity, loans, or risk-mitigation instruments (GEF, n.d.-f).”

Its database of projects displays multiple successfully completed projects that were non-grant programs, such as the AfDB-PPP Public-Private Partnership Program and the IDB-PPP MIF Public-Private Partnership Program, both executed by the GEF Trust Fund (GEF, n.d.-a; GEF, n.d.-d). The former received \$20 million in GEF loans and \$240 million in co-financed loans for

scaling up renewable energy in Africa (GEF, n.d.-a). Blended finance at concessional terms with the African Development Bank attracted private investors to co-finance the project (Ibid.). The latter received \$15 million in GEF grant and \$266.25 million in co-financed equity (GEF, n.d.-d). Pooling expertise from its network of agencies, the GEF collaborated with the Inter-American Development Bank in co-financing to incentivize the private sector to be part of finance mobilization (Ibid.). It can be deduced that, like the GCF, the GEF's risk-sharing mechanism of equity incentivized private investments to complete projects.

However, the GEF has been criticized for the institutional barriers it poses to mobilizing private climate finance flows, particularly its inconvenient transaction processing. According to the NGO World Resources Institute, the GEF's processes from programming to disbursement are slow and bureaucratic (Venugopal et al., 2012). The private sector seeks accurate investment timing to maximize returns. However, the GEF may take 6 months to a year to approve a transaction, further complicating the already-prolonged MDB approval procedures (Ibid.).

Both the GCF and the GEF illustrate how multilateral funds can effectively mobilize private sector investments yet with limitations such as credit ratings and bureaucratic transaction processes. Equity lowers the risk for private investors, making climate-related projects more appealing. To facilitate this, a collaboration between the GCF and the GEF could enable the overcoming of their lack of capitalization and institutional barriers by improving each others' efficiency in transactions through resource sharing. Yet, the different governance structures and mandates of the two funds could pose challenges in aligning their operations and decision-making processes.

### **3. The Multilateral Investment Guarantee Agency (MIGA) has effectively issued guarantees for climate projects co-financed with the private sector**

The MIGA, part of the World Bank Group, is a Public Financing Institution (PFI) that provides insurance against non-commercial risks like developing countries' political instability such as expropriation, war, and civil disturbance. Guarantee acts as insurance for private investment, which helps stabilize climate investments' financial terms and conditions and reduces risk for private investors to finance climate projects (MIGA, n.d.). Private equity funds encounter challenges in attracting capital for investment due to perceived risks related to government stability, civil unrest, and legal frameworks that pose hurdles for private market participation. MIGA addresses

these concerns by offering risk insurance coverage to such funds that adhere to environmental criteria.

Multiple examples demonstrate how MIGA's guarantees effectively stimulate private climate finance flows by mitigating risks that otherwise deter private sector engagement. In 2023, MIGA provided guarantees to KLED Capital and CIFI LATAM for a project in Saint Lucia involving the mass replacement of sodium street lights with LEDs. This initiative is projected to reduce greenhouse gas emissions by 5,000 tons of CO<sub>2</sub>e per year while improving light levels across the road network by over 30% (Howton, 2023a). Additionally, MIGA issued a \$5.67 million guarantee to cover Kube Energy's equity and debt investments for up to 15 years, protecting against risks such as expropriation, war, and civil disturbance (Howton, 2023b).

In 2023, the MIGA issued climate-related guarantees in "31 projects, totaling \$1.5 billion, accounting for 28% of the total guaranteed investment (MIGA, 2023)." The environmental impact of this is reducing approximately "826,464 metric tons of CO<sub>2</sub> emissions annually (Ibid.)." These successful cases of MIGA de-risking climate investments testify to its expertise and effectiveness in using guarantees to attract private finance flows. It also further manifests the potentiality of MIGA's role in assisting the GCF and GEF in coupling more loans and grants with risk insurance discussed in the previous case study.

Even so, the MIGA's financial mobilization is woefully inadequate when compared to recent findings of annual investments required for "climate-resilient development: \$5.2 trillion per year (Srouji and Cogan, 2023)." Therefore, reiterating the importance of additional funding for multi-lateral funds from developed countries' governments, the MIGA would also need greater public finance that can be used to incentivize private climate finance flows.

#### **4. Group-7's coordination as a small group of countries with a shared commitment to climate action reflects its potential as a Climate Club for climate finance**

To evaluate whether coordination through smaller groups of countries that share a common commitment to climate finance can effectively mobilize greater private climate finance flows, this paper takes the G7 as a representative case. The G7 is an exclusive informal institute of developed economies, namely the United States of America, the United Kingdom, Canada, France, Germany, Italy, and Japan, that convenes yearly to discuss global agendas (CFR, 2024). Its regular meetings

and ad hoc Task Forces, Working Groups, and Expert Groups arguably enable better coordination toward shared objectives by fostering cooperation and pooling expertise on particular domains (Kirton et al., 2018). G7 countries collectively represent a significant portion of the world's wealth, giving them considerable influence over global financial and economic policies. This allows them to set the tone for global climate negotiations, particularly those related to climate finance.

Examining G7's communiqués, such as the Climate, Energy, and Environment Ministers' Meeting Communiqué of April 2024 and the G7 Hiroshima Summit communiqué of May 2023, provides evidence of coordination and solidarity among G7 nations. This enables an investigation into the capability of smaller groups to mobilize adequate climate finance.

The Climate, Energy, and Environment Ministers' Meeting Communiqué of April 2024 concerns the G7 countries' collective commitment to accelerating climate action through increased climate finance and stronger public-private partnerships. By supporting private financing with public money, the communiqué agrees to de-risk private investments. This recent statement on climate finance reflects the latest multilateral consensus of the world's leading economies, which play pivotal roles in reaching climate finance goals. Key points include promoting collaboration between G7 and third countries to boost blended finance and mobilize private finance for climate projects in developing nations (Article 12(iv)), aligning finance flows with the Paris Agreement goals call for scaling up private sector finance for accelerated climate action (Article 16(v)), working with Multilateral Development Banks (MDBs), International Financial Institutions (IFIs), and other providers to finance climate action and support domestic resource mobilization in developing countries (Article 17(i)), and de-risking investments to scale up finance for low-greenhouse gas emissions and climate-resilient development pathways (Article 17(ii)) (G7 Italia, 2024). Additionally, the G7 supports setting a new climate finance goal aimed at limiting global temperature increase to 1.5°C and building a climate-resilient future, focusing on directing quality public finance where it is most needed (Ibid.). These commitments highlight the G7's consensus to enhance climate finance mechanisms and partnerships to achieve global climate objectives.

An earlier G7 communiqué from the Hiroshima Summit, which outlines a collective commitment to providing official development assistance (ODA) to other nations utilizing public-private partnerships, parallels how the G7 is unified in augmenting climate finance flows from the private

sector. The Hiroshima Communiqué has been instrumental in setting new collective quantified goals. For instance, the G7 reaffirmed their shared commitment to the G7 Partnership for Global Infrastructure and Investment, aiming to mobilize up to \$600 billion by 2027 (The White House, 2023). Additionally, to support global health in the post-COVID-19 era and achieve universal health coverage, the G7 pledged 870 million vaccine doses, aiming to deliver at least half before 2022 (WHO, 2021). As of January 17, 2022, 30% of the doses promised to COVAX by G7 nations were sent to recipient nations (Loft, 2022). These instances highlight the G7's capacity to mobilize significant financial resources, indicating a similar potential for scaling up climate finance efforts.

Although non-binding statements like communiqués lack enforcement mechanisms, the statements reflect the policies and behavior of governments that drive real outcomes. The fact that the G7 has been publishing statements involving multiple climate finance clauses indicates an increasing commitment to addressing climate finance issues, where international law follows. This trend suggests the potential for greater coordination and effectiveness, as evidenced by the success of ODA coordination and vaccine distribution.

However, it is notable that, while G7 communiqués have shown some success in coordinating financial flows such as ODA and climate finance, G7's impact is currently hugely limited compared to the outcomes of the UNFCCC's annual Conference of Parties (COP), which plays a more crucial and influential role in climate policy and finance. This is due to two reasons: the COP facilitates the establishment of financial mechanisms, such as the Green Climate Fund, and it is specifically dedicated to addressing climate change and related environmental issues. While the G7's exclusive membership structure has the benefit of agility in setting the agenda for climate finance ahead of COP, the G7 must also address other critical issues in the economic and social spheres. Therefore, instead of merely producing annual communiqués, G7 nations should maximize the use of their resources to actualize advancements in climate finance flows at the UN COP, building on the commitments made in their communiqués (Greenpeace International, 2024).

### **Recommendation of the G7 as a Climate Club**

The G7's fundamental role can be enhanced by positioning it as a Climate Club for climate finance. As a Climate Club, the G7 can create an indirect channel to private climate finance flows by mobilizing greater public resources to incentivize private investments. It can empower States to

contribute greater funding for multilateral funds and public financial institutes, such as the GCF, GEF, and MIGA, that need additional capitalization for effective private investment de-risking execution, as discussed in the previous case studies.

The G7 is an apt candidate for running a Climate Club. Comparing the G7 with the characteristics of a potential Climate Club outlined by economist William Nordhaus, the G7 clearly has a unified emission reduction agreement aimed at achieving the 1.5°C goal. It also possesses the capability to mobilize significant financial resources for climate initiatives and foster partnerships among member states since, unlike the EUROGROUP or the Major Economies Forum on Energy and Climate (MEF), the G7's membership distribution has minimal political and economic conflicts such as trade wars and is not limited to regional proximity, both of which are restrictions to timely and effective agreements on financial cooperation. With its economic power, the G7 can generate tangible mutual benefits while imposing penalties on non-participating countries, thereby encouraging broader participation in global climate finance efforts. As an informal institution with no formal treaty governing it, the G7 can adopt the role of a Climate Club, starting with the formation of a relevant treaty.

The rise of anti-globalization, populism, and protectionism is a matter of consideration for creating a Climate Club. These trends potentially undermine international cooperation and consensus-building efforts and pose challenges for small institutions like the G7 (Kirton et al., 2018). These trends may hinder the G7's ability to effectively mobilize collective action and garner broad support for ambitious climate finance initiatives within the UN COP framework. Thus, navigating these political dynamics becomes crucial for maintaining the relevance of the G7's global climate finance agenda if it plays the role of a Climate Club.

In addition to indirect channeling of private climate finance flows, the G7 can mobilize private climate investments through direct engagement with corporations once it becomes a Climate Club. It could engage with business organizations by utilizing strategic partnerships and dialogues, providing cross-country guidance to maximize the impact of private investment on climate mitigation and adaptation. It is possible that the G7 offers loans and lower interest rates for corporations, creating financial incentives that drive substantial private sector contributions to climate goals.

This case study showed that the G7, as a small multilateral institution playing the role of a

Climate Club, has levers available to spur private finance flows: indirectly by binding Club member states to adequately fund multilateral funds and public financial institutions to execute more de-risking mechanisms, and directly by engaging with corporations to create incentives for private investments in climate initiatives. Through these measures, the G7 can play a greater role in enhancing the mobilization of private finance flows for climate action. Although this role does not have to be unique to the G7, generalization in other informal international institutions is challenging due to factors such as geopolitical tensions, varying membership requirements, and regional interests.

## **6 Recommendations**

Grounded in the findings across the case studies, the paper proposes three overarching viable actions by various stakeholders, including states, multilateral funds, agencies, and international institutions, in the nexus of law, politics, and business.

### **1. Collectively Withdraw from the Energy Charter Treaty (ECT)**

As the scholarship has emphasized, the ECT requires reforms or rapid withdrawal. The paper's case study analysis specifically concludes that a collective withdrawal is more effective than modernization. Current member states should not only withdraw from the ECT but also convince non-member states to refrain from joining the ECT.

However, since foreign investor protection essentially provides private investors the incentives to invest in low-carbon projects, a certain amount of investment regulations are necessary to incentivize private climate finance flows. A constructive approach to aligning investment law with climate law can be done by renegotiating new bilateral investment treaties (BITs) between two countries instead of among multiples that embed protections for both the climate and private investors.

### **2. Reform International Investment Agreements (IIAs) to harness climate-friendly Investor-State Dispute Settlement (ISDS)**

States should renew their investment laws to incorporate climate protection and negotiate

bilateral investment treaties (BITs) that prioritize de-risking climate-friendly investments for private investors. The BITs should explicitly address climate change goals in their preambles and preferably in their articles. They should also include the de-risking mechanism of ISDS and could develop structural pathways where, from ISDS cases, a portion of the awards goes to multilateral funds or public financial institutions (PFIs) as a way to increase their financing.

This collective action could pave the way for a new generation of BITs that embed climate protections, as exemplified by the EU-Canada Comprehensive Economic and Trade Agreement and the Netherlands' BIT with the Dominican Republic (European Commission, 2017; United Nations, 2013). Numerous BITs create strong frameworks that remain resilient despite the constant evolution of international law. This approach will help mitigate the ECT's adverse impacts on climate finance and design a future of investments where both investors and the climate are adequately protected.

### **3. Group-7's Role as a Climate Club to Commit Financing for Multilateral Funds and Financial Agencies to Expand Financial De-Risking Mechanisms and to Engage with Businesses**

Multilateral funds like the Green Climate Fund (GCF) and the Global Environment Facility (GEF) and the Multilateral Investment Guarantee Agency (MIGA) should expand their equity and guarantee provisions by coupling loans or grants with these mechanisms. Expanding these de-risking financial mechanisms on a large scale may not be sustainable in the long term without continuous financial support and adaptation to changing market and environmental conditions. It is important to assess the scalability and ensure that these mechanisms can be maintained and adapted over time. Based on case studies of the GCF, GEF, and MIGA, governments of developed countries should increase the capitalization of these funds to ensure that a suite of their financial mechanisms can be used to maximize private climate finance mobilization.

The G7 could take the role of a Climate Club for finance and create both a direct and indirect channel to private climate finance flows. It can promote multilateralism to jointly contribute greater funding for multilateral funds and public financial institutes, such as the GCF, GEF, and MIGA, that need additional capitalization for effective private investment de-risking execution. The G7 as a Climate Club could also directly engage with corporations, offering cross-country guidance and financial incentives to enhance the impact of private investment on climate mitigation and adap-

tation. This includes providing loans with lower interest rates to corporations and other financial mechanisms that can stimulate private sector involvement.

## 7 Conclusion

Although there are identified approaches to close the climate finance gap, they remain underutilized. Instead of postponing the implementation of these methods, stakeholders should facilitate ways to advance them more effectively. Legacy IIAs need reform, and a holistic approach is required to create favorable conditions for the implementation of de-risking mechanisms.

These findings are significant, as they shed light on how international investment laws can be reformed to better facilitate climate finance. By focusing on de-risking investments and enhancing collaboration among various financial entities, the efficiency of climate finance mobilization can be improved. This research also underscores the evolving nature of international law, seen through the shift from protecting all forms of energy investments to specifically promoting low-carbon energy ones. Moreover, it highlights that the commitment and implementation of international law should extend beyond quasi-universal settings like the UNFCCC to leverage the distinct benefits of smaller multilateral institutions.

However, this study has several limitations. The methodology did not encompass all investment projects or G7 communiqués related to intergovernmental financial flows, and the case studies were not randomly selected, which may affect the generalizability of the findings. Additionally, each recommendation presented has inherent drawbacks that need to be considered. Therefore, future research should validate these findings through more comprehensive studies, encompassing a broader range of investment projects and G7 actions.

## Reference

“About GCF.” Green Climate Fund (GCF). n.d.-a. <https://www.greenclimate.fund/about>.

“About Us | MIGA.” Multilateral Investment Guarantee Agency (MIGA). n.d. <https://www.miga.org/about-us>.

“AfDB-PPP Public-Private Partnership Program.” Global Environment Facility (GEF). n.d.-a. <https://www.thegef.org/projects-operations/projects/4929>.

Alex Bowen, Dimitri Zenghelis, and Mattia Romani. 2009. “Section 2 - Analytical framework: The case for public sector action | Meeting the Climate Challenge: Using Public Funds to Leverage Private Investment in Developing Countries.” London School of Economics and Political Science. September. <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2014/02/sectiontwo.pdf>.

Alfie Shaw. 2023. “Dutch Government to pay RWE €331m in compensation.” Power Technology. September 21. <https://www.power-technology.com/news/dutch-government-rwe-compensation/>.

Amar Bhattacharya, Richard Calland, Alina Averchenkova, Lorena Gonzalez, Leonardo Martinez-Diaz, and Jerome Van Rooij. 2020. “Delivering on the \$100 Billion Climate Finance Commitment and Transforming Climate Finance.” The Independent Expert Group on Climate Finance. December. [https://www.un.org/sites/un2.un.org/files/2020/12/100\\_billion\\_climate\\_finance\\_report.pdf](https://www.un.org/sites/un2.un.org/files/2020/12/100_billion_climate_finance_report.pdf).

Ananthkrishnan Prasad, Elena Loukoianova, Alan Xiaochen Feng, and William Oman. 2022. “Mobilizing Private Climate Financing in Emerging Market and Developing Economies.” IMF eLibrary. July 27. [https://www.elibrary.imf.org/configurable/content/journals\protect\T1\textdollar002f066\\$002f2022\protect\T1\textdollar002f007\\$002farticle-A001-en.xml?t:ac=journals%24002f066%24002f2022%24002f007%24002farticle-A001-en.xml](https://www.elibrary.imf.org/configurable/content/journals\protect\T1\textdollar002f066$002f2022\protect\T1\textdollar002f007$002farticle-A001-en.xml?t:ac=journals%24002f066%24002f2022%24002f007%24002farticle-A001-en.xml).

Barbara Buchner, Baysa Naran, Rajashree Padmanabhi, Sean Stout, Costanza Strinati, Dharshan Wignarajah, Gaoyi Miao, Jake Connolly and Nikita Marini. 2023. “Global Landscape of Climate Finance 2023.” Climate Policy Initiative. November 2. <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/>.

Barbara Buchner, Martin Stadelmann, and Jane Wilkinson. 2014. “Operationalizing the Private Sector Facility of the Green Climate Fund: Addressing Investor Risk.” Climate Policy Initiative. April 29. <https://www.climatepolicyinitiative.org/id/publication/ope>

rationalizing-the-private-sector-facility-of-the-green-climate-fund-addressing-investor-risk/.

CFR Editors. 2024. “What Does the G7 Do?” Council on Foreign Relations. June 24. <https://www.cfr.org/backgrounder/what-does-g7-do>.

Council of the European Union General Secretariat. 2022. “Energy Charter Treaty modernisation.” European Commission. June 27. [https://www.bilaterals.org/IMG/pdf/reformed\\_ect\\_text.pdf](https://www.bilaterals.org/IMG/pdf/reformed_ect_text.pdf).

“Country Engagement Strategy - What We Do.” Global Environment Facility (GEF). n.d.-b. <https://www.thegef.org/what-we-do/topics/country-engagement-strategy>.

Elizabeth Howton. 2023a. “Better Lights at a Lower Cost: Saint Lucia to Replace All Streetlights with LEDs.” Multilateral Investment Guarantee Agency (MIGA). March 28. <https://www.miga.org/press-release/better-lights-lower-cost-saint-lucia-replace-all-streetlights-leds>.

Elizabeth Howton. 2023b. “MIGA Supports Ground-Breaking Solar Project in Somalia.” Multilateral Investment Guarantee Agency (MIGA). February 1. <https://www.miga.org/press-release/miga-supports-ground-breaking-solar-project-somalia>.

Emma Rumney, Irene Casado Sánchez, Jaimi Dowdell, and Misato Nakayama. 2023. “Search our database of questionable climate funding.” Reuters. June 1. <https://www.reuters.com/graphics/CLIMATE-CHANGE/FINANCE/gdvzqlyjqpw/>.

Fiona Marshall. 2010. “Climate Change and International Investment Agreements: Obstacles or opportunities?” International Institute for Sustainable Development (IISD). March. [https://www.iisd.org/system/files/publications/bali\\_2\\_copenhagen\\_iias.pdf](https://www.iisd.org/system/files/publications/bali_2_copenhagen_iias.pdf).

“GEF Agencies.” Global Environment Facility (GEF). n.d.-c. <https://www.thegef.org/partners/gef-agencies>.

“IDB-PPP MIF Public-Private Partnership Program.” Global Environment Facility (GEF). n.d.-d. <https://www.thegef.org/projects-operations/projects/4959>.

Jamal Srouji and Deirdre Cogan. 2023. “What Is the ‘Global Stocktake’ and How Can It Accelerate Climate Action?” World Resources Institute. September 8. [https://www.wri.org/insights/explaining-global-stocktake-paris-agreement?utm\\_source=youtube&utm\\_medium=video-desc&utm\\_campaign=gst-video-campaign](https://www.wri.org/insights/explaining-global-stocktake-paris-agreement?utm_source=youtube&utm_medium=video-desc&utm_campaign=gst-video-campaign).

Joseph Kraus. 2023. “CLIMATE FINANCE REPORTING IS A MESS. HERE’S HOW TO FIX IT.” ONE Data Commons. <https://datacommons.one.org/climate-finance-files>.

Monika Dulian. 2023. “EU withdrawal from the Energy Charter Treaty.” Think Tank European Parliament. December 4. [https://www.europarl.europa.eu/thinktank/en/document/EPRS\\_BRI\(2023\)754632](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2023)754632).

Nathalie Bernasconi-Osterwalder and Martin Dietrich Brauch. 2019. “Redesigning the Energy Charter Treaty to Advance the Low-Carbon Transition.” September 2. <https://www.iisd.org/publications/brief/redesigning-energy-charter-treaty-advance-low-carbon-transition>.

OECD. 2022. “Aggregate Trends of Climate Finance Provided and Mobilised by Developed Countries in 2013-2020, Climate Finance and the USD 100 Billion Goal.” OECD Publishing. Paris. <https://doi.org/10.1787/d28f963c-en>.

“Organization.” Global Environment Facility (GEF). n.d.-e. <https://www.thegef.org/who-we-are/organization>.

“Paris Agreement.” 2015. UNFCCC. [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf).

Philip Loft. 2022. “UK and G7 commitments to donate Covid-19 vaccines.” House of Commons Library. February 8. <https://researchbriefings.files.parliament.uk/documents/CBP-9419/CBP-9419.pdf>.

Pia Eberhardt and Cecilia Olivet. 2020a. “Energy Charter Treaty.” Energy Charter Treaty Dirty Secrets. <https://energy-charter-dirty-secrets.org/>.

Pia Eberhardt and Cecilia Olivet. 2020b. “Silent Expansion.” Corporate Europe Observatory (CEO), the Transnational Institute (TNI) and Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI). April. <https://www.tni.org/files/publicatio>

n-downloads/ect\_silent\_expansion.pdf.

“Portfolio Dashboard.” Green Climate Fund (GCF). n.d.-b. <https://www.greenclimate.fund/projects/dashboard>.

“Private Equity Fund Insurance - What We Do.” Multilateral Investment Guarantee Agency (MIGA). <https://www.miga.org/private-equity-fund-insurance>.

“Private sector financing.” Green Climate Fund (GCF). n.d.-c. <https://www.greenclimate.fund/sectors/private>.

“Resource mobilisation.” Green Climate Fund (GCF). n.d.-d. <https://www.greenclimate.fund/about/resource-mobilisation/irm>.

“Results - Climate Change.” Global Environment Facility (GEF). n.d.-f. <https://www.thegef.org/what-we-do/topics/climate-change#results>.

Shally Venugopal, Aman Srivastava, Clifford Polycarp, Emily Taylor. 2012 “Public Financing Instruments to Leverage Private Capital for Climate-Relevant Investment: Focus on Multilateral Agencies.” World Resources Institute. December. [http://pdf.wri.org/public\\_financing\\_instruments\\_leverage\\_private\\_capital\\_climate\\_relevant\\_investment\\_focus\\_multilateral\\_agencies.pdf](http://pdf.wri.org/public_financing_instruments_leverage_private_capital_climate_relevant_investment_focus_multilateral_agencies.pdf).

Thibaud Voïta. 2023. “Is International Climate Finance Unfair and Inefficient?” Institut français des relations internationales (IFRI). June 20. [https://www.ifri.org/sites/default/files/atoms/files/voita\\_international\\_climate\\_finance\\_juin2023\\_1.pdf](https://www.ifri.org/sites/default/files/atoms/files/voita_international_climate_finance_juin2023_1.pdf).

Torsten Ehlers, Charlotte Gardes-Landolfini, Fabio Natalucci, Prasad Ananthakrishnan. 2022. “How to Scale Up Private Climate Finance in Emerging Economies.” IMF. October 7. <https://www.imf.org/en/Blogs/Articles/2022/10/07/how-to-scale-up-private-climate-finance-in-emerging-economies>.

United Nations. 2013. “No. 45688 Netherlands and Dominican Republic.” UN-iLibrary. March. <https://doi.org/10.18356/95701587-en-fr>.

“Who We Are.” Global Environment Facility (GEF). n.d.-g. <https://www.thegef.org/who-we-are>.

William Burke-White. 2024. “Harnessing the power of international investment law to close the climate finance gap: a proposal for a new Green Investment Protocol.” Kleinman Center for Energy Policy. July 3.

William Nordhaus. 2020. “The Climate Club - How to Fix a Failing Global Effort.” Foreign Affairs. April 10. <https://www.foreignaffairs.com/articles/united-states/2020-04-10/climate-club>.

2017. “EU-Canada Comprehensive Economic and Trade Agreement (CETA).” European Commission. [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/canada/eu-canada-agreement\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/canada/eu-canada-agreement_en).

2019. “The Energy Charter Treaty.” International Energy Charter. February 18. <https://www.energycharter.org/process/energy-charter-treaty-1994/energy-charter-treaty/>.

2021. “G7 announces pledges of 870 million COVID-19 vaccine doses, of which at least half to be delivered by the end of 2021.” World Health Organization (WHO). June 13. <https://www.who.int/news/item/13-06-2021-g7-announces-pledges-of-870-million-covid-19-vaccine-doses-of-which-at-least-half-to-be-delivered-by-the-end-of-2021>.

2022a. “FP196: Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in Other ASEAN Member States.” Green Climate Fund (GCF). <https://www.greenclimate.fund/project/fp196>.

2022. “A/77/226: Promotion and protection of human rights in the context of climate change.” UN Office of the United Nations High Commissioner for Human Rights (OHCHR). July 26. <https://www.ohchr.org/en/documents/thematic-reports/a77226-promotion-and-protection-human-rights-context-climate-change>.

2022. “Rockhopper vs Italy - ISDS Red Carpet Courts.” ISDS Red Carpet Courts. September 30. <https://10isdstories.org/cases/case9/>.

2023a. “FP211: Hardest-to-Reach.” Green Climate Fund (GCF). <https://www.greenclimate.fund/project/fp211>.

2023b. “FP213: The Blue Green Bank (BGB).” Green Climate Fund (GCF). <https://www.greenclimate.fund/project/fp213>.

2023. “Climate Change - Our Impact.” Multilateral Investment Guarantee Agency (MIGA). August 7. <https://www.miga.org/climate-change>.

2023. “G7 Hiroshima Leaders’ Communiqué.” The White House. May 20. <https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/20/g7-hiroshima-leaders-communicue/>.

2023. “Update on Arbitration.” Rockhopper Exploration Plc. April 25. <https://rockhopperexploration.co.uk/2023/04/update-on-arbitration/#:~:text=As%20announced%20on%2024%20August,of%20payment%20>.

2024. “Climate, Energy and Environment Ministers’ Meeting Communiqué.” G7 Italia. April 29-30. [https://www.g7italy.it/wp-content/uploads/G7-Climate-Energy-Environment-Ministerial-Communique\\_Final.pdf](https://www.g7italy.it/wp-content/uploads/G7-Climate-Energy-Environment-Ministerial-Communique_Final.pdf).

2024. “Greenpeace calls on embattled G7 to re-engage on climate and biodiversity leadership.” Greenpeace International. June 14. <https://www.greenpeace.org/international/press-release/67896/g7-climate-biodiversity-leadership-tax-fossil-fuel-profits/>.

2024. “Rockhopper v. Italy.” Sabin Center for Climate Change Law. <https://climatecasechart.com/non-us-case/rockhopper-v-italy/>.