Climate Finance in the Age of Populism

Understanding the Allocation Patterns of Right-Wing Governments

By Tessa Tutschka, 16th October 2025

Summary

As the impacts of climate change intensify, providing effective adaptation support to low-income countries is becoming more urgent than ever. Climate finance is central to this effort, yet its allocation is increasingly shaped by shifting political dynamics within provider countries. In light of this, this research explores how right-wing populist governments in provider countries influence the allocation of climate adaptation finance. Building on Bermeo's (2017, 2018) "targeted development" framework, I investigate whether these governments adopt a self-interested approach, directing funds in a way that reduces climate-related challenges abroad from spilling over into their own territories. Based on a mixed-methods analysis of 14 European provider countries and 111 recipient countries from 2015-2022, the findings reveal limited evidence for such strategic behavior. Rather, the results suggest that right-wing populists' failure to recognize climate change as a source of risk in developing nations plays a central role in shaping their climate finance decisions.

Motivation

In recent years, right-wing populist parties have gained significant influence across many European countries. These parties openly question the scientific consensus on climate change and emphasize national sovereignty over international cooperation. At the same time, the very countries now led by right-wing populist parties have long been the cornerstone of global climate finance. Could the rise of right-wing populists and their nationalist priorities redefine the world's response to a warming planet?

Approach and methods

To test the research question, I draw on Bermeo's (2017, 2018) "targeted development" framework. The theory postulates that provider countries will aim to allocate funds in a targeted, self-interested way to minimize the risk of climate-induced challenges from spilling over into their own countries, such as through increased migration. I build on this framework by extending it to the context of right-wing populist parties. Given their core ideological commitment to protecting "the people" from perceived external threats, these parties are likely to embrace a similarly targeted approach to climate finance. I then test this hypothesis by analyzing the climate adaptation finance allocation patterns between 14 European contributor and 111 recipient countries for the period 2015-2022. To capture both broad patterns and underlying mechanisms, I employ a mixed-method, nested approach, combining a two-stage fixed effects Cragg Model with a process tracing case study analysis.

Key findings

- **Less climate adaptation finance:** Provider countries with right-wing populist parties in government consistently allocated less adaptation finance than non-populist providers during the observed timeframe.
- **Distinct recipient selection behavior:** Right-wing populist governments favored recipient countries from which they imported goods and showed a lower likelihood of selecting those countries to which they exported.
- **No climate change concerns:** The identification of climate change as a driver of risk is notably absent in right-wing populist discourse. The parties failed to recognize the challenges that climate change poses both to their own countries and foreign nations.

Insights and interpretation

Overall, there is little evidence to suggest that the observed allocation patterns for climate adaptation finance reflect an intentional strategy by right-wing populist governments. On the contrary – climate change does not seem to be of great concern to these parties. Thus, the research raises considerable concerns about the impact of right-wing populist parties on the global fight against climate change. Not only did it become evident that these parties do not recognize climate change as a real threat, they also consistently distribute less money than their non-populist counterparts when in government. As right-wing populist parties become increasingly influential in provider countries, they therefore risk undermining international efforts for climate adaptation all over the world. Ultimately, the question of whether right-wing populist parties will translate their words into action, and whether external pressure from opposition parties, civil society, and the scientific community can meaningfully influence this trajectory, remains to be seen.

Recommendations

- **Explore how populist rhetoric is translated into policy outcomes:** The results challenge the assumption that right-wing populist parties consistently translate their ideological rhetoric into concrete policy actions. This may reflect institutional constraints, coalition dynamics, or economic pragmatism.
- **Strengthen climate literacy and risk awareness:** Tools such as targeted awareness campaigns could help integrate a broader understanding of climate-related risks in policy making. External pressure from NGOs, scientific networks, and opposition parties could help hold right-wing populist governments accountable.
- **Institutionalize international climate finance commitments:** Embedding minimum adaptation finance targets into law could limit the extent to which domestic shifts in politics undermine global climate efforts.

References

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