



## Charting a course toward climate compatible development: Seven years of CDKN (2010-2017)

**Opening Remarks by Sam Bickersteth at the CDKN Conference, London, July 2017.**  
**Additional content draws from discussion throughout the conference.**

Over the last seven years, CDKN has made it its mission to be a trailblazer and advocate of climate compatible development in the poorest and most vulnerable nations. Climate compatible development is an objective which means that tackling climate change cannot be at the expense of reducing poverty and achieving human development.

The idea of climate compatible development has gained widespread traction since we first proposed it in 2010. It is now an idea that has become central to the new Sustainable Development Goals (SDGs) and is reflected in the Paris Agreement.

As CDKN moves into a new phase, we are presented with the opportunity to look back over our achievements in the period 2010-17, but also, and perhaps more importantly, to focus on the challenges ahead.

What do we need to do more of to **accelerate** and **catalyse** climate compatible development to bring the Earth closer in line with the 2°C (or preferably 1.5°C) target? This question was central to our two-day conference in London, which brought together more than 65 climate and development practitioners from CDKN's global network. Together, they captured the potential next steps for advancing the climate and development agenda. In this paper, we share latest thinking from CDKN on the state of climate compatible development in 2017 and propose a six-step action plan for accelerating and catalysing climate compatible development.

### **An integrated approach**

From the inception of CDKN we have sought to **integrate**:

- **Climate and development** – our central description of climate compatible development
- **Research into policy and practice** – most of our projects have been embedded nationally, engaging us in the political economy of climate and development
- **Evidence building, technical support and knowledge management** – we have a significant track record in effective articulation, forging joint understanding of,

packaging and sharing experiences in climate compatible development with different audiences at the national and subnational level

- **Global processes into national level actions** – our engagement has spanned global processes such as the SDGs, Sendai and the UNFCCC alongside our deep engagement countries.

Much of this came together in December 2015 with the **Paris Agreement**. COP21 marked a culmination of much of CDKN's work linking across the dimensions mentioned above, and drawing on much of what we had achieved over the previous five years:

- Bridging **science** and policy – through our [IPCC SREX](#) and [IPCC Fifth Assessment Report materials](#) and [Future Climate for Africa programme](#).
- **Strategic** planning – strategies such as Peru's [PlanCC](#); Ethiopia's [Climate Resilient Green Economy](#), and Kenya's [National Climate Change Action Plan](#), all of which informed NDCs
- Making the national **economic** case for climate action – in [Uganda](#) and [Nepal](#).
- Technical and **legal** support - the [Negotiations Support](#) programme has trained 1,208 individuals to improve their negotiation skills; generated 2,577 cases of legal, technical and climate finance advice; and supported 537 negotiators to participate in international climate meetings.
- Advocating for **gender** equality in climate action, [including integration of gender into India's State Action Plans](#) and through global knowledge products.
- Access to **finance**– shaping the Green Climate Fund; private sector engagement; NGO and developing country voice and representation including inputs on direct access and gender considerations; climate finance readiness in 8 countries and a joint website with the [Adaptation Fund](#), and design and implementation of the first African national fund, [FONERWA](#).
- Raising developing country **voice** – of three climate negotiation groups; and delegations supported (e.g. Kenya and Bangladesh) as well as the enabling **politics** ([High Ambition Coalition](#)).
- [Sub-national voice and capacity](#) – 20 city partnerships; and also business partnerships in Kenya, Colombia and Peru.

It is at the national level that CDKN's knowledge and technical assistance has had its greatest impact; CDKN has influenced policies and practices in 33 countries, with more significant change in 13.

CDKN has also produced a wide variety of knowledge products. Some of the most significant reports we have produced include:

- our [regional specific guides](#) to the IPCC Fifth Assessment Report;
- [Ten things to know about gender equality and achieving the climate goals](#);
- our [NDC Quick Start Guide](#) with Ricardo;
- and most recently the CDKN Book '[Mainstreaming Climate Compatible Development](#)'.

Some of the most significant reports and publications we have supported include [Turn Down the Heat](#) (World Bank), and the [Green Growth Best Practices Report](#).

## What's happening now?

2017 brings a different global context to 2015, with dramatically increased uncertainty driven by Brexit, weak US leadership, global security risks, increased migration and many other factors. The multilateral triumph of Paris is threatened by the US withdrawal, although the G19 are currently showing remarkable cohesiveness around the irreversibility of the Paris Agreement. On the positive side, the economic and commercial case for accelerated shift from fossil to renewable energies has reached a tipping point, and subnational and non-state actors are increasingly committed to the Paris goals irrespective of global political processes.

Challenges and causes of uncertainty:

- We are on the verge of a Fourth Industrial Revolution, with the advent of Artificial Intelligence, Virtual Reality, the Internet of Things, Blockchain and more; this will have massive implications for work, access to knowledge, wealth and distribution.
- **Extreme events** are increasingly becoming the norm, **and tipping** points are close at hand. For example, the Larsen C ice sheet – a sheet the size of Delaware – has now broken away from Antarctica. We can also see the effects from extreme heat not only abroad but closer to home; a recent heatwave in UK has been linked to climate change by CDKN's partners, the World Weather Attribution team.
- **Deforestation** continues and is rising again in **Brazil**; tropical forests in **Indonesia** and the Mekong have been reduced to small pockets, whilst the less touched Congo basin is now under threat. Deforestation and land use change constitute 17% of emissions — yet afforestation or land use restoration is currently the only established at scale **Negative Emission Technology**.
- **Emissions** are still rising, and even with the Nationally Determined Contributions (NDCs) agreed in Paris, there is still a large gap of 14 GtCO<sub>2</sub>e to achieve 2°C limit of 42Gt by 2030. We need to decarbonise [at an unprecedented annual rate of 6.5% until 2100 to meet the 2°C target](#). Developing countries face a raft of emissions-related issues, which are not only costly but also exacerbate fossil fuel dependency in many cases. The desperate need for energy access for billions of people, as well as the need for clean air and the obvious co-benefits to be gained have catapulted this issue to the top of policy-makers' concerns.

## What can we learn from the implementation of NDCs so far?

Many countries seem to be getting on with it, and we are in a changed context where Ministries of Finance, Planning and key sectors are now driving the agenda. But getting ownership, leadership, finance and capability in place across various levels of government is a big task; and NDC targets around adaptation need work to match the more realistic mitigation targets. Because the ambition of the current NDCs does not take the world

anywhere near the Paris target, there is therefore an urgent need for significant tightening as the first updates are being prepared

So what about the **Finance**?

Climate finance for developing countries was estimated to be \$42bn last year, with \$67bn projected by 2020. However, official climate finance is dwarfed by finance from other sources; for example, green bonds (fixed-income financial instruments linked in some way to climate change solutions), of which issuance in 2017 is expected to be \$120-200bn. We know it's the trillions in wider assets (such as pension funds) that matter the most. There is a diversification of instruments (equity, guarantee, loan and grant) by multilateral funds such as Climate Investment Funds (CIFs) and the Green Climate Fund (GCF), but financing NDCs is fragile with excessive attention on the GCF (whose resources are already set to decline), and a lack of grant finance - especially for adaptation.

It's important to note that **mainstreaming is underway**, with 28% of the World Bank portfolio set to be climate related, and the International Development Finance Club (IDFC) has made a significant commitment to climate compatible development in their pre-Marrakesh declaration, but do we know what good looks like in mainstreaming climate action? Are new investments really integrating the best knowledge and practice on climate risk and emissions reducing technologies? Although the GCF and multilateral development banks play a catalytic role, it is domestic resources – public and private - that will be critical to drive transformation.

So what actions have we seen so far in developing countries?

- The **energy transition** is well underway, driven by a fall in prices, technology and policy environments with globally 24% of power coming from renewable energy. The potential for a total shift to renewables, as well as the need to fill urgent energy requirements, has been widely recognised: at COP22 48 countries committed to 100% renewables. But despite this, progress is not on track to reach Sustainable Energy for All's 2030 targets, particularly those on energy efficiency.
- There has been less progress in the associated **transport revolution**, which is underway in small vehicles but with a long way to go on trucks, planes and ships where there are increased emissions. France, the UK and the Netherlands are going to all-electric cars within decades; Volvo recently announced an end to the production of non-electric vehicle/hybrid engines. However, except for in the Chinese and Indian markets, technologies like this are not yet emerging in most developing countries, most of which badly need sustainable transport systems.
- **Smart cities** are not yet being built, but quite the reverse with 'unsmart' construction underway at a colossal speed. However, countries such as India, China and the Philippines are trialling high profile smart cities initiatives. Buildings produce 20% of greenhouse gasses, but decarbonising infrastructure is only estimated to bring an additional 5% cost; there is massive opportunity to get this right in developing countries.

- **Agriculture, forestry and other land use** is central to livelihoods and economies in developing countries; approx. 500 million people are dependent on forests. There has been top-down progress with the New York Declaration on Forests, and the commitment from 54 big-brand companies to remove deforestation from their supply chains by 2020; however, these commitments are hard to implement, as trends in Brazil's deforestation demonstrate. Although it is core to the success of NDCs in developing countries, land use faces extremely complex delivery challenges.
- Whilst there has been some progress on **climate smart agriculture**, including in supply chains, the scale of uptake has not yet been evidenced. SMART farming and supply chain management technologies are becoming increasingly normal in developed economies, but it is early days with regards to reducing food waste, shifting diets and reducing livestock emissions. There are hard trade-offs to deal with around behaviour, regulations and incentives; one potential solution is to redirect agriculture subsidies, which are globally worth \$580m - more than fossil fuels. There is an urgent need for better understanding, or we may see 70% of emissions coming from agriculture and associated land use alone by 2050.

What does this mean for the future?

Technology, knowledge and potentially finance are moving faster than regulations, institutional capability and behavioural change. But the overarching constraint that has dominated the agenda of CDKN has been the capability of institutions, the depth and breadth of human capital and the systems in which they operate.

### Looking forward: a six-point plan

What is the agenda that we must address going forward? There are six key areas to accelerate climate compatible development, which prompt some key questions that we need to address.

#### 1. **Rebuild and reshape leadership**

Will China have the depth of capacity to fill the gaps emerging, and from where will new coalitions and states-people emerge? Non-State Actors and coalitions have already emerged as significant, for example the [We Mean Business](#) coalition. How can a reinvigorated media and NGO campaign around climate be instigated? Sustained support to groups like the Least Developed Countries negotiators group and the High Ambition Coalition can play a valuable role for relatively modest investment.

Some of the emerging responses from the conference included:

- National leaders need to take a high level of personal responsibility for the shaping of their country's climate agenda. Emmanuel Macron of France is one such example.

- Let's particularly ensure that we weave adaptation into development and mitigation interventions.
- There is a difference between power and leadership. Those in power are not necessarily the right advocates or champions of climate compatible development. We should look to those champions, whether in the private sector, NGOs or different areas of government, to work together to push the agenda forward.
- It is not just about North to South transfer of knowledge, leadership and advocacy but also South to North. We need to build capacity through long-term engagement and partnerships with the most vulnerable countries who are often learning the fastest and have much to share.
- We need to grow future leaders, not purely climate leaders. We need to educate our youth to become champions of climate compatible development and climate change in general, as they will be the most affected by it.

2.



## Socially inclusive climate compatible growth

We've made the economic case for climate compatible growth, but not for socially inclusive climate compatible growth. Plans, subsidies and sectoral actions must address gender and **social inclusion** far better than at present. CDKN's [recent report on NDCs](#) shows that this is non-optional. NDCs must respond to national development plans, these all aim to reduce poverty. Yet great climate initiatives like Mission 2020 have given little attention to issues such as poverty and jobs. A stronger poverty focus is needed to ensure inclusive transformation. We cannot let the climate agenda become a humanitarian agenda – we learnt from Sendai that it is tough to shift humanitarian approaches and resources to building long term and transformative capacity.

Points emerging from the conference included:

- Listen to minority groups and those who are most affected by climate change.
- Take a holistic approach to incentives and subsidies; we must question where these are distorting the market and not helping us to reach good outcomes for the poorest and most vulnerable.
- Stop using climate specific language which has the potential to alienate the private sector. Integrate climate issues into the language of business. The same applies to other stakeholders, such as subnational actors.
- It is not always a win-win situation, a real analysis and clear communication of the trade-offs for any given programme is needed.

3.



## Accelerate access to all kinds of finance

We must stop talking only about climate finance (including GCF) and instead focus on other resources and where finance sits – in national budgets, banks, the private sector and with global financial institutions.

Points emerging from the conference were:

- Accelerate the implementation of NDCs through resource mobilisation and drop the use of the phrase ‘climate finance’ – finance can come from all kinds of sources.
- There are no ‘silver bullets’ or ‘one size fits all’ options. Every country is different with varying priorities and specific gaps to address. You need to include the experts and fiscal strategists from each country at every stage.
- Use fiscal policy as a strategy lever and make more effective use of innovative market instruments such as guarantees and other smart blending solutions and public-private partnerships to catalyse the needed volumes of climate compatible development investments from an existing base.
- Support developing countries in building capacity to transform their NDCs into bankable investment plans with a healthy pipeline of projects in all sectors.
- Communicate and engage on thinking of climate action as a co-benefit and not as a standalone financing option. This could be focusing on reform that benefits areas that the public care about, such as health, education or security.
- Better data collection is needed at the national level on financial flows both by sector and in new cross-sectoral areas.

4.



## Construct climate resilient infrastructure

We must focus on **infrastructure** now. Technology has the chance to reboot the quality of the built environment. Domestic scale integrated solar, battery and smart switching systems are on the way here in the UK – but there is need to deliberately insert these available technologies into the construction underway in all cities in developing countries.

Points emerging from the conference included:

- Effective communication of climate risks and uncertainties is important to successfully inform project planning and design. Climate risks should be placed within the wider context of other risks and vulnerabilities.
- Stakeholder analysis at the outset of any intervention is crucial. Make a clear plan for which stakeholders should be engaged at different stages and who could be ‘champions’ for, and leaders of, change.
- Adjusting infrastructure design to improve resilience is important, but infrastructure should also support resilience within its broader environmental, social and institutional system.
- Long-term prospects for increasing the climate resilience of infrastructure rely on investment in capacity development to support action by national government and

their agencies such as river basin organisations. Good examples of effective action are important – the market is full of followers.

## 5. Build capability across scales

We have to work **across scales** to build capability of institutions, people and systems to manage the low carbon, climate resilient revolution ahead– from community, to local, sub-national, national and international. For example, we can see how demand for action on air pollution has been driving change in a range of policies at local, national and even international levels – these connections need to be fostered and we need nimble programmes and institutions to do this; CDKN has made a start. Development aid agencies with their catalytic potential need to get behind this and deliver on their mainstreaming commitments – otherwise the SDGs will not be delivered.

Points emerging from the conference included:

- Build long term partnerships and mandates to secure a longer-term vision instead of ‘quick wins’.
- Understand the perspectives of others and recognise that in order to build capability across scales, you need to build a common understanding through clear communication.
- Use networks which already exist such as LEDS GP and the NDC Partnership.
- Find opportunities to shape and inform public opinion.
- Strengthen political leadership and capabilities of institutions at the national and subnational level for sustained change.

## 6. Enable equitable consumption

Finally **consumption** – we have to consume more equitably, whether we are talking about water, food, carbon or land. Where is the behavioural agenda in developing countries? Is it too soon to be talking about the new sharing economy (e.g. Zip car), changing diets and looking at new forms of resource use? There is an opportunity for developing countries to manage waste better, achieve efficiency gains and avoid high carbon lock in.

Little discussion on this topic emerged from the conference besides the need to look across supply chains to ensure equitable consumption. I look forward to seeing further public debate on this important topic.

### The Future for CDKN



Finally, a quick word on the future of CDKN. While core support from DFID is coming to an end this autumn, CDKN is continuing to operate through our alliance. We will continue to deliver five multi-year, global projects addressing climate action through support with knowledge and learning, research, capacity building and technical assistance. Together with our partners we will continue to remain relevant and active in building the capability of developing countries to respond to the opportunities and challenges of climate and development.

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