
Development Cooperation and Climate Change: The Quest for Orientation in a Challenging Context



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“South-South Cooperation needs to be based on the principle that this kind of cooperation should... contribute positively to climate change mitigation and adaptation actions.”

Introduction

The context for international cooperation is challenging. This statement was probably always valid. However, in the early 2020s all regions of the world started facing multiple, cascading crises and fundamental challenges. The dynamics, the speed and the depth of those challenges are unprecedented. Since the beginning of 2020, COVID-19 caused a major setback for all parts of the world. However, developing countries suffer much more from the pandemic. COVID-19 has caused the level of Human Development to decrease for the first time since the Human Development Index was calculated (UNDP 2020a). The Russian aggression in the Ukraine since 24th February 2022 is a totally different fundamental and sad milestone in many ways. Core principles of the United Nations were brutally broken by Russia. A clear majority of UN member countries is refusing to accept this new form of imperialism and crude violence. The negative consequences for developing countries are serious. Just with a focus on the price level of main food ingredients (such as wheat and sunflower oil), the war has already created huge damage especially for poor households (Klingebiel, 2022).

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The author is thankful to Steffen Bauer and Niels Keijzer for their valuable feedback on a draft version of the paper and Sophie Schlopsna for her research assistance work.

The challenges resulting from the Russian aggression and the pandemic are profound. However, over the last couple of years, there is also an increasing global awareness about the fundamental long-term consequences of climate change. There is striking scientific evidence that the human-made climate change is already dramatically affecting the life and livelihoods of people in many ways. Major catastrophic events in the early 2020s are directly related to rising temperatures. This is true for a number of floods and large-scale fires around the world, for high-, middle- and low-income countries alike. Those consequences will be even much more disastrous in the future. Furthermore, these will be much worse for vulnerable developing countries such as small island countries, many African countries, especially in fragile regions, or countries like Bangladesh (Bauer *et al.* 2021: 19; IPCC 2022; UNDP 2020b).

Thus, climate change as such is already damaging and threatening sustainable development (e.g. the implementation of the 2030 Agenda and its Sustainable Development Goals (SDGs)) in all parts of the world with most profound consequences in the Global South. The wildfires in California / USA in 2021, the floods in Germany in 2021 and the severe heat wave in some parts of India during in 2022 are just some out of many examples. The need for an effective management of multiple crisis situations (pandemic, Russia aggression in Ukraine, etc.) is sharply increasing in times of fading multilateralism and a new geopolitical confrontation. The geopolitical focus in the early 2020s was mainly on China and Russia on the one

hand, and the USA and Europe on the other hand (Klingebiel/Janus, 2021). However, geostrategic considerations might impact cross-border cooperation in many ways in the future to a larger extent.

The world is becoming increasingly characterised by profound structural inequalities between the main drivers of anthropogenic climate change and those who are most vulnerable to its consequences. This is why climate policy is a matter of equity and fairness (Bauer 2021; UNDP 2020b). Thus, in the second quarter of 2022, the global context for cross-border cooperation has become less conducive (Klingebiel, 2022; Chaturvedi *et al.*, 2021). At the same time, climate change can be regarded as a global challenge which generates a lot of pressure to find more effective global solutions (Könneke / Tollmann, 2021: 2), for instance, the European Union's Green Deal that was made a flagship priority of the term in office of the President of European Commission (see Koch & Keijzer, 2021). The debate on international environmental politics and international relations as such provides a number of arguments why addressing global and trans-boundary environmental challenges provides opportunities for cooperation even in otherwise hostile geopolitical circumstances (Biermann / Kim (eds.), 2020).

A Complex Relationship: Development Cooperation and Climate Change

Climate change is a multidimensional challenge. This includes mitigation

and adaptation dimensions, domestic activities in all countries at a national and sub-national level, the involvement of all actors (such as governments, parliaments, private sector, academia, civil society) and last but not the least inter- and transnational cooperation. When it comes to cross-border aspects, it requires a high-level quality of interaction, which goes beyond basic cooperation: collaboration of actors would be required to work on effective global solutions (Chaturvedi *et al.*, 2021; Klingebiel / Gonsior, 2020).

There exists complex policy arena in charge of international negotiations on climate change. The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) is a central piece in this regard.¹ Development cooperation is only partly associated to and included in this debate. The same applies to other policy areas with a cross border dimension, such as international trade, agricultural policies, climate foreign policy, science cooperation, etc.

Nevertheless, development cooperation as a policy field has important linkages to climate change debates and policy actions. This is true for at least two main reasons:

First, developing countries are increasingly contributing to new levels of greenhouse gas (GHG) emissions. This holds especially for middle-income countries (MICs) (see Figure 1). Nevertheless, it is also undeniable that high-income countries are historically main contributors to the causes of climate change and they are still contributing in a significant way (Bauer *et al.*, 2021).

This is a relevant responsibility which also impacts international negotiations on climate change and rightly so. The fact is commonly referred to as “historical responsibility” and addressed in negotiations in relation to the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC). At the same time, developing countries and emerging economies have an important role concerning GHG emissions and rising global temperatures, and are generally among those directly experiencing the extreme effects thereof.

Today, developing countries, mainly emerging economies, produce around two-thirds of absolute global emissions. China alone is responsible for roughly 30 per cent of all global carbon emissions². The share of developing countries to the global level of carbon emissions will increase further in the future. Upper-middle income countries are currently the main drivers of growth in global emissions. In the medium term, lower-middle income countries and poorer developing countries will also make a significant contribution to global emissions. (Bauer *et al.*, 2021: ix; UNDP, 2020b)

The policy agendas of developing and emerging countries are often inconsistent with regard to climate change (a very similar argument could be made for high-income countries if this would be the topic of the present piece). China, as top emitter in the world, was much more ambitious when it came to climate change related targets over the last few years. President Xi Jinping announced at the UN General Assembly in September 2020: “We aim to have

CO2 emissions peak before 2030 and achieve carbon neutrality before 2060". In addition, he promised not to build new coal-fired power projects abroad in 2021. (Liu, 2021) Indian Prime Minister Modi, who at COP26 committed to the country being climate neutral by 2070, presented a similarly long time-horizon.

Second, there is an international consensus that developing countries need to receive international support for their efforts related to climate change mitigation and adaptation (see Paris Agreement, i.e. article 9.1). The climate change financing debate in the COP continues along traditional North-South lines (Klingebiel / Gonsior, 2020: 11). The most important international milestone agreement in this regard was made during the COP16 in Copenhagen (2009): developed countries committed to mobilise jointly USD 100 billion per year in climate finance for developing countries by 2020.

This commitment and its implementation is a main issue for international climate change discussions (including COP26 in Glasgow in 2021) and to some extent for the discourse on development cooperation and development cooperation finance. Many actors look at this issue from a trust and solidarity perspective (Bos / Gonzalez / Thwaites, 2021): Are developed countries delivering on their promises?

The USD 100 billion per year commitment is disputed for several technical, conceptual and underlying policy reasons (Averchenkova et al., 2020; Roberts *et al.*, 2021; Bos et al., 2021), which can be summarised as follows:

- The language of the climate accords makes it clear that the amount may include finance from public and private sources. However, the accords do not specify the proportions of financing from these different sources.
- The accords are not explicit about the relations between the USD 100 billion commitment and development cooperation resources. This is why it is not clear to what extent these resources should be reported as Official Development Assistance (ODA), and whether they have to be made from existing ODA budgets or be provided additionally to these.
- The commitment does not include specific shares for mitigation and adaptation. This leads to a situation in which available climate finance is unbalanced, that is, providers of climate finance are favouring mitigation over adaptation.
- There is no specific arrangement about the shares for low-income countries (LICs) and MICs.
- The accords do not indicate how different financial means, specifically the proportion of grants and loans, should be used and counted.

The vagueness of the accords is one of the main reasons why the USD 100 billion commitment triggered a number of controversial debates on the topic since the pledge was made. The reporting system and figures used in the debate are disputed; the collective nature of the commitment makes it difficult to follow up. OECD calculated an amount of USD 79.6 billion for climate finance for the year 2019 in advance to

the COP26 the (OECD, 2021a). Even though this figure is below the level of ambition (and actually not covering the year 2020), other calculations are even less optimistic.

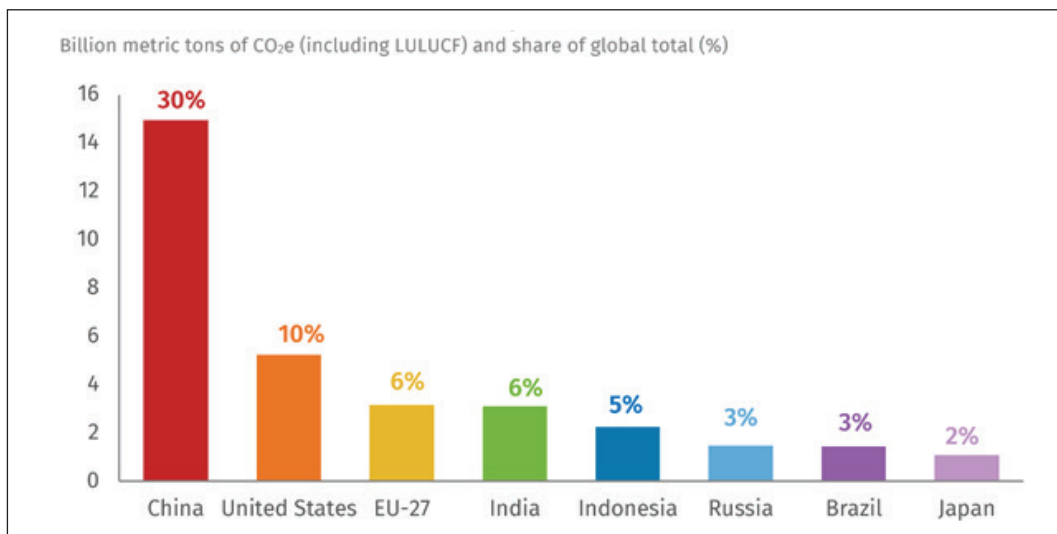
Calculations made by the Indian government and Oxfam were considerably lower than the OECD's climate finance estimates (Roberts *et al.*, 2021). The World Resources Institute found that most of the 23 developed countries are not contributing their fair share towards meeting the USD 100 billion goal. Three major economies - the United States, Australia, and Canada - provided less than half their share of the financial effort in 2018, based on indicators such as the size of their economies and their greenhouse gas emissions. Other countries that provided less than half of their fair share were Greece, Iceland, New Zealand and Portugal. In total, more than a dozen developed countries were falling short

of their responsibilities (Bos / Gonzalez / Thwaites, 2021).

Looking at the Issue from a Development Cooperation Perspective

The discussion in previous paragraphs reflected the perspective of climate change funding needs and promises for support to developing countries. This is a relevant angle of the topic. At the same time, the debate also needs to consider the perspective of the discourse on development policy. From this perspective, we can identify an emerging relationship between ODA resources and climate change funding for developing countries.³ The volume of ODA resources reached an all-time high in 2020 at USD 161 billion. Overall, climate change funding is most likely to be a key driver for any future dynamic for ODA funds. This will be even more

Figure 1: 2020 Net GHG Emissions from the World's Largest Emitters



Source: Rhodium Group, available at <https://rhg.com/research/preliminary-2020-global-greenhouse-gas-emissions-estimates/> access: 03 April 2022

important in the future against the background of an expected expansion of international climate finance beyond the USD 100 billion p.a. as of 2025 and the climate finance delivery plan of the UK COP26 Presidency.

However, the relationship between ODA and resources for climate change mitigation and adaptation is complex⁴: “While there is no clear way to determine whether climate investments have contributed to making ODA more resilient, a number of examples lend weight to the argument that increased attention on climate has kept ODA volumes from falling” (Ahmad and Carey, 2021). Based on self-reporting by its members, the OECD has related a large and rising share (35.5 per cent in 2020) of ODA resources to environment purposes.⁵ The significance of climate change resources is also supported by the emerging statistical measure, Total Official Support for Sustainable Development (TOSSD) for which in 2020 for the first-time official data was collected from 90 providers. TOSSD resources for the so-called “pillar II” (support to international public goods and global challenges) were around 70 billion USD; including USD 29.2 billion for climate mitigation.

For example, this trend is highly relevant for the case of German development cooperation. According to the latest DAC peer review (OECD, 2021c), Germany committed 49 per cent of its bilateral allocable aid (USD 9.6 billion) in support of the environment and climate change in 2018-2019. For climate change alone, the German government reported that 20 per cent was related to mitigation, 13 per cent

to adaptation, and 9 per cent to both adaptation and mitigation in this period. Another key development was the EU’s framework for its external spending under the 2021-2027 budget cycle, where 30 per cent of the Euros 79.5 billion budget is to be spent on climate action (Burni, Erforth and Keijzer, 2021).

This means that climate change adaptation and especially mitigation have increasingly an impact on the motivation and profile of ODA resources. This trend might push a further shift of development cooperation resources away from support of nationally identified development priorities towards development cooperation in support of the provision of climate change mitigation (and less to adaptation) as a global public good.

Way Forward

Historically, the main drivers of climate change are industrialised countries. They bear a significant responsibility in tackling climate change. At the same time, decisive actions from historically responsible countries will not suffice to achieve the goals of the Paris Agreement - to reduce global greenhouse gas emissions in order to limit the global temperature increase without ambitious action on the part of developing countries and emerging economies (Bauer *et al.*, 2021: x). Climate change is indeed a unique global challenge. This global challenge requires a new level of high-quality collaboration between OECD and developing countries.

The urgent need to deal with all aspects of climate change is striking (IPCC, 2022). This applies to all types of

countries and all regions of the world. It is a strong common self-interest in low-, middle and high-income countries. The need for climate change related funding for developing countries has a clear international consensus. In terms of trust and solidarity, there is a strong need to develop a (a) transparent commitment plan for those 23 countries who need to provide the funding (based on a fair burden sharing approach (see Bos *et al.*, 2021) and (b) clear guidance for a credible reporting system. Climate finance is crucial requirement for scaling up developing countries efforts. The global climate finance approach so far is not a sufficient starting point for an improved international dialogue on greenhouse gas emissions.

For the implementation, multilateral climate funds should play a key role. The United Nations and the multilateral development banks (with their important catalytic role in scaling up investments and leveraging other sources of finance) should have a leading role supplemented by bilateral approaches. The Green Climate Fund, the Global Environment Facility, the Climate Investment Funds, the Adaptation Fund as well as the concessional windows of the multilateral development banks and the Global Infrastructure Facility need to be among the leading actors (Averchenkova *et al.*, 2020).

The discussion on climate change funding for developing countries and the debate on development cooperation resources are different discourses. However, they have significant overlaps both conceptually and in terms of real politics and international institutions. Experiences show that there are several

convincing cases that resources should be clearly counted as ODA. This applies, for instance, to adaptation support for LICs. Mitigation support for MICs is a highly relevant approach of the international community as well. However, more policy guidance should be provided in how far this might lead to an even stronger future MICs bias if funding is coming from ODA resources, and if there is a need for 'affirmative action' in relation to supporting LICs. There might be a risk for a changing allocation partner of ODA if the political pressure for an increase of climate change funding will get even more momentum. MICs receive around half of all ODA resources (World Bank, 2021). The pressure to work on climate change related challenges - especially mitigation aspects - might incentivise further a trend in favour of MIC countries. The geographic distribution of climate finance should be carefully monitored and measures might be needed in order to avoid even less development cooperation attention for LICs.

All members of the OECD Development Assistance Committee report action on environment and climate change as a key objective or cross-cutting priority for their development programmes. Furthermore, several members have defined dedicated approaches to transformational change (OECD, 2021b). Those trends are positive. Development cooperation efforts should continue to make climate change related objectives a high priority without giving an integrated sustainable development concept less priority.

Developing countries, especially emerging economies, have an important

responsibility for greenhouse gas emissions. Those countries should play a more proactive role both domestically and internationally.

- Domestically there are many ways to decrease carbon emissions within a short period of time. This applies, for instance, to consumption subsidies for fossil energy. Countries like China, India and Iran can do a lot even within a short time frame (Urpelainen / George, 2021).⁶
- Internationally, South-South Cooperation needs to be based on the principle that this kind of cooperation should do no harm (for example, no support to coal-firing power plants) concerning greenhouse gas emissions. Even better, it should contribute positively to climate change mitigation and adaptation actions.

The concept of TOSSD has a complex background.⁷ TOSSD as a new reporting tool is not accepted at least by several actors based in emerging countries (Esteves / Klingebiel, 2021) especially because the origins of the concept are related to OECD. Not at least because of the climate change aspects of development cooperation - including South-South Cooperation -, the changing profile and application of TOSSD should be given a fresh look; this is especially justified because TOSSD became a much more United Nations-rooted-approach over recent years.

Notwithstanding the importance of accounting for and meeting respective financing commitments at the input level, international climate finance is typically characterised by a problem-driven approach that entails a high degree of 'learning by doing'. For this reason, whilst respecting the various starting points and responsibilities, there is an important need for countries to enter into dialogue and learn from one another on how to collectively meet the challenge of a warming climate.

Endnotes

- ¹ For an overview, see Biermann / Kim (eds.) 2020.
- ² For details see: <https://rhg.com/research/preliminary-2020-global-greenhouse-gas-emissions-estimates/>
- ³ Some parts of this and the following paragraph are adapted from Klingebiel/Janus, 2021.
- ⁴ For example, there is an important dimension in the debate on climate-induced losses and damages, which is another major source of controversy under the UNFCCC and certainly a driver for increasing finance demands in the future.
- ⁵ See https://www.oecd-ilibrary.org/sites/e4b3142a-en/index.html?itemId=%2Fcontent%2Fcomponent%2Fe4b3142a-en&_ga=2.72217499.909152927.1627051159-583104681.1602057287&utm_source=Adestra&utm_medium=email&utm_content=dcp-2021-trends&utm_campaign=whatsnew-23-Jul-2021&utm_term=pac#boxsection-d1e1445 access: 03 April 2022
- ⁶ Of course, this debate is also highly relevant for OECD countries.
- ⁷ For an overview on the TOSSD concept see: <https://www.tossd.org/>

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VIRTUAL POLICY FORUM ON TRIANGULAR PARTNERSHIPS IN UN PEACEKEEPING OPERATIONS: PROMOTING INNOVATION AND SUSTAINABILITY

International Peace Institute (IPI) co-hosted a virtual policy discussion on “Triangular Partnerships in UN Peacekeeping Operations: Promoting Innovation and Sustainability” on March 22nd, 2022 with the Ministry of Foreign Affairs of Japan.

This virtual policy forum focused on triangular partnerships and how they might support successful and long-lasting UN peacekeeping operations. It examined how these collaborations might enhance mandate delivery by attending to specific operational and technological requirements. The virtual policy gave member nations and UN representatives the chance to talk about their experiences with triangular partnerships and decide what should be prioritised in the next years. The policy conference also discussed the conclusions of the UN Peacekeeping Ministerial in 2021 as well as the ways in which various promises will assist the UN Secretariat in filling crucial capability shortages.

Source: International Peace Institute. (2022, March 22). *Triangular Partnerships in UN Peacekeeping Operations: Promoting Innovation and Sustainability*. Retrieved from <https://www.ipinst.org/2022/03/triangular-partnerships-in-un-peacekeeping-operations-promoting-innovation-and-sustainability#7>