

**COLLABORATIVE EXPERT GROUP DIALOGUE AND POLICY-RELEVANT
RESEARCH
DAC NETWORK ON ENVIRONMENT AND DEVELOPMENT CO-OPERATION
(ENVIRONET)**

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***Development Co-operation, Climate change and
Governance:***

**Draft Concept Note and Project Proposal for
Collaborative Expert Group Dialogue and Policy-relevant
Research**

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DEVELOPMENT CO-OPERATION, CLIMATE CHANGE AND GOVERNANCE

Draft Concept Note and Project Proposal

This document is a zero draft to launch an exchange on an expert group dialogue and proposed project to engage in collaborative research on the integration of climate change and governance programming among OECD DAC members.

Action required:

Members are invited to confirm relevance, comment on, informally endorse, and indicate opportunities for resource mobilisation and engagement for the proposed new work stream. Alternatively, members are also welcome to put forward other possible areas of work on development and climate change policy.

Background

Climate change and governance is proposed as a new area of work for 2017-18. If agreed it could be a collaborative project also with DAC GovNet. It would be largely funded under the "Optional" part of the PWB. Championing members - USAID, the UK, Finland and possibly other countries - will introduce the proposed work, aimed at exploring ways to enhance development co-operation effectiveness by integrating climate change and governance programming among OECD DAC members.

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DEVELOPMENT CO-OPERATION, CLIMATE CHANGE AND GOVERNANCE

Draft Concept Note and Project Proposal

Purpose and objectives

1. This concept note is a zero draft to launch an exchange on an expert group dialogue and proposed project to engage in collaborative research on the integration of climate change and governance programming among OECD Development Assistance Committee (DAC) members. The aim of the project is to improve the effectiveness of development co-operation by supporting better and more appropriate integration between these programme areas. An important secondary outcome would be to improve links and shared knowledge around good practices between relevant communities of expertise, leveraging the OECD's policy networks on development co-operation (e.g. ENVIRONET and the OECD-DAC Network on Governance (GovNet). This expert dialogue and joint work would support the overall objectives of existing networks and task teams to promote best-fit practice and partnerships for mutual learning to enhance coordination between development agencies, environment ministries, partner country governments and civil society organisations.

2. It is very timely to consider the best ways for such coordination, not least as the amounts of climate-related development finance grow and become an important part of development co-operation portfolios (at roughly 19% of total bilateral ODA), and as new climate funds, such as the Green Climate Fund, develop and expand. To access these funds, partner countries will require reinforcement of country systems for more open budgeting and transparency as well as domestic resource mobilisation to secure their own funds and ensure financial sustainability of actions to combat climate change¹. The inflow of climate funds will affect and be impacted by issues of power, corruption or elite capture of resources and political changes in any context. To support more holistic approaches to climate-resilient development and to achieve more sustainable, equitable, and legitimate outcomes from climate change programmes, donors are interested in exploring ways to integrate governance approaches into climate change programming. The opposite is also interesting. For instance, important questions include: where can we help make budgets climate sensitive? Where we are working with parliaments on other matters, can we help to make climate an on-going issue of concern? How can we use efforts to address climate and environmental concerns to improve wider reaching governance outcomes?

3. In this context, the OECD DAC, with leadership from USAID, UK DFID, the Government of Finland and other partners, is interested in working collectively with partner countries, experts and donors to explore and advance the use of integrated approaches to governance and climate change programming. A shared effort can achieve more than what any single organisation conducting research and policy dialogue can achieve in isolation.

¹ The Effective Institutions Platform (EIP) www.effectiveinstitutions.org – supported by a Joint OECD-UNDO Secretariat - is a group of developing country partners and donors conducting dialogues to try to assist with this objective.

Background and context

4. Climate change is posing a growing threat to global prosperity and development. A rapidly changing climate is an additional stress on hard-fought development gains, potentially overwhelming infrastructure, eroding public service delivery, reducing legitimacy, and contributing to increased country fragility for example as a result of heightened food security risk and as a driver of migration. Evidence suggests the consequences of unmitigated climate change can include a decrease in human development, a rise in poverty and in inequality.² There is a growing understanding and acknowledgement, which has been made more prominent in the recent Paris Agreement on climate change and the Agenda 2030 with agreed Sustainable Development Goals (SDGs), that successfully addressing climate change will fundamentally hinge on addressing questions of governance. That said, few international development programmes on climate change have directly tackled the issue by integrating traditional governance approaches into climate change programming. For this reason, we propose a collaborative expert group among OECD members to explore integrated climate change and governance programming, sharing examples, experiences, and learning in this area. It is worth noting that the International Development Association 18 Special Themes on governance and institutions³, and climate change⁴ both respectively highlight the importance of collaboration.

5. The Agenda 2030 embeds goals on climate change, and for the first time, on ‘peaceful, inclusive, just societies and effective institutions’. The SDGs also point to the fabric of inclusion, transparency and accountability that must be woven to underpin advancement in climate change or improvements in health and education to develop peaceful, inclusive societies (Goal 16). The *MyWorld Survey*⁵ of citizens across countries on their top priorities places ‘responsive government’ in the top four. This message signals the importance of improvements in resilient democratic governance to better outcomes in any development sector, not least climate change.

6. The Paris Climate Change Agreement brings additional purpose and momentum. The Agreement is premised on increasing accountability, participation, and transparency with regard to both mitigation and adaptation efforts. It will involve policy and project level decision-making and planning processes; financing, capacity building and public participation to enhance actions under the Agreement; and measures to ensure the creation of accountable and inclusive institutions for national climate action. In other words, to successfully implement the Agreement, significant work is needed to improve the governance context which directly affects climate change mitigation and adaptation outcomes.

7. Such high-level agreements require concrete country-level work and multi-disciplinary and collaborative learning to ensure lasting results and mitigate risks. Building trust by involving citizens, working toward more effective and accountable institutions, and ensuring that any development co-

² Hallegatte et al (2016) *Shock Waves: Managing the Impacts of Climate Change on Poverty*, Climate Change and Development Series, Washington, DC: World Bank, <https://openknowledge.worldbank.org/bitstream/handle/10986/22787/9781464806735.pdf>

IPCC (2014) *Climate Change 2014: Impacts, Adaptation, and Vulnerability*, <http://www.ipcc-wg2.gov/AR5/>

³ World Bank (2016) IDA 18 Special Theme: Governance and institutions, IDA Resource Mobilization Department, May 26, <http://documents.worldbank.org/curated/en/368341467989536274/pdf/106107-BR-IDA-SecM2016-0111-PUBLIC.pdf>

⁴ World Bank (2016) IDA 18 Special Theme: Climate Change, IDA Resource Mobilization Department, May 24, <http://documents.worldbank.org/curated/en/661931467989537070/pdf/106108-BR-IDA-SecM2016-0108-PUBLIC.pdf>

⁵ <http://data.myworld2015.org/>

operation efforts are tailored to context and factor in political economy challenges provide some potential avenues to make change happen.

Focus

8. The proposed project envisions a collaborative effort to draw on experiences and approaches from within the donor community to improve the harnessing of governance approaches to address climate change adaptation and mitigation challenges. USAID’s report on Governing for Resilience (2015) identifies five key elements or principles of good governance contributing to climate-resilient development and successful climate change adaptation and these can be considered as a starting point for discussion.

Figure 1. Examples of climate-resilient governance initiatives associated with the five elements of good governance



Source: USAID (2015) Governing for Resilience

9. A number of approaches to integrating governance and climate change programming could be explored under each of these. For example:

- **Transparency:** Anti-corruption approaches; information sharing and open data policies; application of political economy analysis

- **Accountability:** Building capacity of citizens and civil society to hold governments accountable
- **Efficiency and effectiveness:** Program-based budgeting; domestic resource mobilisation; policy reforms; institutional coordination
- **Participation and inclusion:** Engagement of civil society, particularly affected stakeholders, in relevant processes
- **Equity:** Broadening planning processes, including land reform, to consider marginalised populations, the needs of women and children and people with disabilities

10. These cross-cutting principles could also be used to guide work on thematic axes and specific focal areas. For example, an action oriented framework that could be used to structure dialogue along four thematic areas:

- **Data/Policy:** understanding climate risk and building evidence. Formulating effective policy and legislation, including program-based budgeting; domestic resource mobilisation; policy reforms; institutional coordination as noted above.
- **Participation:** involving civil society, ensuring transparency, working towards greater accountability (e.g. in climate change policy formulation, land use planning, etc.)
- **Vulnerability:** leave nobody behind in decision making, political economy / conflict / environmental fragility risk assessments
- **Capacity:** build technical capacity and commitment at all levels of governance. Bring together affected stakeholders to ensure that appropriate instruments are in place to monitor progress, identify challenges with implementation and redress these in a timely manner as they arise ('nested' governance approaches, adaptive governance, decentralisation in decision making, etc.)

11. The proposed policy relevant research can be carried out jointly by ENVIRONET and GovNet with each group taking advantage of its specialised expertise. For example, GOVNET is well-positioned to ensure the two first principles are taken into account, i.e. transparency and accountability, as well as expertise on participation and vulnerability assessments. ENVIRONET has a strong background in promoting good practices in environment and climate change in the context of development policy and has expertise in related capacity building, policy reform approaches, vulnerability assessments notably with respect to climate and other environmental risk assessment techniques. They have worked extensively on, mainstreaming issues, e.g. to deliver accountability and efficient and effective policies in the biodiversity and adaptation arenas.⁶

12. Some bilateral providers of development co-operation have already begun to explore these issues through analytic and programmatic efforts. For example USAID published *Governing for Resilience* (2015) which reinforced the critical link between governance and climate-resilient, and a desk study of *Donor Supported Programming at the Intersection of Climate Adaptation and Governance* (2015), which surveyed relevant activities by other bilateral and multilateral donors. USAID is now developing a more detailed toolkit and database of examples to assist its staff in integrating governance and climate change

⁶ For example, it could draw on ENVIRONET's recent work on mainstreaming adaptation in national development planning (Casado Asensio, J. et al. 2016) "Mainstreaming Adaptation in National Development Planning", Development Co-operation Working paper, No 29).

programming. UK DFID has published one Topic Guide on natural resource governance⁷⁷ and another topic guide on governance and climate change is forthcoming.

13. Drawing on experience to date in integrating governance approaches into some of its climate change programming, some main lines of action can be identified and help to think about the opportunities in this area. These include:

- a) supporting participation of affected people and anti-corruption approaches in land use planning to promote climate change adaptation
- b) promoting the inclusion of vulnerable populations, in adaptation planning, with attention to include persons with disabilities, migrants, women and children
- c) integrating climate change into municipal governance and local participation agendas
- d) supporting the development of local adaptation plans that feed into national development planning and budgeting processes.

Planned deliverables

14. 14. This project would ideally result in a number of discrete deliverables, including:

- **Scoping report:** as an initial step, the expert group could review and map existing programmes and examples and lessons learned from these with the aim to identify existing and future opportunities for integrated approaches to climate change and governance programming by international and donor organisations, partner countries and research institutes. The exercise can help to identify a number of clear entry points for governance professionals to engage on climate issues. The scoping report will draw on existing publications and reports issued by donor agencies and their partners e.g. USAID and UK DFID reports as noted above, and any relevant materials from other development co-operation partners.
- **Case studies:** based on the scoping exercise, and available resources, the expert group could develop technical resources and case studies in specific thematic areas and countries.
- **Dialogue:** an expert group could be convened, drawing on ENVIRONET and GovNet communities of practitioners, to provide opportunities for dialogue and exchange around these issues by convening in-person meetings or virtual fora. 2-3 expert meetings could be convened in the period from 2017-18.
- A **final report** would be issued to summarise the lessons learnt and experience to date in this field, with recommendations for further work. This would build on the results from the case studies, dialogue and the scoping exercise.

⁷⁷ <http://www.evidenceondemand.info/topic-guide-natural-resource-governance-summary>

OECD project on Development co-operation, Climate Change and Governance⁸

Proposal for a joint ENVIRONET and GovNet Project: "optional" work for 2017-18

Objective

- [aim & approach of project - from concept note - to go here xx]

Background

- [précis of the concept note to go here xx]

Planned work for 2017/2018

1. Gathering evidence, literature review and setting out a framework for analysis

- [to sketch scope and approach to scoping paper here]

Output: Scoping paper (draft) to be shared at ENVIRONET & GovNet meetings in 2017 and vetted via written procedure if needed, to be finalised in 2018.

2. Case studies how donors are mainstream governance good practices into climate change activities in developing countries

- [to add brief description of the case study approach here]

Output: Resources permitting, assessment of 2 - 4 specific case study examples; up to 4 in-depth country case studies (initial results to be shared at ENVIRONET and GovNet meetings in 2017 or 2018; the number of case studies and their timing will depend upon available funding)

3. Synthesis and overview

The results of the project will be collated into an overview paper exploring lessons learnt and setting forward recommendations for development co-operation practitioners across the different areas covered above. This synthesis would be informed by the case studies and in-country experience so as to highlight the factors that contribute to good performance. This synthesis report will include recommendations tailored to be relevant to both governance and climate change policy specialists working in the development sphere.

Output: Synthesis report with policy recommendations, including recommendations and/or a checklist for action. To be produced for Q3 - Q4, 2018.

4. Dialogue, knowledge sharing and partner engagement

Engaging partners and stakeholders in the environmental and development policy communities will be an important part of this work. Opportunities for joint expert meetings and/or workshops will be

⁸ This section is lays out a standard template for OECD project descriptions and is organised around deliverables. It includes a budget. Once we have the concept note advanced we will use it as the basis for a project description such as this, to be shared with ENVIRONET and GovNet members for fundraising purposes. The final project description and budget will draw on the agreed concept note and include the budget envelop proposed here.

explored, ideally back to back with ENVIRONET or GovNet meetings. The work will also engage key partners and initiatives in this area including for example those engaged in relevant work such as on environmental governance at World Resources Institute and climate finance governance at ODI, and possibly others.

Outputs: 1 – 2 Workshop(s) – Jointly organised by ENVIRONET and GovNet (with the number depending on funding).

Key outcomes

1. Strengthened evidence and enhanced understanding of successful approaches to mainstreaming and monitoring good governance practices in climate change programming, policies and planning processes
2. A well-functioning DAC network of development co-operation partners working on climate change and governance issues, and strengthened links between ENVIRONET and GovNet in this area. Key partners include bilateral and multilateral development co-operation partners with a mandate to support pro-poor green growth in developing countries, selected partner countries (e.g. those serving as case study countries) as well as civil society stakeholders such as research NGOs.
3. Recognition by a growing number of partners of emerging notions of good practice in the nexus between development co-operation and planning, climate change and good governance.

Key deliverables, timeline and proposed project budget:⁹

Outputs	Link to outcomes	Deliverable	Timing	Overall Budget
1. Scoping paper gathering evidence on practice to date, setting out a framework for analysis				
Desk based research, literature review to scope out project and prepare case studies	1,3	Scoping paper	Q3-4 2017 (draft); 2018 (final)	75,000
2. Case studies of activities or programmes in developing countries				
Country level research – in-depth case studies	1, 3	4 case studies with engagement with case study country partners	Q4 2017-Q2 2018	215,000
3. Synthesis and overview				
Synthesis report and recommendations (including production and dissemination of final report)	1, 3	Final publication including recommendations and checklist for action, related outreach	Q3-Q4 2017	45,000
4. Dialogue, knowledge sharing and partner engagement				
OECD networks' dialogues sessions; 1-2 workshops on climate change and governance; outreach on the project in other international fora	2	1-2 workshops (possibly combined with Network meetings) Staff participation and/or officials from case study countries in other international meetings	Q2 2017–Q4 2018	85,500
Indicative Total Project Budget for 2017/18 (2 year budget)				420,500

⁹ This budget is additional for this project alone and does not include any of the “foundational” budgetary costs that would be required, for example, support ENVIRONET and/or GovNet, nor to host a member discussion of their experience in treating the policy themes outlined here, and early findings of the project, in the DAC ENVIRONET and/or in GovNet parent groups. The foundational costs for each network are outlined in the DAC foundational budget lines of the OECD PWB. For discussion and explanation of this please refer to DCD/DAC(2016)21/REV3 (OECD OLIS document).