

Climate Change Forum Session 3: Perspectives on Climate Change Policy from the OECD and the IEA.

Capacity Building, Climate Change and other Multilateral Environmental Agreements

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I. Background

As part of its work programme, the OECD DAC Working Party on development co-operation and environment is reviewing the implications of the Conventions on Climate Change (UNFCCC), Desertification (UNCCD) and Biodiversity (UNCBD). This aims to identify their unique requirements, synergies between them, and policy and operational implications for donors. This is in support of the OECD/DAC development partnership strategy².

In this work, the Working Party benefits from contributions by the World Resource Institute, the World Conservation Union (IUCN) and the International Institute for Environment and Development (IIED), as well as the UNDP, UNEP and The World Bank, which are all represented in the Working Party. This work also involves consultation with the Conventions' Secretariats, the GEF and developing country partners in order to seek their views and suggestions, and identify common agendas.

We aim to address three related questions: 1) How can donors assist developing country partners in fulfilling their **formal** obligations under the Conventions? 2) How can donors assist developing countries develop the long-term capacity at the national level to further the ultimate intentions of the Conventions? and 3) What other initiatives can donors take to contribute towards the objectives of the Conventions ?

My presentation will highlight some of the key linkages between the three Conventions and some of the main implementation challenges we have identified. I will then summarise the principal capacity development needs and some of the entry points available for donors to support the long-term process of implementing the Conventions. Finally, I will point to some of the short-term measures which could be taken by donors. I have to emphasise that this work is still at an early stage. We have not drawn any definite conclusions yet and the ideas I am presenting must be viewed as tentative.

II. Desertification, biodiversity conservation and climate change: The linkages

The physical linkages between land degradation biodiversity conservation and climate change are, in many ways, our point of departure. Indeed, the array interactions between global and local climate, natural habitats and land degradation are many, complex and varied:

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1. Any views or opinions expressed in this text are those of the author and do not necessarily represent the official views of the OECD.
 2. Shaping the 21st Century: The Contribution of Development Co-operation, OECD May 1996.

At the **global level** deforestation and land degradation contribute directly to increasing the concentration of carbon dioxide (CO₂) in the atmosphere. This is because they reduce vegetative cover and impair the water retention capacity of the soil, and thus the ability of vegetation to absorb carbon.

At **the local level**, deforestation increases erosion and reduces fertility, and reduces agricultural productivity. Since forests are habitats to a large number of species, their degradation also results in direct loss of biodiversity. Similarly, wetlands play critical roles as reservoirs of genetic material, breeding grounds a large number of species and mechanisms for maintaining hydrological balance. They also play a significant role in modifying the climate in surrounding lands, reducing ambient temperatures and raising humidity levels. Their conservation thus has crucial importance in connection with efforts to preserve biodiversity and avoid land degradation notably in arid climates.

Conversely, climate change is expected to significantly affect the productivity and structure of ecosystems, altering wildlife habitats and species distributions. This will have an impact on both land-based and marine species. Even minor changes in key environmental variables such as temperature, or salinity, for example, greatly affect abundance diversity and distribution of fish populations. Interactions between biological processes and climate could therefore initiate or reinforce drought in certain regions due to vegetation depletion.

Direct linkages also exist as concern initiatives which can be taken to combat these phenomena. Project in support of timber plantation can contribute both to increasing carbon absorption and preserving biodiversity, by reducing pressure on natural forests. But these objectives can also enter into **contradiction**: maximising carbon absorption through large-scale plantations of fast-growing exotic species can contradict biodiversity protection efforts. Likewise, efforts in support of energy conservation, the production of renewable energy or crop intensification and diversification can reduce pressure on lands, increase rural incomes and provide alternative livelihood opportunities. They can thus foster the objectives of all three Rio Conventions simultaneously. Other relevant examples of direct linkages and synergies can be found in the area of water management, watershed management, conservation and sustainable use of wetlands, coastal zone management, integrated area development, education, technology development and many others.

III. Implementing the Conventions: some key challenges

I will now outline some of the main challenges which have been identified in relation to the implementation of the three conventions:

1) Lack of awareness and therefore ownership

Recent climate-related events, including the hurricane disaster in Central America, have served to raise concern in developing countries about climate change as a phenomenon which could affect everyday lives of people in developing countries. However, awareness of the objectives of the **Climate Change Convention** and the challenges of adaptation remains relatively low among policy makers and the general public. Only a few developing countries have made the necessary efforts to assess their potential vulnerabilities and design corresponding preventive policy measures. This lack of awareness also hampers efforts in the area of emission control.

In the case of the **Desertification Convention**, awareness among local populations, particularly women and youth of the objectives and stakes of the Convention is also relatively low, although desertification is

clearly a phenomenon affecting people's daily lives. In other words, many communities are not informed of the existence of the convention and its concrete potential and implications on everyday life. The situation is somewhat similar with respect to the convention biodiversity, to the extent that many countries do not see this a pressing matter, in comparison with the urgent challenge of combating poverty.

2) *Mainstreaming the conventions within national strategies*

A related challenge to mainstreaming the Conventions within national sustainable development strategies. The three Conventions place a significant burden on developing countries both in terms of planning and reporting on implementation

The UNFCCC commits parties to make available “*A national inventory of anthropogenic emissions by sources and removals, by sinks of all greenhouse gases [...] and a general description of steps taken or envisaged by the Party to implement the Convention*” [Article 12] and to “*Formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all greenhouse gasses not controlled by the Montreal Protocol, and measures to facilitate adequate adaptation to climate change.*”

Developed Country Parties are committed to assist developing countries to meet the agreed full incremental costs of implementing these measures and to assist “*the developing countries Parties that are particularly vulnerable to the adverse effects of climate change in meeting costs of adaptation to those adverse effects*”. As the operating entity of the financial mechanism established by the Convention, the GEF has a central role to play.

Similarly, **the Desertification Convention** calls upon affected countries to prepare and implement national actions programmes (NAP) to combat desertification, building on existing relevant successful plans, at the national or regional level and in the context of other efforts to formulate national policies for sustainable development (Article 9). The **Biodiversity Convention** requests parties to develop or adapt national strategies, plans or programmes for the conservation and sustainable use of biological diversity and to integrate the conservation and sustainable use of biological diversity into relevant sectoral or cross-sectoral plans, programmes and policies.

These requirements clearly amount to a formidable burden for many countries, which are already suffering from severe human and institutional capacity constraints. Unless they are fully integrated in existing national planning processes, the Convention may simply generate “just another set of plans”. To date, indications are that the conventions are not yet mainstreamed as part of national planning processes and that the National Focal Points responsible for the Conventions are isolated from mainstream policy making and sectoral planning processes – and from each other. A symptom of this lack of ownership is that the preparation of national communications, in compliance with the formal obligations of the Conventions, has often been viewed by many countries as a “one-off” requirement. Many developing countries thus continue to lack the necessary human and technical capacity to comply with future reporting obligations and, more importantly, to formulate response measures to address the long-term challenges of adaptation and mitigation.

The key challenge ahead will therefore be to formulate the plans and programmes in support of the implementation of the conventions within national sustainable development plans. It is particularly important to avoid creating parallel initiatives and structures to oversee the implementation of global

conventions. This is not just a matter of efficient use of scarce capacity but also a matter of ensuring genuine participation and ownership.

Past experiences with the formulation of national strategies for sustainable development, in the wake of Rio, are worth recalling in this connection. They have highlighted, in particular, the importance of integrating social, economic and political factors in the formulation of long term approaches towards sustainable development. This is a precondition to mobilising public support and to shape supportive policies and institutions. In the case of the desertification this may require paying special attention to assessing the socio-economic factors underlying desertification process as well as potential or actual conflicts over resources, including water and land among competing users. In the case of the climate change, this may imply focusing on areas, such as improving energy efficiency, where the local benefits of emissions reduction, in terms of pollution reduction, and attendant health benefits are the highest.

Equally critical are participatory approaches to planning, policy making. This implies involving parliaments, local governments, civil society and the private sector in the definition of priority socio-economic development objectives. It also means harmonising the various sectoral, economic, social and environmental policies and plans that are operating in a given country. This requires the active involvement of the line ministries responsible for the implementation of sectoral development plans, so as to ensure genuine ownership. We know that sectoral integration is often hindered by the multiplicity of government departments and their tendency to protect their sectoral "turf". It will be important to aggravate this problem by creating parallel structures and plans for the Conventions.

In short, in order to be effective, efforts to implement the global conventions will have to work across economic sector and foster social and institutional mobilisation. This will, in particular, require the specific functions of the National Focal Points responsible for Conventions to be clearly defined. The definition of monitorable medium and long-term objectives will also be essential.

3) *Capacity Development Needs*

I will now list some of the main capacity development needs of developing countries, in relation to the convention implementation.

Generic capacity development needs which are relevant to all three conventions and indeed to broader national planning processes cover a broad range of areas including, the cross-sectoral policy-making, planning and programming mechanisms necessary to integrate the conventions objectives within national strategies. It also includes capacity for the assessment and monitoring of ecological and socio-economic conditions; forecasting; needs assessment; policy formulation, dialogue negotiation, mediation, conflict resolution and awareness-raising.

Some of the needs directly related to the climate change convention include: capacity for the formulation of specific measures for adaptation to the impact of climate change, particularly for countries identified to be vulnerable to climate-related natural disasters; the preparation of national programmes to address climate change in the context of national development plans; the establishment of long term national capacity to comply with future reporting obligations; and the capacity to formulate and implement climate change relevant projects.

Technology co-operation will also have an important role to play in assisting developing countries address climate change. We know from long experience that the main constraint to the rapid diffusion of cleaner production is the lack of human, institutional, technical, managerial and financial capacities needed to

manage technological change. Areas where support could be provided include technology needs assessment; the identification of sources and suppliers, the determination of optimal modalities for the acquisition and absorption of relevant technologies and the assessment of policy options for reducing barriers to technology transfer.

Many countries will also require assistance to develop the policy and institutional framework necessary to attract private investment in support of climate-friendly projects. This will be important to enable them to avail of opportunities arising from emerging mechanisms such as the Clean Development Mechanism.

While the latest Conference of the Parties, has specifically requested the GEF to provide assistance in many of these areas, [Decision 2/CP.4 (FCCC/CP/1998/16/Add1)], the challenges involved in developing the necessary capacity on a sustainable basis will remain considerable. In many ways, Decision 2/CP.4 can be seen as effectively defining a priority agenda for all development co-operation agencies.

In the case of the Desertification convention, assistance will be required for: the establishment or strengthening of early warning systems; mechanism for assisting environmentally displaced persons; drought preparedness and management systems; drought contingency plans; food security systems, including storage and marketing facilities in rural areas; the promotion of alternative livelihood projects to provide incomes in drought-prone areas and the development of sustainable irrigation programmes for crops and livestock.

Capacity needs that are specifically relevant to the biodiversity convention include: assessment of the impact of climate change on biodiversity, especially related to forests; research on indigenous knowledge of conservation of forest resources; the establishment of long-term reliable access to relevant scientific information networks and data bases, including notably through internet; and human resource development in a wide a range of scientific disciplines including information technology.

In line with the integrative approach outline above, it will be important to formulate capacity development programmes within the context of broad capacity development needs and not create “islands of capacity” tailored to each of the conventions and isolated from other processes. In many cases, the range of skills to be developed will find application in a number of areas beyond the specific convention-related needs.

IV. The need for a stepwise approach

It is clear that the challenges I have outlined can only be tackled over the long term. We know from experience that capacity development is a long-term endeavour. In particular, the formulation and implementation of National Action Plans in support of the objectives of the Conventions will be a continuous, iterative process over the long term and it is neither necessary nor desirable to wait for all necessary mechanisms to be in place to tackle these challenges. Donors have a number of entry points, through projects in the fields of agriculture, water management and others provide ready entry points for field-testing the approaches of the convention thus contributing to its implementation.

Integrated area development programmes, in particular, provide special opportunities to experiment with cross-sectoral participatory approaches on a relatively limited scale. They could provide a means to:

- i) identify synergies between priority socio-economic development needs and the longer term objectives of the conventions;

- ii) test new approaches in the area of multi-sectoral needs assessment; planning, programming and co-ordination;
- iii) develop measurable objectives and indicators of implementation progress and
- iv) identify relevant macro-level policy reform needs, starting at the local level. Experimenting with new approaches would also provide the opportunity to develop a body of knowledge and expertise for national level implementation efforts which could be shared.

V. Some immediate and concrete measures in support of the implementation of the Rio Conventions

Finally, let me point to some of the short-term measures which donors could take to support the implementation of the conventions.

1) Harmonise the reporting of donor's efforts towards implementation of the Convention

As part of their national communications, developed countries must report their contributions towards helping developing countries implement the Conventions. Indications are that the reports received by the UNFCCC Secretariat have been highly uneven in detail and quality. Donors could contribute considerably to clarifying global efforts in this area by agreeing on a single format for reporting their contributions. Efforts to improve the statistical recording of assistance towards the implementation of the Conventions are already underway in the DAC, in collaboration with the Convention Secretariats. This should provide a factual basis for defining development co-operation policies in these areas.

2) Review ongoing projects and programmes with Partners to identify potential synergies

Donors are already supporting efforts in a number of areas of direct relevance to the three Rio Conventions. Through their ongoing development co-operation programmes, donors may also be in a position to support capacity for cross-sectoral needs assessment and planning, thereby helping to integrate the Conventions within the context of national strategies for sustainable development and complementing the efforts of the GEF. A systematic review of these efforts could help identify important synergies, allowing to re-direct efforts towards the objectives of the conventions

3) Help raise awareness of the stakes and objectives of the Conventions

This includes support for workshops, training programmes; raising the issue in regular high-level dialogues with partners; raising the issue in multilateral organisations. Donors may have an important role to play in fostering awareness of the Convention and disseminating the results of relevant scientific research, including notably the findings of the Second Assessment Report of the Inter-Governmental Panel on Climate Change (IPCC). Donors could also play an important role in bringing the objectives and stakes of the Convention to the attention of policy-makers in their developing country partners by discussing its implications in connection with regular dialogues regarding aid programming.

4) Support participation by developing countries in the expert-level discussions to clarify the key technical and scientific issues relevant to the implementation of the Convention

Development co-operation agencies could also assist developing countries improve their capacity to participate effectively in international debates and negotiations in the area of climate change.