Cooperative Climate Action: Global Performance & Delivery in the Global South

PRELIMINARY FINDINGS OF THE *CLIMATESOUTH* PROJECT FOR THE GLOBAL CLIMATE ACTION SUMMIT

September 10, 2018

Summary

Geographic imbalances between the Global North and South persist among cooperative climate actions registered with the UNFCCC administered NAZCA platform. OECD-based, in particular Europe-based, stakeholders represent the majority of partners, lead partners and funders. In recent years, however, the share of implementation in developing countries has rapidly increased. The share of outputs produced in developing and emerging countries has increased from about 20% to 60% since 2013.

The output performance of cooperative climate actions has improved significantly in recent years. By 2017, about 70% of NAZCA registered cooperative actions achieved high or medium-high performance, producing relevant outputs to achieve desired changes in environmental and social indicators. As many cooperative climate actions explicitly refer to sustainable development co-benefits, higher output performance is also likely to benefit Sustainable Development Goals (SDGs) which are especially urgent in developing countries.

Despite positive trends in participation and implementation in the Global South, important knowledge gaps remain. The *ClimateSouth* project is currently surveying climate actions, specifically in Kenya and India. Initial findings indicate that many South-based climate actions are yet to be captured by existing platforms dedicated to climate action. The *ClimateSouth* project will continue efforts to map and track climate actions in the Global South involving stock-listed companies, small and medium enterprises, regional and local governments and cooperative initiatives.

Contents

Methodological appendices available at: http://www.geg.ox.ac.uk/publication/cooperative-climate-action-global-performance-delivery-global-south

ClimateSouth, 2018. Cooperative Climate Action: Global Performance & Delivery in the Global South. Preliminary findings of the ClimateSouth Project for the Global Climate Action Summit. Research report published by the African Centre for Technology Studies (ACTS), the Blavatnik School of Government and Global Economic Governance Programme at the University of Oxford, the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE), TERI University, prepared by the ClimateSouth Project team: Sander Chan, Thomas Hale, Kennedy Mbeva, Manish Shrivastava, Jacopo Bencini, Victoria Chengo, Ganesh Gorti, Lukas Edbauer, Imogen Jacques, Arturo Salazar, Tim Chilobois, Debora Leao Andrade Gouveia, Jose Maria Valenzuela.

Introduction

Alongside national governments, cities, states and provinces, businesses, and civil society groups all around the world are working to reduce emissions and adapt to a changing climate. This groundswell of climate action has vast potential. According to a recent report, cooperative initiatives like C40, RE100, and the New York Declaration on Forests could reduce emissions by a third by 2030 if they continue to scale up and achieve their targets.[1] That could be enough to put the world onto a pathway to limit warming to 1.5C if national governments also meet their nationally determined contributions (NDCs).

The scale of this opportunity means we need to understand how initiatives are performing. Are they scaling up? Are they delivering results?

In addition to overall progress, we also need to understand where and for whom cooperative initiatives are delivering results. To realize its potential, the groundswell of climate action will need to be truly global in scope. But previous research has found more climate action taking place in, and led by actors in, the global North.[2] To what extent are cooperative initiatives delivering results for the global South? And is there climate action in developing countries that is not being fully captured by global platforms and reports?

This policy brief presents preliminary answers to these questions from the research project "Strengthening Non-state Climate Action in the Global South" (*ClimateSouth*), an initiative of the African Centre for Technology Studies (ACTS), the Blavatnik School of Government at the University of Oxford, the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE) and TERI.[3] A more detailed report will follow in Autumn 2018 in advance of COP24. The information in this report complements information in the 2018 UN Environment's Emissions Gap Report.[4]

This brief analyzes all 77 cooperative initiatives listed on UN Climate Change's Non-state Actor Zone for Climate Action (NAZCA) portal in August 2018 (see *Appendix 1*[5] for a full list). It also presents evidence on climate action in India and Kenya. The report answers three questions:

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[1] Data Driven Yale, NewClimate Institute, PBL 2018: Global climate action of regions, states and businesses. Research report published by Data Driven Yale, NewClimate Institute, PBL Netherlands Environmental Assessment Agency, prepared by project team of Angel Hsu, Amy Weinfurter, Andrew Feierman, Yihao Xie, Zhi Yi Yeo, Katharina Lütkehermöller, Takeshi Kuramochi, Swithin Lui, Niklas Höhne, Mark Roelfsema. Available at http://bit.ly/yale-nci-pbl-global-climate-action.

[2] UNFCCC (2017) Yearbook of Climate Action 2017. United Nations Climate Change Secretariat and the Marrakech Partnership for Global Climate Action. Bonn. Available at: http://unfccc.int/files/paris_agreement/application/pdf/gca_yearbook2017_lowres_dec12.pdf, retrieved: 9 September 2018.

[3] See: https://www.geg.ox.ac.uk/research/climate-south and https://www.die-gdi.de/en/research/projects/details/strengthening-non-state-climate-action-in-the-global-south-climatesouth/. The project is generously supported by the Europe and Global Challenges Fund, a joint initiative of the Volkswagen Foundation, the Sveriges Riksbank, and the Wellcome Trust. The project receives additional support in DIE's 'Klimalog' project, generously funded by the German Federal Ministry of Economic Cooperation and Development (BMZ).

[4] Hsu, A.; Widerberg, O., Weinfurter, A. Chan, S., Roelfsema, M., Lütkehermöller, K. and Bakhtiari, F. (2018). Bridging the emissions gap - The role of non-state and subnational actors. In: The Emissions Gap Report 2018. A UN Environment Synthesis Report. United Nations Environment Programme. Nairobi. Available at:https://wedocs.unep.org/bitstream/handle/20.500.11822/26093/NonState_Emissions_Gap.pdf?sequence=1&isAllowed=y , retrieved: 10 September 2018.

[5] Available on the ClimateSouth website at: http://www.geg.ox.ac.uk/publication/cooperative-climate-action-global-performance-delivery-global-south

- Who leads, funds, and participates in cooperative actions? Are global climate actions delivering for, delivering results, and engaging actors in the Global South?
- Are climate action initiatives taking appropriate steps to deliver their goals? How has their performance changed over the last 5 years?
- What forms of climate action, especially in developing countries, are missing from global platforms and reports? Selected examples from Kenya and India.

Methodological details can be found in Appendix 2.[6]

Scale and scope of climate action in the North and the South

The 77 NAZCA initiatives encompass 18,907 instances of participation from a large and growing cohort of cities, businesses, states and regions, civil society groups, and other sub/non-state actors, as well as national governments and intergovernmental organizations. Despite progress to expand inclusion over the past years, a North-South gap remains (*Figure 1*). Only 22 percent of participants in NAZCA initiatives and only 20 percent of lead partners come from non-OECD countries. However, 30 percent of organizations that fund initiatives are from developing countries (we do not have statistics on the magnitude of funding from different regions).

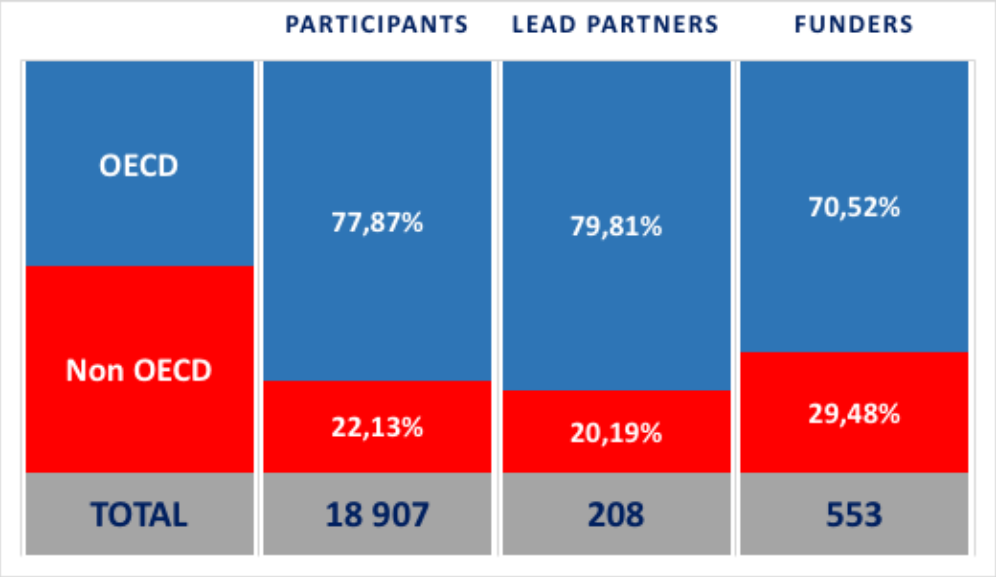

Figure 1 Who participates, leads and fund cooperative climate actions?

[6] Available on the ClimateSouth website at: http://www.geg.ox.ac.uk/publication/cooperative-climate-action-global-performance-delivery-global-south

Looking at participation in more detail (*Figure 2*), we see that the largest type of participation comes from subnational governments in Europe. This implies that there is significantly more scope for climate action to expand globally.

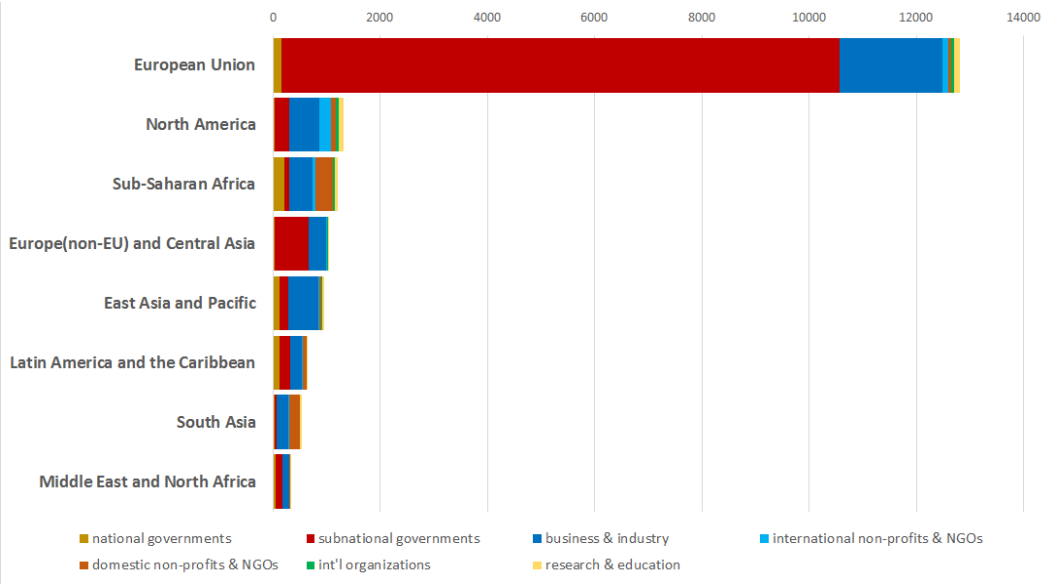

Figure 2 Participants by type, by region

Similarly, a more detailed look at lead actors (*Figure 3*) reveals the importance of national governments, international organizations, and NGOs in mobilizing climate action in all regions.

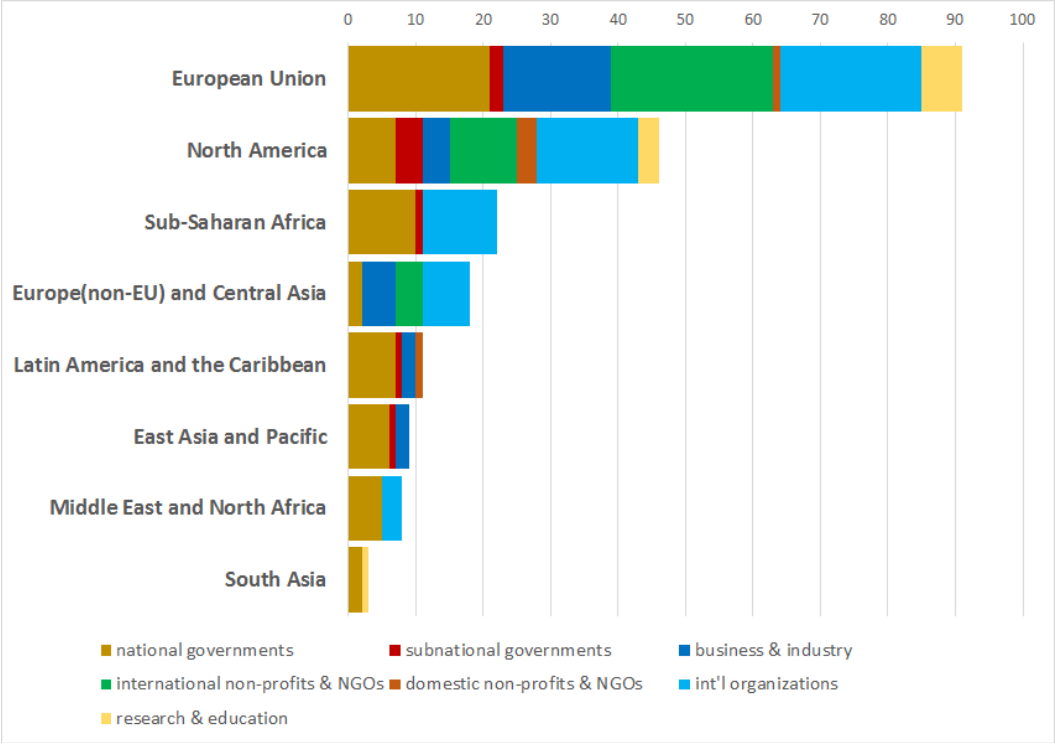

Figure 3: Lead partners by type, by region

However, if we instead look at where NAZCA initiatives are aiming to implement climate action, a more balanced picture emerges. *Figure 4* shows how many initiatives are implementing or planning to implement in each country. Around 80% of initiatives are implementing or have planned implementation activities in the Global South.

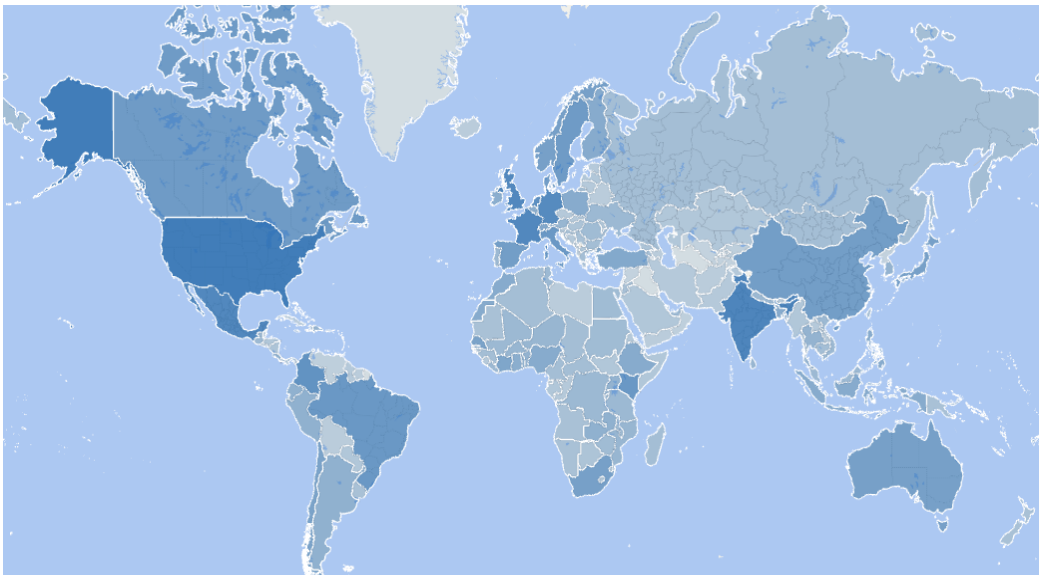

Figure 4: Where NAZCA initiatives are implementing

This more balanced picture is reinforced by looking in more detail at where "outputs" of NAZCA initiatives are produced geographically. Outputs include conferences, workshops, capacity-building sessions, publications, standard-setting, project development and other activities designed to further the initiatives' goals (see *Appendix 2*). The share of outputs produced in developing countries is increasing (*Figure 5*). While 80 percent of outputs before 2013 occurred in high-income countries. By 2018 that figure had shrunk to 40 percent, with more outputs occurring in low and lower-middle income countries.

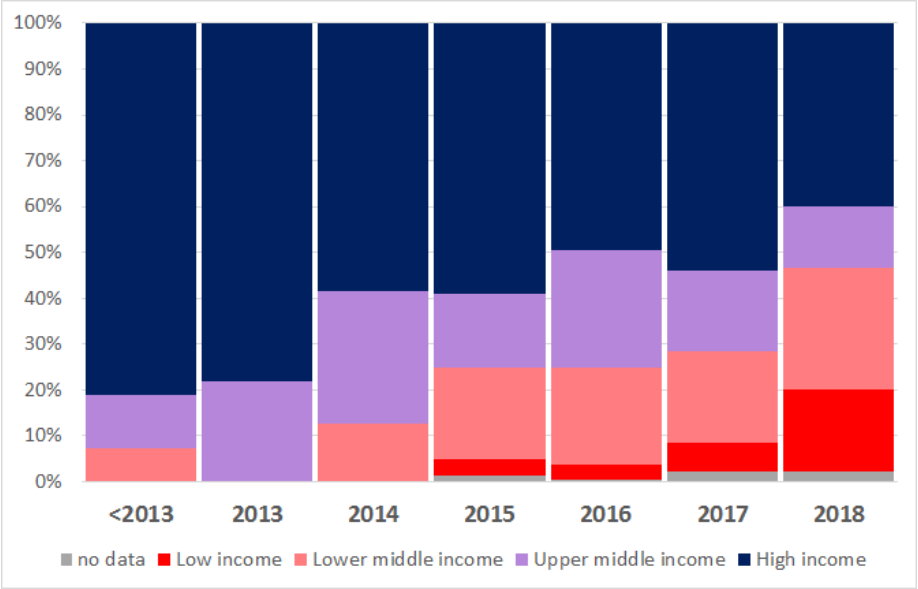

Figure 5: NAZCA initiatives' outputs by country group by year

How are cooperative climate initiatives performing?

Multiple studies have established the great potential of cooperative initiatives, especially in terms of mitigation; cooperative initiatives could even put the world on track for a 1.5C development pathway.[7] We also need to track how cooperative initiatives are actually performing. Moreover, mitigation is only one of many possible aims of climate actions.

To better indicate the performance of non-state and subnational climate actions, we applied the Function-Output-Fit (FOF) methodology that measures output performance by assessing the fitness between functions of initiatives and their respective produced outputs (see *Appendix 2*).[8] For instance, an initiative that aims at flood risk reduction through infrastructural adjustments should be expected to enhance or install new infrastructure for it to have desired impacts. An initiative that aims at raising awareness can be associated with very different expected outputs, such as campaigning materials, and public events. To calculate output performance, we combined data on functions of climate initiatives (12 function categories) with data on tangible and attributable outputs (26 output categories). High output performance does not necessarily mean that initiatives reach their targets; however, initiatives that produce outputs that fit their functions are more likely to generate desired environmental or social outcomes, such as emissions reductions or sustainable development benefits.[9]

Using this method, we assessed the output performance of the set of 77 NAZCA registered cooperative initiatives for the period between 2013 and 2018. The assessment of cumulative outputs (*Figure 6*) shows accelerated growth of the share of higher performing initiatives in recent years. By August 2018, about 70% of NAZCA registered cooperative initiatives achieved high or medium-high performance, producing relevant outputs that they need to achieve desired changes in environmental and social indicators.

[7] E.g. Data Driven Yale, NewClimate Institute, PBL 2018

[8] See: Pattberg, P. H. (Ed.). (2012). *Public-private partnerships for sustainable development: Emergence, influence and legitimacy*. Edward Elgar Publishing; Chan et al 2015, Chan et al 2018; Chan, S., Falkner, R., Van Asselt, H., & Goldberg, M. (2015). Strengthening non-state climate action: a progress assessment of commitments launched at the 2014 UN Climate Summit; Chan, S., Falkner, R., Goldberg, M., & van Asselt, H. (2018). Effective and geographically balanced? An output-based assessment of non-state climate actions. *Climate Policy*, *18*(1), 24-35.

[9] We indicate '*high output performance*' for initiatives that produce fitting outputs for >75% of their functions; '*medium-high*' performance indicates fitting outputs for >50-75% of functions; '*medium-low*' indicates >25-50% fitting outputs; 'low' indicates >0%-25% fitting outputs; finally, some initiatives produce no output.

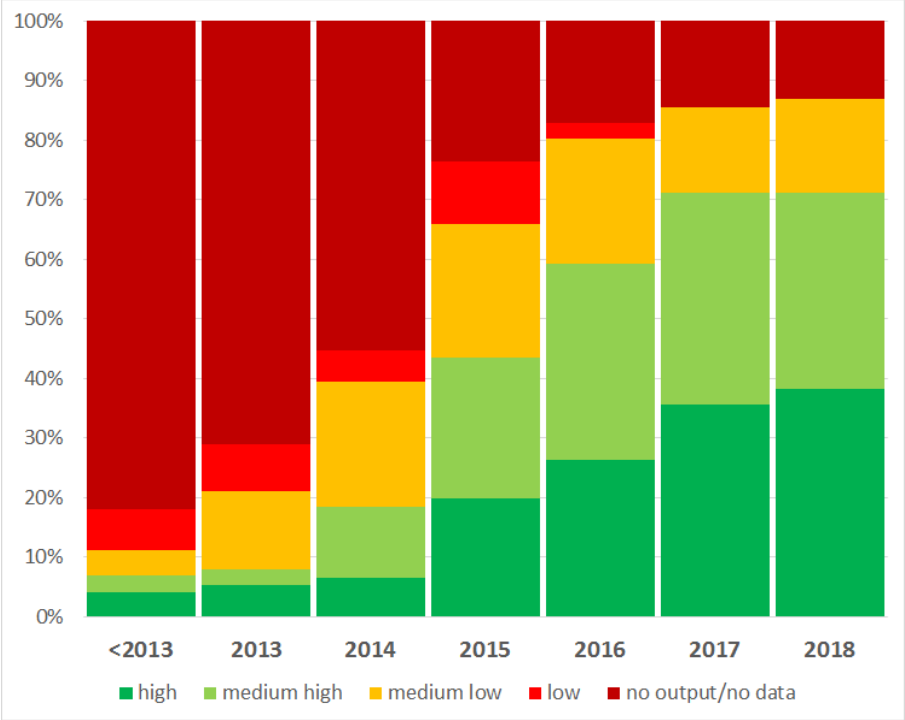

Figure 6 Cumulative output performance measured by FOF

As most initiatives operate internationally, across developing and developed countries, it is difficult to indicate whether performance in developing countries is higher. However, we see a growing share of outputs being produced in low-income and lower-middle income countries (see above), indicating that output performance is improving significantly in developing countries.

Moreover, with the improvement of output performance in recent years, cooperative climate initiatives can also be expected to make significant contributions to the Sustainable Development Goals (SDGs) which are especially urgent in developing countries. Many cooperative climate initiatives explicitly refer to sustainable development co-benefits, in particular regarding 'affordable & clean energy' (SDG 7), 'industry, innovation & infrastructure' (SDG 9), 'responsible consumption & production' (SDG 12), 'sustainable cities and communities' (SDG 11), and 'partnerships for the goals' (SDG 17) (*Figure 7*).

Figure 7 Explicit references to SDGs by cooperative climate actions

Patterns and trends from the Global South: Kenya and India

Global cooperative initiatives and platforms like NAZCA do an important job of highlighting climate action around the world, but they likely capture only a fraction of the climate action taking place. Because such mechanisms tend to capture activities linked to transnational networks that are explicitly labeled "climate action", they may find it especially difficult to capture information on the Global South. The *ClimateSouth* project seeks to rectify this problem by surveying the entire population of sub- and non-state actors of certain kinds in two developing countries: Kenya and India. This work will help develop baselines and methodologies other countries can use as well. This section presents some preliminary evidence from this research.

Kenya

Various non-state and subnational actors in Kenya are taking climate action, but many of these are not yet captured by global reporting platforms. Kenya's NDC recognizes the private sector and counties as key stakeholders. *ClimateSouth* analyzes efforts by counties, companies, and small and medium enterprises (SMEs). All Nairobi Securities Exchange (NSE) listed companies (64) were analyzed, as well as 47 counties and 46 SMEs. The presented results are preliminary; comprehensive data collection through surveys is currently underway.

Companies – 39 NSE-listed companies have highlighted impacts of climate change on their business in their annual reports. Companies in financial services, and the industrial and agricultural sectors make up a majority of companies taking climate action, with energy efficiency and renewable energy as major focus areas. While industrial and financial service companies tend to focus more on mitigation, companies in the agricultural sector companies also address climate adaptation. Moreover, companies also link their climate actions with SDGs.

For example, Safaricom, one of the largest telecom companies in Africa, and the developer of the M-Pesa mobile payment system, has developed a SDG strategy that addresses climate action (SDG 13). Banking and other financial service institutions promote green and climate financing as an emerging area of action. The Kenya Bankers Association (KBA), in collaboration with NSE and other financing partners, launched the Kenya Green Bond Programme in 2017, to finance, among others, climate change action. Major companies in Kenya have also tapped into international mechanisms for climate finance. National airline carrier Kenya Airways participates in a collaborative carbon-offset project that leverages REDD+ projects for Voluntary Carbon Offsets. In the agriculture sector, tea companies have taken up major solar energy projects.

SMEs – SMEs form the backbone of Kenya's economy. Forty-six SMEs have currently been analyzed, most of them bigger than average in terms of financial capital and human resources., focusing on a diverse set of actions, primarily addressing energy, water (especially in the agricultural sector), and other SDGs. Energy is a major area of concern for SMEs. About 60% of SMEs set emissions targets, while only 22% set resilience targets. Major challenges relate to the high cost of energy and efforts to improve efficiency. Most SMEs use or aim to increase the use of renewable energy, such as solar energy, and take part in certified energy efficiency schemes. A large majority of SMEs (94%) have also adopted a broader sustainability targets.

Counties – Since decentralization in 2013, counties have become an integral component of the two-tier government system in Kenya and therefore play a key role in the implementation of national policies. Various counties have taken extra steps to address climate action. Makueni and Wajir counties, for example, have developed and adopted county climate policies. Others such as Isiolo have developed county climate change funds. These actions have been spurred by national climate policies and legislation, but also by the vulnerability of counties. Much of the county-level climate action, however, remains unmapped. The *ClimateSouth* project, in collaboration with the Council of Governors (CoG), is currently conducting the first comprehensive survey of climate action by counties.

India

Climate action in India by various sub-national actors is characterized by the federal structure of government as well as capacity constraints many sub- and non-state actors face. Identifying climate action is not always straightforward because the actions relevant to climate are not always labelled as such. Inconsistent and non-comparable data labels create a sense of ambiguity, and, in many instances, determining the 'voluntariness' of actions itself is difficult. Climate actions by India-based sub-national and non-state actors tend to exhibit three core traits: informality, event-driven spontaneity, and external (international or national) drivers.

Informality of partnerships – Despite many examples of knowledge sharing and cooperation among various actors at the local level e.g. city governments, civil society, and private sector, sustained over considerable length of time, formal structures of partnerships or initiatives are rare. Cooperation instead relies on informal exchanges between interested agents leading to continued cooperative action. Over longer periods, cooperation between government actors and non-government actors may take the form of semi-formal partnership structures. For instance, in the state of Maharashtra the government department concerned with energy management takes responsibility for coordinating knowledge exchange and dialogue. Such informal arrangements are difficult to track in global platforms, but can be critical vehicles of climate action.

Event-driven spontaneity – Innovation, experimentation, increased civic participation, and greater cooperation, for instance amongst the local governments, civic society groups, are more

likely to emerge as a result of an event, or in anticipation of a probable event – including biophysical threats, growing socioeconomic vulnerabilities, and public pressure and opposition. In India, cooperative climate action tends to echo the context of multilevel governance, forging both horizontal and vertical links amongst local governments, non-state actors, civic groups and other regional and international agencies.[10] Examples include actions in Bengaluru, a southern Indian city, towards lake rejuvenation and restoration which involved unique citizen-driven action to manage the commons better in reaction to apathy and insufficient management by the city administration. Similar bottom-up actions occurred in Surat, a growing Tier-II city, after recurring biophysical threats spurred cooperation amongst a variety of actors.[11] While events drive the emergence of cooperative actions, it is worth to note that actions do not necessarily persist over time.

Catalytic role of external agents – Many initiatives involving cities or companies have been catalyzed by national or international drivers. Initiatives such as C40, ACCCRN (initiatives promoting pro-climate action in cities) or the Council for Business Sustainability (network of Indian businesses leaders working to mainstream sustainability in business practices) liaise with stakeholders; create an enabling environment for joint planning; and provide platforms for cooperation and action amongst actors within and across scales. Other initiatives involve informal and semiformal decision making, targeting and mobilizing actors towards cooperation to achieve common goals. Examples of these include informal partnerships between civil society and local administrations in the cities of Pune and Chennai to promote sustainable transportation, waste management and sanitation.

Next steps

Despite positive trends in participation, implementation and performance of climate actions in the Global South, important knowledge gaps remain. In the next two years the *ClimateSouth* project aims to survey the landscape of climate actions in Kenya and India. The project will make both a practical and academic contribution by bringing South-based climate actions, that have yet to be captured by existing platforms dedicated to climate action, into focus. The *ClimateSouth* project will not only continue efforts to map and track cooperative climate actions in the Global South, but also individual efforts involving stock-listed companies, small and medium enterprises, regional and local governments. This will result in the most comprehensive data-set on climate actions in developing countries to date, and will provide a stronger evidence base for policies to stimulate non-state and subnational climate actions across the Global South.

[10] Jogesh, A., & Dubash, N. K. (2015). State-led experimentation or centrally-motivated replication? A study of state action plans on climate change in India. Journal of Integrative Environmental Sciences, 12(4), 247–266. Taylor & Francis. Retrieved from http://dx.doi.org/10.1080/1943815X.2015.1077869

[11] ACCCRN. (2010). Introduction to ACCCRN. Retrieved from: https://www.acccrn.net/sites/default/files/publication/attach/16. ACCCRN Intro_Bellagio Donor MTG_11NOV2010.pdf