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CONCITO

Conference on Climate and Development

The Way forward for Multistakeholder Engagement

Copenhagen, May 31, 2024

Co-chairs Summary

The conference cohosted by the Danish Foreign Ministry, DanChurch Aid (DCA) and CONCITO convened key Danish stakeholders to explore collaborative strategies for integrating climate and development. The central message emphasized the importance of a more systemic integration of climate and development and the strengthening of multi-stakeholder collaboration.

From the keynote speakers, panelists, and roundtable discussions among the 75 participants, the following 10 key messages regarding Multi-Stakeholder Initiatives (MSIs) emerged:

#1: Climate and development interventions are inseparable

Climate Change is already rolling back sustainable development gains and opportunities all over the world and particularly in the most vulnerable countries and communities. Experiences from the prolonged drought on the Horn of Africa already demonstrates the scale of exacerbated fragility for populations experiencing the devastating impacts of climate change. Efforts to build resilience and sustainable development paths must be designed to consider future climate impacts. MSI must build on identifying and pursuing synergies and co-benefits for both climate and development interventions. Special attention should be given to ensure multi-purposes of MSI for climate and development and support these through solid result frameworks.

2: MSI must build on a collective theory of change and nationally owned combined NDCs and development strategies

MSI must build on nationally owned combined NDCs and development plans for investments. To ensure smooth execution of MSI and optimal complementarity among stakeholders, it is important to work from the basis of a joint understanding of the challenges, opportunities, and tasks at hand for support to such national framework. Defining goals and targets together provides opportunities for maximizing synergies and collectively prioritizing and planning efforts, and it helps avoid maladaptation and strengthen co-benefits between climate action and the progressing on the SDG's.

#3: MSI require tearing down silos and building a common language

Efforts within and across the climate and development domains as well as across the stakeholder landscape are to a high extent still siloed. Stakeholders need to go beyond own institutional perspectives, interests, and mandates as well as sector perspectives, when entering MSI. Stakeholders need to better understand and respect each other's respective strengths, competencies, and capacities. There is a need to create a common language among government institutions, the civil

society, and the private sector to ease cooperation and mutual understanding of how climate action and sustainable development can be mutual reinforcing.

#4: MSI require time in preparation and execution

Cooperating towards a joint target is always demanding in terms of mapping and identifying relevant actors, building trust, co-designing approaches and coordinate collective actions. Country-driven planning and approaches will be key for overall planning and identification of the multiple stakeholders. It takes time and considerable efforts, especially if such approaches involve many stakeholders across the global North and South. Design for MSI projects must allow for considerable program preparation time and inception periods, while also ensuring early identification and inclusion of all relevant stakeholders.

#5: MSI require a “space” for co-created thinking and action

MSI needs to be built bottom-up through strong localization to understand contexts and ensure relevance and impact. A physical space is required for stakeholders to come together and build trust and networks, while also allowing for peer-to-peer learning throughout project planning and implementation. Embassies can play a critical role in bringing domestic and Danish stakeholders together for co-thinking and creation of interconnecting climate and development.

#6: MSI for tackling climate and development require more flexible funding

Funding arrangements for MSI must accommodate very different set of stakeholders – ranging from multilateral institutions, civil society, the private sector, and public institutions, while at the same time ensuring adequate dynamism over time as conditions and opportunities changes. A transition towards an inclusive climate-resilient and low-carbon development planning will require more long-term financial commitments and up-front investments. Economic management capacities and accounting methodologies varies enormously among these stakeholders, which should be recognized as basis for either greater flexibility or dedicated support, provided adequate transparency for all stakeholders engaged and will always be a requirement for allocating taxpayers’ money. Direct funding of stakeholders rather than going through intermediaries can lower costs considerably, and long-term investments can bring multisectoral knowledge and learning together.

#7: Philanthropy is critical for building innovation in MSI

Philanthropy has a key role to play in driving innovation in MSI through supporting analytical work and joint learning, piloting innovative approaches, capacity building of stakeholders, scaling direct project implementation, and in assuming greater risks-shares of collective efforts. Philanthropy is increasingly orienting its portfolio towards the climate and development nexus through innovative partnerships with peers and stakeholders.

#8: Private sector engagement in MSI requires strong regulatory and policy frameworks

For the private sector to be involved in MSI there must be a clear business case and a regulatory framework that provides predictability, accountability and minimizes business risks related to climate change and a green energy transition. If these conditions are in place the private sector can be critical in building innovative solutions with other stakeholders. It is important to ensure early involvement

and recognition of each other's 'language' and roles. De-risking of private sector investments in higher risk markets will be important to encourage climate investments that often requires more up-front capital.

#9: MSI to be effective must build on best available climate scenarios at local level

A more volatile climate requires the planning of development pathways under greater uncertainty, and it becomes decisive to operate based on updated and localized climate scenarios, insights and lessons learned. And such knowledge needs paired with the developmental context on the ground and traditional local knowledge. Such competencies are typically not present or shared among stakeholders. It is critical to build skills, ensure inclusion of climate competencies in integrated climate and development interventions, and to establish a collectively understood and scientifically grounded climate and development scenario.

#10: MSI must secure strong local-to-sector/national/systemic level linkage.

There is often a delink between local multistakeholder based interventions and more systemic national planning or sector level transformation needs, challenges, and opportunities. It is therefore critical to link local to the sector, national or global level, and work to ensure alignment with more upstream efforts. There is a specific need to ensure information flows and coordination between these different levels of engagement.

Background

On May 31st the Danish Foreign Ministry, DanChurch Aid (DCA) and CONCITO hosted a conference on the integration of climate and development interventions with a focus on how to strengthen multistakeholder-based engagement in pursue of more equal partnerships. The conference featured a keynote by the Danish Minister for Development Cooperation and Global Climate Policy, Dan Jørgensen, and a presentation by the Secretary General of DCA, Jonas Nøddekær on lessons learned from integrating climate and adaptation interventions.

The moderator Jarl Krausing, Deputy CEO and International Director, CONCITO, introduced the agenda and provided some preliminary remarks for setting the scene. He emphasized that climate change could reduce global income by 20% by 2050, and the cost of inaction would be six time greater than the cost of reaching the Paris Agreement's temperature goal according to recent research. He also underscored that for most developing countries economic growth and social development is the priority but with openness for building synergies to climate change adaptation and mitigation actions.

In his keynote, Minister Dan Jørgensen emphasized the integrated nature of climate and development needs on the ground, and the urgency of early and scaled actions with a holistic and systematic perspective. It is time to move beyond the narrative of competing interest between climate and development – it is two interdependent challenges. The importance of engaging the private sector was underlined, as was the need to scale public and private finance in support of the integrated agenda. This includes reaching an agreement on the New Collective Quantified Goal on Climate Finance (NCQG) under the UNFCCC and de-risking private investment in higher-risk markets. The minister

stressed that 2024 is an important year, marked by the preparation of the next generation of Nationally Determined Contributions (NDCs), COP29 and the Summit of the Future. As an example of a multistakeholder based approach, Dan Jørgensen emphasized humanitarian agencies' ability to reach vulnerable people when government-to-government collaboration is not possible.

In the presentation of findings from the report on lessons learned from integrating climate and adaptation within DCA, "Two Challenges, One Solution", Jonas Vejsager Nøddekær highlighted the need for localizing multistakeholder based approaches, avoiding maladaptation and enabling more flexible funding to accommodate multistakeholder based approaches.

Interventions by a subsequent panel moderated by Jarl Krausing, Maria Gad Hansen, Director of Global Development and Sustainability, Confederation of Danish Industries, Flemming Konradsen, Scientific Director of Global Health, Novo Nordisk Foundation, Ole Emmik Sørensen, Director of Global Cooperation, Danish Energy Agency, and Gitte Dyrhagen Husager, Acting International Director, DCA, shared perspectives as representatives from the private sector, philanthropy, strategic sector cooperation, and civil society.