Regional Dialogue on the role of Climate Proofing Growth and Development to achieve the SDGs: Past and Future
DFID, SIDA, UNDP, ACT-OPM, UN ESCAP
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Location: Bangkok

1. Sustainable Development Goals and Climate Change

Climate change may represent the single biggest obstacle to achieving Sustainable Development Goals (SDGs). The Paris Agreement, ratified in 2016, has provided an impetus for political commitment to the reforms needed to fight climate change. Achieving the primary goal of the Paris Agreement - to keep the average global temperature rise well below 2°C degrees above pre-industrial levels will increase the ability of governments to achieve the SDGs in the context of the changing climate. The latest report from UN Intergovernmental Panel on Climate Change (IPCC) has stated that the planet could reach the crucial threshold of 1.5 degrees Celsius above pre-industrial levels by as early as 2030 if it continues to increase at the current rate, triggering the risk of extreme drought, wildfires, floods and food shortages for hundreds of millions of people – posing a threat to the achievement of the entire Agenda 2030.

According to the latest German Watch Global Climate Risk Index, many countries in the Asia-Pacific region, such as Bangladesh, Cambodia, Fiji, India, Myanmar, Nepal, Pakistan, the Philippines, Thailand and Vietnam are in the top 20 countries most affected by extreme weather events (1997-2017). Home to two-thirds of the world’s poor and regarded as one of the most vulnerable regions to climate change, the countries of the Asia-Pacific region are at the highest risk of falling into deeper poverty and economic turmoil, if climate change action is not effectively implemented. On the flip side of this challenge lies an opportunity for new trajectories of sustainable growth and development to also deliver benefits for those have been left behind in the region in the past. Accelerating climate action thus has the potential to enable the achievement of key SDGs beyond climate change (SDG 13) that relate to gender equality (SDG 5), extreme poverty (SDG 1), sustainable energy (SDG 7) and economic growth (SDG 8).

Accelerating progress on climate action in the region will require significant resources. Globally the SDGs are estimated to cost $5-$7 trillion every year (UNCTAD 2014). The financing gap for developing countries is estimated at up to $2.5 trillion every year. The Asia-Pacific region needs an additional investment of $1-1.5 trillion per year through 2030 in social, economic and environmental areas (ESCAP 2019). For countries to respond to climate change and achieve the SDGs they will need to look across the role of both public and private resources. Governments will need to accelerate the reform of budget processes and increase technical capacity to systematically address climate change, gender and poverty across their public investment portfolio. Likewise the role of the private sector will be critical in achieving SDGs, through their power of innovation and their ability to leverage their financial resources for sustainable development.

The Asia-Pacific region is growing rapidly. Total financing in the region grew from US$4.0 trillion in 2005 to $8.9 trillion in 2014. Domestic resources have increased most rapidly: domestic public and private finance combined more than doubled between 2005 and 2014. There has also been a 45% rise in international public and private inflows to the region in the same period – primarily characterized by an increase in international private flows (UNDP 2016 RBAP regional report). The private sector’s ability to create sustainable, innovative, and scalable market solutions to address the world’s problems, including bringing in capital for these market solutions, emphasis their critical role in ensuring the achievement of SDGs by 2030. And it has been extremely encouraging to see how quickly
the private sector has acknowledged and taken up its role in contributing to the achievement of the SDGs.

Governments in South Asia, as well as more broadly in Asia and the Pacific, have been increasingly integrating climate change concerns into national, sectoral and local level programming as well as in budget and finance policies. UNDP with the support of the UK and Sweden governments, and Action on Climate Today, with DFID support, have been supporting these efforts including through facilitating regional learning and south-south cooperation.

There is an opportunity to use this knowledge not just to accelerate climate related action but also to inform the overall process of implementing the SDGs. The Asia Pacific Forum on Sustainable Development (APFSD), organized every year by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is the preeminent platform for follow up and review of the 2030 Agenda and the SDGs in the Asia-Pacific region. The APFSD gathers participants from different sectors and countries to explore common ground and actions, develop common messages and coordinate strategies for more effective participation in the national, regional and global intergovernmental processes on sustainable development.

3. Climate Proofing Growth and Development to achieve the SDGs

In response to climate change impacts, over the past five years, the Climate Proofing Growth and Development (CPGD) programme has worked to transform the way governments in South Asia plan and deliver development programmes by integrating climate change into development planning, budgeting and delivery at national and sub-national levels.

CPGD has worked with governments and other actors to ensure that a climate response also integrates measures to promote gender equality and reduce poverty. This integrated approach has laid the foundations for achieving SDG 1 on poverty, 5 on gender equality and 13 on climate change. Sector based work to promote climate resilient investments has also facilitated progress behind SDG 6 on clean water and sanitation and SDG 12 on responsible production and consumption for examples.

In particular the programme has:
- Supported the mainstreaming of climate resilience into policies, programmes, and budgets
- Supported the design and delivery of climate resilience projects.
- Promoted investments for climate compatible development.
- Built knowledge on climate change of decision makers.
- Attracted further climate change investment from the public and private sector.

As CPGD phases out in March 2019, it is imperative that the programme share learnings with partners and stakeholders to catalyze efforts for continued action on ensuring climate resilient development. The Regional Dialogue on Climate Proofing Growth and Development in achieving the SDGs will be implemented by Oxford Policy Management/Action on Climate Today and United Nations Development Programme (UNDP). The dialogue will focus on achievements of the CPGD programmes (for 2 days) and lessons learnt for promoting climate action in the context of the achievement of the SDGs. The dialogue will in particular aim to ensure that countries learn from each other on innovations and reforms that can be replicated and adapted to their country context.

Following this a Climate Finance Learning Network (CFLN) will be launched (half a day). Picking up on areas of reform that countries wish to pursue for potential replication and adaptation, UNDP and OPM are working with DFID and Sweden to launch a knowledge management network. The network will support south-south exchange on finance reforms that relate to domestic budgets, international
climate finance and private sector investments. Other partners such as the World Bank, IMF and UN ESCAP will all be invited to design and implement the initiative. The goal is to leverage greater financial flows for the implementation of a climate change response that enables the achievement of the SDGs. The dialogue and CFLN will also benefit from lessons learned during implementation of the Government of Sweden supported *Strengthening of the Climate Change Finance to Enhance Gender Equality in Asia and the Pacific*, which has focused on providing support to governments on climate finance reforms and will also jointly support the CFLN moving forward.

**2. Objectives**
The key objective of the regional event is to strengthen implementation of the 2030 Agenda for SDGs in the Asia-Pacific, by bringing together national and subnational governmental, multilateral, bilateral and civil society partners to-

A. Develop a common understanding of the latest trends, successes and challenges with mainstreaming and integrating climate change in governance processes;

B. Identify best practice for mainstreaming, accessing and leveraging finance for climate change and delivering on the SDGs with a particular focus on gender equality (SDG 5) and poverty (SDG 1);

C. Launch the Climate Finance Learning Network (CFLN) as a multi-partner initiative to scale up reforms across the Asia Pacific region that leverage greater financial flows for climate change and the 2030 Agenda for Sustainable Development

D. Raise awareness about climate and sustainable finance and strengthen capacity of stakeholders to develop an enabling policy environment that promotes private investment investment in climate change mitigation and adaptation projects

**3. Key Themes for Discussion**
The Regional Dialogue will explore the following questions-

A. **Mobilizing resources from Domestic Budgets for Climate Change**
   - What measures, tools and institutional structures have been successful in creating resources for climate change adaptation through domestic budgets?
   - What are the differential challenges and opportunities for creating resources for adaptation from national, subnational and local budgets?
   - In what ways can tools and approaches for integrating adaptation in domestic budgets for SDGs take the differential vulnerabilities of women and other marginalized groups into account?

B. **Mainstreaming Climate Change into Core Sectors of Development and the SDGs**
   - What measures, tools and institutional structures have been successful in ensuring that climate change adaptation is mainstreamed into core sectors of development for SDGs, including Agriculture and Rural Development, Urbanization, Water Management, and Health Sectors?
   - What are the differential challenges and opportunities for mainstreaming adaptation in national, subnational and local plans, policies, programmes and projects?
   - In what ways can tools and approaches for mainstreaming adaptation in core sectors of development for SDGs take the differential vulnerabilities of women and other marginalized groups into account?

C. **Impact and Effectiveness of climate change finance in achieving SDGs**
   - What has been the impact of major investments in mainstreaming climate change adaptation at the national and subnational level in the Region and what tools and approaches have proved successful if measuring this impact?
• How can investments in climate change adaptation help address the concerns of women and other marginalized groups?
• What kind of partnerships and collaborations have proven successful in ensuring the transparency, accountability and effectiveness of finance for climate change?
• How can we ensure that the impact of climate finance is scaled up and sustainable?

D. Stimulating investments from private and international sources
• What tools, approaches and institutional arrangements have been proven successful in supporting governments to secure international climate finance for SDGs?
• What are the key operational challenges and knowledge gaps in processes for countries to secure international climate finance for SDGs? How have these been overcome?
• What are the incentives and approaches that have proven successful in mobilizing climate finance from the private sector for SDGs? What is needed to enhance the private sector participation in climate proofing growth and development?

E. Innovative climate finance mechanisms for financial institutions to stimulate private sector investment
• How are financial institutions across the region factoring in climate risks and what are they doing to green their operations and products? Which barriers and challenges do they face?
• Which tools are available to financial institutions to green their operations?
• Which enabling policy and regulatory environments are needed to make finance more sustainable?

F. Catalyzing Future Action
• What are the key knowledge and information gaps that need to be filled in order to enhance the speed and intensity of action climate proof growth and development in achieving SDGs in Asia and Pacific?
• What platforms are needed to ensure that best practices and challenges on mainstreaming and financing adaptation are shared amongst countries in the region sustainably to deliver impact?
• What are the key components needed to consolidate a successful regional community of practice aimed at raising the level of ambition on financing climate change as part of achieving SDGs?
• How can we ensure that knowledge sharing and innovation in the region is sustainable?

4. Participants and Venue

The dialogue will be organized in Bangkok, Thailand from 4-6th March, 2019. The conference will include around 200 participants coming from Bangladesh, Cambodia, Fiji, India, Myanmar, Nepal, Pakistan, the Philippines, the Pacific, Thailand and Vietnam. The participants will come mostly from the government (Ministries of Finance, Planning, Environment, sector Ministries or cross-sectoral SDG/Climate Change Commissions), central banks, securities and exchange commissions, public and private financial institutions and banking and industry associations with representatives from Parliament, civil society, the private sector, media and development partners.
5. Implementation arrangements

The overall oversight of the event will be conducted by OPM/ACT and UNDP. Implementation of the conference will be managed through contractual arrangement between UNDP and OPM/ACT. The budget for the conference is attached. UNESCAP will cover the implementation of their associated event.