Seeking Synergy Solutions
Tackling Climate and SDG
Action Together

The four Thematic Reports contributing to the 2024 Global Report on Climate and SDG Synergy

JUNE 2024

Prepared by the Expert Group on Climate and SDG Synergy and co-convened by UN DESA and UNFCCC
THE FOUR TEMATIC REPORTS

1. Integrating Climate and SDG Knowledge and Data for Action
2. Policies that Support Both Climate and SDG Action
3. A New Financial System to Enable Both Climate and SDG Action
4. How Cities Can Act on Both Climate and the SDGs
1. Seeking Synergy Solutions
Integrating Climate and SDG Knowledge and Data for Action
Integrating climate action with sustainable development policies can accelerate progress, enhance resource efficiency, and facilitate coherent policymaking.

Then why is it still not happening to scale?

- **Fragmentation** in institutional structures
- **Fragmentation** in climate finance
- **Fragmentation** in sectoral and multi-level knowledge and across various conventions

Overcoming this requires enhancing the accessibility and relevance of knowledge and data for policymakers to support effective and synergistic decision-making (ie knowledge-action gap).
THE KNOWLEDGE-ACTION GAP

Huge gap between **applied policy action** and **scientific evidence**

Inadequate access to comprehensive knowledge and insufficient data-driven decision-making processes for policymakers and practitioners

**due to**

**FRAGMENTED nature** of knowledge and data (K&D)

**caused by**

proliferation of tools, methods, and knowledge streams, often of little relevance to policies

This translates to
NUMEROUS CONTRIBUTIONS TO MAKE

Supporting Policymakers and Practitioners
• Navigating Political Constraints
• Developing Institutional Arrangements
• Resolving Policy Incoherence
• Localized and Contextualized Approaches
• Enhancing Knowledge Sharing

Understanding Economic Synergies
• Clarifying Climate and Development Finance
• Integrating Climate Risks in Investments
• Reinforcing Policy Coherence
• Making the Business Case for Adaptation and Resilience

Positive synergies (co-benefits) and trade-offs between climate action and the SDG targets. Source: Fuso Nerini et al., 2019
KNOWLEDGE AND DATA GAPS

**Addressing Data and Research Gaps**
- Scarcity of Quality Data and Indicators
- Challenges in Managing Trade-offs

**Practical Methods and Tools**
- Interaction Mapping
- Limitations of Quantification Methods

**Understanding Distributional Impacts**
- Challenges in Assessing Impacts
- Ensuring Just Transition

**Skill Development and Education**
- Shortage of Skilled Practitioners
- Multidisciplinary and Systems Approaches

Fig. Impacts of climate change on the achievement of the SDG targets. Each rectangle to the right of the relevant SDG represents a Target. (Source: Fuso Nerini et al., 2019)
RECOMMENDATIONS

1. A Global Platform for Knowledge and Data on Climate and SDG Synergies
2. More vulnerability, justice, and inclusionary data for assessing distributional impacts and future synergies
3. More appropriate and policy-relevant tools, methods, and approaches
4. AI for knowledge management at the interface of climate change and SDGs
5. Better assessment of investment risks and returns
6. Contextualization of synergies through local capacity building and collaboration
7. More ambitious NDCs, policies, and knowledge that are cognizant of synergies
2. Seeking Synergy Solutions
Policies that Support Both Climate and SDG Action
INTRODUCTION

Who: government policy makers tasked with identifying, evaluating and implementing climate and sustainable development policies; with relevance to a broader set of actors

Why: Encourage and support them to plan and implement synergistic action in climate and sustainable development policy making in ways that reconcile with domestic policy priorities

How:
- Making the case for synergies, with key examples
- Suggesting strategies, resources/tools and practical steps for
  - Strengthening institutional arrangements
  - Safeguarding justice and equity as a core value
  - Understanding the potential of synergies to drive processes of transformation
  - Overcoming political constraints, including vested interests
A SYNERGISTIC APPROACH

- Accounts for the **contextualized nature** of synergies and specific national constraints different countries face

- Builds on universal components
  - **policy coordination** across ministries and departments
  - **coherence** within and between different policy domains, involving complex policy interactions
  - **Integration** of enforcement and continuous **monitoring and evaluation** of consequences from combined climate and sustainable development policies
A SYNERGISTIC APPROACH

• Ensures just and equitable outcomes avoiding adverse impacts within and between regions, societal groups and generations

• Understanding whether and how synergistic action can steer and support processes of transformative change

Source: Meadows, 1999
Policies that Support Both Climate and SDG Action

MAKING IT HAPPEN

• **Institutional strengthening**: Break down institutional silos, apply checklists and probing questions, engage champions, ensure meaningful participation of stakeholders

• **Overcome incoherence**: Improve communication, anticipate and evaluate outcomes, use readily available tools and methods to identify and reconcile tensions (e.g. SDG Synergies or future forecasting)

• **Navigate the political constraints**: Develop shared societal visions of the future, engage with vested interests early and build coalitions, embrace the complexity and messiness of policy-making, recognize and use financing as an enabler

IMMEDIATE OPPORTUNITY

Third generation NDCs with higher ambition levels – expected in early 2025 – provide an opportunity to strengthen synergies in implementation

“Countries with the most ambitious climate action were those that integrated their NDC with domestic priorities.”

UNDP analysis
RECOMMENDATIONS

1. Improve integration between climate action, the SDGs and domestic priorities in the next NDCs.

2. Combine supply-driven actions with demand-side interventions in areas like diets, transportation, and consumption to ensure resource availability.

3. Enhance the science-policy interface through collaboration and co-production of knowledge for effective, contextualized policy insights.

4. Utilize the leadership that encourages an all-hands-on-deck approach that enables meaningful collaboration and interaction between different stakeholders.

5. Gather knowledge of on-the-ground country examples of synergistic action with ready-to-go actionable steps and guidelines.
3. Seeking Synergy Solutions: A New Financial System to Enable Both Climate and SDG Action

Seeking Synergy Solutions
A New Financial System to Enable Both Climate and SDG Action

CLIMATE POLICY INITIATIVE
International Institute for Applied Systems Analysis
CIRED
A New Financial System to Enable Both Climate and SDG Action

SYNERGISTIC ACTION WILL HELP TO COURSE CORRECT

**Reduce financial gaps**: Pursuing development and climate targets together reduces investment gaps.

**Achieve targets faster**: Integrating social dimensions enhances chances of reaching climate targets.

**Facilitate long-term vision**: Synergistic co-benefits balance short- and long-term gains, gaining stakeholder support.

**Ensure just transition**: Synergistic planning will ensure a just transition and limit the trade-offs of climate action.
The INFFs for SDGs and Climate Action should reflect the different risk-return expectations of an increasingly broad spectrum of financiers and identify the most appropriate source of finance for each national priority.

Several approaches are available to enable blended finance providers to engage with the private sector and optimize the deployment of scarce concessional resources such as the Financing Waterfall.
Rising insured losses affect the affordability and stability of insurance, especially for vulnerable communities.

OECD countries have developed public-private schemes like the UK’s Flood Re.

Debt-stressed vulnerable countries lack the financial capacity to fund such schemes, leading to reduced insurance coverage, limited access to finance, and increased future risks.

International bodies and governments support with risk-layered approaches, parametric insurance, catastrophe bonds, insurance-linked securities, national compensation schemes, and blended finance. The new Loss and Damage Fund is crucial for deploying these solutions to improve insurability.
Despite heavy investment to increasingly destructive climate disasters, the population highly affected by climate-related risks tends to experience exclusion from financial protection in form of geographic isolation, more pronounced lack of identification, social protection and access to financial literacy and inclusion.

Smallholder farmers are among the most vulnerable. This highlights the importance of targeted development and financial inclusion strategies to enhance financial security and, productivity, promote innovation and ultimately enhance livelihoods within the communities.
A New Financial System to Enable Both Climate and SDG Action

**TRACKING CLIMATE FINANCIAL FLOWS**

Tracking financial flows for climate adaptation is challenging due to **data and knowledge gaps**.

Closing these gaps is crucial for making the case for adaptation, tracking resource allocation and impact, and monitoring local progress.

A new framework for the **Global Goal on Adaptation (GGA)** was agreed upon at COP 28 in Dubai with the aim of bridging the gap between global and local adaptation priorities.

The next crucial step is to establish measurable indicators to monitor adaptation activities and track progress.
RECOMMENDATIONS

1. **Develop** integrated national investment plans that align finance with domestic priorities and needs, maximize synergies, possibly through country platforms that help coordinate across actors.

2. **Increase** access to finance by bolstering domestic capital markets and reducing the cost of capital.

3. **Prioritize** adaptation and resilience funding to channel resources to the most vulnerable, through innovative financial mechanisms, awareness raising, and capacity building.

4. **Increase** the financial flows and rethink the criteria of ODA to focus on the development needs of developing countries, on vulnerability and the support of climate and development synergistic action; and continue to improve the performance of public finance institutions and MDBs to address these needs.

5. **Improve** data and knowledge around the synergies of climate and development, including their impact, the related costs of inaction, and the opportunities - including the return on investments on certain adaptation actions.

6. **Improve** the methodologies for tracking climate and development finance to ensure that financial resources reach the intended recipients and to measure progress on synergies between climate action and SDGs, consolidating performance metrics and using available tools such as blockchain.
Seeking Synergy Solutions
How Cities Can Act on
Both Climate and the SDGs
THE PIVOTAL ROLE OF CITIES

• The source of 70% of GHGs and home to more than 50% of humanity
• Hubs of innovation and concentration of resources
• More agile and prone to contagion effects
• Opportunities for leapfrogging and unique development pathways

Energy savings with low-carbon urban planning (Creutzig et al, 2015, PNAS)

CO2 emissions can be reduced by adapting existing urban infrastructures, by planning new low-carbon urban developments, and by reducing emissions from construction.
CLOSE LINKS EXIST

**TABLE 1.** Connections between SDG 11 Targets and Other SDGs

<table>
<thead>
<tr>
<th>Sustainable Cities and Communities</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target 11.1: Safe and affordable housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Target 11.2: Affordable and sustainable transport systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Target 11.3: Inclusive and sustainable urbanization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Target 11.4: Protect the world's cultural and natural heritage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Target 11.5: Reduce the adverse effects of natural disasters</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Target 11.6: Reduce the environmental impacts of cities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Target 11.7: Provide access to safe and inclusive green and public spaces</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>
DEMAND-SIDE MEASURES

Demand Side Measures are a Focal Point for Synergistic Action in Cities;

- Reduce GHGs
- Aligned with multiple SDGs
- SDG 12: Sustainable production and consumption as central SDG co-aligning with sustainable and low-carbon urban infrastructures

75% of all demand-side solutions improve human well-being in SDGs 1-9

Demand-side solutions can cut GHG emissions by half until 2050.
CONCRETE ENTRY POINTS

Four Entry Points for Synergistic Action in Cities

1. Cooling
2. Buildings
3. Mobility
4. Waste management and resource circulation
GOVERNANCE TO ENABLE SYNERGIES IN CITIES

- Interagency coordination
- Stakeholder engagement
- Multi-level governance
- Urban-rural partnerships (CES approach)
READ THE FOUR THEMATIC REPORTS

For further information, please contact:
Climate and SDG Synergy Secretariat, United Nations
Website: sdgs.un.org/climate-sdgs-synergies
Email: climate-sdgs-synergies@un.org