

# Climate Cooperation and Competition

## *Leveraging Sustainable Development Goal 13*

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### THE ISSUE

- **UN Sustainable Development Goal (SDG) 13 on urgent action to combat climate change and its impacts** is a particularly useful foundation for the Biden administration's ambitious climate change objectives and offers the added benefit of a platform to intertwine the two.
- **To build accountability and make the most of limited resources**, development agencies supporting national capacity-building on climate should align policies behind both the Paris Agreement and SDG 13.
- **As a counterweight to the competitive approach of building national capacity to uphold regulation and decrease carbon emissions**, potential opportunities for cooperation between China and the United States could include new accountability standards, climate finance, and green energy supply chains.

### INTRODUCTION

A multilateral approach to combatting climate change and its impacts must go beyond symbolic decisions—such as rejoining the 2015 Paris Agreement—and toward multistakeholder, interconnected implementation. In March 2021, the U.S. *Interim National Security Strategy Guidance* called on the United States to “earn back our position of leadership in international institutions, joining with the international community to tackle the climate crisis and other shared challenges.” Cooperation with multilateral and bilateral partners must be included in U.S. government priorities in a manner that reinforces the broader global framework, including the SDGs. While the U.S. government has largely sidelined much of the SDG implementation discussion during the Trump administration, the Biden administration has hinted at support for the SDGs as a platform that provides unique international consensus to catalyze development planning

in a post-Covid-19 era. **SDG 13** is particularly useful for the Biden administration's ambitious international climate change objectives and offers the added benefit of a platform to intertwine the two.

SDG 13 also gives member states the opportunity to improve accountability for large development programs, such as China's Belt and Road Initiative (BRI). Multilateral accountability to SDG 13 can protect developing countries from negative environmental outcomes and potentially galvanize China to channel its investments toward meeting shared standards on climate change. Avoiding difficult conversations (or formalized reporting) about BRI impacts on local environmental interests has little benefit. Instead, by engaging on climate through an SDG lens, clever policymakers can identify novel and specific opportunities to engage China on climate-responsible actions that create further opportunities.

The SDGs, also referred to as Agenda 2030, offer a ready-made platform for locally led approaches to climate mitigation and adaptation that directly respond to the scope and scale of the current challenge. It is particularly suited for this important year, including the **26th UN Climate Change Conference of the Parties** (COP26) in October 2021 and other international and regional convenings on climate change, as well as stocktaking on progress toward the SDGs broadly. This report details a few mechanisms to achieve these goals.

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## BACKGROUND

The 193 member states of the United Nations unanimously adopted the SDGs in September 2015 as a guiding framework to align national-level development strategies behind an interconnected, global framework. The core of the framework is the set of 17 SDGs on various global development issue areas, including eradicating poverty, promoting gender equality, and practicing sustainable ocean usage. The broad scope and international consensus behind the goals has helped contribute to their rise as a rallying point for addressing complex global challenges.

SDG 13—composed of five targets and eight indicators—**calls for global leaders** to “take urgent action to combat climate change and its impacts.” It is intentionally linked closely with the **Paris Agreement** on climate, which outlines global commitments to reduce the threat of climate change and efforts to strengthen the capacity of countries to deal with its negative impacts. SDG 13 and the Paris Agreement have a unique relationship, based largely around their close sequencing and similar time frame of announcement. Negotiators working on SDG 13 sought to ensure the goal was comprehensive and holistic, preferring to offer specific and tangible targets as part of the Paris Agreement. As a result, the goal focuses on broad climate change awareness, resilience against climate-related disasters, adaptation efforts, policy, and capacity-building, as well as supporting

a reduction in greenhouse gas emissions. The 2015 Paris Agreement seeks to mitigate the adverse impacts of climate change by the precise goal of limiting global warming to a change of 1.5 degrees Celsius. Of the 196 Paris Agreement signatories, more than 110 have also committed to becoming **carbon neutral by 2050**.

Unlike the Paris Agreement, SDG 13 does not propose concrete targets or limiting standards; it is a platform as opposed to a legal contract. While SDG 13 lacks the legal implications of the Paris Agreement, its targets outline the broad areas in climate change adaptation and mitigation that the international community should strive to meet. SDG 13 is **focused** instead on building country-level capacity and knowledge, ensuring integration in country-level policy and strategic planning, and spurring the mobilization of finance. While the Paris Agreement’s targets drive the outcomes of climate discussions, SDG 13 can offer an ecosystem for developing countries to take on innovative climate change solutions that may support improved cooperation between major geopolitical powers.

## THE ALTERNATIVE DEVELOPMENT MODEL

China has made supporting the SDG framework central to its new **development strategy**. The BRI is China’s prevailing development paradigm, made up of large-scale **infrastructure projects** to support Chinese geostrategic ambitions. At the 2019 Belt and Road Forum for International Cooperation, President Xi Jinping **amplified** the greening of BRI projects. This announcement was largely in response to critics who highlighted that China spent **\$15 billion on coal projects** worldwide between 2013 and 2016. BRI projects **continue to constitute** “a major source of growing global carbon emissions” by **ensuring developing countries’** “dependence on carbon-intensive power.” Apart from the use of coal, BRI projects have been established in **261 critical habitats and 124 nationally protected areas**.

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National-level requests and legal frameworks are **largely responsible** for the sources and types of Chinese transactions and support. Over the last year, a number of developing countries have pushed back or canceled Chinese coal-powered projects, including governments in **Kenya, Egypt, Bangladesh, and Indonesia**. Many analysts believe that this pushback, along with international pressure, will lead to an announcement that China will move away from coal-powered projects in the developing world. While China's 2021 white paper on global development does not mention the **Paris Agreement or SDG 13**, it does mention the **Belt and Road Initiative International Green Development Coalition** (BRIGC)—a coalition started under the umbrella of the UN Environment Programme (UNEP)—which is now made up of a number of partners focused on BRI alignment with the Paris Agreement.

## NON-CARBON ENVIRONMENTAL IMPLICATIONS OF BRI PROJECTS

While China's coal projects attract appropriately negative attention for their environmental and health impacts, non-coal BRI projects also skirt local regulations, having a significant impact on the local environment. Some of these environmental concerns, such as those raised by the **World Wildlife Fund and HSBC**, relate to **hydropower projects on the Mekong River** and the threat to **Sumatra's Batang Toru forest highlands**, among other ecological impacts. An article in *Current Biology* estimates that China's BRI will **introduce over 800 alien invasive species**, threatening the balance of ecosystems in BRI project countries.

In Peru, China's ambitious Chancay Multipurpose Port Terminal resulted in **significant local protests** regarding the potential for toxic pollutants and eroded coastlines in one of the planet's most biodiverse countries. In Ghana, China has invested \$2 billion in **Sinohydro Corporation** for a project to extract bauxite. The project has significant **environmental and social risks**—the result of moving forward without an **environmental impact assessment** on how much bauxite could be extracted “without polluting drinking water, thus damaging farmers' livelihoods or threatening natural treasures.” Ghana's **ambiguous legal frameworks**

around risk reduction mean limited accountability for negative health and environmental impacts that arise. In the Mekong River region, BRI hydropower projects have **negatively affected water flow and fish migration patterns**. Water levels in the river now fluctuate dramatically, hitting **their lowest depth** in the past century during 2019 and displacing over 2,000 households. BRI features more than 370 additional planned dams, and local populations are often pressured by Chinese and local officials to consider relocating.

Even with this negative environmental impact, China casts itself as a South-South capacity-builder on climate. The government's 2021 white paper on development cited that between 2013 and 2018, it trained some 5,000 practitioners from developing countries through **200 training programs** on “climate change response and environmental protection [and] set up targeted degree and non-degree programs on environmental management and sustainable development.”

The BRI positioning is evolving alongside China's domestic **objectives**, at a time in which the Biden administration is also in the early stages of defining its climate priorities, including its relationship with China. *The Interim National Security Strategic Guidance*, for example, **called on the U.S. government** to “welcome the Chinese government's cooperation on issues such as climate change,” setting the foundation for potential collaboration. Both the United States and China place considerable value on the multilateral institutions that govern climate change policy, making these institutions a foundation on which to **collaborate** on improved accountability and standards that benefit national and international goals.

## STRATEGIC CLIMATE AMBITIONS

The last 10 months have seen a flurry of **U.S. government commitments** to addressing climate, both domestically and internationally. Development has been central to the Biden administration's approach to fulfilling its Paris Agreement commitments. In addition to its input on the 2021 U.S. government **Climate Finance Plan**, the U.S. Agency for International Development (USAID) has committed to a new climate change strategy, which will be

released on the margins of the COP26 summit in Glasgow. Other development agencies, notably the new U.S. International Development Finance Corporation (DFC), have made significant new commitments on financing, both in terms of programming and organizational changes. The current moment, therefore, has several openings for highly strategic and ambitious initiatives, many of which coincide with larger policy-setting for the interagency China strategy and policy processes.

Aligning these processes will not be easy and will require considerable hours and grit by those dedicated to these issues. However, the approach can be strengthened by development practitioners who carefully consider opportunities to build on existing international consensus—notably the Paris Agreement and, by extension, SDG 13—with a focus on local implementation mechanisms.

## SDG 13 CAN FILL EXISTING GAPS

The SDG framework is directly supportive of national-level implementation on climate mitigation and adaptation measures, encouraging developing countries to improve regulatory frameworks. One of the main vehicles for that effort is the Paris Agreement’s mandated Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). Both NDCs and NAPs provide an entry point through which development donors can increase the capacity of local-level actors to set and uphold international climate commitments based on the local context. Despite evolving international commitments and pressure from lending institutions, recipient (developing) countries **largely determine** the environmental standards via their own environmental policies.

### TARGET 13.2

***“Integrate climate change measures into national policies, strategies, and planning.”***

The fiscal year (FY) 2022 U.S. **government budget** calls for approximately \$700 million for the Department of State and USAID to work with developing countries on both NDCs and NAPs, specifically through the Global Climate Ambition Initiative. While the Paris Agreement calls for balanced support for mitigation and adaptation objectives, **funding** has supported the former historically. The initiative is focused on **supporting national partners** in implementing “nationally determined contributions and national adaptation strategies, and reporting on their progress under the Paris Agreement.” Implementing the robust

commitment to climate mitigation and adaptation measures at the national level will take significant effort and resources throughout the traditional programming cycle.

There are several immediate actions U.S. development agencies might consider to ensure they are prepared for this task. First, the National Security Council (NSC) might lead a process to identify clean climate standards and a means for ensuring alignment of those standards behind the SDG targets. These standards are essential for improving transparency around implementation but also for promoting a shared understanding of terms of art, such as “sustainability.” Academic scholars, including Dr. Elizabeth Losos at Duke, have called for a pivot of the Trump-era Blue Dot Network (BDN) to focus on sustainability standards for climate-friendly infrastructure. The network’s newly established Executive Consultation Group, managed by the Organization for Economic Cooperation and Development (OECD), recently published an **initial report** detailing what that process could look like. BDN represents a positive effort to map, create, and implement criteria that can help support a “brand” of U.S. government assistance on climate.

### TARGET 13.3

***“Improve education; awareness-raising; and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.”***

Based on those U.S. government-supported criteria for climate action in developing countries, U.S. development practitioners should look for new opportunities to support in-country planning on climate mitigation and adaptation in support of both SDG 13 and the Paris Agreement. Currently, NDCs and Voluntary National Reviews (VNRs) of progress on the SDGs are relatively **siload**. Looking at them in a more coordinated manner can help bolster national-level capacity, reporting, and accountability (per SDG 13.3). If connected to larger geopolitical and strategic goals, this type of programming provides opportunities for development agencies to enhance local capacity through the implementation of NDCs and NAPs. In doing so, they will improve national resilience against activities that contravene climate goals.

Policymakers working on the new Global Climate Ambition Initiative might also consider working alongside the UN common framework, including the new UN Development Programme’s (UNDP) **Climate Promise**. The promise was created because of a collective realization that NDCs, when

totaled, fall far short of the Paris Agreement objectives. UNDP realized that there was a lack of central tallying to track the commitments across the NDCs. The Climate Promise is a vehicle for implementing vertical funds, working with countries to ensure their NDCs can reach global targets. As the largest implementer of climate-related funds, UNDP has significant architecture through which to work with national governments as they think through their strategic planning on climate. UNDP also works with UNEP on a **National Adaptation Plan Global Support Programme**, which focuses on supporting NAPs through improved technical capacity-building in the most climate-impacted developing countries.

NDCs and NAPs should also be seen as a foundation for climate progress accountability and as a direct link to progress on SDG 13, specifically by feeding in data on SDG indicator 13.2, on ensuring climate action in national policies. **Sudan's NAP** is a positive example of integrating climate risk into all national development planning to reduce vulnerability across government sectors and mainstream climate data. Development practitioners should seek opportunities to enhance monitoring and reporting on this indicator within the project cycle. A good place to start is a new U.S. government **performance indicator** to track resources on climate change policy.

The U.S. government might also consider reporting its own progress on SDG 13 through a domestic VNR. This could be the potential product of a policy process that engages the National Economic Council (NEC) and the NSC to align commitments and illustrate leadership for domestic reporting on international standards. A good practice example to consider is **Sweden's 2017 VNR**, which documents progress toward SDG 13, including through the Swedish government's fiscal support for climate change mitigation and adaptation through the Climate Leap Initiative and support to the Green Climate Fund between 2015 and 2018.

New technical assistance and implementation efforts will require U.S. government operational reform. Staffing, capacity, and resources of U.S. government development agencies to implement climate-related programming atrophied during the last administration. USAID, the Department of State, and the DFC will also need to build on best practices for country-level cooperation. One positive example of this is programming in the Mekong Delta, where the Department of State and USAID work together on the **Lower Mekong Initiative** (LMI). Among other objectives, the initiative supports improved

biodiversity and clean drinking water across the region. The LMI has also partnered with the Stimson Institute to establish the **Mekong Infrastructure Tracker**, a set of indicators on sustainable infrastructure in the region. The data collected in this initiative has the added benefit of offering a direct link back to SDG targets by providing additional supporting information on SDG 13 targets. The Mekong Infrastructure Tracker is particularly relevant when it comes to thinking about the targets and indicators outlined for achieving SDG 13.

## MEKONG INFRASTRUCTURE TRACKER

The Mekong Infrastructure Tracker can provide insight into the work that is being done to achieve SDG 13. For example, the tracker works to help inform Target 13.2 and its relevant indicator, 13.2.1. Target 13.2 aims to “integrate climate change measures into national policies, strategies, and planning.” Broadly, the Mekong Infrastructure Tracker looks to inform researchers of change and the progress that has been made in the development sphere around sustainable infrastructure related to energy, transportation, and water in Southeast Asia. Two of the tools embedded within the Mekong Infrastructure Tracker monitor progress with SDG 13, specifically the Sustainability Mapper and the Mekong Deforestation App. The Sustainability Mapper surveys areas conducive to infrastructure and development initiatives, while the Mekong Deforestation App tracks deforestation patterns. This platform can help strengthen results-based research and future environmental regulations while also encouraging climate change adaptation and mitigation efforts.

The third area that must be addressed is the future capacity of U.S. government agencies to enhance climate resourcing through financing and investment mechanisms. The ambition on climate financing is significant: USAID has committed to leveraging **\$250 million** to attract \$3.5 billion in private sector funding; the Millennium Challenge Corporation (MCC) has said that **50 percent of its program funding** will go to climate-related investments over the next five

years, and **one-third of DFC commitments** will link to climate by FY 2023. This ambition is certainly attainable, but only through improved relationships with the private sector. The private sector is largely dependent on mechanisms to support shared financing (first loss capital, loan guarantees, and lending incentives) and personnel who understand those tools and relationships.

Building out this capacity will strengthen U.S. government practitioners' ability to innovate in support of national government planning processes. There are some green shoots of success. One example is the USAID/India *Country Development and Cooperation Strategy*, which identified the importance of clean energy supply chains as a precursor to India meeting its climate-related goals. However, these supply chains are currently quite nascent and lacking in the private and public investments to establish profitable alternatives to coal. Recognizing the important relationship between creating new supply chains and the country's national objectives, USAID prioritizes support for the government's technical capacity, **leading to** "unlocking large amounts of capital for project developers to fund activities linked to clean energy."

#### TARGET 13.A

*"Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible."*

To refine its ability to engage the private sector in a meaningful way, U.S. development agencies may look to progress made by multilateral development banks (MDBs), specifically on climate financing. The Asian Development Bank (ADB), for example, is tackling the threat of climate change by increasing its **adaptation and resilience** efforts. Their approach includes instituting climate-proof infrastructure, investing in projects with a primary focus on climate adaptation, and promoting integration of resilient operational aspects. In the broader fight against climate change, the ADB has **set the goal** of ensuring that their climate finance resources reach \$80 billion and 75 percent of their operations support climate action by 2030.

Across the MDBs, lessons learned can be useful to the U.S. government's efforts on climate finance. The 2021 **U.S. International Climate Finance Plan** calls for the Department of the Treasury to work with its bank partners to set and uphold ambitious targets. To do so, policymakers must increase institutional permeability and coordination between the U.S. government and the MDBs on climate financing. The U.S. interagency should increase knowledge sharing and working-level staff communication, potentially through more staff secondments, such as the current USAID and Treasury staff detail program, or an interagency working group to bring together best practices and establish an MDB cooperation strategy.

### MDB PROGRESS

In April 2021, the World Bank Group announced its new **Climate Change Action Plan**, which is aimed at reducing greenhouse gas emissions and helping developing countries leverage climate finance to maximize livelihood advancements. In accordance with the plan, **35 percent of World Bank Group financing** over the next five years will have climate co-benefits, and financing flows will align with the objectives of the **Paris Agreement**. The World Bank will be completely aligned by July 1, 2023. The International Finance Corporation and the Multilateral Investment Guarantee Agency will be 85 percent aligned by July 1, 2023, and 100 percent aligned by July 1, 2025. The plan also pledges to aid the transition **away from coal** by mobilizing large-scale resources to limit global warming but does not promise an entire **halt of funding for** fossil fuels. Ultimately, the plan seeks to reduce emissions and **climate vulnerabilities** through **transformative investing in key sectors**.

The Asian Infrastructure Investment Bank's (AIIB) **Environmental and Social Framework (ESF)** strategy seeks to align AIIB-financed projects with positive international environmental and social planning practices to achieve sustainable development outcomes as directed by the AIIB's **Environmental and Social Policy (ESP)**. With the **vision** of providing insight, innovation, investment, integration, and integrity in pursuit of environmentally and socially sustainable

development, the ESF and ESP set requirements for each AIIB project, as well as mandatory environmental and social standards and an environmental and social exclusion list. The ESF was revised in May 2021 (going into effect on October 1, 2021) to reflect lessons learned regarding **operational effectiveness and outcomes**. These changes include stronger provisions to meet the **corporate strategy** goal of having climate financing account for 50 percent of total approved financing by 2025.

Finally, the Inter-American Development Bank's (IDB) **IDB Group Corporate Results Framework, 2020-2023**, renewed a 30 percent floor for climate-related financing across the banks' various funds (a goal first set in 2016) and established a 65 percent goal for all investments to support mitigation and adaptation, with a 100 percent objective for vulnerable projects. These ambitious targets are illustrative of the IDB's progress on establishing operational mechanisms for financing and a focus on national-level policy and strategy support. As a result, climate financing accounted for 29 percent of IDB investments in 2019. While the response to Covid-19 has impacted progress, IDB reform efforts illustrate best practice, particularly with respect to engaging the private sector in de-risking and sustainable loan mechanisms.

The national-level implementation of climate financing activities is important. Not only will there potentially be dividends to programs, but there will also be investment opportunities in local private sectors. The U.S. government and MDBs must play a key role in de-risking for their private sector partners. Recent years have seen a number of new UN initiatives to consolidate financing mechanisms around the SDGs, including for SDG INVEST, the UN Capital Development Fund, and others. These are potentially important partners, particularly when working to ensure that projects can break out of their silos and work toward multiple SDG targets at once. As the U.S. government builds a new institutional infrastructure around its approval of climate mitigation and adaptation development solutions, it should be mindful not to inadvertently silo those efforts.

## COOPERATE OR COMPETE: CHINA AND SDG 13

Working with countries on their national policies on climate should be seen as a counterweight to China's ambitious development agenda. National-level development policies and their implementation are vehicles for increasing local accountability for negative environmental outcomes associated with the BRI, as well as related social and economic impacts. China also recognizes the importance of local policy regulation on climate. The **2016 VNR** on SDG implementation recommended significant investments in local capacity to support developing countries on climate policy. Similarly, U.S. government development support for NDCs and NAPs reinforces credible country ownership, improved regulatory and legal systems, and support for civil society efforts to improve visibility on BRI impacts. Efforts such as the new **Build Back Better World** (B3W) initiative should incorporate cross-sector investments and coordination between climate specialists and democracy and governance to build both standards and an enabling environment for those seeking to enhance their actual implementation.

Working together, China and the United States have "tremendous influence over developing country climate emissions," **according to Dr. Elizabeth Losos**. Broadly, this report has identified three main areas for collaboration between the United States and China on climate: support for frameworks on accountability (specifically those that China has spearheaded), utilization of Chinese banks to support climate finance, and shared investments in new green energy supply chains in developing countries. On accountability, China's efforts with the United Kingdom to create **Green Investment Principles** (GIPs) are promising, particularly because **they require** that "financial institutions publicly commit to conducting environmental impact assessments for their investments." The principles could help limit what critics call the "greenwashing" of the BRI, by effectively **limiting the use** of "in-name-only 'green bonds.'" A total of 39 banks, including **18 Chinese banks**, have signed on to the principles.

In 2021, BRIGC rolled out the **Green Development Guidance for BRI Projects Baseline Study Report**, a so-called traffic light system for grading local projects against environmental targets. The United States and partners would be wise to use an extension of these standards to inform any international criteria. To do so, the U.S. government might consider supporting the BRIGC and encouraging the forum to focus on adaptation measures.

Unfortunately, between 2013 and 2018, funding for mitigation represented 70 percent of total funds, with only “21 percent” going to adaptation, a pressing remaining need for developing countries. Given the large scale and scope of projects, adaptation can be an area of cooperation between Chinese and U.S. development practices.

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On finance, engaging Chinese private banks that finance BRI projects is critical. Currently, they do not follow environmental safeguard practices and skirt critical environmental assessments at the project outset. This is purposeful, according to Yun Sun, director of the China Program at the Stimson Center, who cites the banks’ **evasion of environmental requirements**. Inevitably, the international financing conversation should focus on pushing Chinese banks to enforce environmental, social, and governance (ESG) standards; take on green bonds; and report openly on progress. The promising news is that the Chinese regulators announced that companies traded on the Shanghai and Shenzhen exchanges will need to report on ESG criteria starting this year. However, widespread acceptance of the ESG regime in China has yet to materialize. The **UK-China project on green finance** necessitates greater study. The United States might consider pushing other major Chinese financiers to adopt the GIPs explicitly created by China. The SDGs provide a background for pushing for more compliance from China. The **OECD-UNDP Impact Standards for Financing Sustainable Development** might provide a framework for pushing private financial institutions into compliance.

As the **world’s largest** producer of green energy, China and its development investments could build the capacity of new markets for green energy systems. The country’s new white

paper cites increases in support for “**renewable energy projects**” alongside technical assistance for developing countries that are “implementing clean energy programs.” The United States should push for China to do both by enhancing developing countries’ green energy supply chains and opening new options—notable for solar and battery storage materials. Together, the United States and China can work to dispel myths about the cost and use of green energy systems and ensure capacity is strong enough to meet demand. If successful, this also has the added benefit of alleviating dependence on Chinese green energy supply chains, many of which have human rights **implications**.

## RECOMMENDATIONS

The president’s **FY 2022 budget** has allocated \$485 million for multilateral initiatives on climate change as well as the Green Climate Fund. The administration has also announced, along with the Group of Seven (G7), the B3W initiative, which includes climate programming and green standards. This moment represents a significant opportunity to build momentum toward the goals of SDG 13 and the Paris Agreement. U.S. and G7 member investments can and should use multilateralism as a counterweight to Chinese activities through improved capacity in developing countries. The process also offers limited cooperative opportunities, specifically on financing and green supply chains. The following recommendations serve to connect these threads to the larger multilateral approach to climate change through SDG 13 and help ensure an efficient and holistic approach.

The Biden administration’s efforts on climate change are quickly evolving, with staff working expeditiously to create strategic and programmatic development approaches to the broad problem set. There is an expected amount of chaos as they work to connect the dots between agencies, staff up, ensure staff awareness of the issue, and connect strategic and operational components. To ensure alignment between these commitments and the fast-moving effort to resource and implement them, the U.S. government should:

1. **Compete Upward:** USAID and its development partners, including the DFC, must seek opportunities to enhance local capacity against international standards. Development donors should look for opportunities to support the NDC and NAP processes as the best mechanisms for ensuring local systems are resilient to climate-degrading practices, including through:

- Ensuring national plans are aligned with SDGs and have appropriate resources for implementation;
  - Ensuring data systems are coordinated so that U.S. development efforts can provide data toward SDG objectives on climate;
  - Bolstering U.S. government staffing with climate change experts and ensuring that non-climate development practitioners begin to learn skills necessary to address climate-related issues in their sectors, with an emphasis on democracy, rights, and governance;
  - Allocating resources for multilateral platforms with promise, including UNDP Climate Promise and the joint UNDP-UNEP National Adaptation Plan Global Support Programme, that can support both the capacity of individual country-level NDCs and comprehensive efforts to look across NDCs against Paris Agreement and SDG objectives;
  - Launching a VNR, through the NEC and NSC, to show U.S. climate progress and further goodwill for U.S. government leadership in this space; and
  - Continuing to improve the relationships, via the DFC, between the U.S. government and the private sector. Given its greater access to finance and potential to innovate, the private sector will be an important player alongside the U.S. government in shaping new low-carbon and climate-friendly regulations.
2. Cooperate Across: U.S. government development actors, under the leadership of the White House, should create space for cooperation with China on climate by:
- Increasing understanding of China-led standards processes, such as the international GIPs and localized Green Development Guidance (traffic light) schema, which the U.S. government might support as a means for avoiding bifurcation of climate measurement systems;
  - Pushing Chinese-owned banks to take on the standards that they have created; and
  - Establishing and providing capacity for new green supply chains in developing nations, diversifying reliance on China.
3. Enhance Linkages to Multilateral Institutions and Development Banks: UN agencies and MDBs play an important role in climate-related financing and should bridge the space between bilateral donors and private capital—which would better align and coordinate financing opportunities—with a focus on country-driven implementation. The United States can encourage such actions by:
- Pushing for clarity on the BRIGC coalition mission and vision, choosing to join and leverage the organization for improved accountability; and
  - Leading an effort, via the Department of the Treasury, to empower more information and knowledge transfer with MDBs on climate financing activities, potentially through more staff secondments or an interagency working group to bring together best practices and establish an MDB cooperation strategy. ■

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