



ClimDev-Africa



Climate finance and non-state actors – The power of the private sector

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Problem statement 1/2

- Norway is a major donor to climate change mitigation initiatives like REDD+
- Where does the Norwegian money come from – who or what is the precious goose that lays the golden egg?



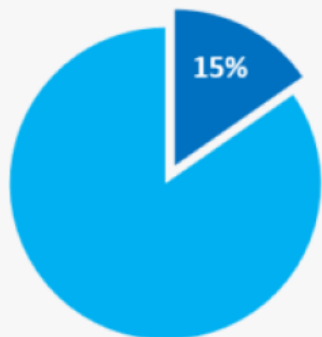
Problem statement 2/2

- The goose – fossil fuel industry

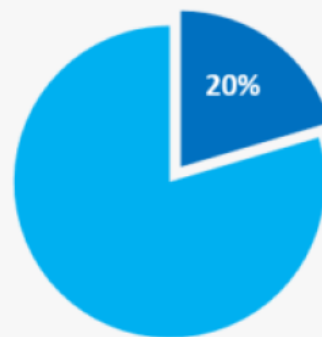


Macroeconomic indicators for the petroleum sector, 2015

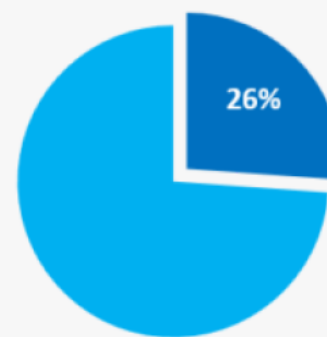
The service and supply industry is not included (Source: Revised National Budget 2016, Statistics Norway)



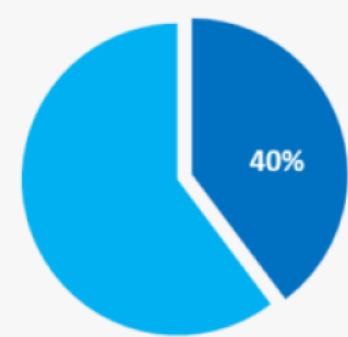
Share of GDP



Share of the State's revenues



Share of total investments



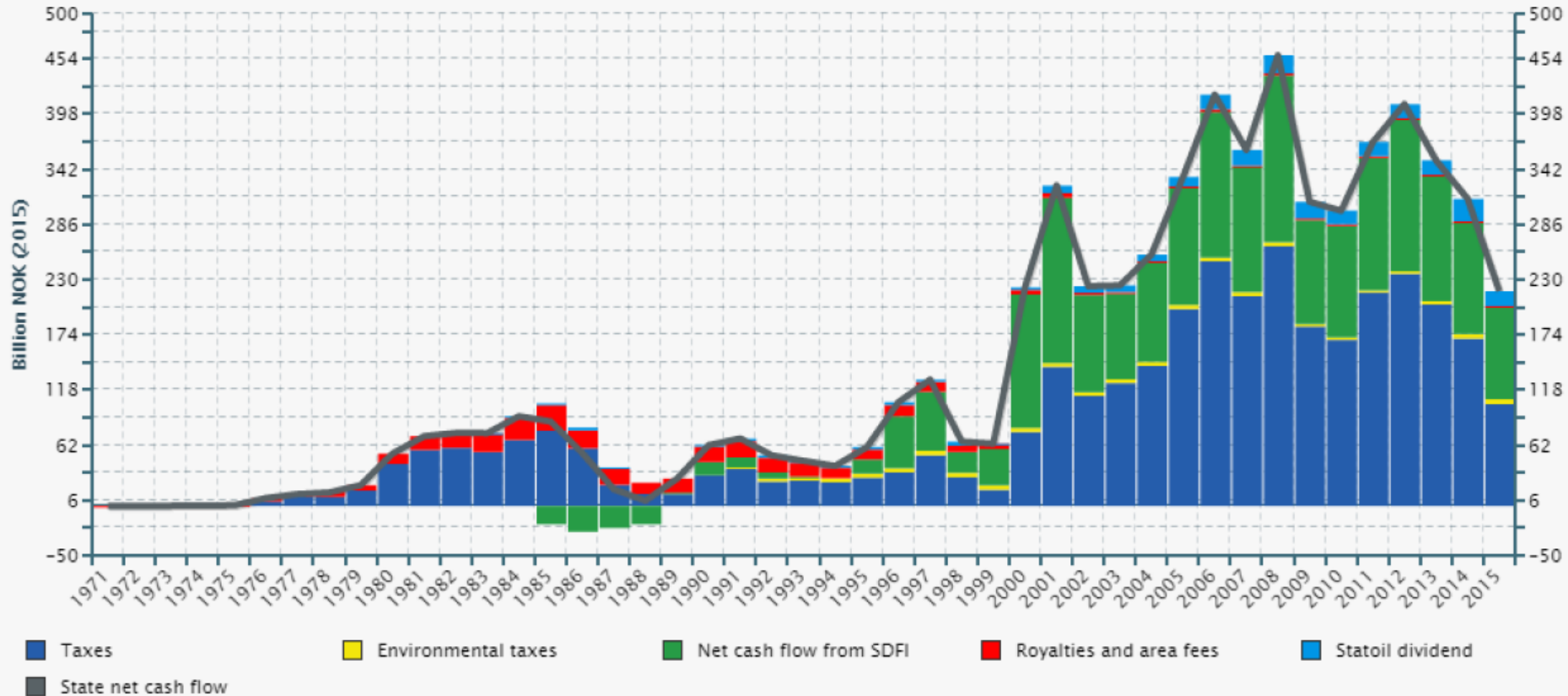
Share of total exports

Methodology 1/2

The net government cash flow from petroleum activities, 1971-2015

Updated: 11.05.2016

Source: Ministry of Finance, Statistics Norway



Methodology 2/2

- Influence of fossil fuel industry on Norway's climate policy

- 1987 – The Brundtland Commission Report
- 1989 – The Norwegian CO₂ stabilization target
- 1990 – Established Centre for International Climate and Environmental Research (CICERO)
- 1991 – Norwegian CO₂ tax policy adopted
- 1993 – The Norwegian Oil Industry Association (OLF) issued report against government climate policies
- 1995 – Stabilization target cancelled, policy shifted from internal focus to seeking flexible international solutions like emissions trading; CICERO played a key role internationally, Norwegian oil industry is a key stakeholder in CICERO
- 2007 – Norway announces at COP 13 in Bali, Indonesia, the setting up of Norwegian International Climate and Forests Initiative (NICFI) committed to providing US\$500 million annually to fight against tropical deforestation
- 2008 – Norway partners with the United Nations to set up the UN-REDD Programme to build REDD+ readiness capacity



Gro Harlem Brundtland
Norwegian Prime Minister
(1981, 1986–89, 1990–96)

Conclusion

- The interest of the fossil fuel industry in Norway has shaped the Norwegian government's international climate finance policy
- Norwegian government's international climate finance policy strongly reflects its enlightened self-interest
- Norway's fossil fuel industry has influenced policy through engaging with politicians and with the think-tank CICERO

Main Recommendations

- The private sector is neither friend nor foe, just one more enlightened self-interested stakeholder, with deep pockets, that we cannot choose to ignore
- While mindful of the power of the private sector to co-opt public officials and civil society organizations to market logic during collaborative engagements, the private sector is a source of climate finance that African think-tanks can benefit from