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

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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: 15%
- Share of the State's revenues: 20%
- Share of total investments: 26%
- Share of total exports: 40%

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

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Source: Ministry of Finance, Statistics Norway
Methodology 2/2

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

1989 – The Norwegian CO$_2$ stabilization target
1990 – Established Centre for International Climate and Environmental Research (CICERO)
1991 – Norwegian CO$_2$ 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
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.