

## **Climate and development:**

### **To mobilise finance, let's strengthen research and innovation!**

**Declaration of 11 December 2017**

***The One Planet Summit aims to mobilise financial actors to invest in a new form of prosperity that is both resilient and low-carbon, and that is fairer. This requires investing in knowledge to gain a better understanding of the factors to be modified relative to current development models, in both the global North and South, and thus to know where finance can be directed effectively and relevantly.***

The floods, hurricanes and droughts seen across all continents are a sign, if proof were needed, that it is high time to accelerate the fight against climate change. The *One Planet Summit*, the framework within which we are making this declaration, aims to mobilise finance to that effect. In order to radically transform our economies and drastically reduce our greenhouse gas emissions, to develop the capacities of resilience to the already very real effects of climate change, particularly those of the most vulnerable populations, the majority of whom rely on agriculture for their livelihood.

But developing this resilience is a major and complex challenge about which we still have too little knowledge. To mobilise finance—notably the 100 billion dollars that have been pledged to developing countries by 2020—the first thing to be done is build up knowledge in order to understand and describe future changes, and in order to be able to think through and construct these development models, as well as the strategies that can help to support the actors involved (governments and administrations, local authorities, companies, etc.) in these vital changes. In particular, it is urgent to better understand the multiple and entangled causes—economic, climatic, political—of poverty and vulnerability.

Because we have to break out of the vicious circle between vulnerability and socio-economic development: while development is the main route to reducing vulnerability, vulnerability puts a brake on development, not only lessening any real chances of a take-off due to the effect of hazards but also increasing the financial risk and thus the financial cost of development.

In order to deepen the knowledge in each country concerned, as each context is unique, and to ensure that specific national needs and aspirations are met, the national systems of research and innovation must be strengthened and obtain the necessary support, which is notably at the heart of the Abidjan Appeal recently launched by the African scientific community. They must also be supported by international expert communities so as to benefit from the best advances and tools. For this, we can rely on a robust system of cooperation in the area of research and innovation that has tested and developed innovative mechanisms able to make a difference at key points in the problem-solving chain.

Here, three levers are all-important.

First the supply of viable projects adapted to a country's context must be significantly stepped up and, for this, capacities for research and innovation and for the development of new technologies must be co-built and developed, but also innovations with respect to uses, training, organisation and financial engineering so as to promote a transfer of the co-built solutions that is both rapid and on a scale likely to respond to the issue of climate change.

Second, an environment must be created that helps to channel finance towards these projects. In addition to effective project design regarding financial engineering, competencies also must be

developed to build confidence and reduce risks for investors. This requires new ways of gathering and sharing data, notably to measure the return on investment over the long term and also, taking account of the twofold objective of adaptation and decarbonisation, a reduction of the impediments to investment relating to financial risks and, to facilitate the whole, the capacity to formulate an incentive public policy framework, enhancing the attractiveness of virtuous projects and sufficiently stable to increase visibility and confidence.

Third, in order to make progress in the face of hefty and evolving challenges, we need to be able to develop capacities for collective learning: evaluate the real performance of projects, monitor their impacts over the longer run, organise feedback on experiences at the national and at international level, and gradually contribute to producing medium- and long-term visions for shared development trajectories that are totally new and respond to the threefold imperative of socio-economic development, mitigation and adaptation, which can feed into a public policymaking dialogue and prioritise actions of international cooperation.

As we can see, in order to mobilise finance effectively and relevantly, capacities for financial engineering need to be developed, certainly, but also capacities for greater understanding of the phenomena and the levers for adaptation as well as for decarbonisation, governance frameworks and political tools, and foresight. The need to develop knowledge, research and training is fundamental and multidisciplinary.

Beyond the mobilisation of public finance, it is also a means to mobilise private finance and channel it, by enabling to share risks when necessary, towards a development pathway that should be both resilient and low-carbon, by improving decision-making and the effectiveness of investment.

We, the actors of cooperation in the area of research and innovation, are mobilising to this effect, by drawing on support from existing national research systems and international expert communities, by developing innovative and strengthened mechanisms, and we will convene again in one year's time to assess the progress made and identify the new challenges facing us.

*This declaration is the output of a high-level seminar organised by the Institut du Développement durable et des Relations internationales (IDDRI – Institute for Sustainable Development and International Relations) under the auspices of the Ministère de l'Enseignement supérieur, de la Recherche et de l'Innovation (French Ministry for Higher Education, Research and Innovation) in partnership with the Centre de Coopération internationale en Recherche agronomique pour le Développement (CIRAD – French Agricultural Research Centre for International Development), l'Institut de Recherche pour le Développement (IRD – French National Research Institute for Sustainable Development), and the Fondation pour les études et Recherches sur le Développement international (Ferdinand – Foundation for Studies and Research on International Development) within the framework of the Initiative pour le Développement et la Gouvernance mondiale (IDGM – Initiative for Development and Global Governance).*

*It presents the consensus among the diversity of participants of the workshop, active in research institutions as well as in climate action or both, and coming from different geographies.*



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