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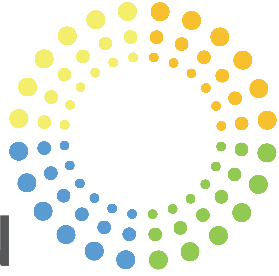Finance Corporation

BMF
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DIALOGUE FOR
CLIMATE ACTION

Designing Dialogue for Climate Change

Six fundamental principles for catalyzing climate action
through dialogue

November 2017

About the World Bank Group

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world. For more information, please visit www.worldbank.org, www.miga.org, and www.ifc.org.

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ACRONYMS

CEO	Chief Executive Officer
COP21	21st Conference of the Parties
CP	Cleaner Production
D4CA	Dialogue for Climate Action
EU	European Union
GEF	Global Environment Facility
GHG	Greenhouse gas
IT	Information technology
M&E	Monitoring and evaluation
NDC	Nationally Determined Contributions
NGO	Non-governmental organization
PACT	Water Partnership for Cleaner Textiles
PPD	Public-private dialogue
PPP	Public-private partnership
SDG	Sustainable Development Goals
UNDP	United Nations Development Programme

ACKNOWLEDGEMENTS

INTRODUCTION

The challenges posed by climate change—the impact of which extends from small remote island villages to our entire planet—demand collective action by governments, industries, and societies at large. The private sector, equipped with significant financial resources and a commitment to innovation, has a leading role to play in the urgent global effort to reduce the negative effects of climate change and create a thriving zero-carbon economy of the future. Chief Executive Officers (CEOs) from various industries—from textiles to technology—have pledged to scale up their efforts and investment in climate action. Additionally, more than 1,200 global businesses have committed to using an internal carbon price to help manage their shift toward lower-carbon business models, and they are increasingly asking government to price greenhouse gas (GHG) emissions.

Private sector engagement in climate action can take many forms, from the development of new technologies and financial instruments to participation in policy development. Maximizing private sector participation in global climate action requires a robust, structured dialogue. When governments establish inclusive dialogues with representatives of the private sector as well as international organizations, civil society, and communities, they can produce more integrated and comprehensive strategies for addressing this crisis. As a result, they can create the political space to adopt more climate-friendly policies.

Experience in producing development solutions through organized dialogue provides a ready-made foundation for action that can be operationalized by leveraging a set of good-practice principles. The historic agreement reached in Paris at the 21st Conference of the Parties (COP21) in December 2015 provides a unique opportunity for private sector involvement in transitioning the global economy toward a resilient, low-carbon future without compromising economic growth. Now the challenge is for the signatories of the agreement to turn the principles of climate change mitigation and adaptation into action: this cannot be achieved by government action alone.

To support countries as they implement the Paris Agreement, a group of public and private sector partners has come together to develop **six fundamental principles** (see Box 1) to support the establishment and enhancement of climate dialogue at all levels—global, regional, national, and local. These principles are focused on bringing the public and private sectors together as a single, well-structured platform from which to identify challenges and implement solutions for climate change issues.

Dialogue can help build trust, close knowledge gaps, generate a sense of combined ownership of solutions, create political momentum, and inspire action. For the private sector, effective dialogue can increase the quality and predictability of the business environment in a green economy. In emerging markets, it can provide a path for small and medium-sized enterprises to grow, and the means to lift people out of poverty.

Effective climate change dialogue can produce a range of proposals and strategies, including:

- Voluntary actions by the private sector and other key actors for mitigation and adaptation;
- Legal and regulatory reforms to accelerate innovation (for example, the removal of fossil fuel subsidies and the adoption of carbon pricing);
- Incentivizing public-private partnerships (PPPs);
- Rewarding good practices, while discouraging bad practices;
- Providing access to finance for large and small businesses as well as for citizens;
- Developing strategies to encourage the efficient management of resources;
- Strengthening governance; and
- Influencing positive behavioral change among both businesses and consumers.

Dialogues are already underway in the climate change space. In this context, public-private dialogue (PPD) is a proven tool for positive change, with a long track record of success in developing countries.

BOX 1: DIALOGUE FOR CLIMATE ACTION: CONFERENCE AND CORE PRINCIPLES

In May 2016, the World Bank Group, jointly with the Austrian Ministry of Finance, held a **Dialogue for Climate Action** conference in Vienna. This global event brought together climate industry leaders, CEOs, ministers, nongovernmental organizations (NGOs), and development practitioners to address opportunities for investment, financing, and technologies in emerging economies. The conference built on the outcomes reached in Paris during the COP21. It helped to strengthen the private sector's voice in climate action planning and implementation to achieve greater alignment and cooperation with the climate action goals of signatory countries.

At the event, the World Bank Group and its partners launched the Six Principles for Dialogue on Climate Action that form the basis of a concerted effort to foster a well-conceived dialogue between the public and private sectors. These six principles were developed collaboratively through open, multi-round discussions undertaken during the two months preceding the conference. Using these principles, the conference initiated a process of continuous collaboration and cooperation among the signatory partners. They committed to advocate for the broader use of these principles, learn from climate dialogue experiences, and promote effective and efficient use of dialogue as a tool for achieving successful outcomes.

The World Bank Group's decades of PPD experience shows that even well-designed projects may fail if they do not address the key issues associated with stakeholder engagement. Tangible outcomes are most likely to be achieved when stakeholders agree on project objectives and priorities, and decide on a vision and methodology to achieve these objectives. A number of issues have been shown to prevent projects and initiatives from delivering the desired objectives, including:

- Low levels of trust between stakeholders
- Limited credibility of the government and/or the private sector
- Lack of ownership by the government and/or the private sector
- Poor coordination and communication between stakeholders
- Agenda capture by policy makers and/or leads
- Lack of awareness of challenges, opportunities, and threats

These issues apply to the climate action agenda as well. In working toward a goal as important and urgent as climate action, mistakes and bad decisions carry a heavy price. Therefore, leveraging PPD processes to avoid the most common pitfalls will be critical.

The World Bank Group has been successfully applying PPD in its projects for years to achieve sustainable reforms. This experience can be leveraged to design a Dialogue for Climate Action (D4CA) platforms that aligns with the core tenets of the traditional PPD process. However, it will also involve new elements, such as an emphasis on the inclusion of more communities and partners, diligent coordination to link local- and global-level efforts, as well as close attention to the timely achievement of meaningful progress.

THE BASICS OF PPD[1]

PPDs are mechanisms that bring together governments, the private sector, and other relevant stakeholders in a formal or informal process to achieve shared objectives and play a transformational role in addressing challenges. PPDs go well beyond standard stakeholder consultation, or the simple exchange of information or opinion for the following reasons:

- PPDs are established as an ongoing and sustained engagement, rather than ad-hoc or one-off conversations;
- PPDs are designed to be as inclusive and participatory as possible. By using traditional focus groups, surveys, redress mechanisms, and other beneficiary-engagement mechanisms, voices that are excluded from conventional dialogues can also contribute to decision making;
- PPDs leverage communication strategies to sensitize stakeholders and beneficiaries; share knowledge and facts; advocate for change; increase ownership of the agenda by local stakeholders; and improve transparency in decision making.

Historically, dialogue between governments and private sector representatives has proved essential in creating conditions that are more favorable to economic growth, thus reducing poverty and promoting shared prosperity. A 2011 review of the World Bank Group's investment climate programs[2] in 16 countries found that across all country groups, PPD had worked well as an entry strategy for discussing ongoing regulatory reforms, and stimulating discussion on additional reforms. The review also showed that PPD was essential to achieving the eventual implementation and success of reforms.

[1, 2] Text in this section draws on Herzberg, Benjamin, and Lili Sisombat. 2016.
"State of Play—Public-Private Dialogue." The World Bank Group, Washington, DC.

Thus, there is growing recognition of PPD as a useful tool to address complex problems and, over time, their root causes. Application of PPD expands beyond areas such as the investment climate to include competitiveness, service delivery, fragile and post-conflict settings, and, more recently, climate change. Increasing emphasis has been placed on facilitating more inclusive dialogue for building policy environments that are conducive to addressing climate change and encouraging behavioral change by all stakeholders. Significantly, the private sector's know-how and capacity for innovation are now recognized as crucial elements in achieving this objective.

Presidential advisory councils, investment councils, public-private alliances, state-business relations, public-private collaboration, reform coalitions and so on are all synonyms for interventions or institutions that promote government-private sector engagement. While these activities are known by various names and can take various forms, their tenets are universal. For climate change-related dialogue, this document recommends six guiding principles—Urgency, Inclusion, Awareness, Efficiency, Transparency, and Accountability—that are critical to address this high-stakes global problem. The actors may include the private sector, government, civil society, and academia. They will also represent companies and organizations of different forms and sizes—multinational corporations, small and medium-sized enterprises, and relevant public agencies, all working together on different types and sets of issues.

Collaboration between government and business actors is most valuable when it can achieve both development impact and business benefits—going beyond what could have been accomplished by either government or business acting alone. PPD initiatives can be used in identifying issues, designing workable solutions, and better implementing and monitoring the impact of these solutions.

Most PPDs follow a cyclical approach: they begin with determining the capacity of the actors to engage in fruitful dialogue, and the specific objectives for which dialogue will be most useful. The next steps involve:

- Designing a dialogue process and modality that offers gives the best chance for productive interaction;
- Implementing dialogue with an awareness of the risks that can emerge, and developing the ability to identify and address problems as they arise;
- Constantly monitoring and evaluating the effectiveness of the dialogue, and feeding information thus gathered back into the process to implement improvements and stay the course.

There are different types of PPDs for any given environment, situation, or issue as shown in Figure 1.

FIGURE 1: PPD TYPOLOGY

National	AREA	Local
Economy-wide	SCOPE	Sector-specific
Permanent institution	INSTITUTIONALIZATION	Temporary initiative
Public-driven	LEADERSHIP	Private-driven
Third party brokerage / support	OWNERSHIP	Locally driven / sustained
General orientations / many goals	FOCUS	Specific changes / specific goal
Many actors	PARTICIPATION	Few actors

FUNDAMENTAL BUILDING BLOCKS FOR DIALOGUE ON CLIMATE ACTION

The World Bank Group's experience in PPD offer lessons that can be adapted to design a successful dialogue for climate action. In fact, the six principles embody many of these lessons. Dialogue is essential, but it is not a panacea in addressing all major issues and guaranteeing project/initiative success. If not well planned and managed, such dialogues risk becoming "talking shops" that do not produce any tangible results. Several fundamental prerequisites can help to avoid this pitfall, and establish a more effective dialogue:

- **Governments must show a readiness to commit** to the climate action agenda. One indicator is whether a country has ratified, or is in the process of ratifying, the Paris Climate Agreement. This clearly demonstrates that the country has acknowledged climate change as an urgent issue, and has developed an action plan. The meticulousness and the quality of a country's climate action strategy, which establishes clear leadership in addressing the agenda, also play crucial roles. In addition, they indicate an explicit commitment to and adequate funding for the climate agenda.

- **An appropriate level of organization** from civil society and the private sector is necessary for both stakeholder groups to engage in meaningful dialogue. A fragmented private sector that is unable to speak with a single voice and express majority-backed concerns, or a civil society that lacks the capacity to present its valid concerns, will not be able to advance and significantly influence PPD outcomes.

- **Climate action agendas will differ from country to country**. A country's priorities (such as climate mitigation, adaptation, and stakeholder interests) must be clearly framed prior to designing a dialogue around them.

- **Government entities should have a common vision and understanding of their role** in the country's climate action agenda. A dialogue focused on common priorities among public entities such as the ministries involved is essential in order to drive results.

- **Climate action will be the sum of actions taken by the public sector, the private sector, and civil society**. Some prioritized issues are quite complex and thus involve multiple stakeholders at different levels. In more straightforward cases, action may not be needed from all stakeholders, and the relevant actors should be able to organize among themselves and act on their own. For example, some actions can be purely government-related and in such cases, the appropriate ministries can coordinate among themselves.

- **In cases where D4CA platforms must be established, the public sector should assume both leadership and ownership roles**. It should also take full ownership of the process to ensure that the dialogue ties into the country's overall climate action agenda. The private sector alone may not be sufficiently incentivized to pursue this process.

- **Dialogues must be designed with a clear vision and at the right level of intervention**, based on the country's specific climate action agenda. Depending on the agenda, there might be more than one climate dialogue platform running in parallel, if resources are available, and proper coordination is in place.

- **Dialogues take a lot of effort to design, sustain, remain credible, and avoid turning into simple "talking shops"**. All stakeholders and participants in a dialogue platform need to be made aware of this during the development phase, and should remain committed to the long-run efforts necessary to achieving the desired goals.

GUIDELINES FOR THE SIX D4CA PRINCIPLES

PRINCIPLE 1. URGENCY

Climate change poses an immediate as well as a long-term threat. Pacific islanders and low-lying states confronting rising seas caused by disappearing glaciers, as well as city dwellers enveloped in health-endangering smog are but a few examples. Dialogue should be driven by the need for ambitious and urgent action, and prioritized based on each country's context and the most pressing local and regional challenges.

Major constraints addressed:

☐ Low levels of trust

☐ Limited credibility

☒ Lack of ownership

☒ Poor coordination

☐ Agenda capture

☐ Lack of awareness

Urgency frames the objectives of a D4CA platform. While most of the issues that have traditionally been addressed by PPDs were certainly important and generally time-sensitive, the level of urgency introduced by a problem as immediate and significantly threatening as climate change requires action on a much greater scale.

Climate change requires a swift and well-coordinated response from all stakeholders in order to mitigate GHG emissions and improve resilience against its adverse impacts. With the Paris Agreement—while not legally binding—countries have agreed to commit to the reduction of GHG emissions. In this context, they have also committed to fostering resilience, as outlined in their Nationally-Determined Contributions (NDCs), within a proposed timeline. Failure to do so would intensify the already negative consequences of climate change and lead to greater socioeconomic losses. Well-planned dialogues can help trigger a sense of urgency to take hold in societies as a whole. They can also create momentum and a pervasive sense that action needs to be taken now, and not at some as-yet-undetermined point in the future.

Each DC4A platform needs to identify a unique set of climate action agenda items and prioritize them based on urgency and facts — and void of politics. It is necessary for countries to prioritize their needs, goals, and corresponding strategies. Prioritization is necessary to the development of a ranked action plan to guide work programs. For high pollution emitters, mitigation may be a higher priority than for lower emitters. For stakeholders in island states, adaptation to a rise in sea levels and storm surges may be higher on their agenda, while combatting droughts might be a priority for another arid country. In cases where there are multiple urgent priorities, separate and parallel dialogues may be needed.

Prioritization by degree of urgency should not focus only on resilience to extreme events, but also mitigation of the more subtle, long-term cumulative impacts of climate change. As natural events such as floods, storms, and droughts are increasing in intensity and frequency, stakeholders may be encouraged to gear their adaptation efforts toward them. However, the less obvious consequences need to be considered as well. For example, long-term changes in average temperatures may accumulate over time, resulting in greater social and economic performance losses. Even a slight increase in surface water temperatures leads to efficiency losses for industries that depend on it for cooling. Indeed, it will increase production costs and decrease productivity. Although not as visible as flooding, such an impact may eventually translate into even higher operating costs than those needed for recovery from an extreme natural disaster.

Addressing climate change with urgency requires setting objective, achievable, and measurable targets with clear deadlines. As countries have committed to the climate action agenda with their NDCs, the D4CA platforms supporting the commitments should be able to account for their contributions to the NDC goals.

Translating the Urgency Principle into Action

- **Data gathering.** Assembling facts and figures will drive the prioritization effort for a D4CA platform's objectives. As a first step, the NDCs of a country will create the foundation for identifying priority issues. NDCs present climate mitigation or adaptation objectives, including existing and projected actions by sector. They also identify gaps and the costs of implementation for these priority issues. Climate action agenda priorities should therefore be cross checked with existing national, subnational, and sector goals to avoid misalignment of objectives. Finally, existing and credible studies and research data should be used to determine the largest and most urgent vulnerabilities among stakeholders and sectors when finalizing the setting of national priorities.

- **Increasing recognition.** A sense of urgency must be created among stakeholders by raising their levels of knowledge and awareness of the threats posed by climate change. This goes hand in hand with data gathering, and needs to be embedded into the D4CA platform processes. While stakeholders and beneficiaries are being sensitized to the urgency of climate change through a sustained communications campaign, urgency must also be formalized in the dialogue process and implementation. In addition, it must be institutionalized in the decision-making processes of implementation agencies.

- **Leadership and ownership.** The driving force in advancing and supporting the concept of urgency must come first and foremost from the public sector: the private sector cannot fulfill this role alone. However, the private sector must become a partner of equal footing in helping to identify, prioritize, recommend, and implement solutions. Government should be committed to playing a leadership role in a D4CA platform so that its recommendations are recognized and leveraged to arrive at good decisions.

LEARNING FROM EXAMPLES

EXAMPLE 1

Bangladesh: Using dialogue to promote sustainability and competitiveness in the textile sector

Background

Bangladesh is the world's second largest exporter of clothing, after China[3]. Its textile industry generates as much as 300 metric tons of wastewater per ton of fabric. The wastewater is replete with harmful chemicals, and at least 18 million residents of Bangladesh are being threatened by the extremely high levels of pollution generated.

In 2013, along with the Embassy of the Kingdom of the Netherlands, the World Bank Group introduced the Water Partnership for Cleaner Textiles (PaCT). The overarching objective of the PaCT is to reduce the adverse environmental and related social impacts that result from prevailing practices in wet processing, such as excessive groundwater extraction, surface water pollution, and energy use.

The Project

The three key components of the multi-year PaCT project include:

- **Buyer capacity building.** The project aims to build consensus regarding the need for greater water sustainability among buyers, many of whom procure from the same factories. Working with a target group of large international buyers, the program aspires to develop harmonized procurement guidelines that address sustainable wet processing, water consumption, and wastewater treatment.
- **Support for factories that are setting and achieving Cleaner Production (CP) objectives.** Given the generally low level of awareness of CP among factory owners and managers, the project targeted roughly 200 of the 700 washing and dyeing factories. Specifically, it sought to build awareness of and motivation for CP; provide factory-level advice on CP measures, water footprint reduction, and adoption of low-cost or no-cost measures; and facilitate investment in technologies with significant water sustainability benefits.
- **Multistakeholder engagement in support of cleaner textiles.** The project sought to support firm-level interventions with a structured and inclusive dialogue to guide the overall transformation and sustainability of the sector.

With dialogue as a key pillar, the design and structure of PPDs in this project have been grounded in extensive stakeholder mapping and engagement. Key challenges to water sustainability in the textile sector were identified and three working groups were established to deal with issues of:

1. Access to Finance;
2. Zero Discharge of Hazardous Chemicals; and
3. Incentivizing Environmentally-Friendly Technologies.

The formation of such a PPD platform wields the power to convene policy makers, regulators, and representatives of the private sector, and to successfully address stubborn issues regarding business-enabling reforms. A local think tank with deep policy experience and local networks was engaged to facilitate the dialogues and undertake research. It was initially a loosely-held dialogue that has gradually

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[3] All Bangladesh Textile Mills Corporation (BTMC) (Various Issues) Annual Report (2005-2012).

transitioned into a more structured and formal platform. By building alignment and creating buy-in between all of the major stakeholders, PaCT has been able to drive meaningful reforms and inclusive solutions in mitigating the adverse impacts of the textile industry on the water sector and ensuring clean water sustainability.

Outcomes

Overall, in the past three years the project has:

- Saved 18.4 billion liters of fresh water, and avoided the creation of 15.9 billion liters of wastewater per year;
- Generated investment of US$31 million.
- Generated US$12.4 million per year in factory savings resulting from greater resource efficiency;
- Developed environmentally safe sourcing guidelines for global brands; and
- Provided guidance on how to implement cleaner production practices in 215 textile factories in Bangladesh.

Facilitating dialogue through thematic working groups has led to three significant results:

- **The allocation of US$200 million by the Bangladesh Bank for a Green Transformation Fund**. This gives industries that are attempting to implement environmentally-friendly processes and technologies—such as water sustainability measures—prioritized access to financing.
- **Restrictions on the discharge of hazardous chemicals**. The PaCT working group agreed on disciplinary measures related to the use of chemical pollutants, and made recommendations to the Ministry of Environment and Forest for official approval and ratification.
- **Incentivizing environmentally-friendly technologies**. Deliberations were carried out concerning the development of incentive structures for the promotion of technologies that have more beneficial impacts on the environment, as compared to baseline practices.

Water sustainability has shared benefits, but requires collaborative effort and major changes in behavior that are often prevented by gaps in knowledge, trust, or connection to other stakeholders. Dialogue can help bridge these gaps and bring stakeholders with opposing agendas together to work toward a common goal. The PaCT demonstrates that PPDs can make a lasting and meaningful difference in climate change-related interventions, and beyond. The PPD component of PaCT, now formalized in a Textile Sustainability Platform, continues to play a pivotal role toward policy reforms relating to water sustainability in the textile sector, and seeks to inform other sectors as well.

PRINCIPLE 2. INCLUSION

Climate dialogue should bring together a wide variety of public, private, and civil society stakeholders who are able to integrate global challenges with regional environmental and economic needs. Private sector representation should include both formal and informal enterprises, as well as both large and small enterprises, giving each a voice in the decisions that impact them directly. Inclusive dialogue will be needed at both the national and subnational levels, as well as effective coordination between the two.

Inclusive D4CA platforms will strengthen the quality of both dialogue and outcomes. Due to the complex and broad nature of climate-related challenges, the priorities in a country's climate action agenda tend to affect a wide range of stakeholders. It is important that D4CA platforms include the stakeholders that are often excluded—such as marginalized communities, small companies, and/or female entrepreneurs. Inclusiveness can strengthen the quality of discourse and increase prospects for sustainable outcomes. When dialogues are not broad-based, they run the risk of overlooking innovative solutions, reinforcing vested interests, and creating opportunities for rent-seeking behaviors. Striving for inclusion does not mean compromising on the efficiency of the dialogue or decision-making processes.

The D4CA platforms should recognize that climate change impacts do not adhere to jurisdictional boundaries. Municipalities, cities, or countries may be tackling similar climate change impacts and have ongoing dialogues. As such, they may share a common interest in pooling resources or finding solutions to particular challenges. Depending on the objectives, dialogues may need to operate at different levels and in parallel. This may require the public sector to be involved both at the ministerial, policy-making level as well as at the municipality level. The private sector can accommodate these different levels by inviting representatives of individual companies, industry associations, or chambers of commerce to participate. Multilateral development institutions and donors can also facilitate multidimensional interactions as independent brokers, drawing on their experiences in implementing dialogue in a variety of settings and on a variety of topics.

All stakeholders may not need to have the same level of engagement in a dialogue: D4CA platforms should find unique ways to enable each stakeholder's voice. Some stakeholders hold more formal decision-making power or implementation capability within the existing political structure than others. The engagement of civil society entities such as local communities, NGOs, and academia is critical to achieving inclusion. Indeed, it has been shown to increase sustainability and on-the-ground implementation of reforms. Multilateral development institutions can help establish benchmarks and contribute international experience to help guide decision making, but they may not have a say in the final decision. The D4CA platform should account for these differences by enabling participants to engage in the process through different channels, and in a variety of configurations. This will maximize the likelihood that the dialogue will be able to achieve tangible outcomes.

Major constraints addressed:

- 🟩 Low levels of trust
- 🟩 Limited credibility
- 🟩 Lack of ownership
- ☐ Poor coordination
- 🟩 Agenda capture
- ☐ Lack of awareness

Translating the Inclusion Principle into Action

- **Stakeholder mapping.** A structured and detailed stakeholder mapping is vital to a good, inclusive, and functioning dialogue. Hence, it is important to invest time, money and resources, and revisit the exercise every few years. A good stakeholder mapping is fundamental to understanding who the beneficiaries and key actors are, and, to some degree, to understanding the political economy of decision making. This is critical to the establishment of any good dialogue, and influences not only the identification of participants, but also the efficiency and credibility of the dialogue platform. There are many stakeholder-mapping methodologies, and they can be easily accessed. Several consulting firms excel in undertaking such analyses, and are operating in most countries and regions. This exercise should be informed and framed by the objectives of the D4CA.

- **Stakeholder analysis.** A clear understanding of each stakeholder's position and level of influence is crucial in order to diagnose the expected level of support, assign roles, and manage expected levels of participation. Stakeholder analysis can help in developing an influence or capacity matrix, and identifying links between stakeholders, concentration of decision-making power, and gaps in links or perceptions. Experience shows that the public sector should be represented at the highest level possible in order to demonstrate its commitment to the climate action agenda and to act as a reform champion. However, anyone who strongly supports a reform agenda and has a high level of influence can be identified as a champion. Such champions should be supported to maximize their abilities in advocating decisions, accelerating actions, and ensuring the buy-in of those stakeholders who are not supportive or who may be opposed. They may, for example, belong to an informal network of influential, community-based activists or supporters.

- **Different channels of engagement.** Not everyone, or every group, can have a seat at the dialogue table: the D4CA platform needs to employ additional tools for engaging and achieving true inclusion by reaching out to those who do not readily have access to the dialogue. This mitigates the risk of group-think and agenda capture. Proper mechanisms should be in place in order to avoid the risk of mere box-ticking rather than true consultation. Directly engaging dialogue participants and beneficiaries ensures broad representation of the social and political actors involved in the dialogue, thereby increasing the quality of decision making. It also ensures that topics and decisions are relevant and implementable, and that they enjoy grassroots support. However, direct engagement may not be possible in all cases. For stakeholders that cannot be directly reached, other tools, such as focus groups, surveys, redress mechanisms, "notice and comment" procedures, town halls, the establishment of feedback loops, and the use of websites or social media can enable them to influence and contribute to decision making.
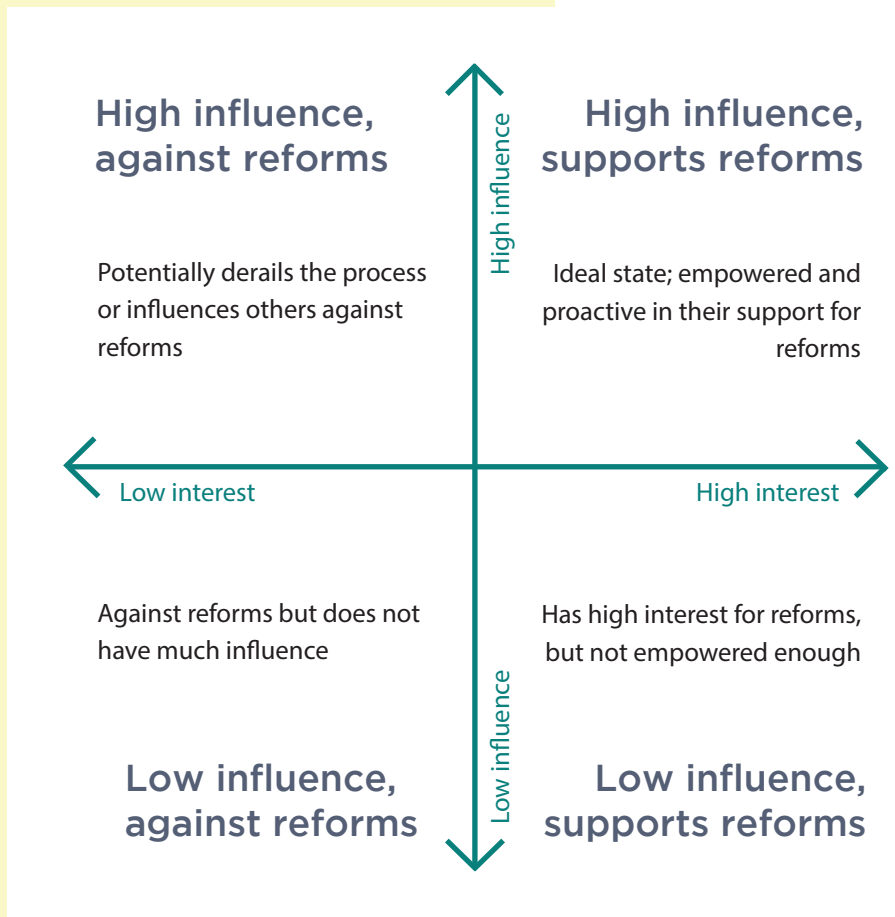
BOX 2. HOW TO DESIGN EFFECTIVE STAKEHOLDER MAPPING

1. **Identify the purpose.** First identify the precise issue, objective, or vision that stakeholder mapping will be contributing to in a given context. For example, it might be increasing the understanding of the general climate-related stakeholder landscape in a country, region, or city; or starting a conversation among stakeholders about a climate-related issue; or strengthening stakeholder capacity for productive climate dialogue. Be very clear about the objective of mapping to ensure that it will be useful, and will contribute to reaching the desired climate action goals.

2. **Conduct the mapping.** Conduct a thorough consultation process with broad and relevant stakeholders— all those who will be instrumental in achieving the objectives of your dialogue. Note that while mapping is a prerequisite to establishing a solid, productive D4CA platform mechanism, it is also a first step in launching the dialogue. Consultations can take a variety of forms, and the format that best fits the individual context should be chosen, thereby ensuring optimal and inclusive participation. Be mindful of including mechanisms that allow potentially marginalized groups to be heard. Strong skills in facilitation, survey design, and political analysis will be required. Then, based on these consultations, a stakeholder directory should be produced that is, a list that identifies the key actors and classifies them according to their relative weight, importance, and capacity to influence the dialogue. One way is to rank stakeholders as critical, primary, or secondary; another is to produce an influence matrix (Figure 2), as shown here.

FIGURE 2: INFLUENCE MATRIX

High influence, against reforms
Potentially derails the process or influences others against reforms

High influence, supports reforms
Ideal state; empowered and proactive in their support for reforms

Low interest — High interest

High influence / Low influence

Against reforms but does not have much influence

Has high interest for reforms, but not empowered enough

Low influence, against reforms

Low influence, supports reforms

Adapted from: Benjamin Herzberg and Andrew Wright. "The PPD Handbook: A Toolkit for Business Environment Reformers" (December 2006)

3. **Conduct a stakeholder analysis by creating a stakeholder mapping report** that highlights the dynamics among the public and private sectors and civil society. It should also outline the infrastructure of bodies such as business associations and chambers of commerce, and their influence on decision making and opinion shaping. Derive insights and create action metrics from the information collected during the mapping consultations to identify potential champions, and to leverage social networks, actor positions, and the influence needed to drive desired changes in the program.

PRINCIPLE 3. AWARENESS

A drive for awareness within the dialogue process is critical to informing stakeholders of the multiple challenges of climate change, as well as the range of solutions and possible actions. This includes respectful attention to the various opinions of stakeholders as well as knowledge sharing and building a common understanding of issues and opportunities among stakeholder groups. Awareness building is a continuous process that should occur at both the national and subnational levels.

Advancing the climate agenda requires all stakeholders to have a common understanding of the objectives and issues to be addressed. Awareness is a prerequisite to effectively tackling any problem and to formulating suitable solutions: this is even more true for climate change. It is essential to create a common language among all stakeholders, and to ensure consistent messaging. Generally, setting up a D4CA platform should be preceded by generating awareness among participants and sensitizing them to the benefits and processes of productive dialogue.

Climate action decisions should be data-driven: this requires D4CA platforms to promote knowledge creation and facilitate the flow of information. Use of the data and research that guide decision making is important for any dialogue to ensure relevance and facilitate decisions that are grounded in an understanding of the impact of the proposed solutions, as well as the practicality of implementing them. In the case of climate action dialogue, it is of critical importance to level the playing field for all stakeholders by eliminating information asymmetries and by making complete and unbiased information about the challenges and potential solutions available to all stakeholders.

Addressing the climate action agenda will require stakeholders to change behaviors: strategic communications will be of key importance in triggering this transformational impact. Generating transformational impact that alters stakeholder behavior is facilitated by targeted and context-specific communication strategies (behavior-change communications). The D4CA platforms should use strategic communications to achieve this.

Major constraints addressed:

- ☐ Low levels of trust
- ☐ Limited credibility
- ☐ Lack of ownership
- ☐ Poor coordination
- ☐ Agenda capture
- ☐ Lack of awareness

Translating the Awareness Principle into Action

- **Research partnerships.** Promoting partnerships to facilitate fact-based decision making, and educating participants is an important ingredient in operationalizing the awareness principle. Knowledge generated by partnering with think tanks, universities, and other research institutions will help provide a mandate and rationale for decision making and messaging. Cultivating ties with the research community and incorporating their activities into the D4CA platform from the outset will raise the level of expertise in decision making, and contribute to capacity building within the platform. It will be important to institutionalize evidence-based decision making, and ensure that it becomes a requirement for any action in the context of the dialogue.

- **Strategic communications.** This must be designed to address each stakeholder group through specific communication channels, and by using tailored messaging. Strategic communications involve an integrated, systematic, and comprehensive approach to developing and planning efforts to inform, persuade, engage, and gain the support of key audiences. It links the vital roles of stakeholder identification, engagement, and participation in the reform process with strategic planning of communications activities in order to influence behavior and accelerate the adoption of reforms." This is an important element of effective dialogue implementation, and it rests on several pillars (see Box 3). Today there are countless options for outreach, and they must be chosen based on: each stakeholder group's level of awareness; perceived risks and goals in relation to the climate change agenda; communication channel preferences; and level of involvement with the D4CA platform. Here also, stakeholder mapping is helpful. In this regard, testing and streamlining the messaging with inputs from focus groups before dissemination has shown positive results.

- **Capacity building.** To develop and sustain strategic communications, D4CA platforms should build communications capacities. In practice, this may mean: providing formal communications training; dedicating staff specifically to communications; devoting sufficient and regular time to communications efforts; earmarking funds; careful planning and prioritizing; and keeping in mind potential cross-cultural issues. Awareness raising and communications require professional attention involving the full-time effort of a qualified team that has expertise in this field. Among other things, partnering with the media early on can be crucial for effective dissemination, and for transparency.

BOX 3: DESIGNING EFFECTIVE STRATEGIC COMMUNICATIONS

When designing and implementing a communications strategy for a D4CA platform, it is useful to keep in mind the following pillars of an effective strategy: awareness raising; advocacy; beneficiary feedback; and capacity building. While some of these may overlap in implementation, it is important to understand the various objectives and uses of strategic communications separately. The key questions in driving strategic formulation and the application of communications for climate action are:

- Which audiences need to be reached?
- What changes in behavior are required?
- What messages would be most appropriate?
- Which channels of communication would be the most effective?
- How will communication processes be monitored and evaluated?

To help answer these questions, the "Five Ds" of strategic communications present a helpful framework[4]:

- **Diagnose.** Conduct a thorough analysis of the communications environment and its principal actors. Key activities include identifying and analyzing communications stakeholders; reviewing both formal and informal communications channels; and assessing risks. This process helps to identify partners and supporters, prevents overlooking potential opponents, and identifies the best ways to reach stakeholders. The primary outputs from this exercise include a stakeholder analysis, and a communications audit, which is a scan of the local communications environment to help understand the forces affecting reform-related communication activities. It is useful in identifying the social, political, and cultural elements for promoting reforms.

- **Design.** Identify the engagement goals and target audiences, as well as the overall engagement strategy and evaluation approach. The primary output from this activity is an engagement strategy that specifies goals and prioritizes the stakeholder groups necessary to focus on articulating the methods for engaging and communicating with them. The ultimate intent of this exercise is to map out and understand how an increasingly large group of stakeholders can be influenced to support the proposed reforms and outcomes. The idea is not to engage with every stakeholder, but to focus on the most strategic and critical ones. The strategy also identifies the most effective approaches to use with potential adversaries and opponents of the reforms.

- **Develop.** Articulate messaging and communications objectives; delineate a roll-out plan; choose timing and tactics; and craft communications products and materials. An action plan to guide communications activities throughout the project is a deliverable at this stage. It includes specific behavior-change objectives, messages, tools, and tactics that will be used for each audience, as well as the timing of deployment, who owns various communications activities, and the costs.

- **Deploy.** The focus is on putting the plan into action, managing risks, and monitoring and adjusting strategy and tactics as needed. It is important to deliver compelling messages that touch target audiences in a way that resonates with them, specifically by enabling or encouraging them to change behavior, or to feel inspired to act. Messages are tested and delivered using the tools and tactics defined in the action plan. Communications products such as launch events, activities, tools, and monitoring reports that track activity-level results are the key outputs in this phase. Capacity building of the press corps is often an essential deliverable during this phase.

- **Debrief.** Assess the strategy and plan; evaluate impact; and share lessons learned. Effectiveness needs to be measured by whether the target audience understood the messages of the campaign, and whether stakeholders changed behaviors as a result. The key outputs of this phase include campaign evaluation, strategy evaluation, and lessons learned.

[4] International Finance Corporation. 2007. Strategic Communications for Business Environment Reforms: A Guide to Stakeholder Engagement and Reform Promotion.

EXAMPLE 2

Turkey: The role of champions in transforming the market of energy efficient appliances

Background

Rapid industrialization and urbanization have been taking place in Turkey over the last 30 years. Energy imports comprise a significant share of Turkey's current account deficit. Twenty-two percent of overall energy consumption occurs at the household level in Turkey, and the use of new home appliances is further driving energy consumption.

With the objectives of achieving energy savings by developing the market for efficient appliances, the Market Transformation for Energy Efficient Appliances in Turkey (EVÜdP) project was launched in 2010. Arçelik, a progressive private Turkish company and market leader of household appliances, assumed a key role in shaping the project's success.

The Project

Key elements of the initiative were as follows:

- Improvement of the regulatory framework and technical capacity regarding energy labeling and eco-design;
- Continuous efforts through a public awareness campaign that ensured changed consumer perceptions about energy efficiency;
- Improved market surveillance activities and verification of testing capacity; and
- Harmonization with European Union (EU) energy-labeling and eco-design measures.

The key stakeholders or partners in this project included the General Directorate for Renewable Energy; the Ministry of Science, Industry and Technology; the Turkish White Goods Manufacturers Association; the Global Environment Facility (GEF), Arçelik A.Ş, and the implementing agency, namely, the United Nations Development Programme (UNDP). Dialogue served as an integral and key mechanism for facilitating and delivering on the EVÜdP agenda, and was organized two or three times a year. It included participation from representatives of the private sector, relevant government agencies, and civil society. Working groups were established to undertake research and analysis and to support decision making.

One of the fundamental factors in the success of this program was the role of champions. The government and the ministry expressed strong commitment to the agenda, and sent the right signals to stakeholders. Working proactively as a private-sector champion, Arçelik supported and actively participated in both the dialogues and the research, often connecting and enabling coordination between key actors. A key hurdle to implementation was developing Turkish regulations that meet the European Union requirements. Arçelik dedicated its resources to this endeavor, took a leadership role, thereby helping to catalyze the necessary policy reforms.

Outcomes

The EVÜdP project was successfully completed in December 2015. Among the key outcomes of the project was the alignment of Turkish energy efficiency regulations with EU standards and the increased test capabilities for market surveillance purposes. In 2011 and 2012, with Arçelik's intense collaboration, EU energy labeling and eco-design regulations for refrigerators, freezers, washing machines, dishwashers, washer-dryers, TV, air conditioning, ovens, kitchen hobs, and hoods were incorporated into Turkish law, unlocking the market for energy-efficient appliances.

By the end of 2016, in comparison with the business-as-usual scenario, it was estimated that a total of 2.5 terrawatt-hours of energy was saved in the last five years (2011–2016) through the sales of energy-efficient refrigerators and freezers. This is the equivalent of avoiding the generation of more than 1.5 million tons of GHG in a five-year period. The cumulative economic saving for the country is equivalent to US$285 million. The public awareness campaign reached more than 10 million people, and survey findings show that awareness for energy labeling increased 15 percent.

PRINCIPLE 4. EFFICIENCY

An effective governance framework, coupled with a well-structured process, will avoid gridlock and enable participants to identify, prioritize, and resolve issues through climate-friendly actions. Leadership from government and the private sector should aim to convene and motivate diverse stakeholders to work together effectively toward solutions aimed at meeting ambitious targets.

Major constraints addressed:

- Low levels of trust
- Limited credibility
- Lack of ownership
- Poor coordination
- Agenda capture
- Lack of awareness

Efficiency is paramount for D4CA platforms to reach outcomes in a swift and productive manner. Efficiency in the context of D4CA is about establishing ground rules, and making the necessary provisions to ensure that topics are addressed and solutions are implemented as meaningfully and quickly as possible. This consists of defining the elements that go into designing, implementing, and managing dialogues. The D4CA platforms need to have well-organized coordination structures, effective decision-making processes, facilitation mechanisms, and systematic communication methods. In many cases, this requires that the dialogue be facilitated professionally to include dedicated staff, as well as the resources needed to efficiently manage all aspects of the dialogue process.

Efficiency needs to be carefully balanced with the inclusion principle. Maximizing inclusion does not necessarily mean jeopardizing or paralyzing effective decision making. In fact, carefully thought-out inclusion activities may even contribute to efficiency. For example, bringing potential detractors on board will move the reform process along more quickly than dealing with the obstacles created by climate action opponents later in the process. The D4CA platforms should aim to strike a fine balance between these two principles in order to keep the climate agenda moving forward as efficiently as possible.

A well-defined governance structure is key to the operational efficiency of the D4CA platform, and should be informed by institutional capacity and the commitment of stakeholders. There are opportunities to learn from the experiences of various PPD models and leverage them to design efficient platforms that reflect stakeholder interests and abilities. One widely used example of an effective organizational structure is shown in Figure 4. Some of the most productive PPDs are characterized by a dedicated coordination unit and working groups that meet frequently to devise recommendations for plenary sessions. In this regard, they work regularly with relevant stakeholders to help implement and monitor actions.

FIGURE 3. ONE EXAMPLE OF A DIALOGUE ORGANIZATIONAL STRUCTURE
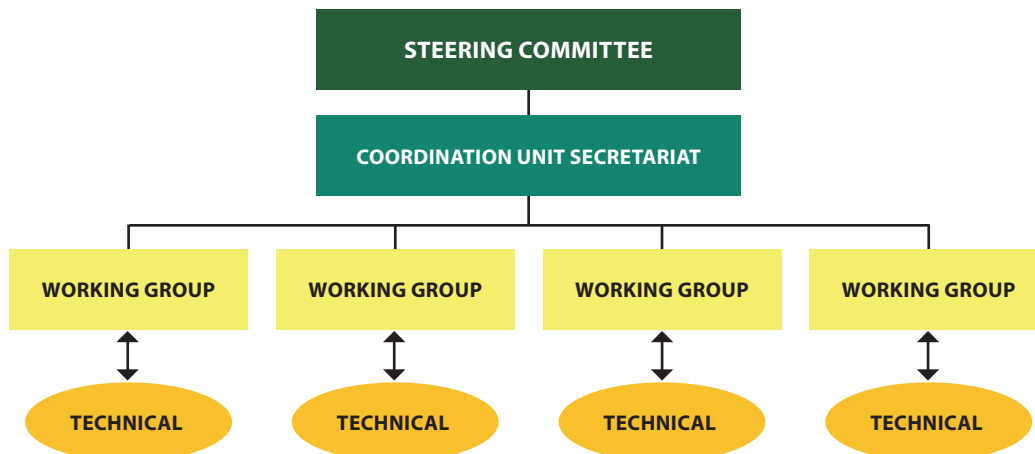
Source: World Bank Group 2009

However, the governance structure of a D4CA platform does not always have to follow a formal format. It can be less structured if it serves the main purpose of guiding the strategic thinking and decisions emerging from the dialogue — and can manage conflict and avoid capture by either the public or private sector. In some cases, informal networks and the spheres of influence of individual actors may drive the dialogue more effectively than institutional structures. Such informal structures and networks exist, they should be used to full advantage.

Facilitators must be carefully chosen to ensure that the dialogue process is proceeding toward the intended goals. The facilitators play an essential role in ensuring that all voices are heard, and that conflicts are resolved peacefully. They should also ensure that no stakeholder dominates the discussion or decision-making process. For this reason, significant effort should be dedicated to finding a facilitator who can act as a credible, neutral party, that is, someone who can establish a safe space in which all stakeholders will be able to freely engage.

In cases where the climate agenda requires multiple dialogues focusing on different agenda items, or operating at different scales, communications and coordination will be critical for optimal efficiency. Inclusion and effective climate action may require multiple dialogues taking place at various national and subnational levels. Under such circumstances, the efficiency principle will require that there are official and predictably structured channels of communication between these dialogues, as well as communication and coordination of actions and outcomes.

Translating the Efficiency Principle into Action

- **Processes, structures, and timelines.** Clear protocols should be established so that the D4CA platforms can achieve their objectives. Decision making, vetting, and gridlock-resolution processes should be template-driven to ensure transparent and efficient progress of the agenda. The timeline and milestones of the engagement processes of various stakeholders should be made clear to all participants.

- **Stakeholder mapping and analysis of the political economy.** Political economy analysis should aim to identify political realities; assess stakeholder motivations and incentives; and determine how these incentives may shape decisions. Processes and channels should be identified for the different stakeholders engaging at the different levels. To be efficient, D4CA needs participants that have decision-making ability, as well as the capacity to understand and leverage evidence and data to guide actions.

PRINCIPLE 5. TRANSPARENCY

To build trust, climate dialogues must function in a consistent and predictable manner, and be transparent in their agendas, discussions, and outcomes. Policies, goals, and timelines concerning data sharing and confidentiality, online presence, dialogue participants, governing structure, and process should be made public, while also respecting the confidentiality of sensitive business-related data.

Major constraints addressed:

- ☑ Low levels of trust
- ☑ Limited credibility
- ☑ Lack of ownership
- ☐ Poor coordination
- ☑ Agenda capture
- ☑ Lack of awareness

Transparency can encourage wider participation in and support for the agenda. Transparency is critical for any dialogue to build trust among stakeholders, and to avoid agenda capture by either the state or the private sector. Transparency allows all those who are interested in a decision to understand what is being decided, and why.

Transparency concerning the processes and participants of a D4CA platform can help increase its credibility, as well as that of its leading institutions. Both the stakeholders engaged in the platform and broader stakeholder groups will benefit from clear communication of the decision-making processes involved in developing recommendations.

Transparent decision making will increase ownership. This enables stakeholders to participate through various channels, and to track how their engagement translates into the progress and outcomes of the dialogues.

Transparency reinforces accountability. When the outcomes and outputs of dialogue processes are available to both the stakeholders and the public, they enhance the validity of the processes and resulting recommendations. This helps to build a broader base of advocates for change who can in turn demand results and actions, increasing accountability in both implementation and enforcement.

BOX 4: CHECKLIST FOR TRANSPARENT DECISION MAKING*

Clarity

- ☐ Is the decision articulated in such a way that stakeholders can understand it readily and quickly?
- ☐ Is the decision understandable to someone who does not have specialized technical knowledge?

Integration

- ☐ Is the decision fully laid out and disclosed in a single location and document?
- ☐ Is a context for the decision provided?
- ☐ Are references provided, if applicable?

Accessibility

- ☐ What does the decision require in terms of the extent or kind of stakeholder input?
- ☐ Is the decision easily accessible to stakeholders? (or "understandable for all stakeholders"?)
- ☐ Is contact information for the relevant decision makers included with the decision?

Decision-making process

- ☐ Is the rationale for the decision explained?
- ☐ Is sufficient information provided about the decision to understand the underlying logic?

* Adapted from: C. H. Drew and T.L. Nyerges. "Transparency of Environmental Decision Making: A case study of soil cleanup inside the Hanford 100 area," (Journal of Risk Research, 7(1):33-71), and Monica Blagescu, Lucy de Las Casas and Robert Lloyd. "Pathways to Accountability: A Short Guide to the GAP Framework." (One World Trust, 2005).

Translating the Transparency Principle into Action

- **Public record.** The decision-making processes of a D4CA platform should be recorded and made publicly available to show the reasoning behind the decisions that are made, and recommendations that are finalized. The platform should foster transparency (and efficiency) by ensuring that all meetings and activities are fully documented, and that minutes and reports are shared with all stakeholders in a timely manner. This should be done in an easily accessible, context-appropriate format. Maintaining accurate records that respect the integrity of the process is important. Minutes are an essential ongoing mechanism for increasing transparency and providing a starting point from which to launch consecutive rounds of consultation. They are also helpful in documenting the progress of reform proposals, from initial suggestions to concrete recommendations. They provides useful insight into the effectiveness of the platform's process. Furthermore, they also serve to promote transparency and build the legitimacy of final proposals by explaining how they came to be adopted.

- **Publicly-available criteria to address confidentiality concerns.** Despite the need for open public records, some confidentiality will be necessary. Publicly-available criteria for such confidentiality should be established. Some of the information or data that feeds into the D4CA platforms can be sensitive, such as company-level data from private sector companies, or public-sector data with high sensitivities. The process of identifying, categorizing, and handling confidential information should be clearly delineated and available to everyone.

- **Knowledge sharing.** Within the confidentiality framework, any information made available to the D4CA platform or produced by the PPD process should be made publicly available. Decision making should benefit from a continual flow of information, quality research, and robust data. Additionally, the experiences of D4CA platforms should be documented and summarized in suitable form, and in publicly-available knowledge products such as articles, newsletters, presentations, or toolkits.

- **Web presence.** A website for the D4CA platform should be created to publicize data, activities, processes, and results. It should be well maintained and up-to-date: this requires a consistent and ongoing effort from the communications team. The website can present the platform's agenda, priorities, minutes, conclusions, and survey results. It can also be used as a channel for gathering feedback and questions. Care should be taken to present information in a user-friendly format, utilizing adequate information-structuring instruments such as simple graphics and tables, as well as visualized decision paths.

- **Strategic partnerships with the media.** These partnerships should be established to further reinforce the transparency of the D4CA platforms. The platform should ensure that the media has a good understanding of the dialogue's objectives, as well as the capacity to effectively publicize the D4CA platform activities.

EXAMPLE 3

India: Energy conservation through effective stakeholder engagement and dialogue

Background

The government of India launched its Standards & Labeling (S&L) program in 2006 as one of the focal areas for energy conservation under India's Energy Conservation Act of 2001. The S&L program is an energy-efficiency regulation that prescribes minimum energy performance levels for products, such as household appliances and lighting products.[5] This program is of critical importance due to the rapid growth in ownership of appliances and electrical equipment in India, coupled with the increasing electrification rate in rural areas. Both developments have contributed to an increase in the supply and demand gap. In 2008, India's Bureau of Energy Efficiency (BEE) partnered with CLASP, an impartial and independent nonprofit organization that improves the energy and environmental performance of appliances used by people on a daily basis.

The Project

Like technology transfer, S&L could be held back by poor coordination between stakeholders, lack of legal and technical capacities, measurement discrepancies, and market closures. Led by BEE under the Ministry of Power, the S&L program was anchored in a dialogue and designed to be evidence-based, consensus-driven, and collaborative in nature. From the beginning, as illustrated in Box 4, the S&L program was carried out through the establishment of technical committee(s) to discuss and deliberate on all critical issues. The composition of these committees went through a thoughtful examination process and was properly balanced to provide equal representation to the various interest groups involved. The technical committee for each product category consisted of technical staff from government agencies, manufacturers, manufacturing associations, consumer organizations, NGOs, independent research institutions, and testing laboratories.

CLASP mapped the stakeholders and facilitated a dialogue that has been critical in devising effective policy formulation and implementation plans, as well as in raising consumer awareness and achieving the objectives for S&L. To foster consensus among participants from diverse interest groups, and to facilitate finding efficient and feasible solutions, the discussion focused on evidence-based market analysis. For instance, a consumer organization presented research concerning affordability, which was considered in regulating the technology threshold for the minimum energy efficiency level on mandated manufactured appliances. Additionally, the program incentivized consumers through a multimedia campaign designed to promote labeled product usage, and to enhance the program's impacts.

Outcomes

In 2012 alone, total energy savings from the program were estimated at more than 5,954 gigawatt hours (GWhs), leading to a total avoided capacity of 4,847 megawatts (MW), and a GHG reduction of 5.5 million tons of carbon dioxide from eight product categories.[6] The awareness campaign led to a behavioral shift among consumers in favor of energy-efficient products.

Although further endeavors are required in order to reach the population in rural areas, where demand for electricity is on the rise, the latest assessment conducted by CLASP reveals that the program has been on track in achieving its objectives. Indeed, the communication campaign has proven to be successful in improving energy-efficiency awareness among consumers as well as industry stakeholders.

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[5] This includes most commonly-used household appliances, lighting products, and other high energy-consumption products.

[6] Impact assessment of BEE's standard and labeling program in India, International Energy Policies & Programmes Evaluation Conference, Amsterdam, January 2015 and 2016.

BOX 5. PROCESS FOR DEVELOPING A SUCCESSFUL S&L PROGRAM IN INDIA

1. Identify and prioritize products for labeling.
2. Establish a technical committee, and include representatives of all stakeholders.
3. Identify critical issues and organize technical committee meetings.
4. Finalize test procedures, and ensure lab capacity, competency, and credibility.
5. Assess market and product characteristics related to energy efficiency.
6. Develop technical criteria for labeling.
7. Develop an implementation and enforcement plan.
8. Draft schedules or notifications (in the case of mandatory labeling) after finalizing all the technical and administrative details.
9. Launch the usage of labels.
10. Launch a consumer awareness campaign.
11. Check and challenge testing.
12. Monitor and review the program and its impact on climate and consumer benefits, as well as levels of awareness.

PRINCIPLE 6. ACCOUNTABILITY

In a dialogue, accountability helps build trust, confidence, and a sense of ownership. Inclusive dialogues should reach a common understanding of targets and results through a transparent process. To build accountability, dialogue recommendations must be fact-based and data-driven so that impacted parties can be confident they are based on a solid foundation. The results of recommendations should be trackable in order to accurately measure the performance and achievements resulting from the dialogue.

Accountability will be critical in ensuring the credibility and continuity of the D4CA platforms. In large-scale efforts such as the climate action agenda, accountability takes on exceptional importance to ensure that a dialogue platform is not merely a "talking shop." Stakeholders need to see tangible results to continue supporting the dialogue. Accountability complements the Transparency principle by ensuring that political economy risks such as institutional capture or cronyism are reduced, that the platform is functioning efficiently, and that its outcomes can be tracked and disseminated. The good practice principles promoted and made visible by accountability can inspire stakeholders, and can lead by example, creating positive momentum and increased cooperation and communication among actors at all levels.

The target results of a D4CA platform should be specific, realistic, measureable, and time-bound, and should be reflected in adequate, climate-change-suitable indicators. Suggested basic indicators might be the number of recommendations provided by the D4CA platform, and the number of these recommendations implemented. Other metrics, such as progress toward Paris Agreement commitments, GHG emission reductions, or water savings might be more complex and harder to attribute specifically to the platform's recommendations. Some agenda items, such as resilience, may also be hard to quantify.

The lessons learned from the formulation process and the implementation of the recommendations made by the D4CA platforms should be captured and fed back into the dialogue. Internal monitoring mechanisms provide a D4CA platform with an opportunity to promote accountability (and Transparency). In some political contexts, the very act of monitoring and regularly disseminating results of the dialogue to stakeholders can play a valuable role in setting an example to both government and corporate partners. Monitoring capacity often varies greatly within the government and private sectors in developing economies. It is not always feasible to evaluate and strictly adhere to best practices and highly structured monitoring procedures. It will depend on the available capacities, culture, or other context-specific characteristics. Countries may have their own established practices, and it is important that the dialogue processes find the right path toward achieving the prioritized objectives for each country.

Major constraints addressed:

- Low levels of trust
- Limited credibility
- Lack of ownership
- Poor coordination
- Agenda capture
- Lack of awareness

- **Articulate objectives.** Accountability starts by clearly articulating the D4CA platform's objectives based on previously identified, fact-based issues. Objectives need to be specific, measurable, achievable, and time-bound during the life span of the dialogue.

- **Adopt a monitoring and evaluation (M&E) framework early on.** Depending on the nature of the dialogue and the capacity of those participating in the dialogue, M&E frameworks designed to keep track of dialogue-related activities will run the gamut from quite detailed and complex to just a few basic, but solid, indicators. See Figure 5 and Box 6.

- **Develop capacity.** The necessary capacity must be developed to monitor and evaluate results so that they can inform the dialogue process. As M&E is a vital aspect for the effective progress of dialogue, importance must be given to capacity building around M&E.

- **Strong leadership and ownership.** This will be critical to holding the responsible parties accountable for their actions and to maintaining their commitment to the climate agenda. Therefore, the roles and responsibilities of stakeholders should be clearly defined. In addition, The leadership of champions should be leveraged to influence stakeholder groups to facilitate and monitor decision making.

FIGURE 4. BUILDING BLOCKS OF M&E FRAMEWORK: THE RESULT CHAIN*
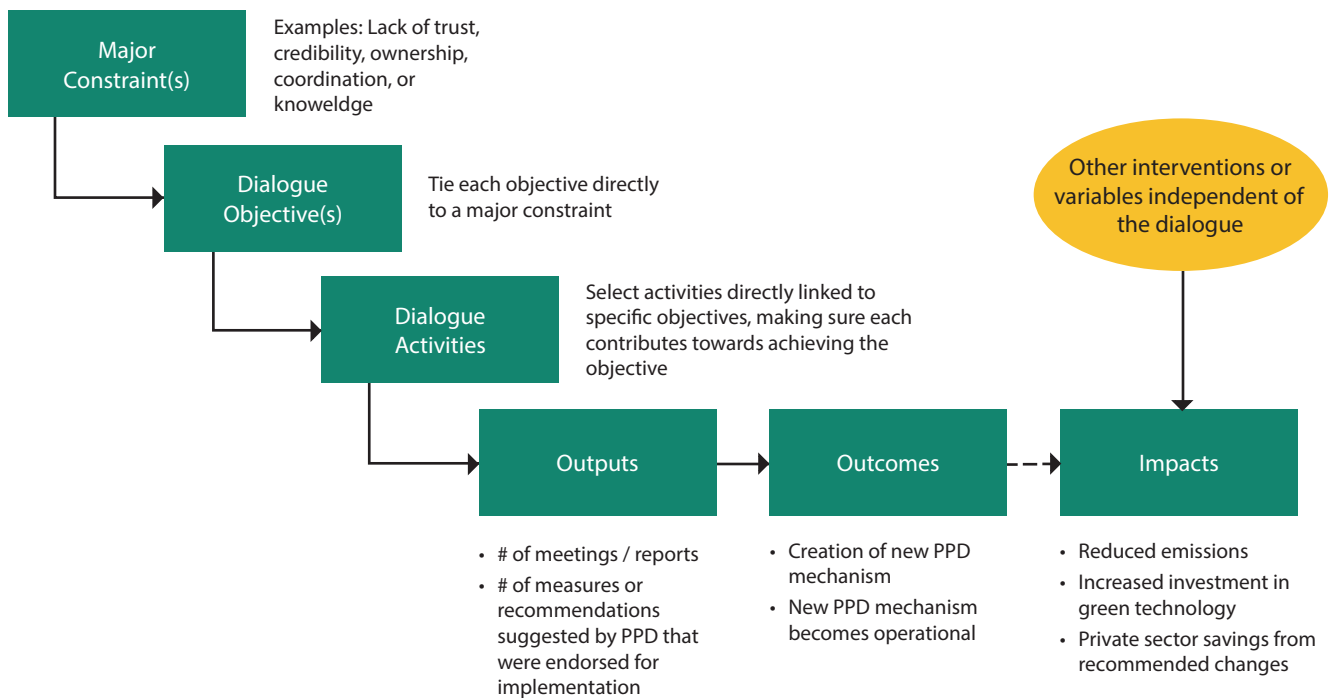
* Adapted from: Benjamin Herzberg and Andrew Wright. "The PPD Handbook:
  A Toolkit for Business Environment Reformers" (December 2006)

BOX 6: DESIGNING AN M&E FRAMEWORK

Start by clearly formulating the objectives of the dialogue, and identifying goals that are specific, measurable, realistic, and time-bound. Then, specify the dialogue's "results chain," which spells out the underlying logic of how the dialogue is supposed to achieve its objectives. This can be done by linking all levels of the chain in a causal relationship:

Inputs -> Activities -> Outputs -> Outcomes [-> Impacts]

For a very basic monitoring level, two main indicators have been used, with some success, to measure the effectiveness of a PPD platform. These could be adopted for monitoring the D4CA platforms as well:

- Number of measures or recommendations proposed by the dialogue process that were endorsed for implementation (output);
- Number of measures or recommendations proposed by the dialogue process that were actually implemented (outcome).

Additional suggested indicators appear in Figure 5. The more complex, long term, and highly structured a dialogue is, the more one will need to consider adding performance indicators to the monitoring framework. Many achievements (such as trust-building), both before and after reform implementation, are qualitative in nature, and will be difficult to capture and track through the use of indicators. Beyond measuring the most tangible, immediate outcomes that can be captured via indicators, it is advisable to capture the platform's success (or failure) and lessons learned — whether effective or not. This can be done using a narrative that frames any of the indicators selected. It can, in turn, enhance and feed into the dialogue's strategic communications activities.

Well-functioning and effective climate action dialogues do not have to assume the scale and structure of national or subnational dialogues. They can also happen at the firm- or supply-chain levels. Such dialogues can also serve as an excellent basis for the foundation of larger dialogues at the subnational, national, or global levels. Two such examples are the green-related efforts by Glaxo-Smith Klein (GSK) and British Telecom (BT). The creative efforts launched by these two firms to engage with their suppliers across the globe to tackle climate-change challenges embody several of the principles discussed in this document or do you mean report?. Their efforts to make their supply chains more green have paid off in significant dividends for these firms.

The United Kingdom: Collaborative approach in achieving a carbon-neutral value chain

Background

GSK, a global health care company headquartered in London, is committed to managing and reducing the environmental impacts of its business operations and products. The company acknowledges that major global environmental challenges like climate change and deforestation are exacerbating health issues and undermining equality around the world. Therefore, the company is making both direct and indirect social and environmental contributions in the countries in which it operates.[7]

The Project

With a thorough carbon-footprint analysis of its value chain, GSK realized that 51 percent of its overall emissions come from its supply chain. To gain deeper insights, GSK worked closely with its key suppliers and with an advisory consultancy provided by the Carbon Trust.

In 2011, the company made a significant business decision to reduce its carbon footprint across its value chain by 25 percent by 2020, and to become a carbon-neutral value chain by 2050. The company partnered with industry peers in a dialogue that included benchmarking GSK against industry peers, and understanding stakeholder perceptions of carbon neutrality. This dialogue has reconciled the business development strategy of GSK—such as managing energy risk, differentiating the corporate brand, and driving innovation and cost-efficiency—with its climate action plans.

To realize their carbon-neutral objective, five key initiatives were established under the GSK Supply Chain Sustainability Engagement program, as illustrated in Figure 6.

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[7] "Our planet," Glaxo-Smith Klein. Retrieved from http://www.gsk.com/en-gb/responsibility/our-planet/

TABLE 1. GSK'S SUPPLY CHAIN SUSTAINABLE ENGAGEMENT PROGRAM

	GSK Supplier Exchange	Environmental Data Disclosure	Responsible Sourcing	Externally Managed Spend	Holicks Supply Chain Project
What	Online collaboration forum	Online platform for collection and management of environmental data	Risk assessment of selected commodities including paper and palm oil	GSK-led energy reduction events at supplier sites	Water and carbon impact assessments and reductions
Why	• Communication, collaboration, and capacity building • Sharing best practices • Driving carbon savings	• Long-term measurement of supplier footprints • Enables targeted communications and capacity building	• Understand and mitigate risks linked to supply chains in line with GSK's public position paper for deforestation-free sourcing	• Accelerate energy efficiency across key third parties • Decrease cost and carbon	• Water and carbon reduction opportunities • Water stewardship projects initiated at Tier 3 suppliers (i.e. at the village level)
Who	**All** direct raw material suppliers	**All** direct raw material suppliers	Suppliers of certain commodities such as paper and palm oil	**Selected** strategic suppliers	Tier 1, 2, and 3 suppliers in India

Source: Internal communications document, GSK, 2017

Outcomes

In rolling out their carbon-neutral value chain program, GSK has adopted a collaborative approach. Their online interactive platform, called their Supplier Exchange, allows GSK, its suppliers, and other stakeholders to collaborate effectively. It also leads to enhanced knowledge sharing and positive environmental and social impacts. Exchange is managed by GSK's environmental sustainability team, and has so far been joined by 650 supply chain members from 360 companies globally.

Over the past three years, more than 1,200 case studies and articles have been posted on the Supplier Exchange; 41 face-to-face events and live training sessions were also made available through this online platform.[8]

By 2016, GSK had reduced its operational emissions by 18 percent—3,100 tons of carbon dioxide equivalents (tCO_2e)—compared to the level in 2010. In addition, it had also reduced water use and waste by 23 percent.[9]

In addition to the Exchange platform, GSK collects carbon, water, and waste data from its suppliers through another initiative called Ecodesk. The Ecodesk initiative allows GSK's suppliers to submit their data just once, minimizing the effort required to respond to multiple questionnaires. The data provided helps GSK measure the environmental performance of their suppliers over time. Each supplier also receives a scorecard that provides them with feedback on their performance, and offers suggestions to help them improve. In 2016, 188 of GSK's suppliers disclosed their environmental data on Ecodesk.

These initiatives help GSK grow the demand from suppliers, and differentiate itself with sustainable business practices. At the same time, GSK is able to share the social and economic benefits derived from sustainable supply chain initiatives with a larger group.

[8] GSK Supplier Exchange. Retrieved from https://www.2degreesnetwork.com/groups/gsk-supplier-exchange/
[9] GSK's supply chain sustainability engagement program

The United Kingdom: Effective dialogues in propelling a low-carbon initiative

Background

British Telecom (BT) is one of world's leading communications services companies, serving the needs of customers in the United Kingdom and globally in about 180 countries. The company provides fixed-line services, broadband, and mobile and TV products and services, as well as networked information technology (IT) services.

BT uses its technology to help tackle climate change challenges, and operates responsibly to comply with the United Nation's Sustainable Development Goals (SDGs) and the Paris Agreement on developing a low-carbon economy. The company's dialogue is centered in its sustainability practices. It uses communication technologies to help create a real shift in the way people interact with the topic of climate change. BT purchases products and services from about 16,000 companies worldwide. They are all expected to meet BT's environmental, ethical, and social requirements, which are included as conditions in their contracts.

The Project

In 2012, BT established the Better Future Supplier Forum (BFSF), a platform that promotes collaboration, innovation, and sustainability practices. BT established a steering group of key stakeholders to direct and guide the process. This was followed by a study and dialogue with suppliers to review existing approaches in different areas of sustainability—eco-design, the circular economy, energy efficiency, and the carbon footprint. An assessment framework that is fact-based and data-driven was developed. The framework allows suppliers to benchmark against best practices that are supported by quantifiable benefits. In addition, a scoring system derived from the data was used by BT to encourage innovative solutions and to award frontier practitioners.

Outcomes

These systematic and proactive climate actions turned out to be very fruitful. In 2015 and 2016, BT achieved a 4 percent cut in energy consumption, and a net positive ratio of 1.6 to 1 in terms of helping customers reduce their carbon emissions.

The BFSF serves as an extension of BT's net-good goal of helping the company proceed with its business and climate agenda, which was aligned through a PPD. Modern communications technologies are fully utilized to encourage climate-friendly actions and to enable timely, effective feedback loops. Since the forum began in 2012, participating suppliers have saved 894,000 tons of carbon. One supplier of cordless phones and baby monitors has cut energy use by 7 percent per unit produced, and water use by 15 percent. BT is extending this approach through its supply chain, using an online assessment tool, and asking suppliers to use it both in their businesses and with their own suppliers.

CONCLUSION

At the COP21, countries from around the world signed a historic agreement with one essential goal in mind: to create the framework for a new global, sustainable economy that will allow businesses to thrive while also protecting the climate of this world. The Paris Agreement has reinforced the need for private sector involvement in moving the global economy toward a resilient, low-carbon future without compromising economic growth. The signatories of the Paris Agreement must now turn the principles of climate change mitigation and adaptation into action. This cannot be achieved by government action alone.

By signing this accord, leaders from around the world acknowledged that the challenges posed by climate change are serious, and that there is an urgent need to respond to them effectively and efficiently. When government, private enterprise, civil society, and individuals work together to turn commitments to the goals of the Paris Agreement into meaningful actions, significant progress can be achieved.

In the examples provided throughout this document, as well as in many other endeavors in countries around the world, PPD has been a useful tool for positive change. Dialogue can help build trust, close knowledge gaps, spur action, and generate a sense of combined ownership of solutions. Effective climate action dialogue can lead to a "win-win" situation: for the private sector, it can increase the quality and predictability of the business environment in a green economy, and in emerging markets it can provide a path for small and medium-sized enterprises to grow, as well as the means to lift people out of poverty.

The Six Principles for Dialogue on Climate Action launched as a follow-up to the COP21 by the World Bank Group and its partners in 2016 represent a concerted effort to foster a well-conceived and productive dialogue between the public and private sectors. The principles—urgency, inclusion, awareness, efficiency, transparency, and accountability—were developed collaboratively in open, multi-round discussions drawing on the collective expertise of the participants.

The World Bank has been successfully applying PPD in its projects and initiatives for years to achieve sustainable reforms worldwide. In working toward a goal as important and urgent as climate action, the cost of mistakes and bad decisions is very high indeed. Leveraging PPD processes can help countries find ways to move quickly and efficiently toward the common goal of finding effective ways to mitigate and adapt to the adverse effects of climate change. Nothing could be more important to humanity's collective future.