



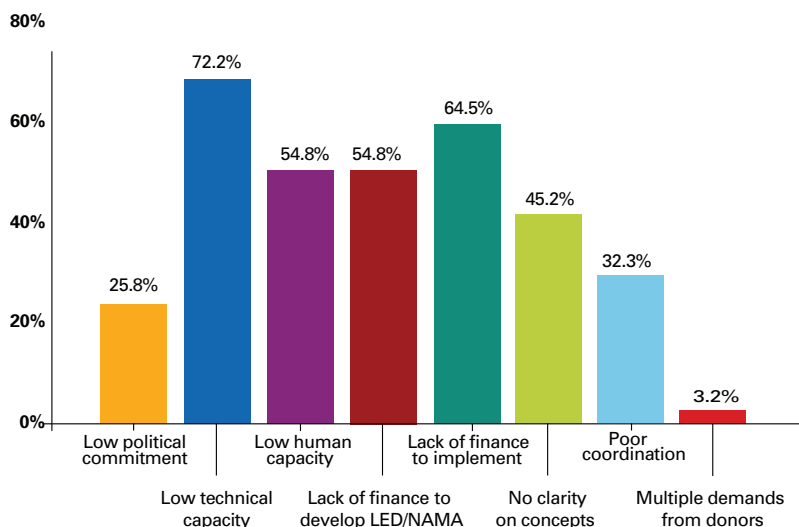
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IDENTIFYING AND OVERCOMING BARRIERS TO LEDS AND NAMA DEVELOPMENT

There are four main groupings of barriers that developing countries face when embarking on Low Emission Development Strategies (LEDS) and NAMA development, according to a recent study commissioned by the LECB Programme and conducted by Dr Alina Averchenkova of the Grantham Research Institute at the London School of Economics. Both the key barriers, as well as the lessons learned in addressing these barriers, were analysed through a combination of desk reviews of existing publications on the subject with new data from the LECB programme.¹ According to the study, to be published in early 2014, barriers can be grouped into four general categories: national capacities, political support, financing, and the wider context within a given country. As Figure 1 shows, specific challenges are evident within these categories.

Figure 1: What barriers is your country facing/has faced in developing LED and NAMAs?



¹ The results are based on 20 semi-structured interviews with national experts from Chile, Vietnam, Mexico, Lebanon and Ghana, as well as with LECB staff, private-sector representatives and international practitioners working in these countries. These interviews were complemented by a survey on barriers and their possible solutions, as well as on experiences in engaging the private sector. A total of 31 survey responses were received, covering 17 countries, including Bhutan, Chile, Costa Rica, DR Congo, Ecuador, Egypt, Ghana, Kenya, Lebanon, Malaysia, Mexico, Moldova, Peru, Tanzania, Uganda, Vietnam, and Zambia.

Lessons learned from LECB experience: Strategies for obtaining political commitment

- Raise awareness through regular updates and communication
- Engage other ministries (Ministry of Finance, Energy, etc.)
- Mainstream the climate-change issue into national development plans
- Create incentives for other agencies to become engaged by highlighting co-benefits
- Use international commitments and pledges as leverage to ensure feasibility and sustainability of LEDS and NAMAs
- Align NAMAs with national and sectorial development priorities

The wider national context

While designing climate-change mitigation strategies and actions, it is important to consider the wider national context and how these strategies and actions will unfold within it. Existing policies, such as fossil fuel subsidies can often make the design and implementation of LEDS and NAMAs more difficult. One of the most challenging sectors in this regard is energy, a key sector in terms of GHG reduction and one that has proven difficult to involve in many LECB countries as energy security and cheap access to energy are often seen as being threatened by climate-change policies.

This being the case, effective engagement with the Ministry of Energy has been a both a priority and a challenge in many countries. One way around this barrier has been to form a team within the Ministry of Energy that deals with issues related to climate change. Examples of effective solutions of this type include engaging with the ministry's energy efficiency and renewable energy divisions, offering new modelling and policy evaluation tools, and identifying new financing opportunities that are aligned with existing ministry priorities.

Financing

As part of this study, stakeholders in LECB countries were asked to indicate the relative importance of a particular barrier in their country. The highest average ratings pointed to the lack of financing for the implementation of LEDS and NAMAs, the lack of technical capacity, and the lack of financing to develop the programmes. (When both of these financing ratings are added together, they make for the greatest barrier. See Figure 1 above.)

In this context, a distinction should be made between financing for **designing** a low-emission project or programme versus the investment and financing necessary to **implement** such projects or programmes. For now, the former is usually expected to come from either domestic or international public sources, and the latter to be a combination of public and private funding. Private financing is expected to be the major source of funding for mitigation activities.

Financing, therefore, is seen as the central issue and precondition for commencing the development of LEDS and NAMAs. While international financing has played a critical role in NAMA design, most countries saw the prospect of obtaining international financing as the most critical factor in securing high-level political commitment to a climate-change agenda domestically and in securing the participation of sectorial ministries. In a way, this relationship creates a catch22—a paradox—between financing and political commitment: international financing is needed to win over political leaders, while in order to secure such financing, a common precondition is the demonstration of strong political commitment. Many interviewees mentioned this as a particularly thorny challenge, noting that countries often stall at trying to decide on where to begin: obtaining political commitment or securing financing.

Given the general scarcity of public financing, some experts noted that too much hope is often placed on receiving international financing for NAMAs and LEDS. This over-reliance can make the strategies appear as constructs of cooperation for development or as being imposed from the outside. Yet there is an alternative to over-reliance on international funding: the mobilisation of domestic resources. This might be achieved through more effective management of public expenditures or by building on other on-going relevant domestic initiatives, for example. Still, such mobilisation depends on domestic buy-in and support.

While some countries have made progress in mobilising international and domestic funding, as evidenced above this still remains a critical barrier for scaling up activities. Prior experience with CDM is having mixed impacts. In most countries, it has created initial technical capacity, which is now being put to work for the development of LEDS and NAMAs. In some cases, however, the inability of countries to benefit as they should from CDM (as in Africa) or the inability of investors to sell off emissions reductions at a good price, due to a declining carbon market (as in Latin America) pose challenges to garnering support for LEDS and NAMAs and engaging the private sector.

Based on this analysis, the recommended course of action for countries has been to start by working for political commitment internally and developing policy

National capacities

Most countries analysed have yet to build their capacities for responding to climate change effectively. Low technical capacity ranked first, noted by over %74 of participating countries. This also affects the “Political Commitment and Coordination” category because without technical data, commitment is jeopardised. Often mentioned as particularly daunting were skills for collecting and interpreting the raw data needed for establishing solid baselines, designing national and sectorial MRV systems, and structuring financeable NAMAs. Over half of those surveyed also noted the lack of human capacity, often in the form of insufficient staff.

The study confirms a clear need for continued capacity building. Participants recommend that these issues be addressed early on in the planning stage for LEDS and NAMAs and that such needs be prioritised based on the national context, rather than external factors.

Political commitment and coordination

A strong, high-level commitment from the national government is a necessary precondition for LEDS and NAMAs to be effective and lead to change. Securing such commitment and getting political buy-in from ministries has not proven easy. Despite the fact that NAMAs put national economic growth first, with climate change mitigation as a result, making a case for the latter remains a challenge.

According to the survey, the greatest barrier to political buy-in occurs when there is a lack of international climate financing. Several countries noted that once the promise of financing became strong, they were able to garner interest from sectorial ministries and the Ministry of Finance. More on financing barriers can be found in the “Financing” section below.

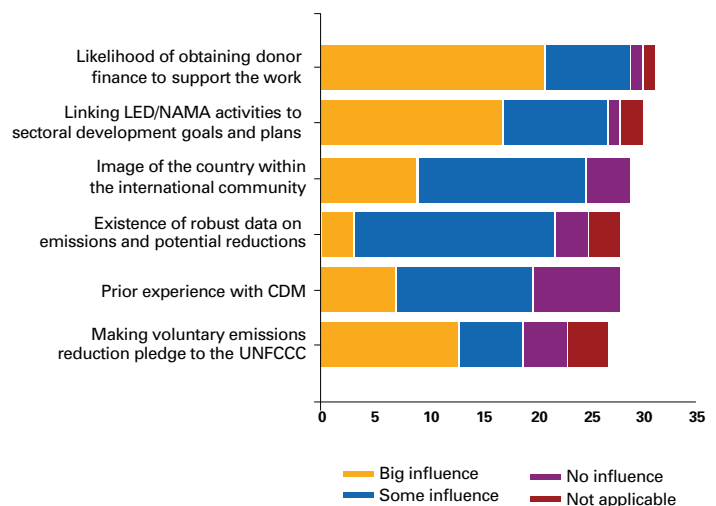
Many experts across the regions mentioned that the lack of clear international guidance on what LEDS and NAMAs should entail and how they are to be designed poses a particular challenge for sectorial ministries in charge of implementing them. The development and standardisation of such guidance, similar to that previously developed by the IPCC on emissions inventories or on the preparation of National Communications, would be one likely way to deal with this challenge.

Another barrier mentioned is that of achieving good coordination and cooperation among key ministries. A number of countries have made progress in this area by, among other things, aligning LED and NAMA activities with development goals. Particularly effective in this regard was the process of designing national climate-change strategies. This has tended to mobilise stakeholders and improve political buy-in and coordination in Vietnam, Ghana, Moldova, Ecuador, Kenya and Mexico. Placing emphasis on co-benefits has also proved critical for gaining commitment.

As mentioned above, another factor that helps secure political commitment is the existence of robust data, which can serve as a basis for initial decision-making. Countries that have been successful in getting political commitment at the early stages, such as Chile, Colombia and Mexico, noted the importance of data availability from prior work.

Aside from political commitment, it is important to ensure continuity for the processes being set up. Shifts in political power, institutional restructuring and frequently changing personnel in charge of policy areas make it very difficult to maintain cooperation and develop a sense of ownership of LEDS and NAMAs. As Figure 2 shows, obtaining emissions-reduction pledges from national leaders and concern for countries’ international standing rated as factors in leveraging political commitment and continuity.

Figure 2: Factors in securing political commitment to LEDS and NAMAs



proposals to form a more solid basis for seeking financial support. Engaging the private sector is a critical next financing step for most of the countries studied, and the private sector has not yet been sufficiently engaged.

It is important for countries to have a contact person or persons in the ministry of finance, either in the budget or policy analysis division. Once fully on board, ministries of finance can use their capacity as resource-generating entities to seek out resources and to align climate-change policies with fiscal priorities. Examination of the potential for raising domestic financing for climate-change policies by tightening the efficiency of national public expenditures—with the aid of the Climate Public Expenditure and Institutional Review (CPEIR) methodology, for example—could form a solid basis for initiating this process. Further recommendations of the study include developing internationally agreed-upon guidelines on preparation of NAMAs and LEDS and unifying guidance on finance.

Box 2 lists some overall recommendations of the study. These and others will be elaborated in the final study results, scheduled for release in early 2014.

A few final remarks

The study shows that all LECB countries still face important barriers on their journey to low-emission development. With the support of the LECB programme, significant efforts are being made to enhance technical and human capacity, strengthen political commitment, improve coordination among the ministries, secure a wide range of engaged stakeholders, and identify financing for development and implementation of LEDS and NAMAs. Furthermore, a number of practical solutions have been adopted to overcome these barriers.

Practical ways to keep NAMAs and LEDS moving forward, based on LECB experience

- Ministry of Environment (or agency in charge of climate change) should act as facilitator rather than “compete” with sectorial agencies to develop NAMAs/LEDS
- Creation of technical or thematic work groups is effective in promoting cooperation and coordination
- Interagency decision committees have been effective
- Create incentives for other ministries and key players by:
 - Supporting their current activities
 - Pooling human resources
- Keep activities for attaining climate finance prominent and publicised
- Use previously generated data and build on existing processes
- Link to sectorial development goals
- Look for champions!



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