

EXPLORING SUSTAINABLE LOW CARBON DEVELOPMENT PATHWAYS



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AN INTRODUCTION TO INTERNATIONAL DEBATES

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Providing sustainable development for all and fighting climate change – these are two major challenges the world faces today. The project “Exploring Sustainable Low Carbon Development Pathways” aims to point out ways how to combine both: climate protection and sustainable development. As a joint initiative by Friedrich-Ebert-Stiftung (FES), Bread for the World (BftW), World Wide Fund for Nature (WWF), Climate Action Network International (CAN-I) and ACT Alliance of Churches, the project is led by the common understanding that any future development model has to be:

LOW CARBON. That means with a minimal output of greenhouse gas emissions.

ECOLOGICALLY SUSTAINABLE. That means fully respecting planetary boundaries.

HUMAN RIGHTS-BASED. That means with a strong focus on poverty reduction and participation.

SOCIALLY INCLUSIVE. That means creating wealth and employment while absorbing negative social impacts.

JUST. That means equally sharing burdens and opportunities between different stakeholders.

NATIONALLY APPROPRIATE. That means respecting countries different backgrounds and challenges towards sustainable development.

The project was started in 2013 in four pilot countries: Kazakhstan, Peru, Tanzania and Vietnam. In close co-operation and ownership with different national partners from civil society, politics and science we aim to

- Explore Sustainable Low Carbon Development Pathways in these countries which could serve as regional and international examples.
- Show that Low Carbon Development is not only possible but economically and socially beneficial.
- Create platforms for dialogue at the national level for a range of different stakeholders.
- Support and intensify networks between civil society actors in the respective countries and regions.

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THE CASE FOR LOW CARBON DEVELOPMENT

Climate change is here, now. The world's poorest people, despite the fact that they bear little responsibility for this human-made problem, are the most vulnerable to its impacts. Many developing countries are struggling to cope with climate change and to eradicate poverty at the same time. To tackle this dual challenge, the 2009 Copenhagen Accord encouraged developing countries to develop *Low Carbon Development Strategies* (LCDS). LCDS describe »forward-looking national economic development plans or strategies that encompass low-emission and/or climate-resilient economic growth« (OECD and IEA 2010).

This paper argues that developed countries have a moral and legal obligation to eliminate greenhouse gas emissions. Further, developing countries, with support from developed countries, should be encouraged to embark on low carbon development pathways. This should happen mainly on the basis of equity and mutual collaboration and partnership.

The case for encouraging and supporting action by emerging, middle-income economies and by the least developed countries to lower the carbon-intensity of their economies and to integrate low carbon planning into long-term policy-making processes is a strong one, especially because they are already affected by the adverse impacts of climate change.

Low Carbon Development Strategies go beyond conventional »mainstreaming« of climate concerns into policy-making. Low carbon development provides economic and social opportunities. It involves laying out a low carbon development path and designing a comprehensive framework that will significantly benefit investment, employment and income generation, and technical innovation and will result in increased efficiency and reduced costs. In the process, a balance is struck between emissions reduction and avoidance, on the one hand, and a country's adaptability and resilience, on the other. However, there is no »one-size-fits-all« package of solutions that delivers sustainable development.

WHAT IS A LOW CARBON DEVELOPMENT STRATEGY?

There is no internationally agreed-upon definition of the Low Carbon Development concept in general, nor of the associated strategies and actions in particular. A universal definition capable of representing all of the specific contexts and conditions in the different countries is hardly possible due to the wide range of strategies and actions that can be part of LCDS (Mulugetta and Urban 2010, ACT 2012). Project Catalyst (2009) provides the following helpful description: A low carbon development strategy is a strategic plan to assist the country in shifting its development path to a low carbon and climate resilient economy and achieving sustainable development. It is based on the socio-economic and development priorities of the country. It has a long term component that includes a strategic vision and a short and medium term component that shows which specific actions will be undertaken in order to get onto a low carbon, climate-resilient pathway.

Since 2007, LCD strategies and actions have been formulated, drafted, and implemented by, for example, Bangladesh, China, and Guyana (ACT 2012). Because of variations in the possibilities open to different countries and in their priorities and levels of development, it is ineffective to set up an LCDS with a generalized template (ECN 2011). Much more representative than the common aims, purposes, and elements are their significant differences. There is a »potentially unlimited diversity.« Usually LCDS are planned on a national scale, but, depending on the circumstances, a provincial or sector-specific LCDS is also possible.

THE ROOTS OF LCDS IN INTERNATIONAL AFFAIRS

In international discourse, the terms low carbon development strategy, low-emission development strategy (LEDS), low carbon growth plan, and climate-smart development have all been used interchangeably. Their origin can be traced back to the launch of international climate negotiations more than 20 years ago (ACT 2012). In 2008, the European Union formally introduced LEDS as a mechanism that could inform international donors about funding needs, priorities, and climate actions. Both the United Nations Framework Convention on Climate Change (UNFCCC) Copenhagen Accord and the UNFCCC Cancun Agreements stated that »A low commission development strategy is indispensable for sustainable development«. In international negotiations these strategies were seen as a »soft« alternative for developing countries wishing to make voluntary emission reductions (ECN 2011), the potential for which is substantial.

THE CLIMATE PROTECTION — POVERTY REDUCTION NEXUS

It is beyond doubt that for countries of the Global South, economic growth remains essential to achieving development goals. Low carbon development is rightly seen as an unavoidable step toward achieving the aims of poverty reduction and economic growth and toward enhancing well-being (Mulugetta and Urban 2010). Two-thirds of the world's poorest people live in rural areas and the eradication of that rural poverty is hindered by two interlinked phenomena, namely, a lack of access to improved energy services and detrimental environmental shocks due to climate change. People need to be *empowered* for sustainable development and they require access to clean, safe energy. Mitigating climate change, increasing energy access, and ending rural poverty need to be tackled together and their overlap can be defined as the *energy-poverty-climate nexus* (Casillas and Kammen 2010). In an interconnected world, solutions cannot be aimed at just one sector.

Nowadays, governments, businesses, international donors, and academic think-tanks support the idea and principle of mainstreaming climate change in development practice. To most, low carbon development implies »using less carbon for growth« (DFID 2009). It is possible to uncouple emissions from growth to a significant degree. However, decision-makers need to take into consideration that growth measured in terms of GDP must be adjusted to account for any loss of natural capital and the costs of (carbon) pollution. Otherwise, policies will set false development incentives, thus repeating past mistakes. Today, growth must occur within a framework that compensates for the fact that we have exceeded planetary boundaries. It goes without saying furthermore that human rights must be secured. Hence we advocate for a »do no harm« approach to low carbon development in order to ensure that poor and marginalized people are actively included in the process of devising and delivering an LCDS and, in particular, that their livelihoods are taken into consideration.

AIMS OF LOW CARBON DEVELOPMENT STRATEGIES

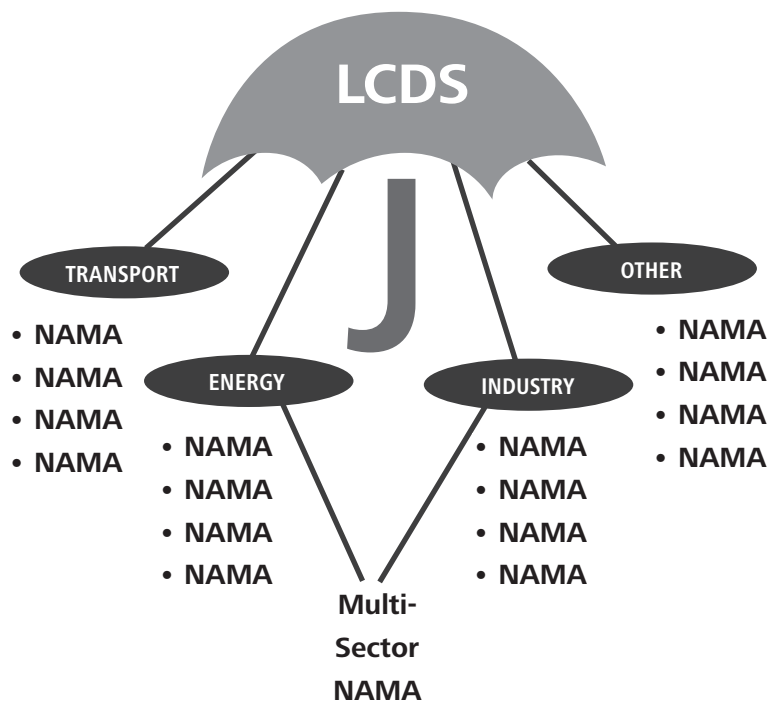
The discussion over integrating climate change and development has a long history that turns on a false dichotomy between a »climate-first« approach and a »development-first« approach. One could argue that »The concept of low carbon development takes a »development-first« approach which rethinks development planning and proposes structural solutions (such as alternative infrastructure and spatial planning) with lower emission trajectories«. »It focuses on addressing and integrating climate change with development objectives and is therefore a more useful approach for developing countries.

In practice, the plans are often combinations of new and existing elements, all combined in a new way to address pre-existing policy objectives along with the need to slow climate change and prepare for its impacts« (OECD and IEA 2010, UN 2013).

The multiplicity of aims is reflected in the literature: LCDS are designed »to catalyse concrete actions that support development but with less emissions than without intervention« (ECN 2011). LCDS are »primarily intended to help advance national climate change and development policy in a more coordinated, coherent and strategic manner« (OECD and IEA 2010). Though it is not obvious from this terminology, they are understood to also include provisions to reduce vulnerability to the impacts of climate change (UN 2013). Thus LCDS can have different meanings for different audiences and can serve multiple purposes.

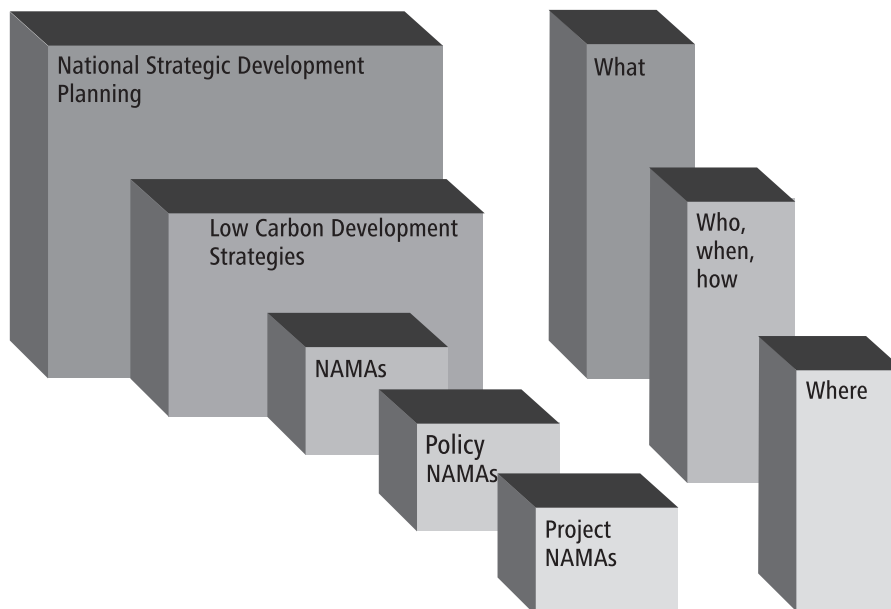
LCDS AND NATIONALLY APPROPRIATE MITIGATION ACTIONS

As discussed, an LCDS describes a pathway toward low carbon development and is embedded in national strategic development planning. Nationally Appropriate Mitigation Actions (NAMAs) are structures within the LCDS and are vehicles for implementing it. NAMAs are designed and implemented within the overarching LCDS framework (UNEP 2011). This interpretation of LCDS as an umbrella for NAMAs is widespread. But whether NAMAs lead to LCDS or vice versa, or whether the process is continuous and iterative, remain open to discussion (MAPS 2012).



Source: Helm 2011. Copyright: MAPS 2012.

From a practitioner’s perspective, the main function of LCDS is to facilitate identification of NAMAs by providing a coherent process and framework. LCDS can ensure that NAMAs and mitigation activities comply better with national strategic development plans. Analysis by Tyler et. al. (2013) showed that the interaction between LCDS and NAMA is interpreted very differently in the six countries they studied (South Africa, India, Brazil, Colombia, Chile, and Argentina). It ranges from the functional relationship explained above to »no relationship« in Argentina. They suggest defining LCDS tighter in order to distinguish between coordinating, planning, and strategic exercises.



Relating LCDS and NAMAs to development planning *Copyright: UNEP 2011.*

NAMAs, as a sub-set of all mitigation actions in a country, can be packaged for submission to a web-based registry maintained by the UNFCCC Secretariat. By submitting NAMAs, countries can gain international recognition for their climate actions and may attract finance, technology, and capacity building support from international donors (Tyler et. al. 2013, UNFCCC 2013). From the international perspective, there are three different types of NAMAs: unilateral (domestically funded, unilaterally implemented), supported (implemented with financial, technological, and/or capacity building support from developed countries), and credited NAMAs (UNEP 2011). Carbon crediting for NAMAs is highly contentious, however, and remains contingent on future international agreement (Ecofys 2012).

SUCCESSSES AND PITFALLS IN THE DEVELOPMENT OF LCDS

The ACT Alliance (2012) made a useful analysis of the literature on key success factors and pitfalls in the development of Low carbon Development Strategies. The analysis reveals the importance of ownership and senior leadership, as well as of true participation by all stakeholders. This confirms the experience gained, for example, in poverty reduction strategy planning. The importance of the process employed to articulate the strategy shows it needs to be managed well.

BOX 3 KEY SUCCESS FACTORS:

- Top-level political ownership and commitment plus senior leadership from within the government
- Establishment of a long-term development vision grounded on a clear assessment of climate change
- Strong data-driven scientific and economic analysis based on robust, credible assessment of abatement potential and costs
- LCDS and NAMAs are based on and embedded in national and/or sector development plans to facilitate the maximum impact and avoid overlapping or even contrary activities arising from repercussions of single actions
- Specification of concrete goals, targets and time lines
- Broad and proactive engagement of relevant stakeholders to manage trade-offs, enable cross-sector support and also data collection
- Local experts need to drive the processes
- Ongoing review and iteration building consensus around priority sectors in the country
- Inter-ministerial coordination structure including key ministries (finance, economy, energy, etc.)
- Addressing and specifying the need for financial, technical and human capacity required to implement the proposed policy measures and achieve low carbon growth
- High level of partner country preparedness

Key pitfalls:

- External imposition
- Poor integration in national development strategies
- Lack of information for policy prioritisation
- Low availability of high quality data
- Lack of awareness of the opportunities of low carbon development.

(van Tilburg et. al. 2011, 13 and 36; Project Catalyst 2009a, 11ff and 2009b, 5f; Rösser et. al. 2011, 14f and 21; Deutsche Gemeinschaft für internationale Zusammenarbeit 2011a and 2011b).

Finally, one important dimension of LCDS and NAMA planning is their financing. It is striking that, beyond generic recommendations favoring public-private partnerships (KPMG 2010) and proposals for a financial architecture for NAMA (Ecofys 2012), there is no coordinated approach by international bilateral and multilateral donors to funding LCDS development. Many support programs have continued to focus on specific sectors, an example being Norway's support for Guyana's LCDS for forests. At the national level, Germany has supported Ethiopia and Colombia, and the United States has supported Gabon. The World Bank has often focused on the power sector through the Energy Sector Management Assistance Program (ESMAP). New initiatives like Mitigation Action Plans and Scenarios (MAPS) and the Climate and Development Knowledge Network (CDKN) pool funds from multiple donors, public and private. A new inter-governmental organization called the Global Green Growth Institute has worked closely with McKinsey, but has been criticized for greening business-as-usual policy-making. Clearly, much depends on reaching detailed international agreement on »where next« in climate cooperation and financing.

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