

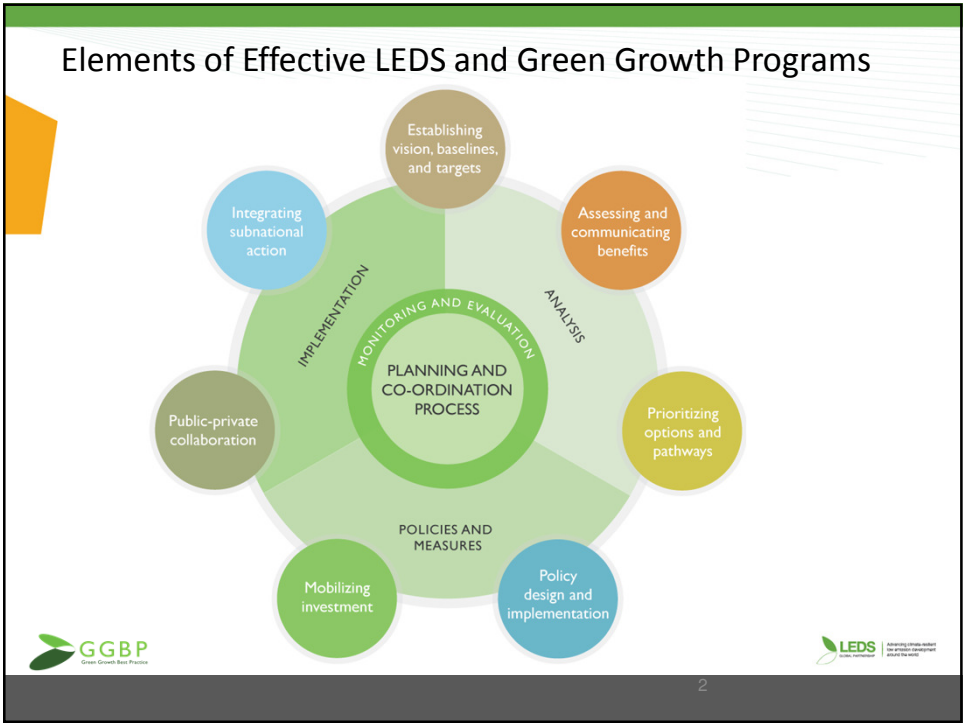
LEDS Components, Vision and Targets, and Policies and Measures

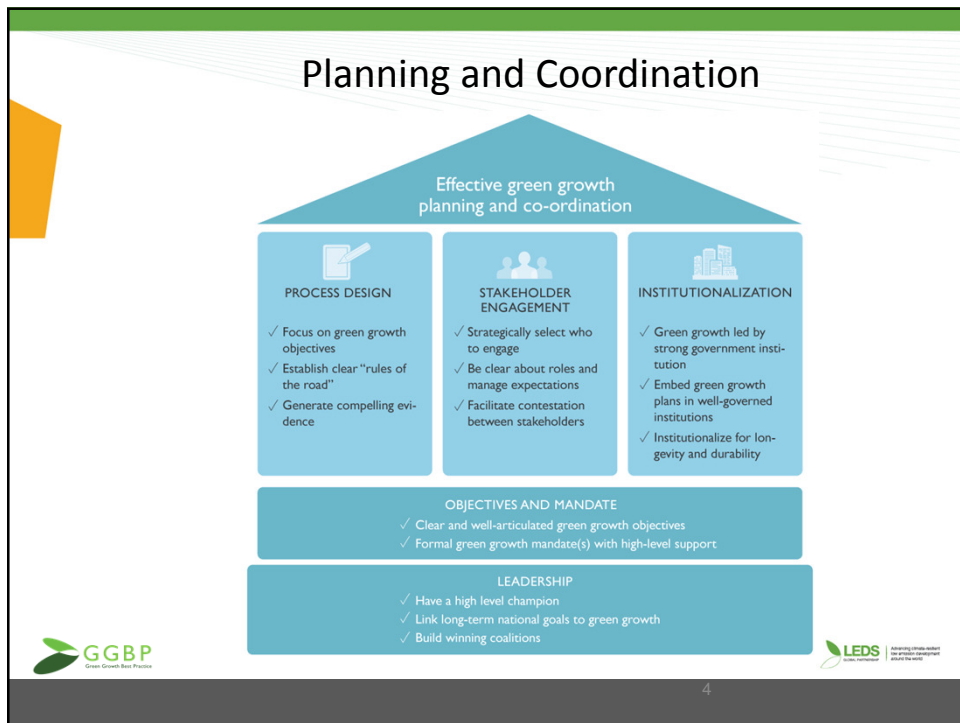
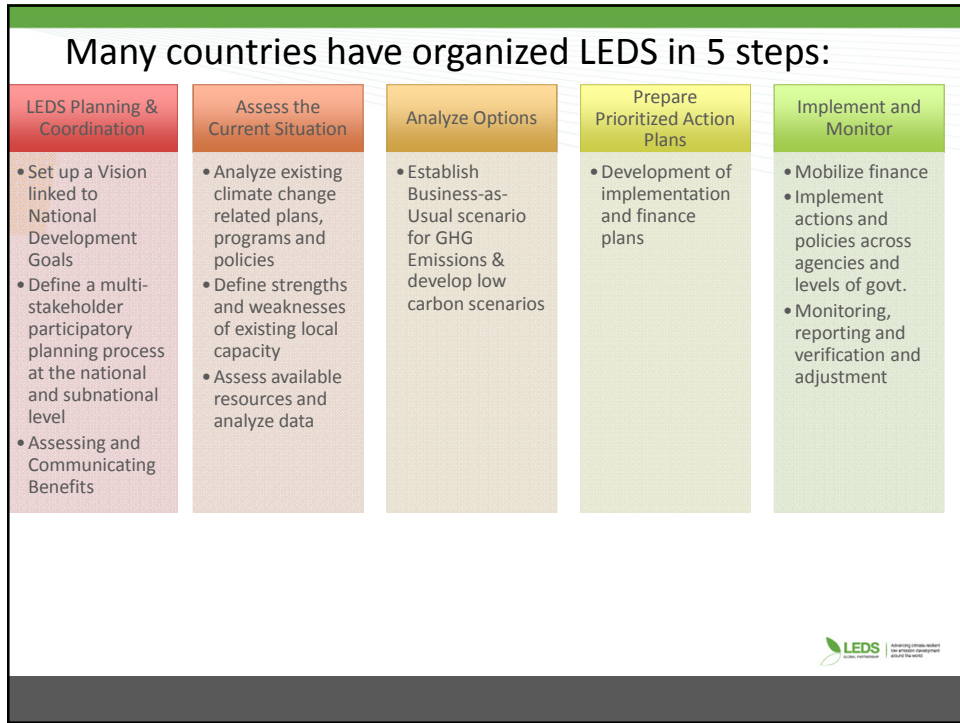
Ron Benioff
Director, LEADS Global Partnership

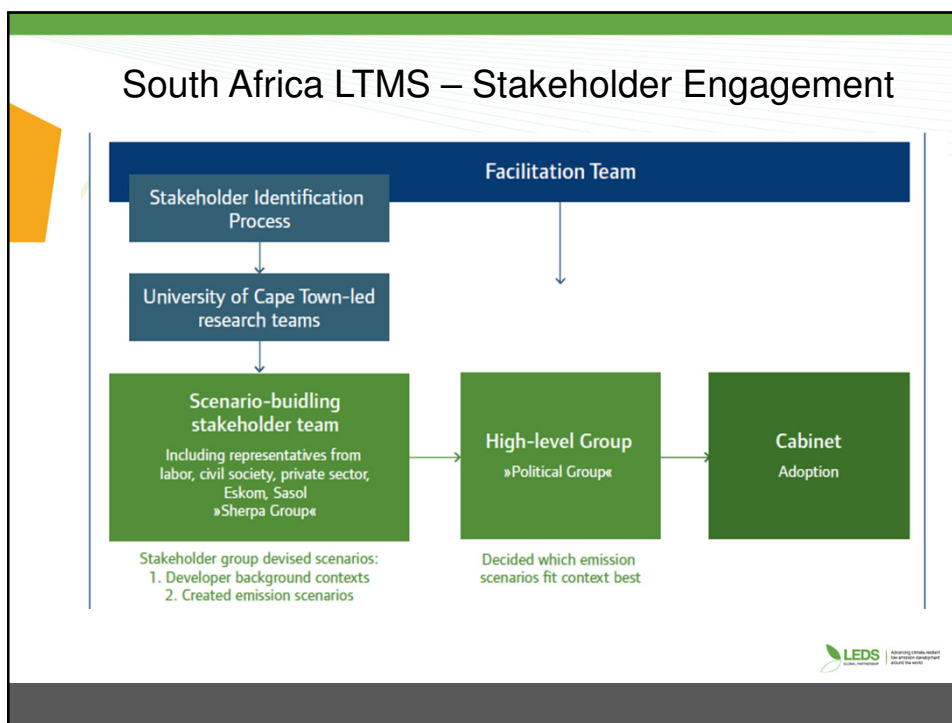
April 16, 2015
Marrakech, Morocco



LEDS
Low Emission Development Strategy
Assessing climate-related low emission development options for energy







Establish clear vision, targets and baseline

What do we mean by **vision, targets and baselines**?

- **A vision** is long-term and shared objective to guide policy making by articulating a cross-government objective, and to provide a common purpose for national, sub-national and regional action.
- **Targets** specify the desired outcomes of policy action. Targets can be specific values (GDP, tons of GHG emissions), or relative values (e.g. in relation to BAU, year, etc).
- **Baseline** are defined levels of specific variables or groups of variables (e.g. economic outputs, GHG emissions, poverty headcount, air pollution) which are used as a reference to set a target.

LEDS is a leading provider of energy efficiency solutions for the public and private sectors.

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Key lessons – vision and targets

- Build ambitious, yet achievable **vision** for long-term green growth transformation, driven by high-level political leadership and supported through consensus building with stakeholders
- Establish near and long-term **performance targets** aligned with domestic priorities at economy-wide, sector and sub-national level and link with policies and budget allocation

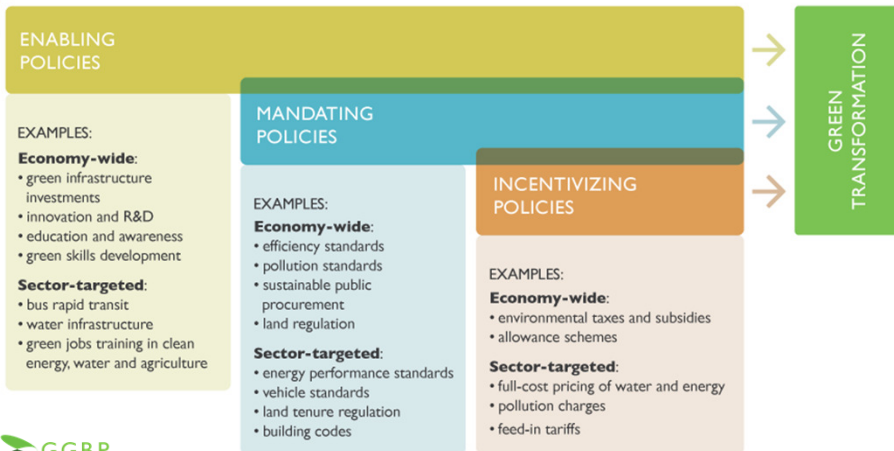
Ethiopia: achieve a middle-income status by 2025 through a climate-resilient green economy. This means increasing GDP per capita by 475% while reducing GHG emissions by 35% below 2011 levels.

Cambodia: Problem of pollution in relation to economic and population growth is main driver for green growth vision. National GG vision closely aligned with the popular perception of the adverse health effects of the recent development pathway.



Policy Design and Implementation

Apply a mix of policy instruments to achieve short term ‘wins’ and support long-term transformation.



Lessons on policy design and implementation

Designing portfolio of LEDS policies that includes enabling, mandating and incentivizing policies, with special attention to green innovation policies and labor and skills development

- Support green innovation to decouple growth from environmental degradation
- Develop skills to improve competitiveness and avoid bottlenecks

India: Bottom of the pyramid innovation support solutions adapted to local contexts and targeting SME's, micro-enterprises, and community groups

Gauteng, South Africa: Community led open innovation program to support alternative green economic value chains that will advance community development and be replicated across townships

- **Korea:** Centrally coordinated policies targeting universities, vocational training, and youth education
- **South Africa:** Green Economy Accord, increasing competitiveness and employment opportunities with a special focus on young workers across sectors
- **Brazil, China, Malaysia:** Green city programs strengthening local skills



Lessons on policy design and implementation

Couple consistent and coherent policy instruments with strong governance and enforcement

Acknowledge and address resource limits and environmental threats

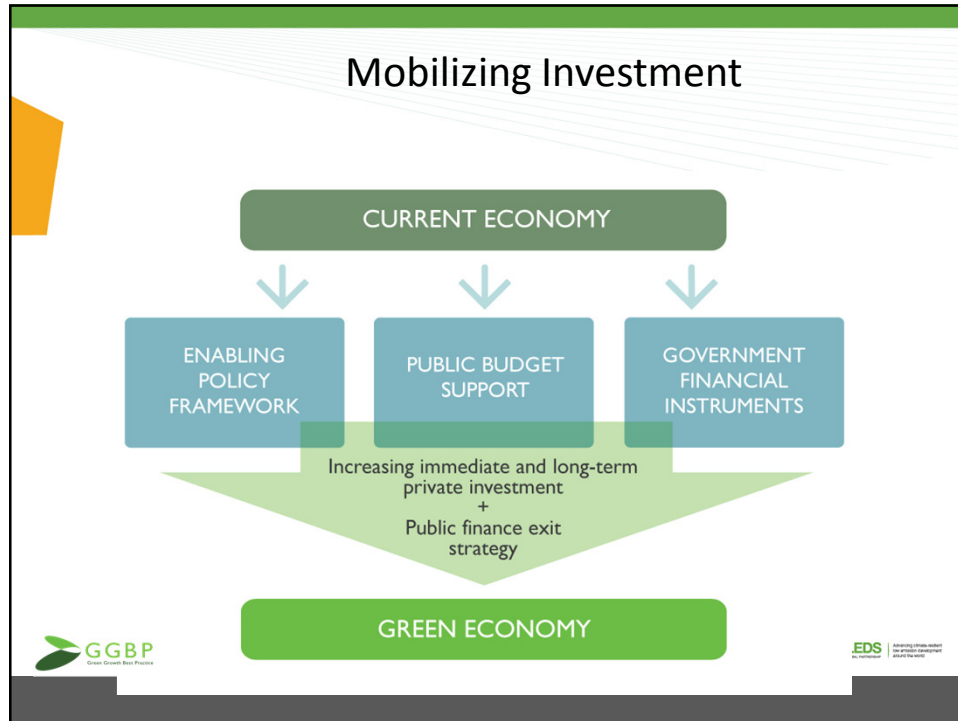
Singapore: Ambitious plans with targets continuously reviewed and met through a broad mix of well-enforced policies

Germany: Stable renewable energy policy portfolio resulting in deployment of renewable energy technologies domestically and world-leading domestic wind and solar industries

Mexico City's Plan Verde: Addressing backlog of environmental restoration with clear targets and effective monitoring systems

Brazil: Reconciling poverty reduction and environmental goals with agricultural growth





Key lessons on use of public funds

Make effective use of public **public funds**, including:

- Direct budget allocation to sector agencies and sub-national governments and applying user fees, earmarked taxes, and other revenues
- Consider use of public intermediaries and dedicated green funds

Korea: '2 Percent Rule' where government spends 2% of GDP on green growth implementation

Vietnam: Aggregates international funds with public funds via national budget to mainstream green growth with development programs

South Africa: Green fund providing catalytic support for green development projects

UK: Created new Green Investment Bank to fund green projects with at least 3:1 private leverage

GGBP
Green Growth Best Practice

LEDS
Low Emission Development Strategy

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Key lessons on use of financial instruments

Use **financial instruments** to de-risk project and increase return on investments

- Integrating with the policy context
- Tailoring concessionality
- Transparency of public financial incentives
- Planning an exit strategy

Bangladesh: Infrastructure Development Company channels international finance and offers grants and soft loans for green projects

Brazil: national development bank offers energy efficiency credit line

Morocco: employing equity investments to support emerging green businesses

South Africa: green fund using guarantee & insurance mechanism to attract private investment



Public-Private Collaboration

PUBLIC-PRIVATE COLLABORATION (PPC)
Enhancing public policy effectiveness and efficiency.
Diverse PPC options: government-led, private-led, collaborative governance

Examples of green growth outcomes advanced by PPC* and PPC roles



SPURRING INNOVATION AND CREATING MARKETS



MANAGING NATURAL RESOURCES



GREEN INFRASTRUCTURE DEVELOPMENT



Integrating Subnational Action

Three modes of action through which national and subnational governments **interact** in practice:

1. Subnational implementation of national policy
2. Independent subnational action promoted by national action
3. Subnational action informing and inspiring national action




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Vietnam's Green Growth Strategy

- To achieve the ambitious 2020 national targets, all 63 provinces are mandated to formulate their own respective Provincial Green Growth Action Plan and integrate them into their local 5 year and annual Socio-Economic Development Plans.
- 10 of the 63 provinces are actively pursuing the definition of their PGGAPs.
- Provinces expect guidance from the central management level for implementation of PGGAPs.



Adapted from: "The subnational integration of the Vietnam Green Growth Strategy". July 2014. Available at http://prod-http-80-800498448.us-east-1.elb.amazonaws.com/w/images/d/dc/LEDSGP_SNI_CaseStudy.pdf





Kenya's Low Carbon Climate Resilient Development Pathway

- Kenya's LCCRD pathway was the main deliverable of the National Climate Change Action Plan (NCCAP).
- NCCAP:
 - Contributes to the attainment of Kenya's Vision 2030 & the implementation of the Constitution of Kenya 2010.
 - Encourages people-centred development.
- So far:
 - Mainstreaming of climate change in planning;
 - NAP (to be validated);
 - Development of NAMAs;
 - Green Economy Strategy & implementation Plan (GESIP);
 - Climate Change Framework Policy (to be validated);
 - Climate Change Bill (2014) – in National Assembly;
 - Reaching out to county governments to ensure mainstreaming at county level.

Lesson from the Kenyan case

- Prioritization of low carbon climate resilient options is not easy and is a highly political process.
- Stakeholder consultation is an essential and critical component of the prioritization process: They are like fish; you catch them at their own terms!
- High-level buy-in and involvement is crucial – otherwise you risk producing just another report.
- Use tools and methods that can be replicated and used by in-country experts.
- Work is needed to take prioritization to county governments - Linkage between national and subnational where most of the implementation takes place.
- Limited financial resources - But must start somewhere!

