# Multi-level Governance and the NDCs in Asia- Accelerating Subnational Implementation & Raising National Ambitions

23 June, 2017 | Bangkok, Thailand

# Workshop Report

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Sub-National Integration Working Group (SNI-WG) of the LEDS GP

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# Contents

# List of abbreviations

| | |
|---|---|
| NDC | Nationally Determined Contributions |
| INDC | Intended Nationally Determined Contributions |
| PLLENRO | Philippines League of Local Environment and Natural Resource Officers |
| MPI | Ministry of Planning and Investment |
| ALP | Asia LEDS Partnership |
| SNI WG | Sub-National Integration Working Group |
| NREL | National Renewable Energy Laboratory |
| CDKN | Climate and Development Knowledge Network |
| LEDS GP | Low Emission Development Strategies Global Partnership |
| MLG | Multi-level governance |
| MPI | Ministry of Planning and Investment |
| GHG | Greenhouse Gas |
| BAU | Business as Usual |
| REDD+ | Reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries |
| SDG | Sustainable Development Goals |
| OECD | Organisation for Economic Co-operation and Development |
| LAC | Latin America and the Caribbean |
| DRR | Disaster Risk Reduction |
| MRV | Measuring, Reporting and Verification |
| NAMA | Nationally Appropriate Mitigation Actions |
| USAID | United States Agency for International Development |
| UNDP | United Nations Development Programme |
| KOIKA | Korea International Cooperation Agency |
| ADB | Asia Development Bank |
| WB | World Bank |
| GCF | Green Climate Fund |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| BRT | Bus Rapid Transit |

| | |
|---|---|
| LCCAP | Local Climate Change Action Plans |
| PLLENRO | Philippine League of Local Environment and Natural Resources Officers |
| CCC | Climate Change Commission |
| CCAM | Climate Change Adaptation and Mitigation |
| LGU | Local Government Units |
| NEC | National Environment Commission |
| MIC | Middle Income Country |
| GDP | Gross Domestic Product |
| SREDA | Sustainable and Renewable Energy Development Agency |
| LGED | Local Government Engineering Departments |
| BCCSAP | Bangladesh Climate Change Strategy and Action Plan |
| IDCOL | Infrastructure Development Company Ltd. |
| R & D | Research and development |
| M & E | Monitoring & Evaluation |
| NGO | Non-Governmental Organization |
| MDG | Millennium Development Goals |
| DSENRE | Department of Science, Education, Natural Resources, and Environment |

# Overview

The one day workshop on "Multi-level Governance and the NDCs in Asia - Accelerating sub-national implementation & raising national ambitions" was organized in Bangkok, Thailand on 23rd June 2017. The workshop aimed to bring together one representative each from the national government and sub-national government to enhance effective communication and reflect on the status of multi-level governance and climate action in their respective country. The participants shared experiences and ideas to improve coordination and vertical integration of policies to support climate action to achieve Nationally Determined Contribution/Green growth targets.

The national and sub-national representatives of Bangladesh, Philippines, Bhutan and Vietnam participated in the workshop. The participants include Bangladesh Planning Commission, Rajshahi City Corporation of Bangladesh, Phuntsholing Municipal Corporation of Bhutan, Thimpu Municipal Corporation of Bhutan, Philippines League of Local Environment and Natural Resource O□cers (PLLENRO)/ Batangas City Government, Ministry of Planning and Investment (MPI), Vietnam. (See Appendix 1: Participants)

The workshop was organized by LEDS GP Sub National Integration (SNI) working group and Asia LEDS Partnership (ALP) Secretariat with funding support from the National Renewable Energy Laboratory (NREL) which co-hosts the LEDS GP Secretariat along with Climate and Development Knowledge Network (CDKN). (See Appendix 2: Organizers)

# 1. Setting the Scene

## 1.1. Thematic Introduction

The workshop commenced with a welcome note by Ms.Soumya, Programme Coordinator, ALP and Mr.Scott, Chair of Sub-National Integration working group. The moderators set the context on the need for multi-level governance (MLG) and briefly reviewed the NDC GHG emission reduction targets from Asia along with the country participants. As many different authors and reports have discussed, in general, many NDCs were produced quickly, with inadequate consultations. Not only are they insufficient to limit climate change to less than 2˚C, but in many cases, the NDCs do not reflect local priorities, capture feasibilities or latent opportunities and did not consider technical, financial or management capacities. In many cases, there is a lack of coherence between countries' energy sector plans and their NDCs. The NDCs from the majority of developing countries do not yet represent a vision of the country that integrates national and local policies and planning. What's more, BAU has not been defined in many countries that are relying on the term.

**Table 1: Country NDC Targets**

| Country | Reference year/ baseline | Target year | GHG emission reduction target | Key words mentioned in the indc (yes or no) | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Energy | Renewable Energy | Energy Efficiency | Energy Access | REDD+ | SDG or post-2015 agenda |
| Bhutan | - | 2030 | Carbon Neutral | YES | YES | YES | YES | YES | NO |
| Philippines | BAU 2000 | 2030 | 70% | YES | YES | YES | NO | YES | NO |
| Bangladesh | 2011 | 2030 | 15% | YES | YES | YES | YES | YES | NO |
| Viet Nam | BAU | 2030 | 8-25% | YES | YES | YES | NO | YES | NO |

In addition to more aggressive GHG emission reductions, "raising national ambitions" can also refer to actions that are focused on improving consultations and multi-level governance. Some key definitions were put forward.

- **Governance** - processes of interaction and decision-making among the social actors involved in a collective problem that lead to the creation, reinforcement, or reproduction of social norms and institutions." (Hufty, M. 2011)
- **Multi-level governance (MLG)** - the synergistic "interplay" between institutions, levels of government and civil society organizations that shape how policies and actions are defined and implemented. This can involve vertical and/or horizontal interactions and take numerous forms— e.g. driven by top-down, bottom-up, or hybrid institutional arrangements.
- **Intersectoral cooperation** - the premise that state, municipal, markets and civil society sectors each posses distinct assets that can be combined in a productive manner to solve complex problems. (Kalegaonkar, A. 2000)
- **Fragmentation** - disconnected, poly-centric structures of subnational governance, for example among municipalities in a metropolitan area. Fragmentation can create political, institutional or information barriers, inefficiencies in service provision, spillover effects across jurisdictional boundaries, as well as severe income and service level inequalities.

These definitions were discussed in the context of the different considerations that influence how targets are set, and what limits levels of ambition or accelerates their achievement.

**Table 2: Setting Targets - How fast? How much?**

*Adapted from World Bank Institute, Policy Instruments for low emission development*

| Domestic Context | International Context | Analysis | Process |
|---|---|---|---|
| • Politics (priorities, cycles, etc.)<br>• Role of National Policy<br>• Role of Municipal Policy<br>• Synergies with existing policies<br>• Assessment of economic growth & stability | • Int'l collaboration/ official development assistance<br>• Competitiveness issues<br>• Int'l agreements | • GHG emissions inventory<br>• Cost/ benefits of LEDS synergies with existing policies<br>• Increasing hazards | • Stakeholder participation<br>• Inter-governmental collaboration/ MLG<br>• Data/ information asymmetries |

Some general coordination and capacity challenges to MLG were also shared.

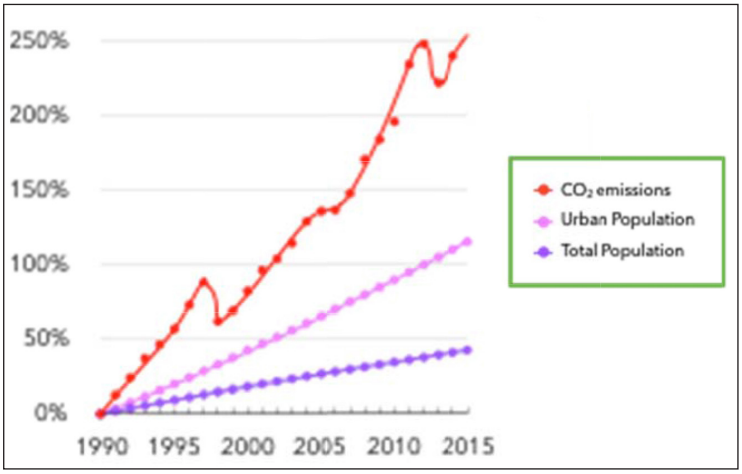
**Table 3 OECD's "Mind the Gaps" - Diagnostic Tool for MLG Coordination & Capacity Challenges**

| | |
|---|---|
| Information gap | Asymmetries of information (quantity, quality, type) between different stakeholders, either voluntary or not.<br>• Need for instruments for revealing & sharing information |
| Capacity gap | Insufficient scientific, technical, infrastructural capacity of local actors, in particular for designing appropriate strategies<br>=> Need for instruments to build local capacity |
| Funding gap | Unstable or insufficient revenues undermining effective implementation of responsibilities at sub-national level or for crossing policies,<br>• Need for shared financing mechanisms |
| Policy gap | Sectoral fragmentation across ministries and agencies.<br>• Need for mechanisms to create multidimensional/systemic approaches at the sub national level, and to exercise political leadership and commitment. |
| Administrative gap | "Mismatch" between functional areas and administrative boundaries.<br>• Need for instruments for reaching "effective size" |
| Objective gap | Different rationalities creating obstacles for adopting convergent targets.<br>• Need for instruments to align objectives |
| Accountability gap | Difficulty to ensure the transparency of practices across the different constituencies<br>• Need for institutional quality measurement<br>• Need for instruments to strengthen the integrity framework at the local level<br>• Need for instruments to enhance citizen's involvement |

The subject was narrowed down to urbanization in Asia; trends, new dynamics, and the influence on effective NDCs.

East and South East Asia are among the fastest urbanizing regions in the world. And Since 1990, the majority of countries in the region have been rapidly urbanizing without delivering emission reductions. In fact, $CO_2$ emissions from the combustion of fossil fuels and cement production are rising faster than the rate of urban population growth; which again is increasing faster than the rate of national population growth (data link). This has important implications for shifting governance dynamics. Regionally, the trend is especially divergent in South Eastern Asia.

**Figure 1: % change since 1990 South Eastern Asia**



Beyond increased $CO_2$ emissions per capita, rapid urbanization is also driving a dramatic shift in both; a) how societies are organized and, b) the development opportunities and threats that national policy must address. Today, cities and towns account for an estimated 75% - 80% of global energy use and associated $CO_2$ emissions. If the current trends in urban expansion were to continue, urban energy use may increase more than threefold by 2050; from 240 EJ to 730 EJ.

**Table 4: Fastest Urbanizing**

| Asia | Δ1990 - 2015 | | Rank in Asia |
|---|---|---|---|
| | Country Pop | Urban Pop | |
| Bhutan | 45% | 241% | #2 |
| Bangladesh | 49% | 158% | #8 |
| Viet Nam | 36% | 125% | #10 |
| Philippines | 64% | 50% | #51 |

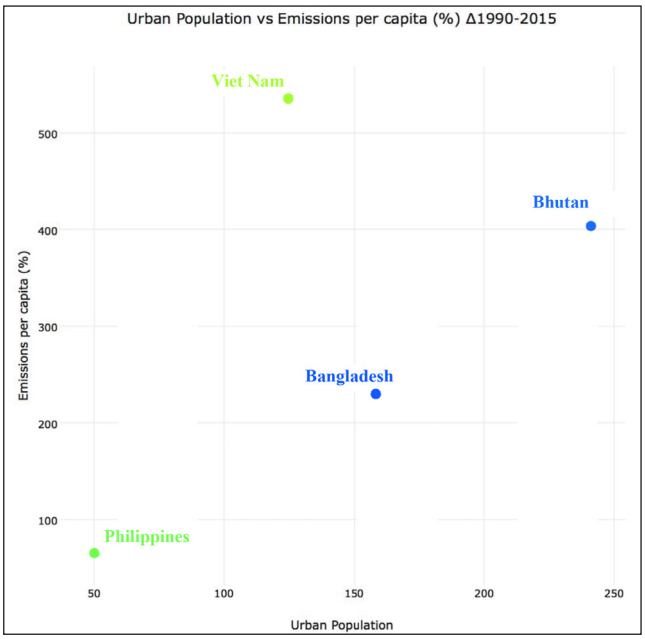
- http://ledsgp-data.netlify.com
- *Rank= difference between total and urban pop increase, out of 52 Countries in Asia*

**Table 5: Fastest Carbonizing**

| Asia | Δ1990 - 2015 | | Rank in Asia |
|---|---|---|---|
| | Total Country | Per Capita | |
| Viet Nam | 761% | 536% | #3 |
| Bhutan | 629% | 404% | #4 |
| Bangladesh | 393% | 230% | #10 |
| Philippines | 172% | 65% | #25 |

- *Fossil fuels & cement production*
- http://ledsgp-data.netlify.com
- *Rank of increase in per capita $CO_2$, out of 52 Countries in Asia*

**Figure 2: Urban Pop vs $CO_2$ emissions per capita (%) Δ1990-2015**



Conclusions were shared from the discussions at the recent 2017 Global NDC Conference in Berlin on themes of integrated governance, transparency, and finance.

## Takeaways – 2017 Global NDC Conference, Berlin

**Integrated Governance**

For climate actions to result in tangible development benefits, countries need to reconfigure their governance systems.

Key Findings:
- High-level leadership is vital for fostering multi-sectoral and multi-level processes that include climate mitigation and adaptation actions for sustainable development.
- Strong leadership and stakeholder management capabilities are required to lead a society wide transformation process. This includes the engagement of new actors, and the expansion of roles and responsibilities for NDC implementation.
- Sectoral approaches are key to NDC implementation. Long-term planning helps breaking down climate targets into short- and mid-term priorities.
- Integrated governance is the foundation for building a common architecture for NDC implementation, transparency and climate finance.

**Transparency**

The enhanced transparency framework is the backbone of the Paris Agreement. It builds trust, enables tracking of NDC implementation and informs the global stock take on reaching the long term goal.

Key Findings:
- A data and transparency system is paramount for the national coordination of NDC implementation and further supports communicating the work to different stakeholders.
- Transparency works two ways: Reporting and review not only serve accountability but also inform processes for formulating national policies and setting sectoral targets.
- Trust is crucial. Transparency is a powerful mechanism for learning and driving individual and collective ambition.

**Finance**

Attracting investment is a multidimensional challenge - the public sector plays a key role through policy, regulatory and national incentives and engineering which enable public and private investment in low-carbon infrastructure and climate and resilient development.

Key Findings:
- NDCs need to be translated into investment opportunities and project pipelines developed and expanded to increase visibility and profile of options to attract finance.
- There is no single formula for attracting finance within the variety of capital and investors with differing needs to be understood and appropriate national instruments and risk-reduction or sharing tools applied, in each specific investment context.
- Break up silos: cooperation, continued engagement and a joint-understanding of opportunities between key actors in the climate and finance communities is crucial to accelerate investment in NDC goals.
- An improved understanding is needed of how effective public budgeting for climate change actions can support the mobilization of investment at scale; sensitize finance, planning and trade ministries; and pave the way for the integration of NDCs into national and sub national planning.

Lastly, a summary was shared from the SNI-WG recent report, "Forging low emission development paths in Latin America & the Caribbean, Multi-level dynamics in the world's most urbanized region."

Although multilevel governance and intersectoral collaboration towards domestic implementation of the NDCs and long term LEDS in LAC is still incipient, there are significant synergies and additional development impacts and co-benefits being achieved by improving the coordination and vertical integration of data, actions, policies, investments, and monitoring across multiple levels of governance. Some important examples of progress in LAC include: the creation of inter-ministerial climate cabinets; national councils comprised of multiple levels of government as well as civil society; cities providing important leadership and regional input to national policy; inter-municipal cooperation to reduce fragmentation; regional climate change science and strategic action committees; and national networks of municipalities on climate change.
(Download Overview Presentation)

# 2. Country Presentations

In preparation for the Bangkok workshop, country participants were asked to collaborate on a presentation that shared insights and recommendations on implementing and achieving their country's particular NDC targets.

Guidance for the preparation of the country presentations included:

- What are the direct and indirect impacts of climate change in the areas where you work?
- How was your country's NDC created? Were subnational governments consulted in the preparation of the NDC? If so, how? If not, why not?
- Are the national and subnational governments currently working together on the NDC? What is the interaction between them? (vertical and horizontal, e.g. between cities) Is the private sector involved in achieving the NDCs?
  - Where is the coordination happening?
  - What are potentially effective coordination mechanisms for inter-institutional and inter-sectoral strategies?
- Who is taking the lead on subnational climate actions and investment? Are there examples of subnational implementation leadership? Where is the most transformational progress happening?
- Who is monitoring GHG emissions? National government? Cities? Private sector companies?
- Have opportunities for collaboration between the NDC and the SDGs been identified? or between the NDC and national targets under the Sendai Framework for DRR?
- What is the status of "de-centralization" in your country. (political, administrative, fiscal…) Are there local elections? Is there a local tax authority?
- Are there clear examples of MLG in any sector in your country? (e.g. transportation infrastructure, energy systems, etc.). What infrastructure is the direct responsibility of local authorities?
- Does multilevel governance have an impact on:
  - organizational structures?
  - budget and asset management?
  - enhanced mobilization of endogenous resources?
  - integrated urban planning?
  - inclusive service delivery?
  - enforcement of legal frameworks?
  - promotion of economic and social development, as well as gender responsive planning and budgeting.
- What "Coordination & Capacity Challenges" are stunting definition and/or implementation of climate policies/actions? How can/ are these challenges be/ being addressed?

## 2.1. Viet Nam

Mr. Le Minh Tuan and Mr. Nguyen Manh Hieu shared background on Viet Nam's NDC and the "Action Plan for Reducing GHG emissions in the Transport Sector."

With the GHG emissions trajectory steeply rising from 20Mt $CO_2$e in 1990 to 180Mt C02e in 2015, it is clear that Viet Nam's GHG emissions reduction target of 8% unconditional and 25% conditional vs BAU is quite ambitious.

Their implementation of activities to meet their NDC GHG mitigation targets, is divided into 2 periods; and includes the following select highlights.

- 2016-2020
  - GHG mitigation policy review and revision
  - Develop national carbon market and pilot in select sectors
  - Conduct GHG inventories for 2014, 2016 and 2018
  - Develop national MRV system for mitigation actions
  - Develop and implement NAMAs
- 2021-2030
  - Implement mitigation actions in the energy, agriculture, transportation and construction sectors.
  - Implement GHG inventories for national reports under Paris Agreement provisions.

In 2010, the transportation sector accounted for 31.8 Mt $CO_2$e which was around 23% of the country's total GHG inventory. However, by 2020 emission from transportation are expected to reach nearly 88 Mt $CO_2$e. Their projections hold transportation emissions at 88Mt $CO_2$e for 2030.

Currently, the country is working with GIZ to develop some GHG inventory software.

One example of inter-ministerial collaboration today is the Ministry of Planning and Investment working to support the Ministry of Transport to develop a legal framework for MRV for railways and inland waterways. This project is in the preparatory phase. Also, the Ministry of Transport is working closely with the Ministry of Finance to implement the NDCs and support their achievement both financially and technically.

In relation to MLG, the MPI is supporting the implementation of 5 different Provincial Green Growth Action Plans. This project receives foreign development assistance from USAID and also benefits from inter-ministerial collaboration with the Ministry of Industry and Trade, Ministry of Finance, and the Ministry of Transport. In addition, MPI is also working with the Ministry of Natural Resources and the Ministry of Agriculture and Rural Development in the analysis of the natural environment and land management in the provinces. These ministries are also collaborating with KOIKA, ADB, WB, GCF, GIZ and UNDP. Specifically, MPI is supporting the provinces so that they receive and administer future GCF funds directly.

The NDC considers the transport mitigation plans by sub-sectors, and a plan has been prepared for each.

Current Implementation Actions in Transportation Sector:

- Developing public transport
  - Promoting mechanisms and policies to increase options and usage.
  - Continue policies improving public bus use and coverage.
  - Five urban railways are under construction; 3 in Hanoi and 2 in Ho Chi Minh.
  - Several BRT routes are under construction.

- Improve Multi-modal transport
  - In order to decrease the proportion of road transport, the country is restructuring several transportation sub-sector projects: roads, railways, inland waterways, maritime and aviation.

- Increase transportation technology
  - Apply emission standards for motor vehicles - Euro IV.
  - Strengthen motor vehicle inspection activities.
  - Implement fuel labeling for automobiles under 7 passengers.
  - Promote use of alternative and new fuels
  - Pilot electric cars for tourism

Future Actions in Transportation Sector:

- Create and strengthen legal frameworks
  - Transport sub-sector development plans
  - Transportation plans for Hanoi and Ho Chi Minh City

- Implement additional strategies
  - Achieve 40% public transport in Hanoi, including 17% by urban rail.
  - Achieve 35% public transport in Ho Chi Minh, including 18% by urban rail.
  - Hanoi will have 9 urban railway corridors.
  - Ho Chi Minh will have 10 urban railway corridors.
  - Low carbon buses; to include 13,900 hybrid busses; 6,800 plug-in hybrid busses and 1,000 all electric busses.

Current priorities for the NDC in Viet Nam also include creating a database. The MRV framework for the NDC is being developed but it is a challenge as there are many overlaps with many international donors. Currently there are diverse methodologies and different groups are using different coefficients, factors and diverse methodologies. This is a problem. Data sharing is very difficult. Capacity is not a big problem because there is a great deal of international support - but harmonizing methodologies and coefficients is a priority.

Viet Nam is still working to strengthen collaboration between line ministries, as well as improve public awareness and advocacy at different levels.

They are seeking examples and models of transportation data bases from other countries.

The group began to discuss how governance can change behavior of society and culture. For example, people choose transportation options based on convenience. The group discussed the case of tax on gasoline vs a “feebate” system to not only influence choice, but to subsidize low emission options as well. Subsequently influencing behavior at the same time as subsidizing the uptake of new low carbon technologies.

It was remarked that gender issues are not a problem in the transportation sector in Viet Nam. (Download Viet Nam Presentation)

## 2.2. Philippines

Mr. Oliver Gonzales shared detailed information about the Philippines comprehensive climate change agenda. This included details on the participatory planning process of the INDCs, the components of the nation-wide “Local Climate Change Action Plans” (LCCAP) and an overview of the activities and mission of

the Philippine League of Local Environment and Natural Resources Officers (PLLENRO).

It was pointed out that in fact, the Philippines is the 13th most populated country in the world, with over 104 million people. The communities of the country are very vulnerable to the impacts of climate change - and while the nation became a full-fledged party to the Paris Agreement in April of 2017, the President also received the commitment of City and Municipal Mayors from across the country to finish their respective Local Climate Change Action Plans (LCCAPs) this same year.

The national "Climate Change Commission" (CCC) was created in 2009 (amended in 2012) to lead and coordinate policies, as well as monitor and evaluate climate response. At the same time, the "Cabinet Cluster on Climate Change Adaptation and Mitigation" (CCAM) was created to accelerate convergence and coordination among different government agencies. In addition, a "Peoples' Survival Fund" was established, and allocates national budget for the climate adaptation needs of local communities and local governments.

The INDC, as well as the various development frameworks and action plans that predate the INDC, were all developed through exhaustive, inclusive and participatory processes. Widespread consultations were organized and conducted with relevant government agencies at all levels, including the Office of the President, the Senate, and House of Representatives. This also captured input from across civil society and the relevant business sectors.

More specifically, the LCCAP is crafted and designed by the local government units (LGUs) that presents their specific climate action plans. The LCCAP was defined specifically by the national climate change act in 2009 as, "The LGUs shall be the frontline agencies in the formulation, planning and implementation of climate change action plans in their respective areas, consistent with the provisions of the Local Government Code, the Framework, and the National Climate Change Action Plan."

This year, the Peoples' Survival Fund received many proposals from LGUs but very few were selected. There is simply not enough capacity at the local level to develop a solid proposal.

PLLENRO was organized in 2009 to advance various environmental advocacies and facilitate capacity building and development programmes among local environment and natural resource officers. PLLENRO is comprised of 1600 LGUs. They are now a key partner in promoting LEDS. They have been involved in significant mentoring and coaching of LGUs to develop subnational GHG inventories, this training has been introduced to all cities and municipalities to include in their LCCAPs. 417 offices and local planners have been trained in subnational GHG accounting. Recently at the PLLENRO's general assembly in May 2017, they were able to train over 300 LGUs on Mitigation options in their LCCAPs.

However, mobilizing funds for new climate actions is a challenge for LGUs. As well, the LGUs are facing challenges due to defined roles and responsibilities in political terms. The environment officers are not mandated to develop local GHG inventories. The political terms is only 3 years, so the priorities change frequently with incoming administrations. Not all LGUs are aware of the NDC target.

Today, PLLENRO is creating a "Trainers Bureau", with on-call support to LGUs to develop GHG inventories. This is a critical role because while LGUs must report GHG inventories to the national government, there is little support provided.

There is a disconnect in that LGUs have been able to target around 25% reduction in GHG emissions, which doesn't match with national government target of 70% by 2030.

Mr. Gonzales presented several specific innovative projects of PLLENRO. These are included in the workshop slide deck.
(Download Philippines Presentation)

## 2.3. Bhutan

Ms. Nima Wangmo and Mr. Sangay Wangdi began their presentation with an introduction that emphasized the important fragile mountain ecosystem and rich biodiversity in the country. There exists a national mandate that at least 60% of the country must be under forest cover. With a small national population of 745,000 people around 56% of them are engaged in forestry and agriculture. Today, 70.5% of the country is forested and in 2013 was estimated to have sequestered 6.3 Mt $CO_2e$.

Bhutan's INDC is one of the most ambitious, and did have a consultative process consisting of 4 technical rounds and a high level review. In addition, a task force was created that included sector representatives under the lead of the National Environmental Council. This was made possible by support from UNDP and the European Commission.

While 2013 GHG emissions were estimated at 2.2 Mt $CO_2e$, it is recognized that emissions from the combustion of fossil fuels and manufacturing of cement is growing rapidly. With 100% of electricity provided by hydropower, electric vehicles are of great interest. Importantly, agriculture is still the most polluting industry.

The nation is committed to maintaining emissions below forest sink capacity. They will do this by pursuing LEDS across all sectors and embracing international support to implement strategies, plans and actions.

The GHG mitigation priorities in Bhutan are:
1. Forest sink management
2. Low carbon transportation
3. Sustainable waste management
4. Greening industry
5. Clean renewable energy
6. Climate smart livestock farming
7. Climate smart agriculture
8. Demand side energy management
9. Green buildings and "smart" cities

Land use is a challenge. For example, in Phuentsholing, the city spreads across 19.6 sq. km and has poor soil stability and suffers severe flooding annually. There is a NAMA project starting in Phuentsholing, but the city corporation does not have full autonomy over local policies.

Means of NDC implementation will be supported by existing institutions including the National Climate Change committee and the Climate Change Coordination Committee (C4). These both issue climate change reports at the national level. Implementation will also come from "processes" including integrating climate targets into the 12th five year development plans and identifying synergies across sectors and levels. Carbon neutrality and disaster risk management are both key elements in the 5 year plan. This will also include costing the NDC.

Inter-ministerial cooperation is only just beginning between ministries through regular meetings at a high level. Their decisions are passed down to subnational authorities and cities. Unfortunately, information

sharing is not structured - there is no formal information sharing platform.

There is not much horizontal interaction between cities. Vertically, the National Environment Commission (NEC) leads the consultative process with multiple stakeholders. This process is chaired by the Prime Minister and all 10 ministries are involved. The Member Secretary is Chairman of the NEC.

It is recognized that the achievement of climate goals will depend on levels of international support. There is not much capacity at the local level and a great deal of training on basic GHG inventories is needed. There is no GHG monitoring at the local level.

Recently the National Transport Action Plan was approved, which gives priority to mass bus systems and the implementation of electric shuttle buses.
(Download Bhutan Presentation)

## 2.4. Bangladesh

Dr Nurun Nahar and Mr. Reazat Hossain began their presentation on a positive note sharing the experience of Bangladesh implementing the MDGs and achieving numerous socio-economic goals. The Prime Minister is now giving this high priority to climate change, while at the same time achieving Middle Income Country (MIC) status by 2021.

This is a challenge as the economy of Bangladesh is growing by 6-7% per year in the last years, while target Gross Domestic Product (GDP) growth by 2020 is 8%. Unfortunately, every year the impacts of climate change are increasing.

Meanwhile the current energy demand is 7 GW, and supply is only around 4.5 GW. Today, renewables only provide around 1% of the supply. The goal is to increase this to 10% by 2020. To achieve this goal, the Sustainable and Renewable Energy Development Agency (SREDA) was established as a focal point for renewable energy development and increased energy efficiency. SREDA is building capacity, developing markets and supporting new technology implementation to boost renewables.

All the regional power utilities and Local Government Engineering Departments (LGED), along with NGOs, private agencies and other stakeholders are working to implement renewables across the country.

The NDC in Bangladesh focuses on three main sectors; energy, industry and transportation. Agriculture will be included in the next phase.

To accelerate vertical and horizontal integration, the government is encouraging public-private partnerships. While, local government systems do exist in Bangladesh, their autonomy is limited. Planning follows a top-down approach. There are 460 Upa Zillas headed by Chairman in the rural spheres, and Municipalities and Corporations headed by Councillors in the urban sphere. All of them are very aware of the local impacts of climate change but lack technical expertise and training. The National Planning Commission is focusing on increasing the budget for local governments in the five year plans.

There are other sectoral polices that support achieving the NDC goals. First, the NDC builds on several existing strategies, including the Bangladesh Climate Change Strategy and Action Plan (BCCSAP). The BCCSAP is currently being updated to “improve energy consumption patterns in the transport sector and options for mitigation.” Specific actions will include; promoting low cost public transit such as Bus Rapid Transit; reducing fossil fuel use per capita by improving energy efficiency; reviewing political, institutional,

and fiscal planning and; replacing fossil fuels with bio-fuels as appropriate.

Currently there is only 2MW of installed wind power. There are also many biomass options for increasing gasification for electricity generation. There are national programmes such as reduced taxes and lower duties for such equipment. The national government has also supported renewable energy investments by establishing the Infrastructure Development Company Ltd. (IDCOL). This is an independent, private finance body and a key driver in financing power plants and renewable energy investments.

Today, Bangladesh spends a significant portion of its development budget on climate related projects (47% of Annual Development Programme and 13% of non-development budget). In fact, over the period 2011-2014, more than 80% of all climate-related projects were financed from domestic resources, with only 20% from external resources. Other examples include the Ministry of Agriculture, which spent 25% of its budget on climate projects; while the Local Government Division spent 19%.

Bangladesh is spending more than US$1 billion per year on climate adaptation.

It is recognized that climate change has a highly localized dimension in Bangladesh, and there is an important need to decentralize climate planning and finance to the local level. But unfortunately, the complexity of development and climate finance has resulted in several different types of funding mechanisms— and analysis and tracking down of funds at the local level does not exist. The government strategy is to integrate climate change challenges and opportunities into its national development plan/ budget/programmes and local government development plans.

Currently, in the National Budget only 2-3% is allocated for local governments, which is insufficient. There is no guidance given to local governments, and they really lack capacity.

To improve integration and multi-level governance, Bangladesh needs:
- political will
- change in policies
- better collaboration between departments
- data

In Rajshahi, specific actions include tree plantings in the city and the creation of bicycle lanes. There are also programmes to replace street lights with LEDs.
(Download Bangladesh Presentation)

# 3. Multi-level Governance & Implementation

Additional examples are included in the slide deck, on various mechanisms for implementing LEDS Policy. During the one day workshop, different implementation mechanisms were discussed, where local and national governments can collaborate.

**Voluntary:** Standards that mandate use of specific technologies or minimum level of performance.

- Awareness Campaign - Campaigns to inform & educate the public. e.g. water sources, energy efficiency techniques & benefits, neighborhood gardens, etc
- Labeling - Identification/ certification of “green”, “energy efficient”, “low-carbon” products. Increases awareness and market demand.
- Training Programmes - to increase skills, knowledge and capacity of companies, institutions, local governments to make better choices.

**Regulation/ Standards:** Standards that mandate use of specific technologies or minimum level of performance.

- Building Codes - Max Btu/$m^2$ Green space: built area ratios. Obligatory use of energy efficiency building tech. Green roofs. etc.
- Biofuel Standards - Minimum % of ethanol content in gasoline. Thermal applications.
- Land Use - Bike lanes, green belts, set backs, access to urban green areas, % tree canopies, composting, strict zoning, limits to impermeable cover.
- Transportation Measures - Non-motorized transportation infrastructure, bike-share systems, free public transportation, minimum fuel economy standards for vehicle manufacturers.

**Quantity Instruments:** Policies that regulate: GHG emissions, Grid emission factors, distributed generation of renewables, or regulate quantity of energy efficiency savings— leading to a compliance market and price on carbon.

- Emission Trading Schemes - Required use of energy efficiency and pollution control technologies.
- Energy Efficiency Certificates - e.g. Minimum required % of ethanol in gasoline

**Price Instruments:** Policies that control: GHG emissions, grid emissions, natural resource consumption, land use, etc.

- Feebates
- Taxes
- On/ off peak electricity pricing
- Subsidies and subsidy reform
- Renewable energy feed-in tariffs
- Payment for ecosystem services

**R&D/ Innovation Support:** Policy reforms to support private sector & university engagement in research, development, deployment and diffusion of new green tech

- Public Funding - National or local government supported funding.
- Prizes - Establishment of funds and competitions that award prizes and resources.
- Patent Policies - Facilitate access and sharing of green tech patents. e.g. “patent pools”, patent commons, patent buy-outs and compulsory licensing agreements.

# 4. Group Discussions

Different recommendations were discussed on how to strengthen bottom-up leadership.

## 4.1. Strategic Planning

- Clear local political champions are necessary, to motivate the Mayor and get LEDS into the local development agenda.
- In some countries, such as Bangladesh, a fundamental challenges is that the local government has no authority to create a local action plan. While the Mayor is the local leader, there are limits to action— insufficient powers and lack of funding from the national government. The creation of local finance mechanisms to support local actions would better enable local leadership.
- In Viet Nam, there is power established at the local level to take decisions and set agendas. But local plans are also created at the national level, so there is often an overlap. Big projects are still with central government. Metrics and targets at the local level need to be aligned with national.
- In order to improve MLG, asymmetries of information need to be corrected. M&E systems need to be in place.
- Many residents are not aware of how planning actually happens.

## 4.2. Stakeholder Support

- Conducting local M&E and disseminating results helps generate stakeholder support
- There is frequently funding and technical assistance provided from international donors, but most of the time, the national governments direct it to particular provinces. Political allegiances can be an issue. International support to the local level must always go through the national government first. This can be a challenge.

## 4.3. Policy Formulation/ Approvals

- There is a wide variance on where and how LEDS policies are formulated.
- In Viet Nam, green growth action plans are being defined in the provinces by international consultants, but there is no money to implement the plans. There should be better monitoring of practical results.
- In the Philippines, local communities can set their own targets and strategies but must be aligned with national policies. The action plan that LGUs draft must first be presented to the Council and then escalated to the National Government. PLLENRO is facilitating exchanges between LGUs on CCAP best practice.
- In Bhutan, policy is defined at the higher levels. All actions are driven by policy. But there are significant gaps at the local level to monitor the impacts of policies. Higher authorities are the ones who must monitor local impacts. It is key to provide M&E training at the local level.
- In Bangladesh, policies can be generated at the local level, but no money is generated to support implementation, so the local government has very little actual power to drive and implement policy. So it is a challenge then for national government to try and support local policy.

## 4.4. Monitoring and Evaluation

- In some cases, international organizations are providing M&E training at the local level. This M&E then is done by industries, NGOs, the church, etc. Then those who have received training are expected to train the others in their office.
- In some countries, local governments are allowed to hire local consultants to do the GHG inventories. They do this instead of training public officials. Even after a 3-day capacity building workshop, people do not remember the training because it is not one of their responsibilities and they are not accountable. M&E tasks should be clearly assigned to specific departments.
- In other countries, the national government sends officials to the trainings, but this is often not the correct person, nor department. And the person receiving training does not have the responsibility for actually implementing the work.

## 4.5. Dissemination and Sharing

- In the case of the Philippines, a key activity of PLLENRO is to document and share best practices between LGUs. This has proven valuable for capacity building as well as LGU learning and information memory.

# 5. LEDS Stakeholder Identification

The participants discussed the diverse stakeholders that need to be involved in the societal transformation to implement LEDS and achieve the NDCs. A preliminary small group exercise was undertaken to begin distinguishing the different and most efficient ways to engage the various stakeholders at multiple levels by estimating their interest in LEDS and their power to make an impact on NDC achievement.

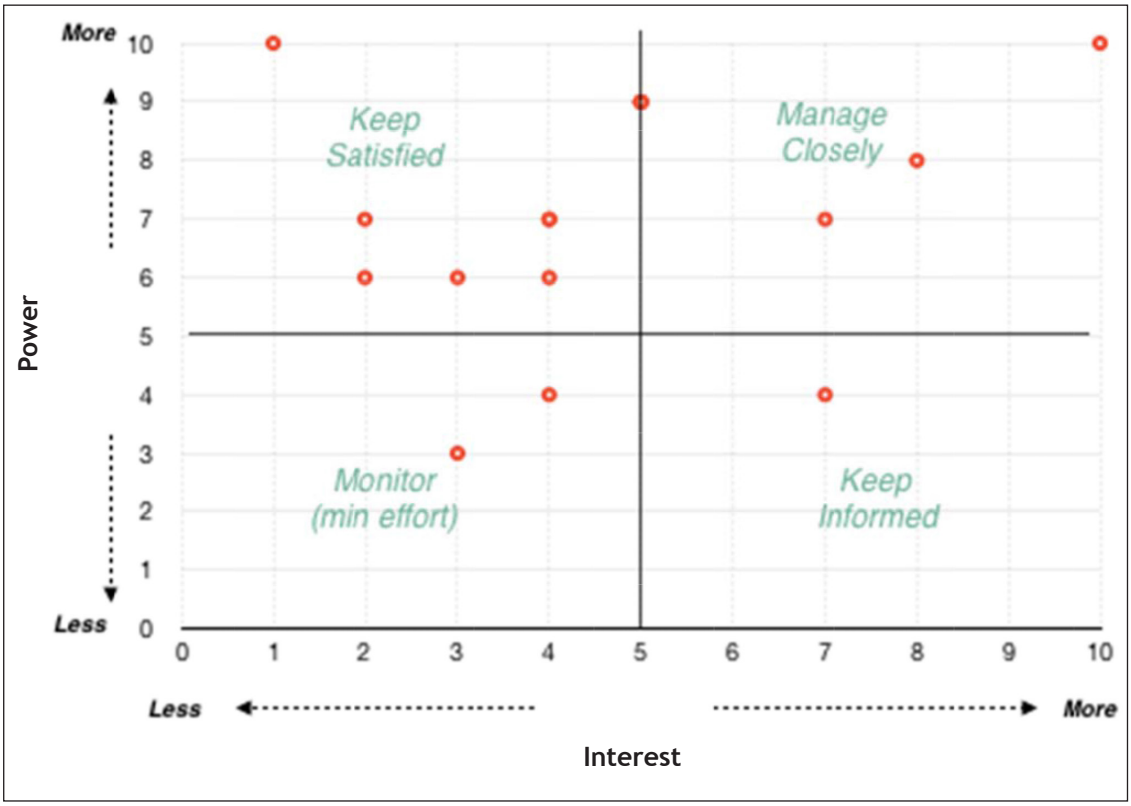



**Figure 3 Stakeholder Identification**

**Table 6: NDC Implementation - Stakeholder**

| Monitor | Keep Informed | Keep Satisfied | Managed Closely |
|---|---|---|---|
| • Tourists (3,3)<br>• Vehicle Owners (3,3)<br>• Transportation Operators (4,4) | • Scrap Dealers (7,4) | • Farmers (4,7)<br>• Mining Companies<br>- Private (1,10)<br>- Public (7,7)<br>- PPP (5,9)<br>• Cement Manufacturers (2,7)<br>• Bus Companies<br>- Public (4,6)<br>- Private (2,6)<br>• Rice Producers (5,9)<br>• Oil Refineries (4,7)<br>• Livestock Raisers (3,6) | • Power Generators<br>- Renewables (10, 10)<br>- Thermal (10,10)<br>• Aviation (5,9)<br>• Vehicle Manufacturers (8,8) |

# 6. Summary of Key Points

- Globally, NDC mitigation targets are inadequate to maintain global average temperature change below 1.5-2.0ºC. Raising ambitions of national GHG mitigation targets is critical.
- In many cases, country NDCs do not reflect local priorities, capture feasibilities or latent opportunities and did not consider technical, financial or management capacities.
- BAU has not been defined in many countries.
- Raising national ambitions" can refer to more than simply raising the GHG emission reduction targets. They also refer to actions that are focused on improving consultations and multi-level governance.
- Careful consideration of the factors and context that will influence how much and how fast GHG targets can be achieved, improves their feasibility and reduces implementation risks.

- Asymmetries of information create imbalances in political leadership between the local and national level. It also impacts stakeholder support, financing, investment decisions and more.
- Increasing urbanization is tied to increasing emissions per capita.
- Integrated governance is the foundation for NDC implementation.
- There are countries that are demonstrating rising GDP per capita with steady levels of CO2 emissions per capita that are also benefiting from the creation of inter-ministerial climate cabinets, national councils comprised of multiple levels of government and national networks of municipalities addressing climate change.
- Diverse climate action methodologies from the many different international donor support programmes can result in inefficient overlaps and confusion. Creating a database of climate actions, administered at the national level is a priority to implement an MRV system. This will help accelerate data sharing and harmonize methodologies.
- Coordinated multi-level governance can be an effective way to change socio-cultural behaviors.
- A national-level NGO can be instrumental in improving vertical integration - connecting local government to national priorities and targets. At the same time, the horizontal integration provided by a national NGO mechanism can accelerate data sharing, capacity building, efficiently channel international donor support to the local level, and also serve as a form of information memory in systems of short political mandates and high personnel turnover.
- GHG MRV conducted at the local level can efficiently inform local infrastructure investment priorities.
- Decentralizing climate finance can be confusing and difficult for local governments. This requires special attention.
- Land use is a challenge that underpins many components of the NDC, not only adaptation targets. For example, rapid unplanned urbanization or forest carbon sink management. Data sharing and synergies between adaptation and mitigation are important. This also emphasizes the importance of inter-ministerial commissions.
- Cities on international borders can have special challenges and demands due to dynamic immigration, energy and material exports, etc.
- Open data and information sharing platforms are important towards both achieving the NDCs and raising ambitions. It also improves accountability, political leadership and transparency.
- GHG monitoring by the local level is weak and is a priority.
- Linking the NDC process with the established Millennium Development Goals (MDG) architecture is an opportunity.
- Public-Private partnerships can help accelerate the vertical and horizontal integration of policies and strategies.
- Specific attention needs to be paid to decentralize climate planning and finance to the local level.
- Local leadership should be supported by financial resources.
- Stakeholder support for the NDCs is key, and different levels of government have different relationships and authority across stakeholders.

# 7. Next steps

- SNI WG aims to select two Countries from Asia based on the Expressions of Interest received from the early mover Countries. SNI WG, with support from the Asia LEDS Partnership, will provide technical assistance in “Multi-level governance and Climate Actions”. The specifics of the technical assistance will be defined in collaboration with each country’s “MLG Climate Action Team.” The technical assistance will range from analysis to facilitation – for example, organizing domestic workshops in each country that focus on capacity building and technical training. The opportunity is purposefully broad and is intended to foster collaboration, Measurement, Reporting and Verification (MRV) and joint LEDS actions within the country. The expected outcomes are, improved MLG and intersectoral collaboration towards achieving the NDC and long term LEDS.
- LEDS GP’s Sub National Integration working group with support from the ALP, will liaise with the workshop participants to prepare a white paper for issue mapping and to come up with policy recommendations to improve multi-level governance. The paper will also identify gaps, challenges and explore possible opportunities.
- The outcomes of the SNI workshop, its impacts and lessons learnt will be presented in the ALP forum in December 2017 to be held in Ho Chi Minh City, Vietnam

# Appendix 1: Participants

**Dr. Nurun Nahar** is the Deputy Chief in the Programming Division of the Bangladesh Planning Commission. She is responsible for the annual development plan of the country and works mainly in the socio-economic sectors including gender and health. She has been involved in LEDS GP activities since 2014.

**Mr. Reazat Hossain** is an Executive Engineer in the Rajshahi City Corporation of Bangladesh. Rajshahi is one of the major cities in the country with a population close to one million. He works mainly in the areas of transportation and electricity.

**Ms. Nima Wangmo** is the Environment Officer for Phuntsholing Municipal Corporation of Bhutan. Phuentsholing is one of the four big municipalities of the country and shares a national border with Jaygaon, India. This creates a large "floating population" of transient day workers. The Environment Division of Phuntsholing Municipal Corporation handles four sectors; solid waste management, sewage, beautification and disaster management.

**Mr. Sangay Wangdi** is the Principal Engineer in the Thimpu Municipal Corporation of Bhutan and heads the construction division and the urban roads division. He is involved with different low carbon infrastructure projects such as electric vehicles and public charging ports.

**Mr. Oliver Gonzales** is the City Environment Officer of the Batangas City Government, as well as the National President of the Philippine League of Local Environment and Natural Resource Officers (PLLENRO). This is linked to the National Climate Change commission chaired by the President.

**Mr. Le Minh Tuan** is working in the LEDS team at the Ministry of Planning and Investment (MPI), Department of Science, Education, Natural Resources, and Environment (DSENRE) in Viet Nam. MPI works with many different stakeholders at multplei-levels for NDC integration.

**Mr. Nguyen Manh Hieu** also works in the LEDS team at MPI in Viet Nam, which is the LEDS national focal point. His work focuses on the Green Growth Action Plan, climate change and energy efficiency.

**Ms. Soumya Chaturvedula** is the Programme Coordinator for Energy and Climate at ICLEI South Asia and coordinates the Asia LEDS Partnership (ALP) Secretariat. She was a co-moderator of the workshop.

**Mr. Scott A. Muller** is the chair of the Sub-national Integration Working Group (SNI-WG) of the LEDS GP and was the co-moderator of the workshop.

**Ms. Sonali Malik** is a Programme Officer at ICLEI South Asia and supports ALP Secretariat.

# Appendix 2: Organizers

**LEDS Global Partnership**

The LEDS Global Partnership was founded to advance climate-resilient low-emission development through coordination, information exchange, and cooperation among programs and countries working to advance low emissions growth.

Launched in 2011, the partnership brings together more than over 300 institutions across government agencies, technical institutes, international agencies, and NGOs. The partnership operates through four regional platforms (Asia, Latin America & the Caribbean, Africa and Europe & Eurasia) and six technical working groups that provide expertise in support of regionally identified priorities and activities. More information is available at www.ledsgp.org.

**Sub-National Integration Working Group**

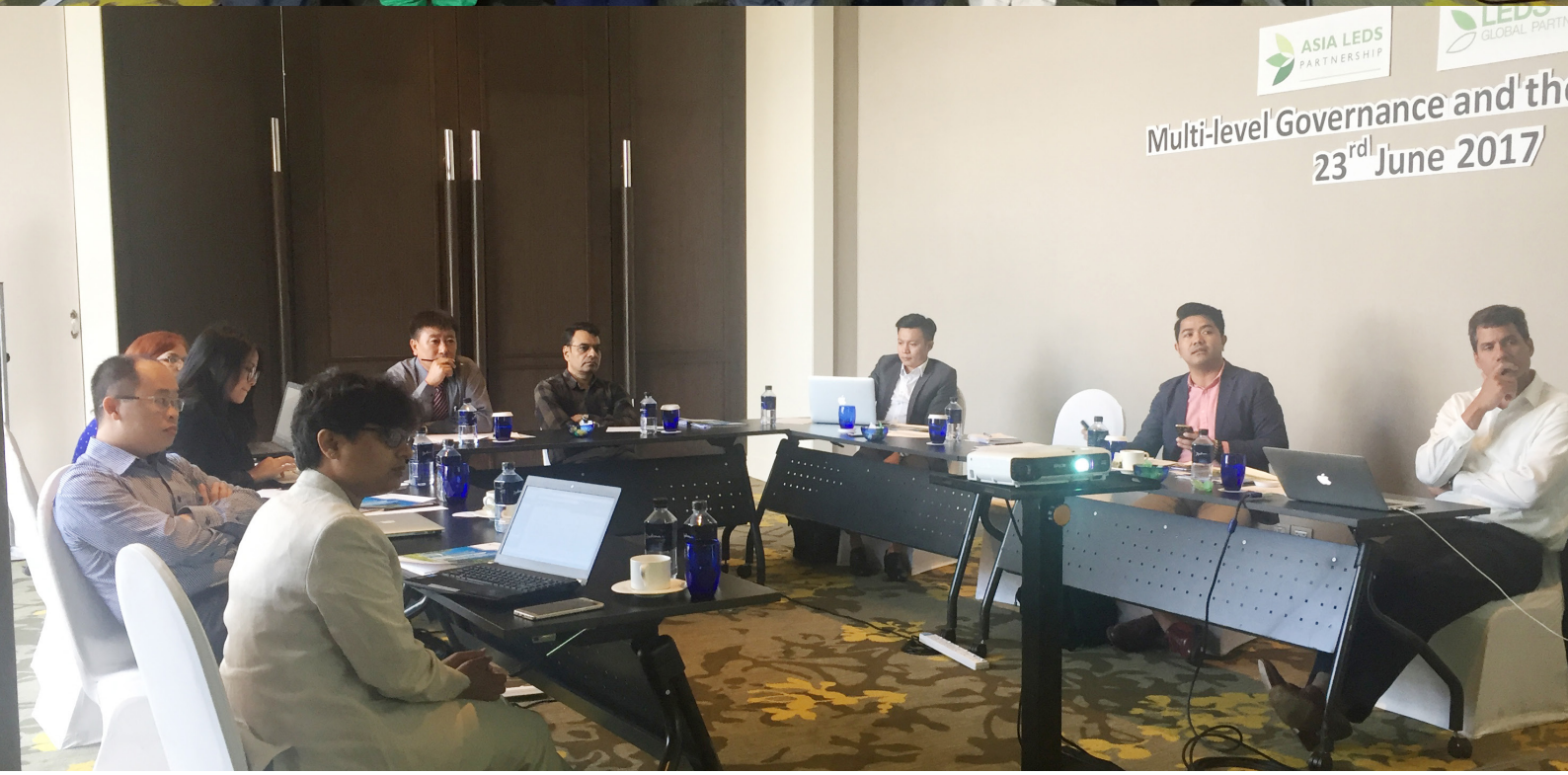
Within the various initiatives of the LEDS GP, the thematic Working Group on Subnational Integration was created in 2013 to facilitate learning and support intersectoral cooperation and the integration of climate policies and actions between national and subnational governments (vertically and horizontally), as well as with the private sector and civil society.

Since its inception, the Subnational Integration Working Group (SNI-WG) has built relationships and engagement within and across the different LEDS GP regions by hosting peer learning dialogues and exchanges, publishing reports and case studies, facilitating technical workshops and webinars, providing remote expert assistance, in-depth technical analysis, and organizing panels at multiple regional and global forums. Diverse communities of practice and key partner institutions are exploring intersectoral climate actions and addressing multi-level governance (MLG) challenges and opportunities, while sharing insights that are relevant to other members in the LEDS GP. Today the SNI-WG has grown to more than 900 members across 90 countries.

**Asia LEDS Partnership**

The Asia LEDS Partnership is a voluntary regional network that supports peer-to-peer learning, knowledge sharing, and improved coordination and cooperation among organizations and individuals working to achieve transformative, sustainable economic growth across Asia.

Launched in September 2012, the network now includes over 170 member organizations and over 280 individual members from the public, private, and nongovernmental sectors active in designing, promoting, and/or implementing LEDS in Asia. ALP is one of four regional platforms of the LEDS Global Partnership. More information is available at www.asialeds.org.


ASIA LEDS PARTNERSHIP

Advancing low-emission,
climate-resilient development across Asia

## Asia LEDS Partnership Secretariat

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