Mainstreaming Climate Change into National Development Planning – A Guide for Pacific Island Countries

Dr. Peter King

May 2010

Pacific Adaptation to Climate Change Project

SPREP

Objectives of the Guide

- The PACC mainstreaming guide is intended to "help map out linkages between climate change vulnerabilities, adaptation measures, and major national goals and policies, taking into account social, economic, and environmental considerations."
- It is to be accompanied by a training module with supporting material for testing through pilot workshops and fieldwork.
- It should be regarded as a menu rather than the main meal, as each country needs to start from its own initial conditions and governance system.

Why Mainstreaming?

Benefits include:

(a) Recognizing the importance of climate change for all sectors of the economy;

(b) Ensuring a whole of government approach to climate change;

(c) Recognizing climate change as one of many hazards that may affect vulnerable communities, livelihoods, and the environment;

(d) Facilitating access to external funding and technical assistance; and

(e) Ensuring that the costs and benefits of addressing climate change are evaluated against other government priorities, including at budget time.

General Principles

- Precautionary approach – avoid future damages by building in climate proofing at the initial investment stage;
- No sector, no planning level is immune – climate change will affect all aspects of how a national economy performs;
- All risks approach – climate change needs to be addressed as one of many risks and may be related to other risks;
- Voluntary approach to mitigation – co-benefits from some investments (like renewable energy) may also have climate change mitigation benefits;
- Primary focus is on adaptation – Pacific Island countries will be among the first to feel the effects of climate change, such as sea level rise, increased storm surges etc.; and
- Multi-stakeholder approach – governments cannot tackle climate change alone—it is a challenge for everyone.

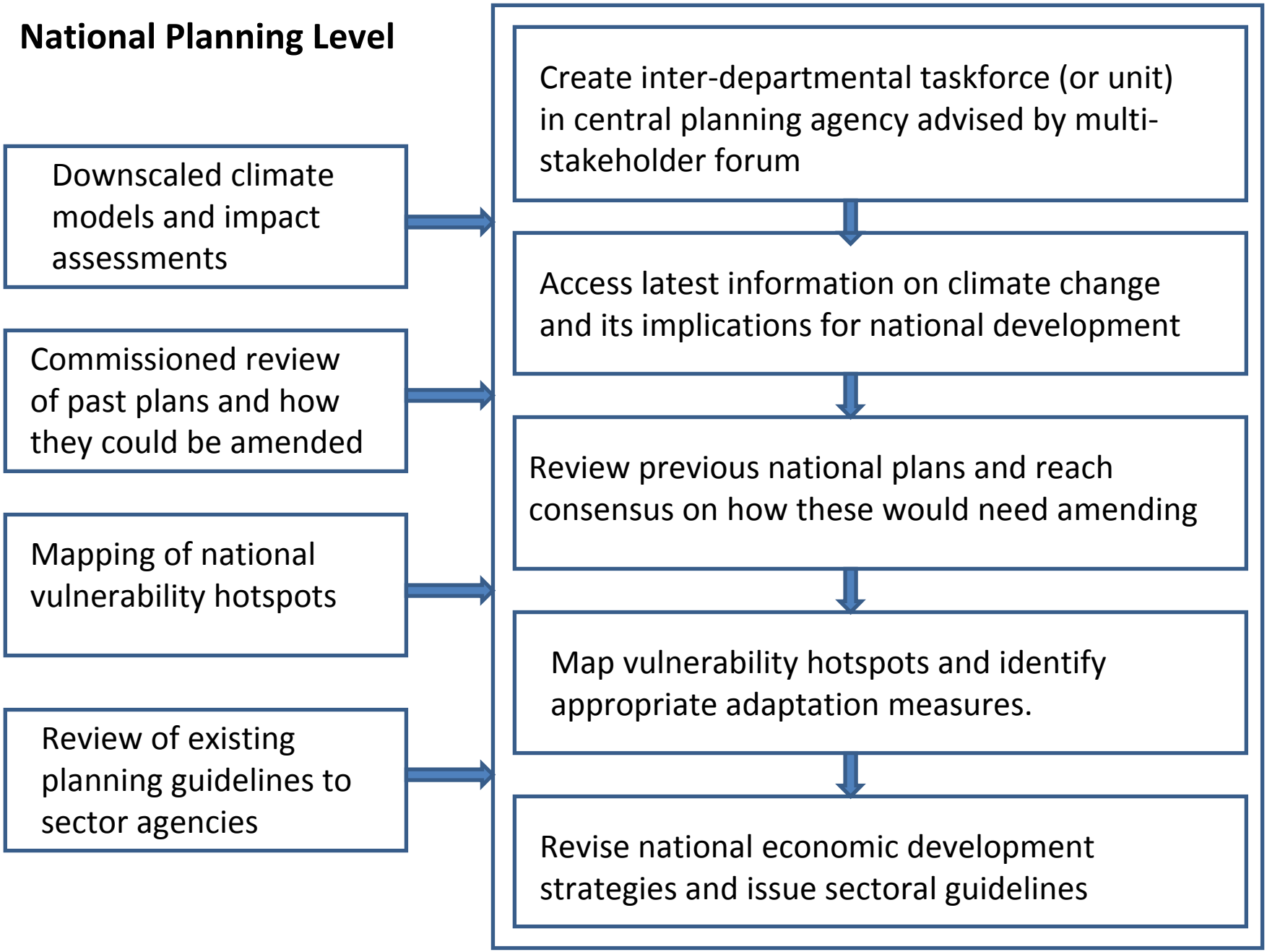
Mainstreaming Approaches

- National planning level;
- Policy measures;
- Cross-sectoral integration;
- Disaster risk reduction and disaster management;
- Integrated assessment of projects;
- Regulatory and incentive based strategies;
- Adaptation programmes and projects;
- Mitigation measures;
- National budgets;
- External funding;
- Public-private linkages; and
- Community participation.

National Planning Level

- Start by forming a task-force or unit within the national economic planning agency, pulling in experts from existing climate change and/or disaster management task forces;
- Aim for “mainstreaming plus” and address all the drivers influencing poverty and vulnerability;
- Use vulnerability assessment to underpin any proposed changes to the national economic plans and programmes, as the most vulnerable communities, ecosystems and infrastructure should be given priority for protection; and
- Revise economic strategies and issue climate change guidelines to all sector agencies.

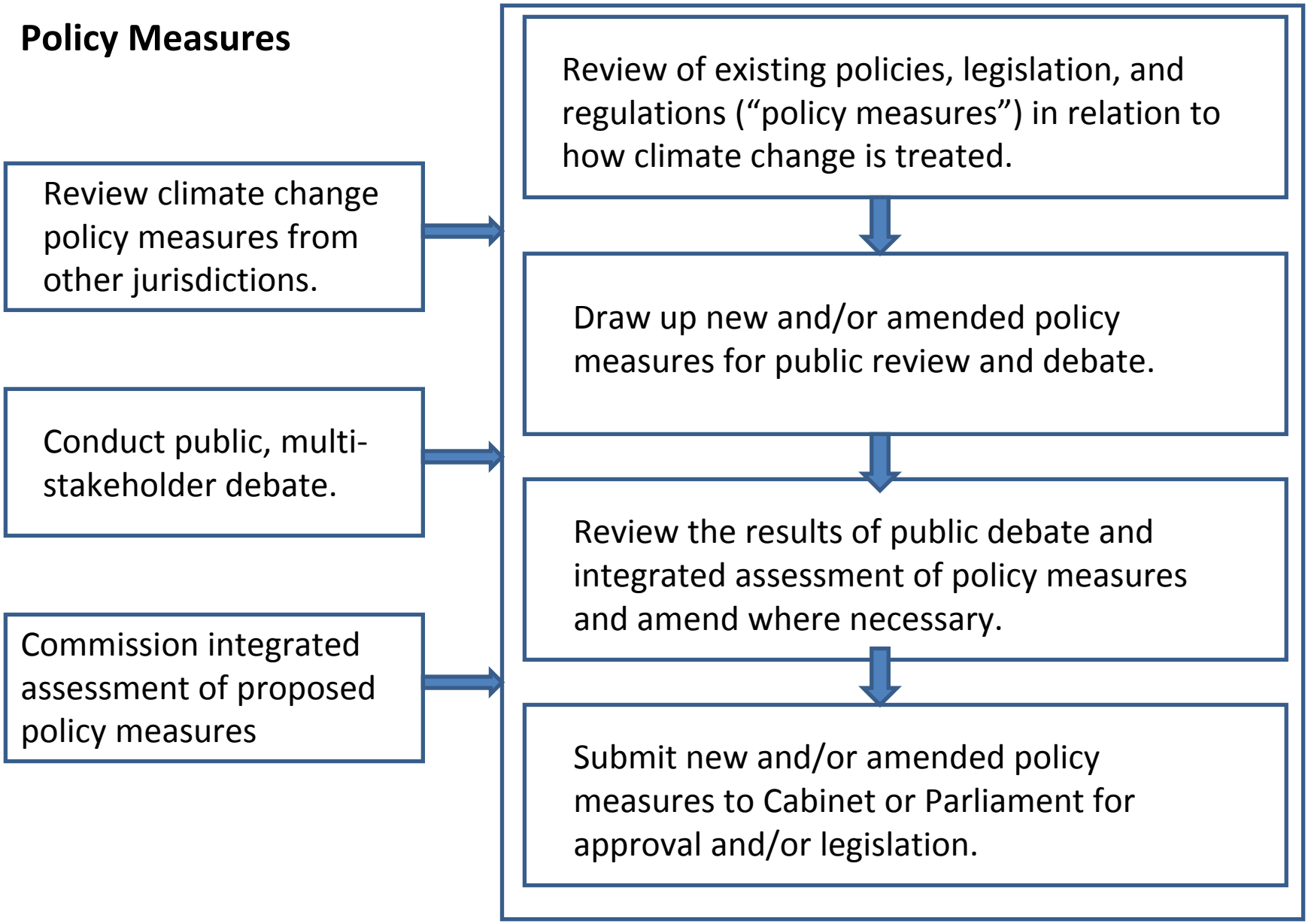
National Planning Level



Policy Measures

- Undertake comprehensive mapping of relevant policies, legislation, regulations and standards to determine the extent to which they reflect broad policy decisions in relation to climate change or are adequate to deal with the likely consequences of climate change;
- Amended and new policy measures will need to be drawn up and debated within the national political system; and
- Policy options include (i) stand alone adaptation policies, typically to maximize assistance from UNFCCC processes and new funding; (ii) no-regrets adaptation policies, which are policy measures that should be undertaken with or without climate change, but also have climate change benefits; and (iii) policies that seek to integrate adaptation measures with new development proposals.

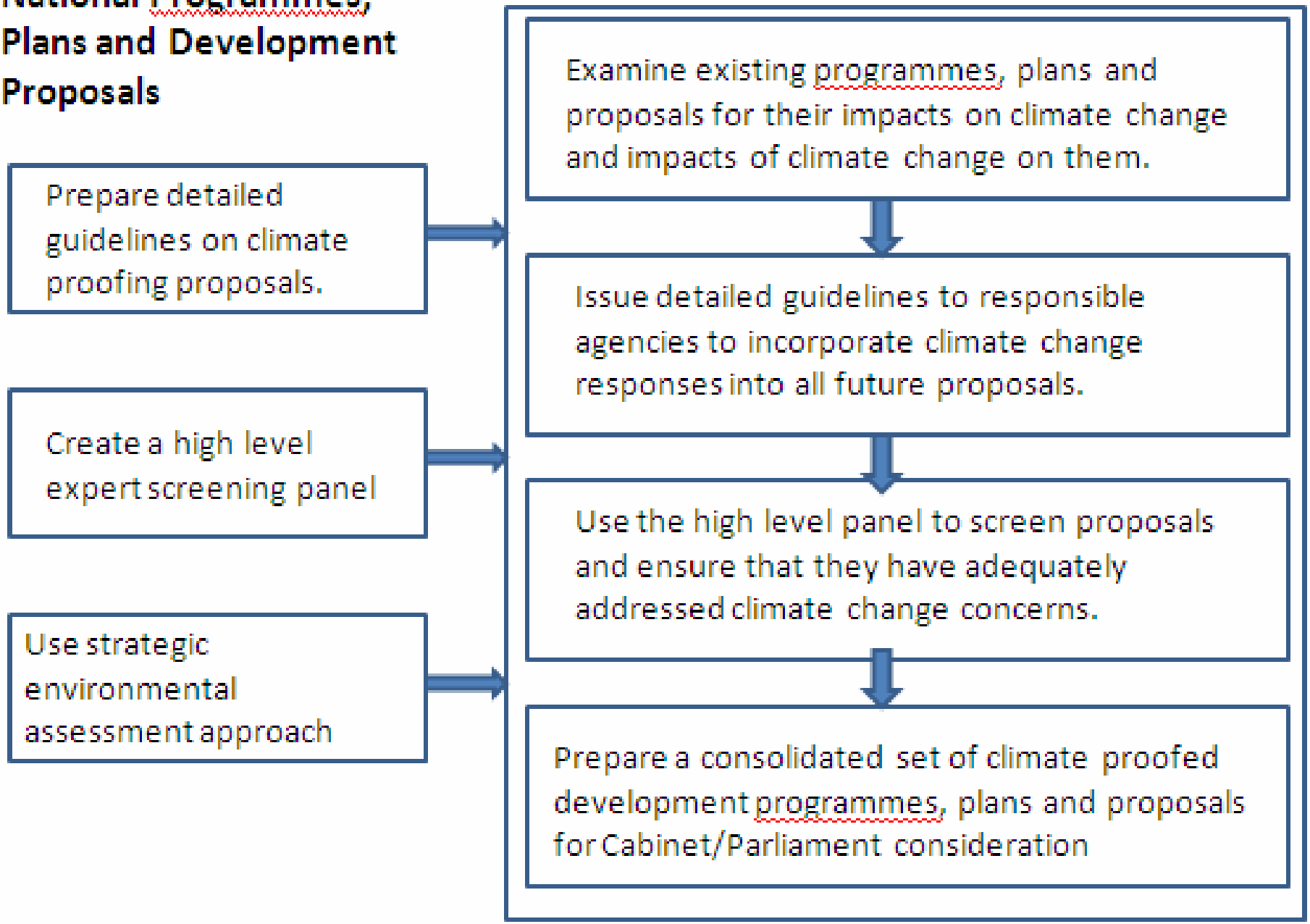
Policy Measures



National Programmes, Plans & Development Proposals

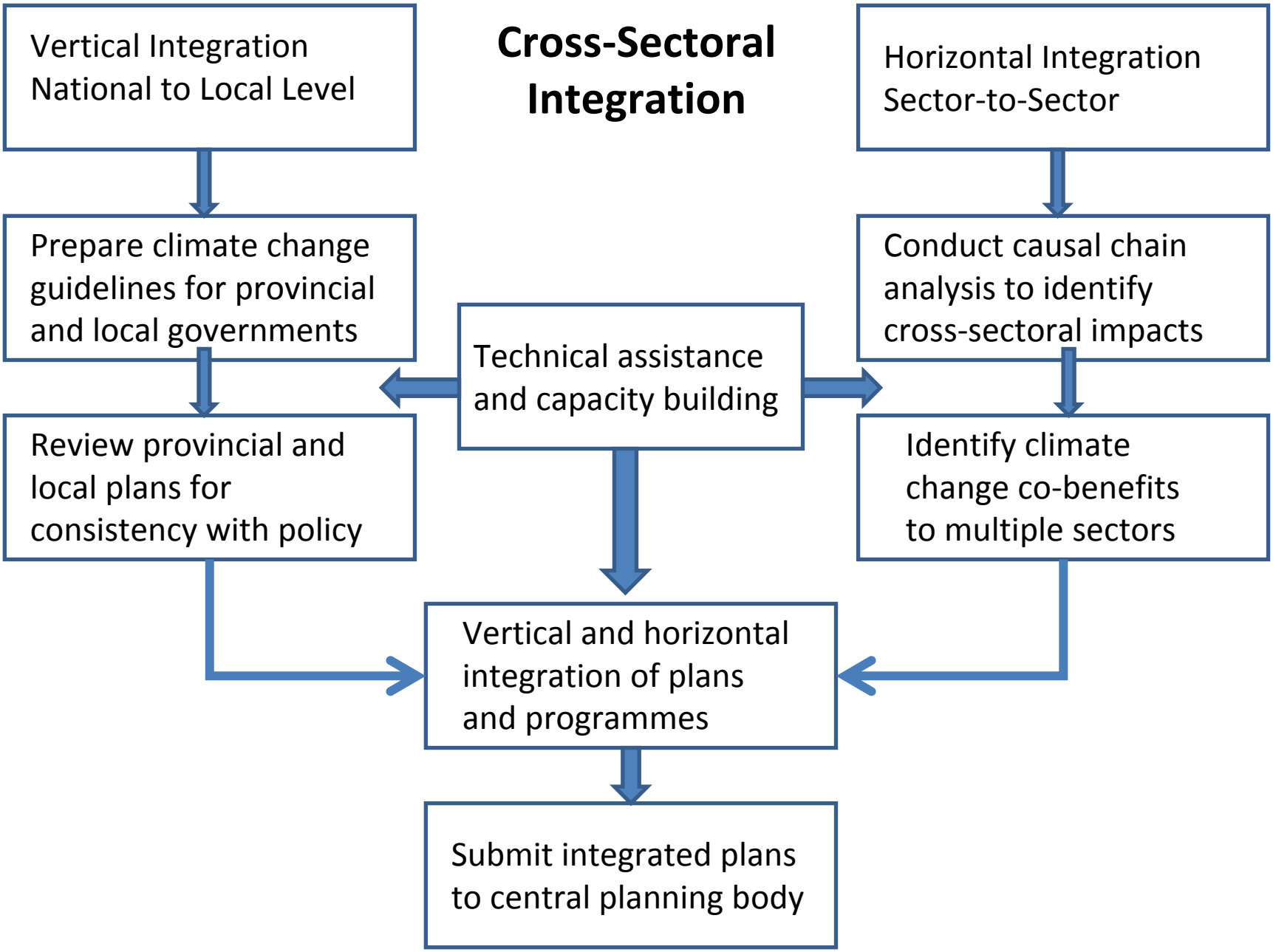
- Examine the current national strategies and priority proposals and determine the need for change;
- SEA has proven to be a very useful tool at this upstream planning level, but some modification may be needed to ensure that climate change is adequately incorporated;
- Use a high level, multi-stakeholder panel to review development proposals to ensure that climate change is adequately incorporated; and
- Prepare new national programmes, plans and development proposals that incorporate climate change.

National Programmes, Plans and Development Proposals



Cross-Sectoral Integration

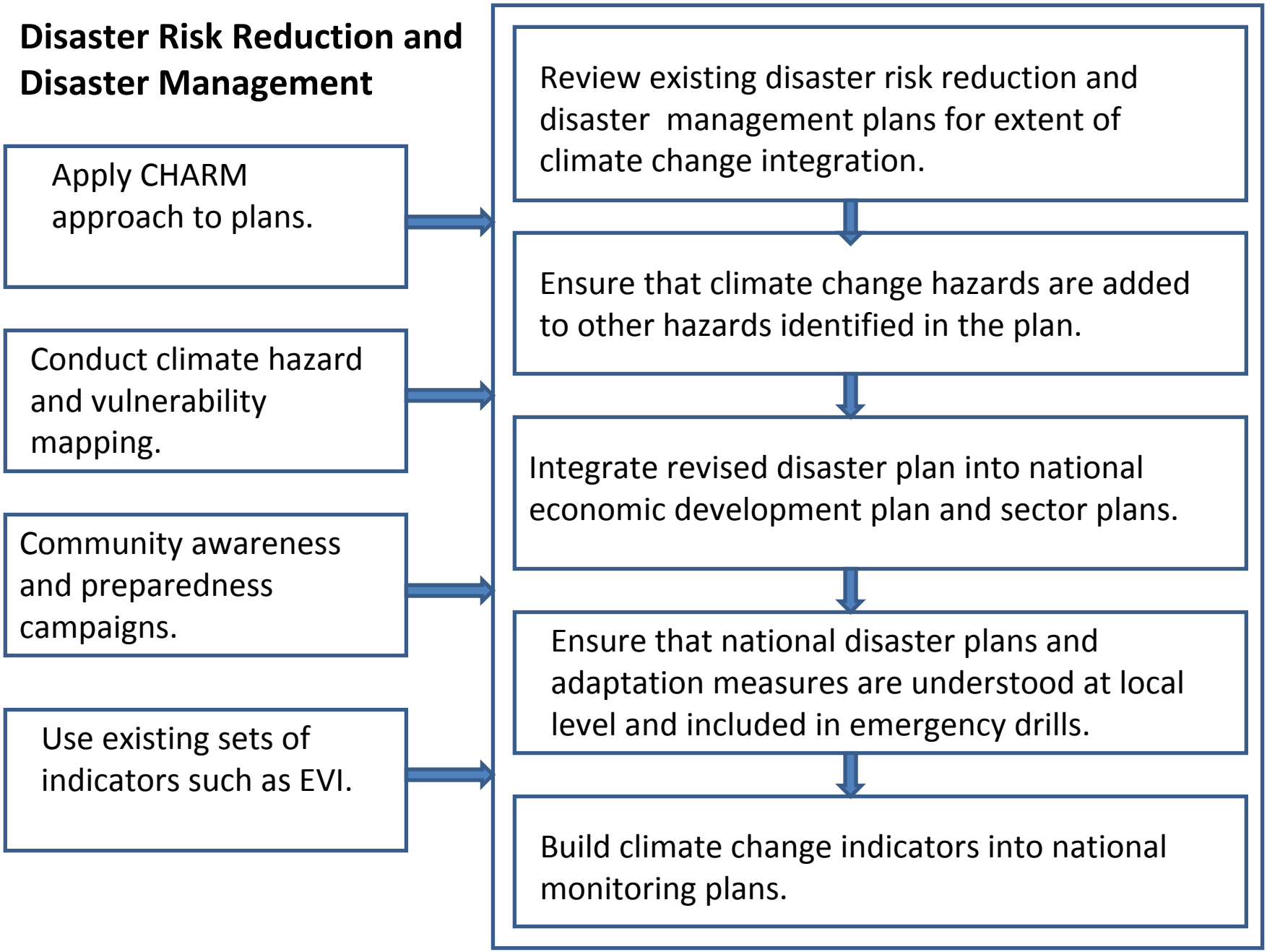
- Cross-sectoral integration operates vertically and horizontally—vertically from national to local level within the same sector, and horizontally across different sectors at the same level;
- One of the best tools for illustrating and evaluating cross-sectoral linkages is causal chain analysis, which essentially creates a long chain of cause-effect relationships;
- increasingly sophisticated economic models, such as computable general equilibrium models, are available that predict the effect on multiple sectors as a result of a specific change in one sector, such as a new climate change policy.


Cross-Sectoral Integration
Vertical Integration National to Local Level
Horizontal Integration Sector-to-Sector
Prepare climate change guidelines for provincial and local governments
Conduct causal chain analysis to identify cross-sectoral impacts
Technical assistance and capacity building
Review provincial and local plans for consistency with policy
Identify climate change co-benefits to multiple sectors
Vertical and horizontal integration of plans and programmes
Submit integrated plans to central planning body

Disaster Risk Reduction and Disaster Management

- Lessons learned: (i) prevention pays off in the long run; (ii) risk reduction is more effective than waiting and repairing the damage; (iii) risk management is most cost-effective when introduced early into planning investments; (iv) no regrets adaptation measures can reduce vulnerability significantly; and (v) focusing on vulnerability may be the best way of integrating disaster risk reduction and climate change adaptation.
- Climate change responses in the Pacific region can build on disaster responses but do not repeat the mistakes.

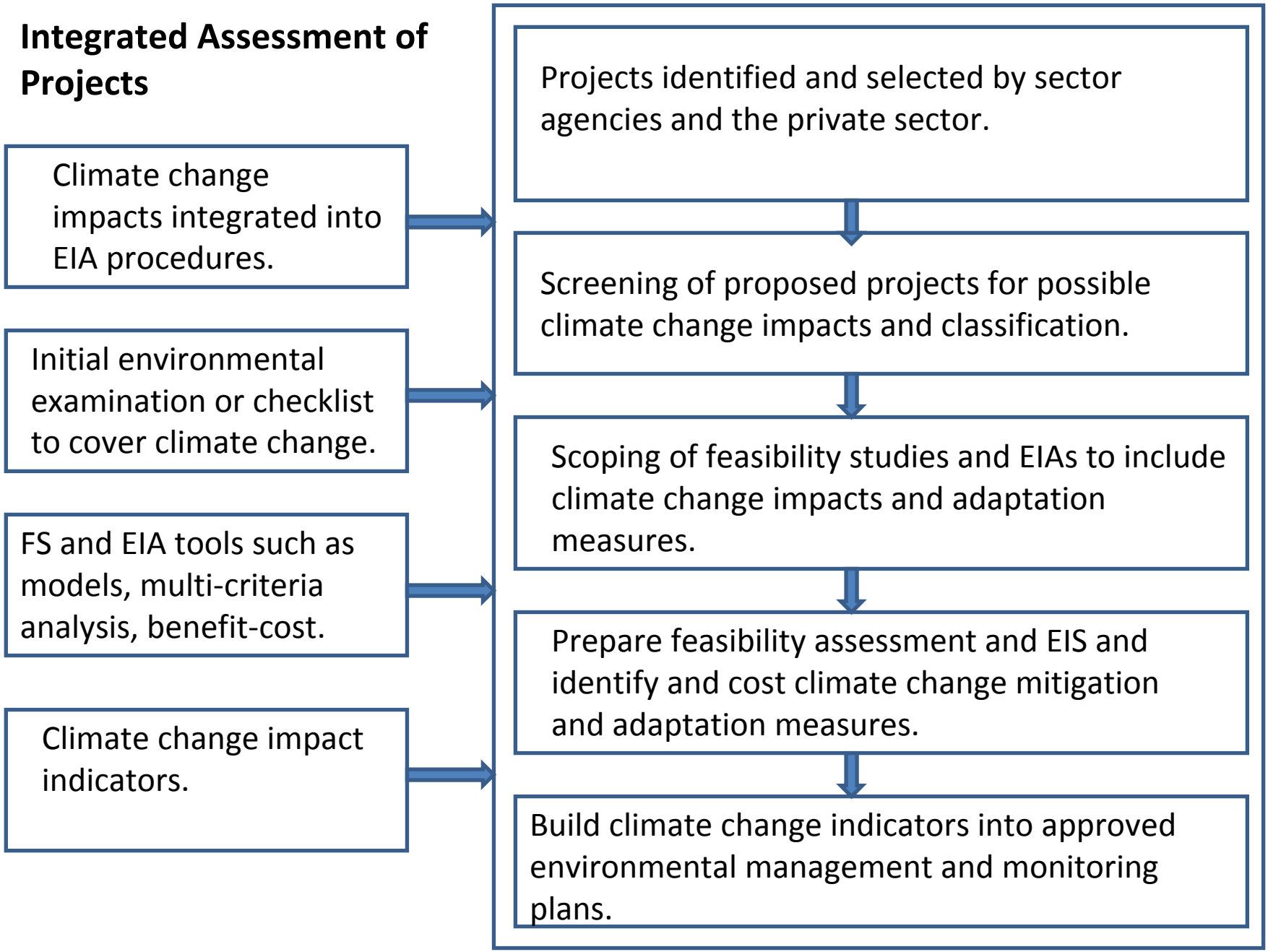
Disaster Risk Reduction and Disaster Management



Integrated Assessment of Projects

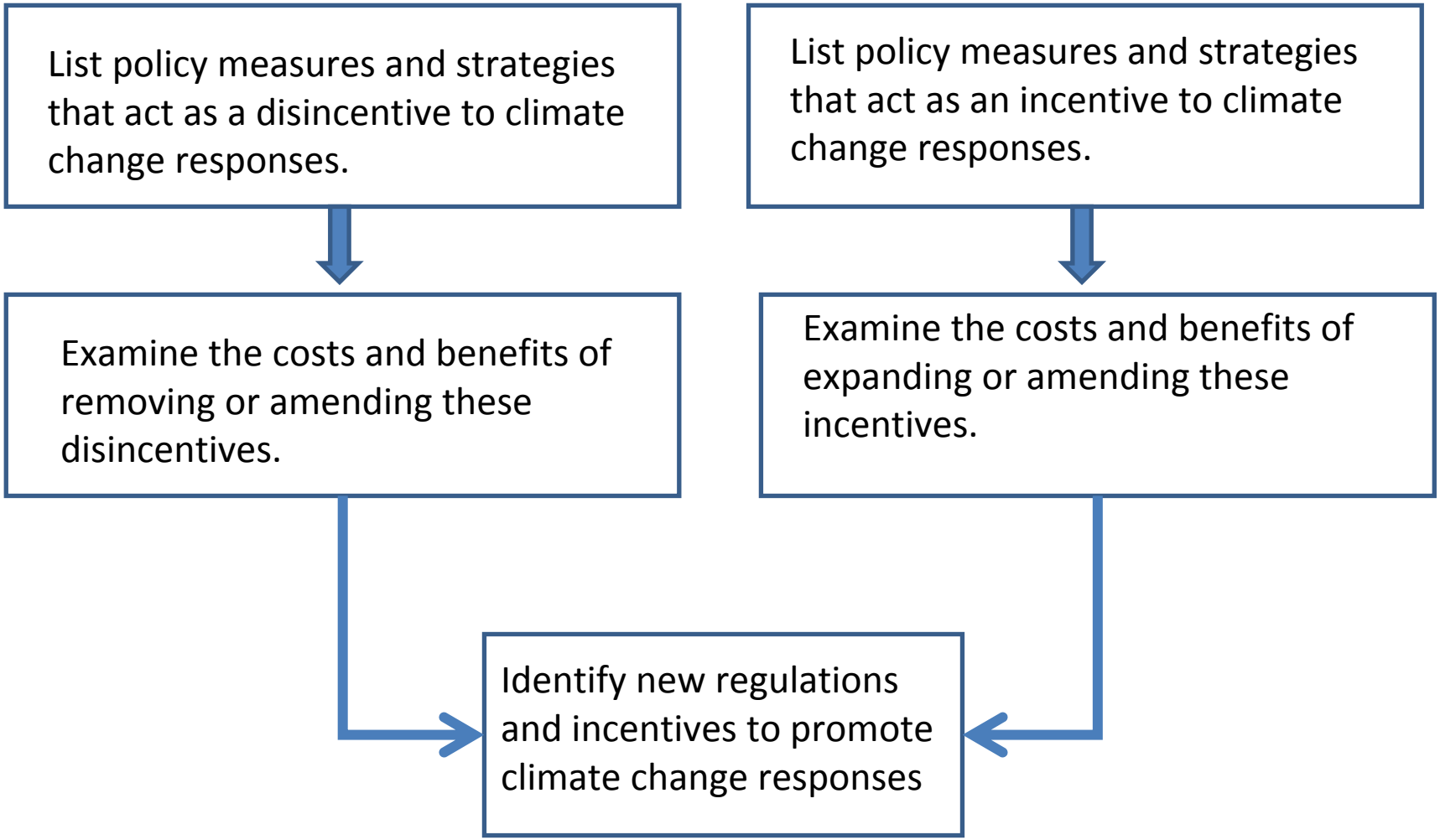
- Standard Strategic Environmental Assessment (for plans, programmes, and policies) and Environmental Impact Assessment for projects at the feasibility study stage are still the best available tools for mainstreaming;
- But they have yet to incorporate climate change considerations sufficiently;
- Other useful tools include scenario planning and multi-criteria analysis; and
- No significant project should be approved without a “climate-proof” seal of approval.

Integrated Assessment of Projects



Regulatory and Incentive Based Strategies

- For effective mainstreaming, the balance of incentives and disincentives must be right for the national circumstances;
- Disincentives - (i) taxes and tariffs for undesirable activities; (ii) regulations that limit or prohibit certain activities; (iii) performance standards that ensure a minimum level of compliance; and (iv) reporting requirements that prevent inappropriate activities from continuing;
- Incentives - (i) tax relief or rebates for desirable activities; (ii) zoning plans that permit climate resilient projects to proceed in relatively safe areas; (iii) subsidies to promote climate friendly activities; (iv) publicly funded insurance schemes; (v) public procurement and seed funding for new technologies; and (vi) research and development grants; and
- Systematic assessment of incentives and disincentives help to identify unintended positive and negative impacts of policy decisions that impinge on climate change.



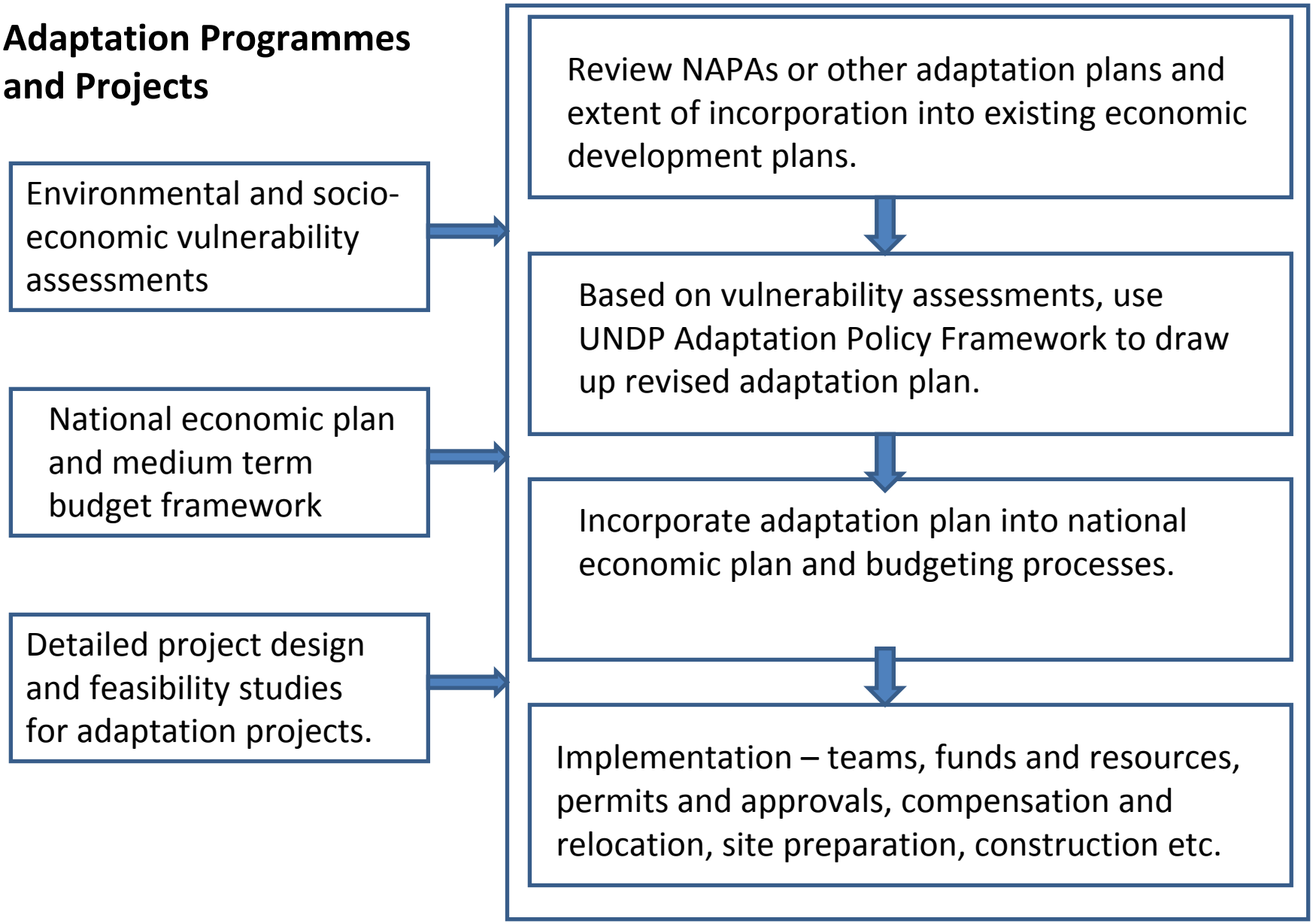
Regulatory and Incentive Based Strategies

Adaptation Programmes and Projects

Typical projects include:

- (i) Coastal zone protection, both hard and soft;
- (ii) Salt tolerant agricultural crops;
- (iii) Water collection, storage and conservation;
- (iv) Control of water-borne and climate related diseases;
- (v) Community-based management of ecosystems;
- (vi) Disaster preparedness and management;
- (vii) Increased productivity of coastal resources;
- (viii) Coastal zone planning and zoning;
- (ix) Solid and liquid waste management; and
- (x) Climate proofing infrastructure.

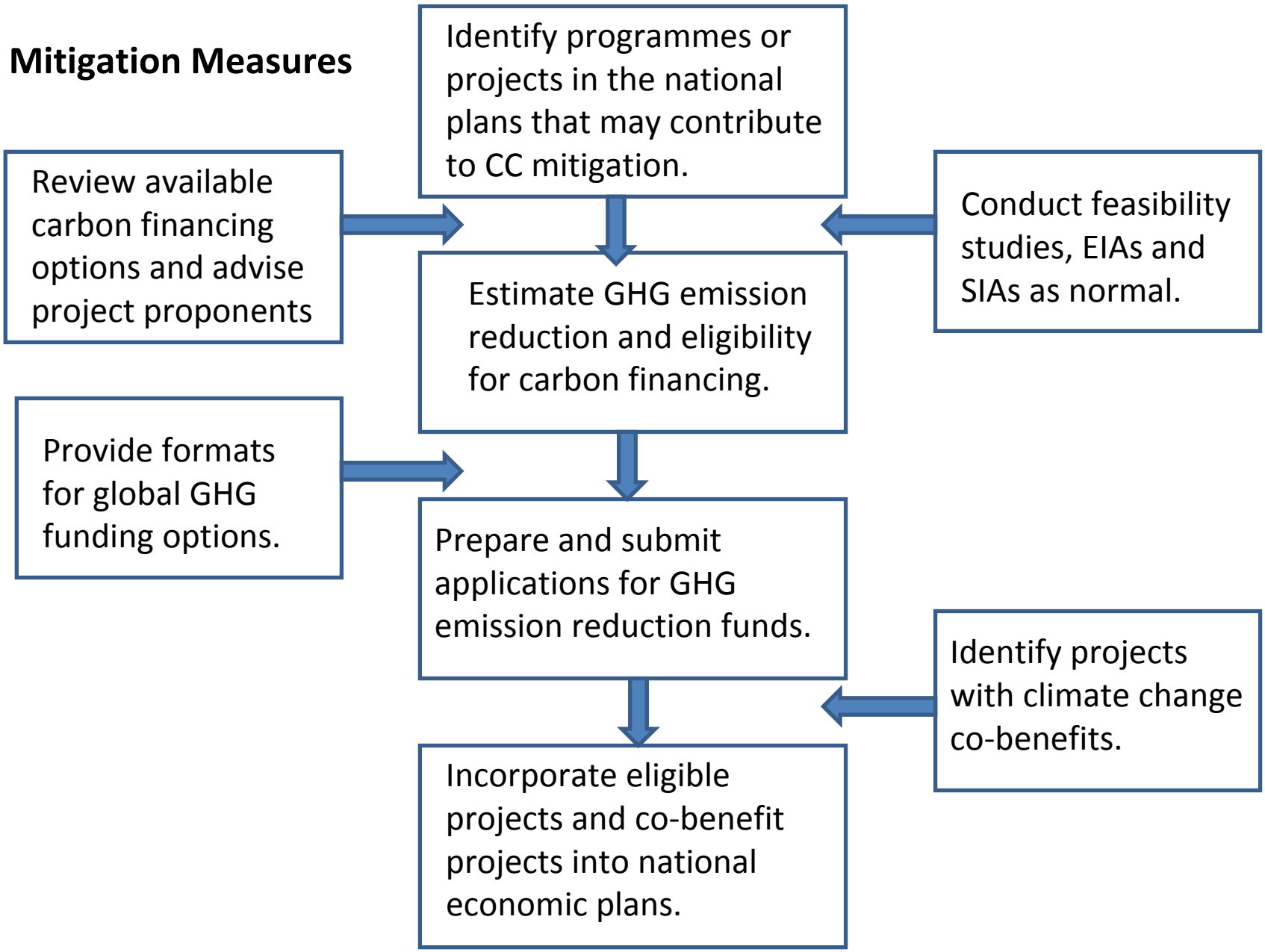
Adaptation Programmes and Projects



Mitigation Measures

- Pacific SIDS have no obligation to mitigate GHG emissions and generate a tiny proportion of global emissions, but can voluntarily contribute to the global mitigation efforts:
- (i) where cost-effective mitigation measures are available in the SIDS that allow developed countries to purchase certified emission reductions under the flexible mechanisms of the Kyoto Protocol; and
- (ii) where co-benefits are available that make sense economically, in the context of energy security, and local environmental considerations, with or without climate change considerations.

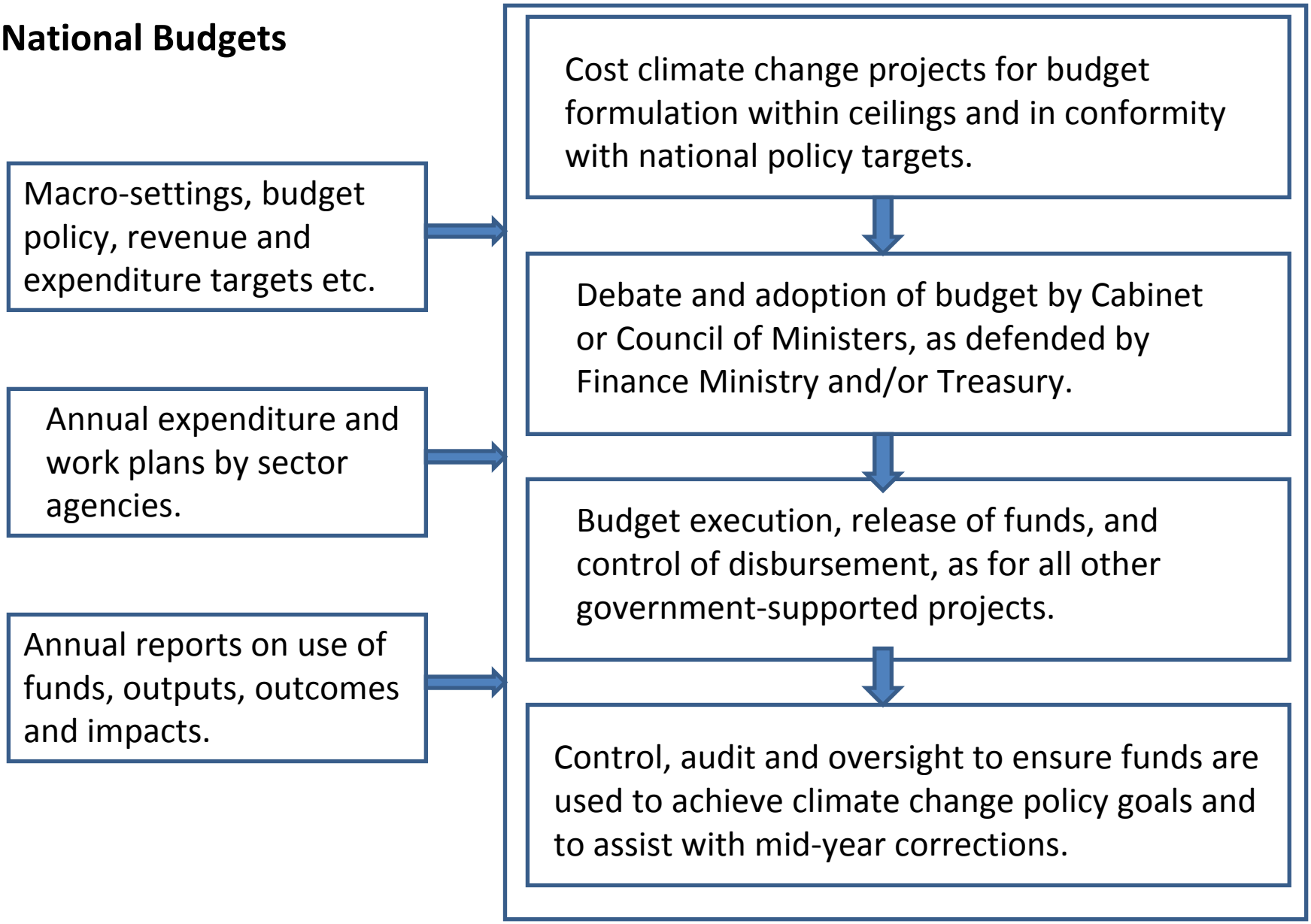
Mitigation Measures



National Budgets

- Integrating climate change into annual budgets is important to (i) ensure that adequate resources are allocated to high priority mitigation and adaptation measures; (ii) raise additional revenues from taxes, tariffs, and pollution charges related to climate change response measures; (iii) ensure that the unintended effects of budgeted activities in non-environmental sectors don't exacerbate climate change problems; and (iv) balance internal and external sources of funding for climate-related activities; and
- Climate change could be better integrated into annual budgets by (i) increasing or introducing climate-based taxes and charges; (ii) increasing climate-based subsidies and budget allocations for those subsidies; (iii) removing or redesigning perverse taxes and subsidies that exacerbate climate change; (iv) increasing budget allocations and tax rebates for activities with favourable climate effects; and (v) stipulating climate-based limits or goals as budget rules to govern sector-based resource allocation .

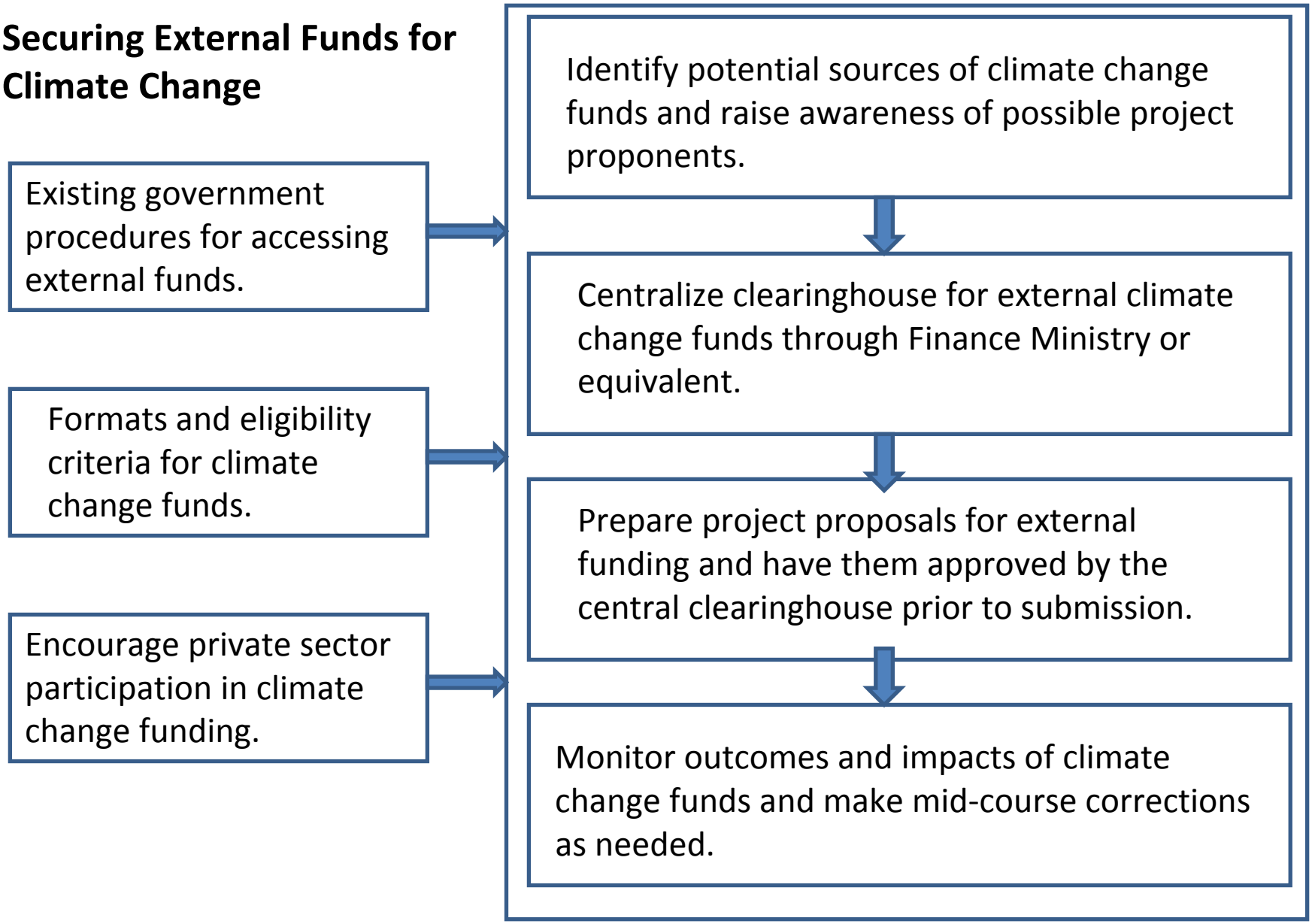
National Budgets



External Funding

- The Copenhagen Accord promises $30 billion, equally allocated to mitigation and adaptation for 2010-2012, with developed countries committing to a goal of mobilizing $100 billion per year by 2020 to address the needs of developing countries;
- Pacific SIDS need to learn how to access these funds and should not be afraid to mainstream climate change in case they lose access to external climate change funding; and
- The Ministry of Finance or Ministry of Planning should take the lead role in accessing these resources, rather than Environment ministries.

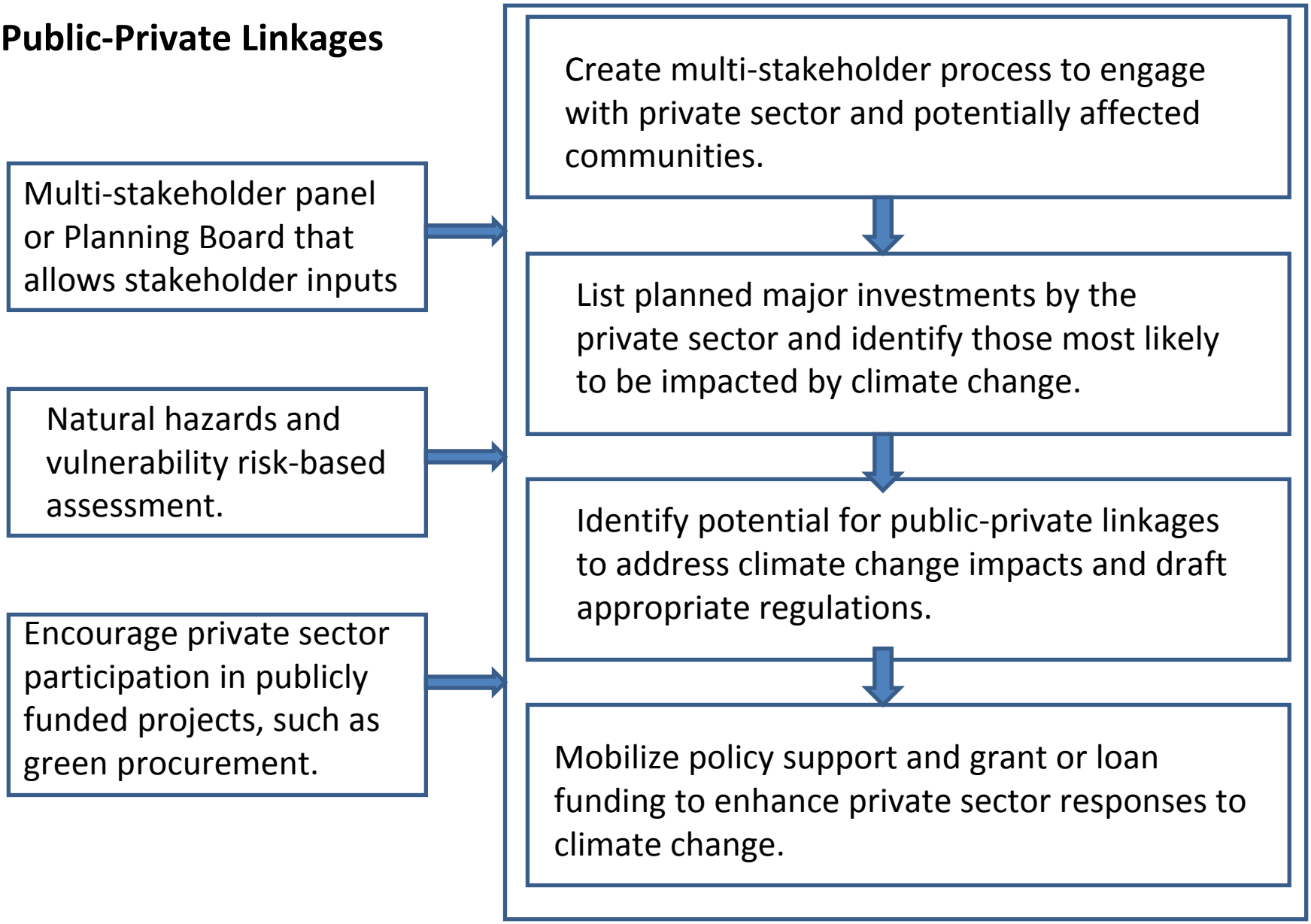
Securing External Funds for Climate Change



Public-Private Linkages

- Many promising climate change responses will involve the private sector, such as energy efficiency gains in industry, retrofitting buildings to conserve energy, and renewable energy;
- Private sector involvement is essential in amendments to national codes and standards, such as engineering standards, building codes, or cyclone proofing standards; and
- The private sector should serve on multi-stakeholder processes and consultations, as well on key committees and national councils.

Public-Private Linkages



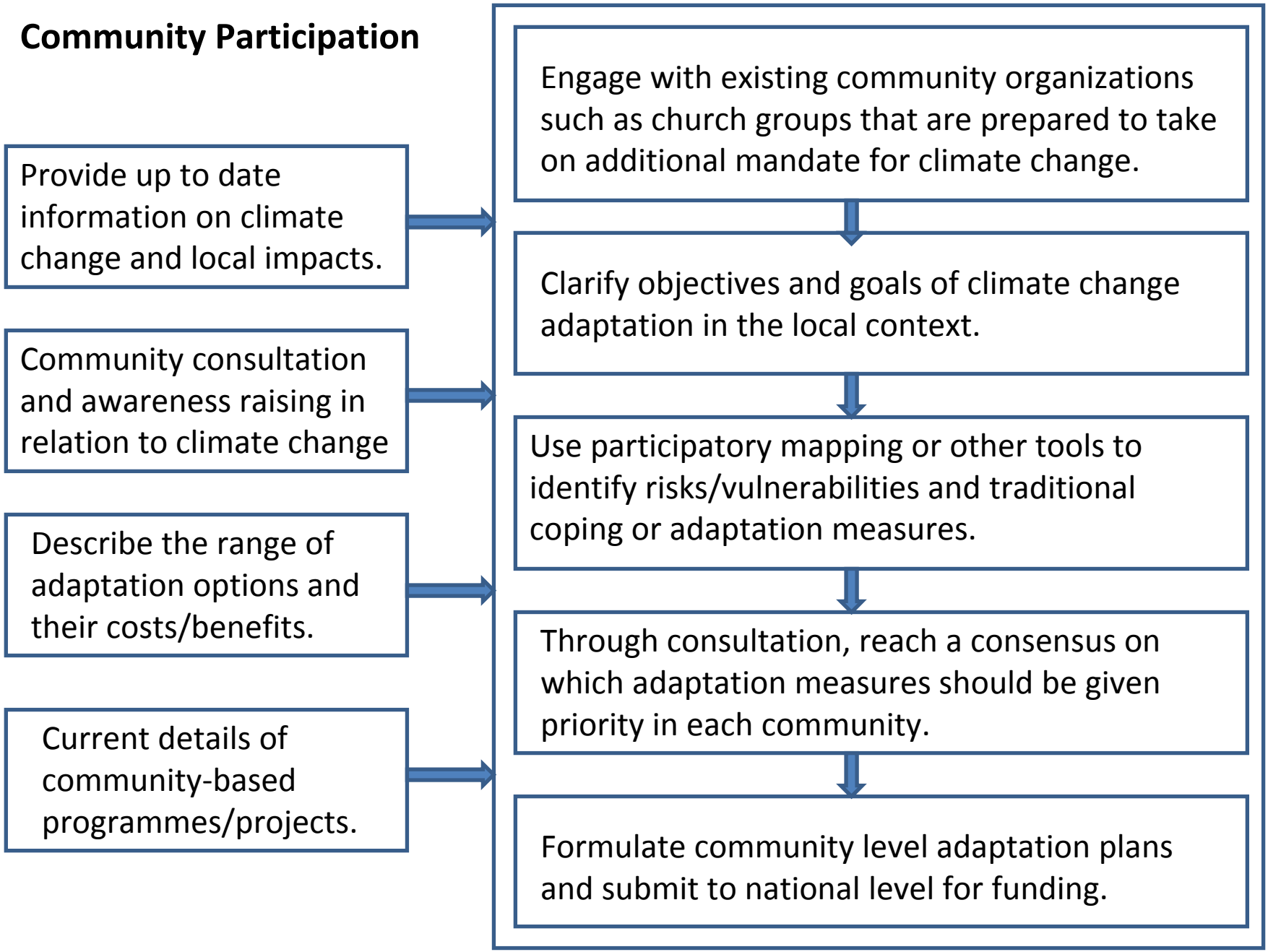
Institutional Changes

- Central institutions such as treasuries, finance, and planning departments have not generally recognized the environmental underpinnings of development. They treat environment as a “free” good and environmental damage as having minimal cost. These attitudes must change if climate change is to be mainstreamed;
- Mainstreaming is often pushed by those who feel isolated or alienated from the mainstream, cut out of mainstream policies, and with limited power or funding, but strong environmental credentials; and, therefore
- The challenge is get both sides to recognize the benefits of mainstreaming and to agree to work cooperatively together.

Community Participation

- Local communities have been adapting to climate variables for generations, yet they are peculiarly ill-prepared to deal with climate change as a global issue, over which they have little control;
- Community level capacity to deal with climate change includes (i) the stock of social capital, including secure property rights; (ii) human capital, including education levels and personal security; (iii) the range of viable, affordable technological options; (iv) the availability of resources and their distribution across the community; (v) the decision making structure; and (vi) access to risk spreading processes, like insurance.

Community Participation



Conclusions

- Mainstreaming climate change is not easy and Pacific Island countries may wish to start with some low-hanging fruit;
- There may be push-back from central planning agencies, as new tools and skills are needed;
- Combination of top-down (national plans and policies) and bottom-up (community-level) approaches is needed;
- Climate change threatens to be an existential challenge for Pacific Islands, so the choice of not mainstreaming is ultimately not a realistic option.

FINAL CAUTIONARY NOTE:

”experience with truly high-level and cross-sectoral environmental mainstreaming (in advocacy, analysis, planning, investment, management, and monitoring) has been limited and scattered to date. There has been little sharing of experience. In contrast, there is perhaps too much untested guidance on how to go about the tasks, often pushed as conditionalities by funders”
(Dalal-Clayton and Bass 2009)

Thank you for your attention.