



LOW EMISSION CAPACITY BUILDING PROGRAMME

GLOBAL SUPPORT NEWSLETTER

ISSUE ONE 2012

ALSO IN THIS ISSUE

PROGRAMME EXPANSION 2

INTRODUCING THE GLOBAL
SUPPORT TEAM 2

CATALYZING CLIMATE
FINANCE READINESS 3

CHILE: THE CLIMATE
OF CHANGE 4

Programme Overview

Envisioned as a country-driven initiative, the Low Emission Capacity Building (LECB) Programme works with partner governments to implement national projects that support sustainable mitigation actions in both the public and industrial sectors. The five-year, \$28M Programme was launched in 2011.

With initial contributions from the European Commission and the Federal Republic of Germany, the programme's overall objectives are to strengthen capacities in participating countries in the following ways:

- Develop greenhouse gas (GHG) inventory management systems
- Elaborate opportunities for nationally appropriate mitigation actions (NAMAs)
- Design low emission development strategies (LEDS) in the context of national priorities
- Design systems for measuring, reporting, and verifying proposed actions and means to reduce GHG emissions
- Facilitate the design and adoption of mitigation actions by selected industries (in some countries)

THE LOW EMISSION CAPACITY BUILDING PROGRAMME PROMOTES ESSENTIAL COOPERATION AMONG RELEVANT INSTITUTIONS AND INVOLVES THE PRIVATE SECTOR AND INDUSTRY IN A CONCERTED EFFORT TO ADDRESS CLIMATE CHANGE CONSISTENT WITH NATIONAL PRIORITIES IN DEVELOPING COUNTRIES

To achieve these objectives, national teams are supported by a Global Support Unit, located at UNDP headquarters in New York. The Global Support Unit provides targeted guidance throughout the inception phase and further supports country teams by providing appropriate training based on country needs, technical backstopping, dissemination of knowledge products and lessons learned, and individual guidance and support reaching national and international stakeholders.

As an integrated part of UNDP's Green Low Emission Climate Resilient Strategies team, the LECB Global Support Unit connects countries with the larger low carbon landscape to help them identify innovative policy and financing options for low-emission development and to facilitate partnerships between public and private sectors, in addition to supporting project implementation.

Low-Emission Development Strategies (LEDS): A strategic plan of action to assist a country to shift its development path to a low-carbon economy and achieve sustainable development, based on national socio-economic and development priorities. The Cancun Agreements (2010) encouraged developing countries to prepare LEDS.

Nationally Appropriate Mitigation Actions (NAMAs): To be undertaken by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity building, in a measurable, reportable and verifiable manner (Bali Action Plan, 2007).

Measurable, reportable and verifiable (MRV): A process/concept that supports greater transparency in the climate change regime.

SAVE THE DATE

NAMA training for participating countries of the LECB Programme, October 2012 in Marrakesh, Morocco.



Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety



Australian Government
AusAID



Low Emission Capacity Building Programme is supported through generous contributions by the European Commission, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the Australian Department of Climate Change and Energy Efficiency, and AusAID.

Programme Expansion

We are pleased to announce the recent expansion of the Low Emission Capacity Building Programme to 25 countries globally. Following a generous contribution from the Australian Government, as well as an additional charitable contribution from the European Commission, the Low Emission Capacity Building Programme has expanded its scope to include: Bhutan, Costa Rica, Ghana, Indonesia, Lebanon, Malaysia, Moldova, Tanzania, Thailand, Trinidad and Tobago, and Vietnam.

Already active in 14 countries globally (Argentina, China, Chile, Colombia, the Democratic Republic of Congo, Ecuador, Egypt, Kenya, Philippines, Mexico, Morocco, Peru, Uganda and Zambia), this expansion allows the LECB Programme to cover a wider range of national circumstances and priorities, while simultaneously allowing it to gather global experiences and lessons learned in the areas of NAMA, LEDS, MRV and mitigation actions.

Phase I countries have completed their project design and are embarking on project implementation, while newly added countries are in the midst of initial stakeholder meetings and stocktaking exercises in order to prepare their project proposals. National projects are slated to engage in a variety of objectives including development of national greenhouse gas emission inventory systems, NAMA formulation, and development of MRV systems to support implementation and evaluation of NAMAs and LEDS, to name a few. It is expected that all Phase I participating countries will be fully engaged on project implementation by the end of the year. This two-phase roll-out has enabled the Global Support Unit, as well as the Global Steering Committee to learn from the initial phase and better tailor its guidance to countries recently joining the Programme. We look forward to further developing the roster of countries involved and the scope and breadth of the topics covered.

COUNTRY SPOTLIGHTS

- **Colombia** already began formal implementation of its project, focusing on the Colombian Low Carbon Development Strategy Framework.
- **Morocco** is planning to develop a 'NAMA City'. More information to follow in further editions of the LECB Newsletter.
- In **Mexico, Egypt, China, and Argentina**, the programme focuses on relevant industrial sectors in the context of national economies.

Introducing the Global Support Team

The Global Support Team is made up of four full-time members: Yamil Bonduki, Programme Manager; Rebecca Carman, Technical Specialist; Francisco Avendano, Mitigation Economist; and Allison Towle; Programme Analyst.

Yamil joins the LECB Programme after previously filling the role of Programme Manager of the UNDP/UNEP/GEF National Communication Support Programme. As such, he brings a wealth of experience and know-how in the realm of country driven processes, global programme management, targeted planning of country needs and stakeholder interaction. With over 20 years of experience in climate policy, GHG emission inventories and mitigation, Yamil's experience includes practical knowledge within government, UNDP and in the field. He also played a pivotal role in the development of the LECB Programme, from inception to implementation. In his role as Programme Manager, Yamil will oversee programme implementation and management.

Rebecca brings to the team over 15 years of experience working on environmental topics covering a broad range of climate change issues, from adaptation, mitigation and greenhouse gas inventories, to climate finance and the negotiations. Most recently acting as the Global Coordinator of a strategic initiative to strengthen UNDP support to Least Developed Countries on climate change, Rebecca offers a wealth of experience, worked with senior government officials in more than 130 countries. In her role as the programme's Technical Specialist, Rebecca will work directly with countries on project design and implementation and represent the Programme in international fora such as the Coordinated Low Emissions Assistance Network (CLEAN) and the Low Emission Development Strategies (LEDS) Global Partnership.

Francisco brings more than 16 years of experience supporting governments, utilities and publicly listed investment funds in the allocation of equity and debt for clean electricity projects and low carbon technology ventures in south east Asia, China, the Middle East and Latin America. Francisco has worked in a number of GHG mitigation projects in Asia and Latin America, including, learning-by-doing capacity building for the energy, mining, manufacturing and forestry sectors of Peru, GHG inventories and Peru's National Communication to the UNFCCC. In his role as Mitigation Economist, Francisco will work directly with country teams and Centers of Excellence to ensure rigor within the designated mitigation activities.

Allison joins the team after serving for two years with the National Communications Support Programme. Because of her background in areas such as migration and woman's health Allison offers an outsider perspective. She will focus her energy on donor relations and reporting, programme communications, and dissemination of knowledge products.

This global support team looks forward to supporting the 25 country teams and their partners that implement the Low Emission Capacity Building Programme.

Catalyzing climate finance readiness through the LECB Programme

The LECB Programme aims to shape its outputs in accordance with current and future implementation requirements. Within these requirements, financial readiness is a critical success factor for final implementation and overall positive impact of the LECB Programme outputs.

The LECB Programme outputs can be classified into GHG inventory systems, NAMAs, MRV systems to support NAMAs and LEDS. A quick review of NAMAs proposed to the UNFCCC Secretariat reveals that only a small number of countries' submissions actually specify the tons of carbon they aim to reduce and how they plan to achieve this reduction.

The current state of NAMA development resembles the early days of the Clean Development Mechanism (CDM). Although a useful stepping stone, most CDM proposals were primarily enthusiastic ideas that needed to be matured in order to access carbon and equity finance to make them happen. Along this process, both the capital demand side (project sponsors) and supply side (carbon and equity funds) learned to match their appetite for risk and transaction preferences. A lot of capacity building took place between the 2001 Conference of the Parties held in Marrakech and 2008-2009 when the peak of carbon transactions took place. During this time, methodologies and technical resources were developed and adopted, roles were recognized, funds learned to invest in developing countries, and project sponsors matured to the point of placing their own equity in CDM projects.

It is worth noting that the early days of CDM gave us an important lesson: change in the overall momentum occurred when the private sector participated very actively. For NAMAs, the process will not be different. Of course, the umbrella policies and sound framework have to be facilitated by governments but at the end of the day, the actual down to earth action will be undertaken by private actors. In CDM history, project sponsors realized that a project was not ready by just depicting the technical measures and describing the steps to build and operate. They realized that a proper financial structure to put together equity, debt, technology and capacities was needed to have a sustainable project with real impact.

Taking into account these lessons, the LECB Programme aims to make a contribution to climate finance readiness in the participating countries. As depicted by the figure below the LECB Programme will progressively mature the financial readiness of its outputs.

Where possible, project outputs at country level will include design considerations, such as donor oriented/corporate or public budget programming for implementation, performance indicators, milestone-linked disbursements, cost-benefit and multi-criteria analysis, supporting data for cash flows and justification for assumptions. These considerations will ensure a great possibility for financing.

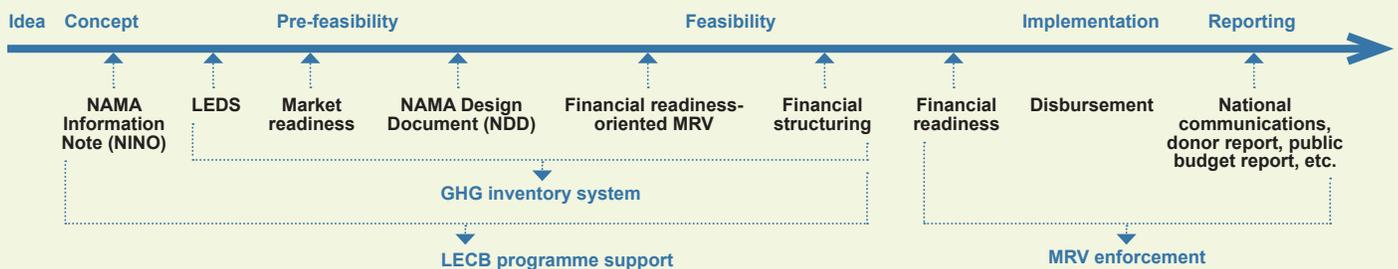
THE EMERGENCE OF MRV: QUALITY DESIGN AND PERFORMANCE INDICATORS

Indicators reduce uncertainty in uncharted waters. Considering that many capacity building efforts work on soft issues that are not explicitly tangible, the introduction of indicators helps us to track less obvious progress and/or delays and more importantly, it teaches us what works and what does not work. This is particularly relevant to manage a process where scarcity of resources prompts us to make a compromise on costs and benefits. A sound definition of indicators should take into account the reporting requirements. For example, MRV systems to support outputs may include, inter alia:

- Indicators whose time series enables us to capture lessons, identify bottlenecks and good practices, and opens the possibility for effectiveness benchmarking.
- A good factual periodic report that shows policy compliance progress, proper budget execution, and efficient and timely use of resources.
- Predictability and comparability of output quality by embracing sound technical specifications.
- Updates on the emissions reductions based on continuously comparing baseline and mitigation emission paths.

Aware that scarcity of sound transactions or deal flow precludes the development of financial facilities for transactions, and conscious that the complex nature of these transactions has yet to mature we can contribute to climate finance readiness by introducing indicators and elements that help to create the right demand for climate funds.

In light of the still unfinished design of the Green Climate Fund (GCF) and uncertainty on the specific MRV requirements of the future climate regime, this approach of promoting climate finance readiness will be instrumental in catalyzing a process to enable countries to develop, submit to funding sources and adopt feasible mitigation activities.





Chile: The climate of change

LECBP GLOBAL SUPPORT NEWSLETTER



Co-sponsored by the Government of Chile and the United Nations, a 7-metre-high balloon outside of UN Headquarters draws attention to the quantities of carbon dioxide produced per person per year.

Chile's Constitution guarantees its citizens the basic right to live in an environment free of pollution, while at the same time making the state responsible for safeguarding and preserving nature and the country's environmental heritage. In support of this state mandated guarantee, 2010 was marked by a process of transformation of environmental institutions in Chile. This transformation resulted in a centralized and influential Ministry of Environment, including an Office of Climate Change (OCC). The Ministry and the OCC are tasked with "proposing policies and formulat[ing] plans, programs and action plan on climate change" (Art. 70, letter h of law 20,417 of 2010) and as such they are the natural partners for the Low Emission Capacity Building (LECB) Programme.

It is within this context that Chile embarks on their LECB project, incorporating such common programme outputs as: development of a National Greenhouse Gas Inventory System, design of concrete measuring, reporting and verification standards for established NAMAs, and the formulation of a Low Emission Development Strategy. However, in addition to these

outputs, Chile will develop a Voluntary Carbon Management Program, which entails designing a streamlined system to measure the carbon footprint in the public sector and within small and medium enterprises.

To date, the designation of a carbon footprint has been used primarily as a marketing tool, but a very powerful one. Historically defined as the "calculation of all greenhouse gases emitted by direct or indirect effect of an individual, organization, event or product" (UK Carbon Trust 2008), the concept of a carbon footprint is being quickly adopted as a universal method for assessing environmental impact both by major retail companies and by individual countries as regards to importing products (e.g. the Grenelle Act in France). However, public and small to medium enterprises (SMEs) generally lack the resources or incentives to assess their carbon footprint and therefore lack a starting point for evaluating how to lower or mitigate their GHG emissions.

In anticipation of the need to better position their products in the international market, some of the bigger industries in Chile are already estimating the carbon footprint of production and distribution processes of their products. However, SMEs often do not have the technical capacities required to carry out a carbon footprint analysis. This project component will seek to provide a unified framework for carbon footprint initiatives to those industries and SMEs that would like to participate on a voluntary basis by developing and subsequently making available tools that can be adapted for the needs of different industries. This will include not only development of the actual tool to carry out carbon calculations, but also the policy and administrative procedures involved in formally adopting a carbon footprint approach. This work will result in a database of experiences that may be available to the different industries and may provide a useful learning framework for other countries hoping to carry out similar initiatives.

We will continue to keep you informed of the progress and learning developed through this initiative.

The Low Emission Capacity Building (LECB) Global Support Newsletter provides updates and information on a range of topics including the status of ongoing national activities, global programme updates, topical news, country highlights, project impacts and results, and noteworthy announcements.

DO YOU WANT TO CONTRIBUTE TO THIS DISCUSSION?

Contact us at lowemissiondevelopment@undp.org to let us know your thoughts and proposals.