# Briefing

## Policy and planning; Climate change

Keywords:

Least Developed Countries (LDCs), climate change negotiations, low-carbon resilient development, UNFCCC, Paris Agreement, long-term strategies

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**Issue date** October 2018

## Policy pointers

#### For LDCs to achieve

low-carbon climateresilient development, having a long-term vision is crucial. Their strategies must address vulnerability to economic and environmental shocks while confronting inherent structural barriers to sustainable development.

In LDCs, any long-term climate response will need to go beyond emission reduction scenarios;

long-term strategies provide opportunities to plan more effective adaptation and enhanced resilience for present and future needs.

#### Long-term strategies

offer greater certainty for support and investment, showing commitment and creating clear investment roadmaps that fuse with LDCs' own development priorities. This gives LDCs a competitive edge to receive long- and nearterm technical, financial and institutional support.

#### Collaborative platforms

can enhance experience and knowledge sharing to promote better policy design and highlight opportunities and challenges as LDCs prepare long-term strategies.

## Harnessing long-term strategies for low-carbon climate-resilient LDC development

To put the long-term goals of the Paris Agreement into practice, countries are expected to prepare 'long-term, low greenhouse gas emission development strategies' by 2020. These will be visionary plans for achieving low-carbon climate-resilient societies by 2050. While there is general understanding of why countries should formulate these long-term plans, the Least Developed Countries (LDCs) have peculiar hurdles to overcome — and exclusive rewards worth pursuing — in preparing their strategies. While highlighting common challenges and concerns, this briefing makes the case for why LDCs in particular should prepare their long-term strategies early. It also discusses incentives to support and rationalise doing so ahead of 2020.

During COP21 in Paris, LDCs pushed for the Paris Agreement to embrace a long-term outlook, ardent in their belief that ambitious, visionary planning and actions are essential if the world is to limit warming to 1.5°C. The outcomes of COP21 and the final text of the Paris Agreement meet and cultivate that appetite for a long-term vision, calling on countries to communicate mid-century long-term strategies by 2020.¹ Nearly three years on, ten countries — including one LDC — have submitted such a strategy² with many others expected to follow by 2020.

For LDCs, these strategies have particular value beyond decarbonising economies: as they strive towards sustainable poverty eradication and economic development, long-term strategies can provide a framework to align relevant national policy and planning to achieve these overarching priorities. Robust strategies should tackle broader development agendas and crucial social/governance issues, and also articulate the ways in which international cooperation — on

policy, finance, technology, and so on — helps accelerate climate actions.

In preparing long-term strategies, LDCs can continue to ensure credibility and certainty that the Paris Agreement goals can be achieved, increasing transparency and trust among nations; identify key infrastructure decisions for a low-carbon transition; encourage countries to move from mere short-term thinking to long-term planning; and calibrate near-term climate action to meet long-term needs.<sup>3</sup> But there is no one-size-fits-all approach, and developing a long-term strategy requires taking each country's specific circumstances into account.

The world's 47 LDCs face the unique and unprecedented challenge of lifting their people out of poverty while achieving sustainable development. As they look to embrace and deliver on long-term strategies, there are several context-specific motivations they should consider (and challenges they must address).

## Staying ahead of the game: anticipating future emissions

While LDCs' emissions appear relatively inconsequential now, this may not always be the case. These countries aspire to develop and prosper, meaning that future high-growth

## A long-term strategy can help avoid gaps in short-term climate plans

scenarios are possible as they build productive capacity for successful economic transformation. Current rates of emissions in LDCs — kept in check by generally low income, undiversified and low

production economies, and poor infrastructure — simply don't reflect the significant levels of suppressed demand for services.<sup>4</sup> These scenarios may change as they aspire to grow and graduate from LDC status.

Having a plan to guide future investment toward sustainable, resilient infrastructure is necessary to ensure development gains are not lost or, worse, reversed. Long-term strategies can make the long-term emissions consequences of growth decisions explicit. For example, a long-term strategy can highlight which national policies and investments may reduce emissions incrementally in the short term but are not compatible with longterm goals, revealing the risk of stranded assets or missing emissions targets (like when substituting coal for gas in power generation).5 By extension, developing a long-term strategy can help countries avoid gaps in their more short-term climate plans, such as Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). This enables nations to manoeuvre more effectively from one planning window to the next towards achieving longer-term objectives.

Moreover, the actual process of preparing a long-term strategy can pull a country out of short-term thinking, progressively changing mindsets to be more visionary. For example, 'backcasting' is a defining feature of developing a long-term strategy, whereby governments first visualise where they need to be and then map how to get there, rather than design policy frameworks for the short term.<sup>5</sup> Similarly, a good long-term strategy will be iterative: LDCs can improve technical quality and increase ambition over time as they start to fulfil development aspirations.

## Using adaptation and resilience as guides

By 2050, climate impacts will be more intense and will become more material to the climate challenge. And many nations are already experiencing this. For LDCs — where climate impacts, risk and vulnerability pose the greatest

challenges — any long-term climate response will need to go beyond GHG emission reduction scenarios to inform and plan for effective adaptation and enhanced resilience. As we hit a glass ceiling on climate action in the energy sector, ignoring adaptation and resilience challenges will no longer be possible.

Most countries' long-term strategies are directed towards decarbonising the economy, but LDCs need not limit their strategies to mitigation activities. As they strive to achieve development priorities, long-term strategies can provide the framework for doing so sustainably over decades to come. This means enhancing adaptive capacity, strengthening resilience and reducing vulnerability will be just as important as decarbonisation. The integration of adaptation and resilience planning has already been seen in the long-term strategies submitted by Benin and Mexico, both of which create a single long-term vision for low-carbon and climate-resilient development<sup>6</sup> (see Box 1 for entry points for effective long-term adaption planning). Thinking through a long-term strategy can therefore help LDCs identify present and future climate vulnerabilities and adaptation needs, better informing policy interventions and NDCs which align with long-term national development plans, the Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction. While this requires scientific and policy expertise as well as a firm understanding of political and socioeconomic contexts which differ from those involved in climate mitigation analysis, the option is worth exploring for LDCs.

## Funding the mission, not following the money

A long-term strategy can guide investors and provide them with assurances for future ventures, establishing a clear investment roadmap that creates synergies with development imperatives. Well-thought out long-term strategies can have immediate influence over investment decisions and policymaking. Such a roadmap means that LDCs can steer funders and aid streams according to their priorities, as opposed to following the priorities of funders — a structural fault sometimes seen with development aid models. For example, long-term strategies can help multilateral development banks (MDBs) and government funders identify near-term infrastructure investments that, although important for a low-carbon future, are difficult to finance domestically and could benefit from support.8

In addition, some financial institutions are starting to look at countries' long-term strategies to inform their own funding decisions and to

#### Box 1. Entry points for effective long-term adaptation planning<sup>9</sup>

- Set goals that enhance adaptive capacity, strengthen resilience and reduce vulnerability
- Assess the impacts of future changes in climate on long-lived infrastructure, land-use planning, ecosystem services and/or social change
- Integrate priorities for long-term adaptation for resilient development into NAPs and NDCs and strengthen LDC institutional capacity to deliver long-term adaptation for resilient development, to ensure NAPs and NDCs are implemented across sectors and from national to local levels
- Define long-term adaptation priorities for resilient development in line with bottom-up planning processes, refining interventions that have the most significant impact for climate-vulnerable communities
- Develop the capability of LDC financial systems to deliver climate finance to the local level; this will also improve oversight
  and accountability of climate finance from donors and domestic sources to vulnerable communities on the frontline of
  climate change
- Promote learning as LDCs look to learn rapidly from what is working for replication and scaling up learning from their own investments, from each other, from other developing countries, from relevant multi-country programmes and beyond.

explore the appropriate incentives and policies that can stimulate investment from specific actors.<sup>10</sup> LDCs can therefore use their long-term strategies to package long-term development priorities — including eradicating poverty and driving prosperity — as achievable and economically advantageous when done in tandem with mitigation and adaptation efforts. This means LDCs have the power to drive international finance to be more aligned with the long-term goals of the Paris Agreement and more equitable; it makes a compelling, collective case for funders to 'green' their investment portfolios. The roadmap will therefore help with funding the mission, rather than following the money, to create a new, more purposeful development dynamic.

Directing funding according to LDC development priorities becomes even more important when considering the potential for LDCs to leapfrog high-carbon systems and structures. With the bulk of growth in LDCs still to come, there is a unique opportunity to pursue different development pathways than industrialised and emerging economies. Yet their severe economic constraints mean LDCs are not usually able to access financing for innovation in the same way as emerging economies. For LDCs to experiment and pioneer alternative pathways, MDBs' funding criteria need to change, as do each LDC's own prioritisation of research and development/deployment of technology.

Creating a long-term strategy can provide an opportunity for LDCs to explore the most appropriate technology pathways to deliver sustainable societies and economies (and the financial actors best suited at different points along the technology development curve). By identifying technology priorities and anticipating deployment, a long-term strategy can help

identify existing technology innovations that can thrive in the transition.<sup>11</sup> In other words, LDCs have the potential to become leaders in low-carbon technology because their energy systems, infrastructural designs, and so on have room to expand and experiment towards a green economy.

## Working together to reduce burdens and costs

Collaboration during the preparation of long-term strategies could provide access to modelling and other resources. Beyond this, sharing learning and experience will help LDCs choose the strategy design or approach which suits them best. In other words, LDCs can avoid unnecessary or irrelevant steps because preparation would be based on information, strategies, tools and methodologies that have already proven effective. By making long-term strategy preparation more streamlined and efficient, and with support from technical partners, LDCs can reduce the associated in-house burdens and costs.

Emerging platforms and initiatives — such as the 2050 Pathways Platform, or the Long-Term Climate Strategies project developed by the World Resources Institute and the United Nations Development Programme — are examples of cooperation and experience sharing among governments and other stakeholders to assist countries with preparing their strategies. LDCs' involvement in such initiatives, especially where attention is paid to equity and national circumstances, can help inform the process of preparing a long-term strategy. This can be particularly helpful in areas where more collaboration and innovation are needed, such as data collection and systematisation.<sup>12</sup>

## Benefits of early delivery

Detractors may argue that there is no rush for LDCs to prepare their long-term strategies, citing the 2020 deadline and arguing that developed countries should take the lead. However, missed opportunities abound with such thinking, especially as there are several benefits to early delivery:

- If an LDC waits until 2020 or after, funding streams may have already been directed to other nations, leaving few (if any) funding opportunities for LDCs. Early delivery would give LDCs a competitive edge.
- Given LDCs' limited capacity and negligible role in causing climate change, it is a significant feat when they set and meet ambitious climate targets. Recognition of this from other countries and international media fosters goodwill, bolstering an LDC's national credibility and moral authority to lobby for greater ambition from others.<sup>13</sup>
- LDCs' long-term strategies can highlight the gaps in means of implementation for national-level climate action, including for example achieving the NDCs, designing NAPs and mobilising climate finance. The finalisation of long-term strategies well ahead of 2020 will be crucial to increasing collective ambition because these scenarios can inform and justify support for early action this decade.
- Climate change affects different groups of society in distinct ways. Long-term strategies can acknowledge and address issues of inequality due to age, gender, disability, and so on, by embedding them into the design of climate change policies and strategies. This will avoid business-as-usual trajectories that exacerbate the existing inequalities over time.

#### A chance for transformation

As countries begin to bring the Paris Agreement to life, long-term visions for achieving lowcarbon and climate-resilient development at the national level are crucial. While LDCs may face some challenges to formulating a long-term strategy (for example, the inherent difficulty of incorporating long-term adaptation and resilience planning, or that preparing the strategy seems burdensome), these factors stand small when compared to the benefits and opportunities. Long-term strategies provide a vision for prosperous, adaptation-focused, climate-resilient societies for all; investment roadmaps to guide funding towards domestic priorities, including innovative development models; a space for collaboration and learning to avoid unnecessary burdens; increased political capital; and, if delivered without delay, the competitive edge to receive support early — for long and near-term action.

With 2020 quickly approaching — when countries must come good on their Paris promises — LDCs have the opportunity to help lift collective ambition once again and to act as a surging force for transformation. Preparing long-term strategies for a low-carbon climateresilient society is a space where LDCs can continue to lead the way.

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The authors would like to thank Siddharth Pathak, Subhi Barakat, Janna Tenzing, Brianna Craft and Jérémy Davis for their helpful comments; the views expressed are that of the authors.



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ISBN 978-1-78431-629-7

This research was funded by the European Union, however the content is that of the authors alone and cannot be taken to represent the views of the European Union.



#### **Notes**

¹ Paris Agreement, Article 4.19, and COP21 Decision, Paragraph 35. https://tinyurl.com/ycdzhf44. (accessed 24 August 2018). / ² Benin, Canada, Czech Republic, France, Germany, Mexico, Republic of Marshall Islands, United Kingdom, Ukraine and United States (as of 26 September 2018). / ³ Abeysinghe, A (2018) Long-term strategies under the Paris Agreement – key principles for good governance. IIED, London. https://tinyurl.com/ycbcl7tvs / ⁴ Mulugetta, Y and Castan Broto, V (2018) Harnessing deep mitigation opportunities of urbanisation patterns in LDCs. Current Opinion in Environmental Sustainability 30 82-88. / ⁵ Williams, J and Waisman, H (2017) 2050 Pathways: A Handbook. 2050 Pathways Platform. https://tinyurl.com/yc5nhwl5 / ⁶ Ross, K and Fransen, T (2017) Early Insights on Long-Term Climate Strategies. World Resources Institute. https://tinyurl.com/y8hh9www / ˀ Bailey, R and Tomlinson, S (2016) Post-Paris: Taking Forward the Global Climate Change Deal. Chatham House, London. https://tinyurl.com/yb9vjgwt / ⁶ Pathak, S (2017) Why Develop 2050 Pathways? 2050 Pathways Platform. https://tinyurl.com/yca9lnqe / ⁶ Shakya, C, email to author. 28 August 2018. / ౹⁰ Brown, J and Granoff, I (2018) Deep decarbonisation by 2050: Rethinking the role of climate finance. Climate Policy Initiative. https://tinyurl.com/yx15ta3 / ۱¹ Pathak, S (2017) Why Develop 2050 Pathways? 2050 Pathways? 2050 Pathways Platform. https://tinyurl.com/yca9lnqe / ¹² Araya, M and Amorim, A (2016) Climate plans to 2050: Lessons and emerging practice. Nivela. https://tinyurl.com/y9woo231 / ¹³ Craft, B (2016) Increasing the influence of LDC climate diplomacy. Developing a theory of change. IIED, London. http://pubs.iied.org/10170IIED