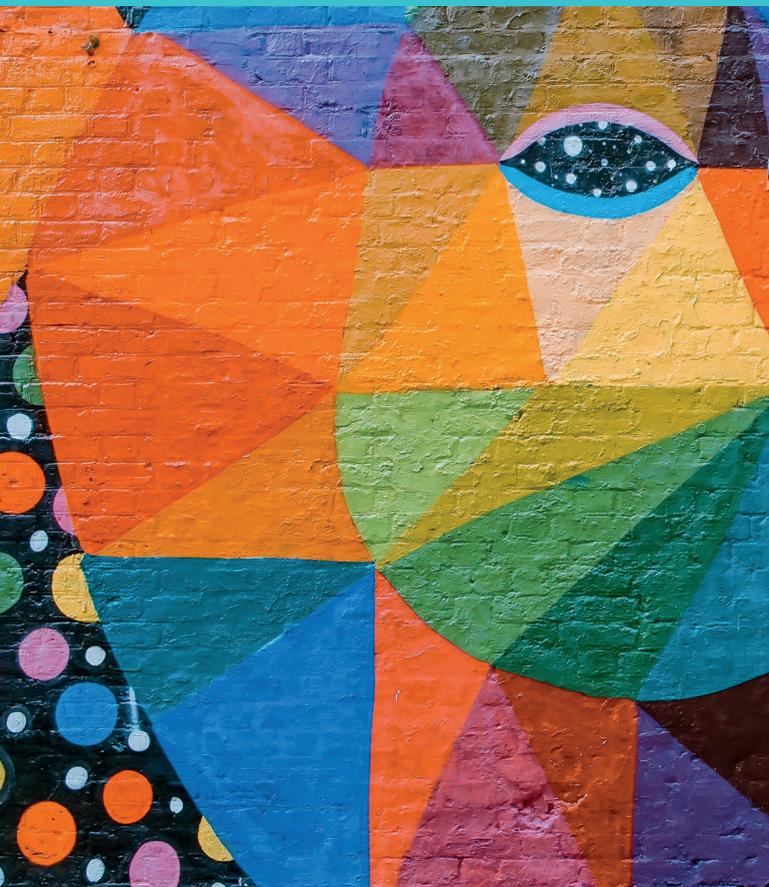


## VERTICAL INTEGRATION AND LEARNING FOR LOW-EMISSION DEVELOPMENT IN AFRICA AND SOUTHEAST ASIA

### ENTRY POINTS TO SUPPORT COLLABORATIVE CLIMATE ACTION



Strengthening climate collaboration between multiple levels of government (vertical integration) and between sectors at the same governing level (horizontal alignment) is necessary to improve coherence and complementarity of climate policy and implementation. Collaborative climate action is fundamental to the transformative shifts needed to achieve the Paris Agreement’s ambition to limit global warming to 1.5°C. Drawing on practitioner insights and research conducted for the V-LED project, funded by the International Climate Initiative of the German Ministry of the Environment, a range of entry points are presented to support the collaborative design and implementation of ambitious climate actions. These entry points are grouped according to three priority areas for effective multilevel governance: *Empower, Equip and Align*.

### The case for collaborative climate action

The IPCC special report on global warming of 1.5°C reaffirms the urgency of the Paris Agreement. To avoid dangerous consequences, global greenhouse gas emissions must reach net-zero by 2050. While the international UN-FCCC climate regime has managed to orchestrate national climate commitments, current national mitigation targets fall well short of achieving the low-carbon transformation.

National emission pathways cannot be transformed without changing the energy use of cities and behaviour of their citizens. Municipal governments hold mandates in key sectors for reduced greenhouse gas emissions, such as transport and land use planning. Subnational and non-state actors are already pioneering low-emission pathways and are increasingly recognised as key to ratcheting up ambitions and

## The V-LED project (2015-2019)

The V-LED project (Vertical Integration and Learning for Low-Emission Development in Africa and Southeast Asia) supported the governments of Kenya, the Philippines, South Africa and Vietnam to strengthen vertically integrated climate actions and mitigation and adaption capacities of local governments. It facilitated dialogue between national institutions, subnational authorities and communities, and enabled learning networks between local actors. The project was implemented by adelphi, the Institute for Law and Environmental Governance (ILEG), OneWorld Sustainable Investments, Sustainable Energy Africa (SEA) and UN Habitat and funded by the German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU) as part of its International Climate Initiative. A second phase of the project (V-LED+) will run up to 2021. Learn more at: [www.localclimateaction.org](http://www.localclimateaction.org)

achieving national emission reduction targets. However, subnational governments cannot achieve transformational changes independently. Despite key mandates, the enabling conditions for low-emission development pathways are often defined by national policies and regulatory frameworks; and subnational entities often lack critical resources and capacity. Sufficiently ambitious efforts to tackle climate change can benefit from vertically integrating local governments into national policy frameworks and programmes, coordinating implementation between relevant stakeholders and collaborating across governing levels.

The case for investing in effective multilevel governance and collaborative climate action is strong. Effective multilevel governance frameworks specify clear roles and responsibilities, address issues at the appropriate scale of governance and ensure that mandates are aligned to planning frameworks and budget cycles. They can further guarantee that incentives for climate action are available, support the flow of financial resources and help ensure that institutional capacities at different levels are in place.

## Multilevel climate governance encompasses vertical and horizontal types of coordination

(adapted from Jänicke 2013, DOI: 10.2312/iass.2015.021).



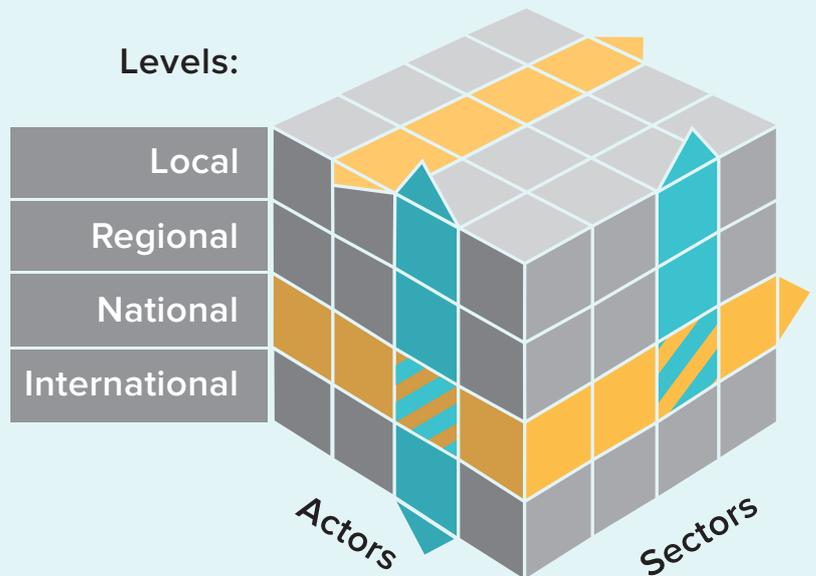
Vertical coordination



Horizontal coordination

**Actors:** Governments, Businesses, Civil society, etc.

**Sectors:** Environment, Transport, Construction, Agriculture, etc.



# Entry points to support collaborative climate action

The V-LED project supported collaborative climate action by building capacities and facilitating dialogue between actors and levels of government. The entry points presented here synthesise key learnings from the project and aim to help governments and international actors speed up collaborative climate action and improve NDC design and implementation.

## EMPOWER

### 1. Involve subnational actors in national policy making processes to ensure buy-in, take account of existing actions and raise ambition

Building feedback loops from the local and regional levels into national policy discussions can improve how governments implement strategies by responding to local needs, capacities and priorities. Vertical policy dialogues can provide a space for constructive bottom-up feedback and improve implementation. In the Philippines, an early 'complaint' among municipal participants was the high number of overlapping reporting and planning documents demanded by different national ministries. Complying with all the requirements consumed valuable resources. National government representatives understood that local governments were overwhelmed and decided to streamline climate change planning and provide extra support.

Ensuring that local strategies are accounted for in NDCs can increase reported action and encourage more ambitious targets. In some cases, the ambitions of local governments may be leveraged to pressure national policy or regulation shifts. For example, some large cities in South Africa have renewable energy objectives that outstrip the national government and are constrained by policies that tie them to the coal-fired electricity grid. The South African Local Governments Association (SALGA) has repeatedly pushed for the national Integrated Resource Plan to increase allowances for embedded electricity generation using renewable sources, and the newly drafted plan does call for significant increase of renewable energy.

Vertical policy dialogues need to be implemented in a way that recognises power imbalances between local and national authorities and tries to 'level the field' so that participants share equal authority to speak and equal responsibility to listen. This approach requires repeated commitment and expert facilitation, as it takes time for local actors to feel sufficiently empowered.

Vertical integration policies and programmes should include mechanisms that facilitate feedback between levels and empower subnational governments in policy making and target setting. This could be regular forums between national and local stakeholders or representation of subnational associations of governments on national steering committees. In countries lacking such forums, governance projects (such as V-LED) can facilitate dialogues focussed on specific policy processes, for example NDC formation, or sectors, for example uptake of renewable energy.

## Collaborative climate governance and action

**Collaborative climate governance and action, or a multilevel climate governance approach, refer to the constructive interplay between different levels of government, sectors and non-state actors in governing climate action.**

**Vertical coordination refers to the top-down and bottom-up coordination between different governing levels, from local to regional, national and international scales. Horizontal coordination refers to actor-to-actor interactions at the same governance level, such as national sector forums, regional governance bodies and city-to-city cooperation networks.**

## 2. Provide clear mandates and appropriate implementing authority to subnational governments

V-LED countries have pursued national legislation and policy to address climate change as a cross-cutting priority; however national laws and policies should clearly address cooperation between governing levels and the responsibilities and resources of subnational governments.

In South Africa, where municipal governments have strong mandates to drive economic growth and employment, experts and advocates are divided as to whether climate change falls under existing environmental mandates. Overlapping mandates concerning water, energy, transport and housing infrastructure complicate where local government has the authority to intervene. Likewise, due to the rapid devolution process in Kenya, some county officials were unaware of their mandated climate policy responsibilities and opportunities to access resources, for example the newly created national Climate Change Fund. V-LED produced a Devolution Guide to Climate Change to clarify the responsibilities decentralised to county governments and hosted vertical dialogues that brought together the Ministry of Devolution with county governing actors and civil society. In Kwale County, where V-LED concentrated its activities, leaders are currently exploring how county level legislation can cement policy for action and facilitate increased access to national funding streams.

National legislation can address vertical fragmentation by explicitly mandating subnational governments to respond to climate change, clearly delineating their responsibilities and roles within a national framework and addressing the resource gap necessary for implementation. Mainstreaming climate change into investment planning and linking local climate response strategies to finance mechanisms will increase local action.

## 3. Provide mandates and resources to coordinating entities to facilitate collaboration across sectors and levels

Collaborative climate governance requires leadership and facilitation. National climate policies often assign important responsibilities to climate change coordination committees,

however many struggle to exert influence over policy and lack the convening power to drive horizontal coordination.

For example Vietnam's National Committee for Climate Change has held few official meetings since its inception and is generally perceived as a symbolic, representative body that provides a platform for discussion but does not actively steer processes. Despite being chaired by the Head of Government, its convening power is limited and not recognised by some powerful line ministries (for example the Ministry of Finance). Anchoring coordination committees at high political level gives them formal recognition, yet there are clear differences in terms of political leverage, capacity and resources in comparison to adequately staffed and resourced institutions whose roles and responsibilities have a strong legal basis. Unique among the V-LED countries, the Philippine Climate Change Commission is set up as a government agency. It is mandated by the Climate Change Act to develop policy and coordinate its implementation both vertically and horizontally.

Dedicated climate change institutions and coordinating structures are important to facilitate horizontal, vertical and multi-stakeholder collaboration. To substantially influence policy processes, they need to move beyond representative purposes and be equipped with adequate resources, clear (and ideally legal) mandates and political leverage to influence planning and budgeting processes.

## EQUIP

## 4. Ensure access to finance for subnational implementation

Along with the mandate and technical capacities, subnational governments need adequate funding to implement climate actions. But they often generate little own revenue, lack the creditworthiness to ensure bankability of potential investments or the autonomy to undertake innovative approaches for financing low-emission, climate-resilient

projects. International climate finance does not easily trickle down to the local level. Small municipalities find applications for national and international schemes burdensome, and small projects often go unfunded.

Countries are developing different approaches to channel finance towards local implementation. As a way to incentivise local adaptation projects, the Philippines national government created the People's Survival Fund, which prioritises local governments with high exposure to climate risks. The fund faces operational challenges, specifically with regards to ensuring that local governments with limited capacity can meet the proposal requirements, but the national Climate Change Commission is working to simplify application mechanisms and coach municipalities - through V-LED and other programmes - on drafting quality proposals. Similarly, in South Africa and Kenya, V-LED trainings raised local governments' and community groups' awareness of available national and international funding opportunities and supported them to create bankable projects. In Kenya, there is a current push to replicate County Climate Change Funds (piloted through the UK financed StARCK+ project) to support counties to access the National Climate Change Fund, attract international finance and facilitate delivery of locally appropriate climate investments.

National governments and international donors need to address the funding pipeline to increase access to climate finance for transformative local action. Regulations can be streamlined and specific calls can be established for under-resourced local governments. National or regional helpdesk facilities can assist smaller local governments in proposal writing and in generating suites of bankable projects. Regional entities can help municipalities access investments by pooling initiatives into larger programmes.

## **5. Strengthen local horizontal peer-to-peer learning and good practice exchange**

Creating the space for subnational governments to exchange knowledge amongst each other can increase capacities, motivate local leadership and lead to the replication of successful strategies.

The V-LED project produced positive results when bringing together local authorities that operate under the same regulatory conditions. For example, in Vietnam, international good practices were perceived as difficult to implement since subnational authorities have limited autonomy and must navigate a unique governance system; however local leaders were enthusiastic to troubleshoot challenges and share success strategies among peers. In Kenya, counties sharing a coastal ecosystem and experiencing common climate change impacts exchanged lessons on integrated water resources management. Similarly, also in Kenya, the success of Makueni County in legislating and setting up a devolved County Climate Change Fund serves as a model for replication.

National associations of cities and provinces can be key partners and catalytic actors for local climate action. They can spearhead or partner with national or international development projects to convene local governments for horizontal exchange, facilitate replication of successful projects or tools, and represent the priorities of subnational governments in national and international policy discussions. V-LED worked closely with national associations of local governments in South Africa and the Philippines. Associations often have a wealth of expertise and data about local contexts and are able to provide access to key actors within their networks. In South Africa, SALGA has been a leading advocate for increased resources for local climate action and works with municipalities to follow the latest national guidelines for sustainable development.

Actors encouraging local climate action (e.g. national governments or international projects) should consider investing in and partnering with national associations/networks of local governments and co-creating projects or initiatives to increase the replications and sustainability of interventions.

## **6. Support local networks of engaged citizens to hold governments accountable and increase their motivation to act**

Active, empowered and organised civil society groups can influence climate policy, maintain political commitment and ensure implementation of climate plans and strategies. Local citizen networks can pressure local governments to put

and keep climate change on the political agenda, participate in public consultations and unofficially monitor progress.

In Kenya, the V-LED project worked closely with the Kwale County Natural Resource Network, raising capacities to understand climate change issues and providing technical training on developing climate actions. The network has a strong membership base with broad connections to local communities and natural resource user groups and actively promotes the views of its membership on county legislation. With the support of different programmes, the network has become an important advocate for sustainable development in Kwale County. The network has petitioned the county government to develop a climate change policy and bill and create the framework for a county-level climate fund.

Supporting the participation or partnership of local civil society can help root international projects in local contexts, identify best routes of action and increase the scale of impact. Often that may involve 'inviting them to the table' of important meetings, funding advocacy or empowering them to monitor and evaluate progress. Ideally, such local networks can be linked up to influential regional and national climate change networks and multi-stakeholder platforms.

## ALIGN

### **7. Align climate response with development planning and budgeting at the subnational level**

Climate change should be a development priority. Political or financial incentives for local action (e.g. job creation, air pollution control or earmarked national funds) can increase buy-in from local leaders and stimulate the preparation of scalable bankable projects. In contrast, when climate plans are siloed away from discussions about socioeconomic development - for example when climate response is considered a subfield of environmental management - they are often deprioritised and left unimplemented. Climate proofing budget processes or linking climate change planning to

specific finance mechanisms encourages local governments to implement national policy and local strategies.

In both the Philippines and Vietnam, local governments are mandated to create local climate change response plans, but often lack the required technical expertise and resources to implement. As a result, many plans are disconnected from local realities and suggest actions beyond the resources and capacities of local government. Likewise, across the V-LED countries, climate change planning rarely influences yearly budgets or long-term investments, for example climate-proofed infrastructure. This was identified as a key barrier to policy implementation. Kenya climate change policy follows a mainstreaming approach, mandating County Governments to mainstream the National Climate Change Action Plan into their County Integrated Development Plans (CIDP). V-LED thus facilitated a number of vertical dialogues and horizontal exchanges focused on integrating climate change response into key climate-sensitive sectors represented in the CIDP (i.e. agriculture, water, waste management).

To ensure climate change response moves beyond policy silos, national policy can mandate or encourage local governments to mainstream climate change into urban development planning and long-term capital investments. Third party actors, such as civil society groups or international development agencies, can play a key role in developing mainstreaming guides and coaching local governments based on development priorities.

### **8. Strengthen dialogical approaches to collaborative climate action**

Collaboration requires a conscious effort to strengthen dialogue between actors, government levels and sectors in order to understand each other's perspectives. Ideally, dialogue processes can be institutionalised within governing frameworks and managed by a national commission or committee. Dialogue should occur horizontally among participating ministries and vertically in cooperation with municipal and regional governments. Formal channels to facilitate dialogue on cross-cutting climate change issues include high-level inter-ministerial bodies (i.e. national climate change such as the Vietnamese National Committee for Climate Change), or cabinet committees, such as the Philippine Cabinet Cluster on Climate Change. Some mechanisms, such as the South

African Intergovernmental Climate Change Committee and the Kenyan Climate Change Council, include representatives from all levels of government and non-state actors. Establishing coordination mechanisms that allow for constructive dialogue can be challenging when top-down thinking is deeply ingrained in national-local government relationships and departments may be reluctant to work across sectoral boundaries. Critiques noted during the project include that formal committees act as top-down information channels, that they offer symbolic representation rather than steering authority, and that relevant powerful stakeholders do not engage with them (e.g. finance and energy ministries).

In the absence of existing or well-functioning formal communication mechanisms between actors and levels, third party facilitated informal dialogue can be valuable to support coordinated actions. Third parties can dedicate the needed time, resources and technical expertise to design dialogue workshops and function as a neutral broker. For example in the Philippines, the V-LED UN Habitat team facilitated a series of horizontal dialogues between various national government agencies responsible for climate change action and local government affairs to clarify responsibilities and streamline overlapping guidelines developed for local governments. Informal channels of communication and collaboration can also be strengthened by simply providing opportunities for relationship building between government officials at different scales. V-LED supported this through bringing national and subnational government officials together in joint workshop retreats and a study tour.

## **9. Consider subnational regional governments as key actors to enable local climate action**

Subnational regional entities are well-positioned to support climate action among local governments. As a bridge between local and the national levels, regional governments are able to retain capacity and institutional knowledge relevant to local contexts, facilitate horizontal dialogue, and spearhead ecosystem-based governance across municipal boundaries. Further, regional entities can provide service and guidance to local governments, especially those with limited experience and resources; and facilitate innovative finance mechanisms, for example project bundling for grant proposals, loans or green bonds.

Through successful dialogue between the Philippine national government (via the national Climate Change Commission) and local governing units, national actors understood and recognised the need for increased capacity support to local governments. Nonetheless, the Commission does not have the resources to offer support to the nearly 1,500 municipalities. Project partners and participants began to explore how provinces (81 in total) could fill the gap and offer more individualised support to municipalities in order to comply with national policy and follow guidelines as well as communicating common local challenges and needs to national actors.

Regional governments can leverage their own capacities and resources in the interests of municipalities. In South Africa, for example, budget transfers from the national treasury are insufficient to finance bold climate action, and many municipalities struggle to obtain attractive long-term loans in order to invest in sustainable infrastructure. In response, the Western Cape Province is creating the Sustainable Infrastructure Development and Finance Facility (SIDAFF) to support local governments identify sustainable investment opportunities, develop projects from the pre-feasible to bankable stage, and guide long-term financial strategies to fund sustainable growth using tools developed by the National Treasury. The regional government invested own-resources to leverage support from international partners and set up a finance ready institutional structure capable of issuing pooled green bonds or applying for loans based on bundled projects.

There are a number of ways regional governments can support local action, from finance to institutionalised peer-to-peer exchange in order to replicate good practices. When approaching NDC implementation or local climate action with a multilevel governance perspective, it is important to consider how the regional level may be appropriately involved and supported. Likewise, international interventions targeting local climate action might consider how engaging with regional government could contribute to sustainability and replicability.

# Conclusion

As the climate policy discussion continues to shift from building consensus and planning towards bold implementation, a groundswell of local action has been recognised as driving forward transformation. Governments can respond to well-known barriers to local climate action through improved multilevel governance. Coordinating ambitious climate targets across government agencies and engaging subnational actors as key implementers and decision makers can unlock potential and drive transformation. Drawing from project experiences and practitioner observations, this synthesis brief focussed on actionable entry points to improve multilevel climate governance and scale up action. Roles and responsibilities differ from level to level but achieving the goals of the Paris Agreement requires that international, national, regional and local actors seek to complement each other's actions and collaborate for a climate-resilient, low-emission future.

## Further reading

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### Contact:

Lisa Strauch, [strauch@adelphi.de](mailto:strauch@adelphi.de)  
Dr. Tucker Landesman, [landesman@adelphi.de](mailto:landesman@adelphi.de)  
Dr. Marcus Andreas, [andreas@adelphi.de](mailto:andreas@adelphi.de)

### Pictures & Design:

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