

National Economic, Environment and Development Study: Key Lessons

UNFCCC Webinar on Long-Term Finance

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INTRODUCTION

- In the context of 4th review of the financial mechanism, the SBI requested the secretariat to assist developing countries assess their financing needs to implement mitigation and adaptation measures.
- Eleven countries (Asia, Latin America and Africa) requested for assistance under the project National Economic, Environment and Development Study Project which ran from 2008–2010.
- Methodology: Bottom-up, country-driven approach to assess financial needs.



Key Outcomes

- The estimated short (2020)- and long-term (2050) costs of mitigating GHG emissions as reported by the countries range from USD 45 million to USD 33.01 billion.
- The estimated short- and long-term costs of adaptation measures as reported by the countries range from USD 161.5 million to USD 20.69 billion.
- Countries used different methodologies and approaches in assessing the cost of mitigation and adaptation based on models available to them which resulted in significant variations in overall findings and estimates across the different country studies.



Lessons and Recommendations

- Limited availability of data on recent emissions, projected growth and associated costs by sector has proved to be a bottleneck in assessing finance needs. Further, the use of different models for constructing baselines and mitigation scenarios makes the cross-country comparison of cost estimates difficult. The use of varying discount rates and projected timelines adds to this complexity.
- Assessing the costs of mitigation and adaptation measures was a challenge, owing to institutional and methodological constraints.
- Tools and methodologies are widely available for estimating the costs of mitigation measures, they are rather scarce in relation to adaptation.



- The lack of awareness of the issue of climate change and the inability to mainstream climate change into national and subnational plans hinders the development of financial and policy instruments to support climate change mitigation and adaptation.
- Engaging multiple stakeholders made it easier to obtain the required information and to stimulate dialogue on how to integrate climate change into national development plans.
- Available information is often dispersed across different government agencies, requiring inter-agency cooperation in order to compile the comprehensive set of data needed for cost analyses.
- Policies to provide incentives to promote environmentally friendly technologies and to encourage private-sector investment are necessary. The establishment of trust funds and the development of financial instruments are some of the measures available to promote public–private sector partnership.

