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## ***International Support for Domestic Climate Policies***

### ***Executive Summary***

Domestic climate policies play an important part in shifting countries towards a low-carbon growth trajectory. Six case studies are used to explore the domestic drivers and barriers for policies with climate (co-)benefits in developing countries. This leads to a discussion of the mechanisms and institutional settings available to address these barriers and increase the scale, scope, and speed of implementation.

- The opportunities for national transport policy, city planning and targeted transport investment to create options for public transport development and a shift of modal choice in Brazil are discussed.
- The options to enhance industrial energy efficiency in Ghana are explored; suggesting for example, the benefits of increasing the scale of a semi-governmental body whose functions would be to audit industry energy consumption and provide grants to realise savings opportunities.
- Policy instruments to improve energy and carbon efficiency of Indian steel production are evaluated; differentiating between efficiency improvements in a process, a shift to a more efficient process, and a more economical use of steel and low-carbon substitutes.
- Public support to replace inefficient rural pumps in India is suggested. This can be beneficial for both individual farmers and the overall system, when implemented alongside electricity metering and a cost reflective tariff structure.
- The procurement of increasing shares of energy from Concentrated Solar Power plants in South Africa is explored. This would encourage domestic and international firms to adopt and use the technology and could result in large scale deployment.
- The role of domestic policies and international cooperation for the Chinese wind power industry is presented, pointing to the value of such approaches to facilitate the large-scale application of renewables.

In all cases development co-benefits, such as energy saving, safer transport, additional employment, improved services, and reduced pollution levels can create domestic support for these policies. However, other government priorities and resource constraints often restrict the scale, scope and speed of the policy implementation. International support can help to overcome these constraints by providing additional resources for incremental policy costs, technical assistance, and technology cooperation.

- Policy indicators play an important role for successful policy implementation. They facilitate monitoring of intermediate policy outcomes, international comparison of best practice, and internal management for effective implementation.
  - Policy targets are increasingly defined using indicators for intermediate outcomes. Targets are often aligned with political time scales and thus have time-frames of about 3 years. For climate policies, this intermediate monitoring avoids the challenges of predicting the long-term impacts of transformational policies on emissions reductions.
  - International incentive schemes could be most effective, if they are linked to policy indicators that can be observed in a shorter time-frame rather than basing their success on final emissions reductions. This would provide early rewards and create the flexibility for policy design and frameworks to evolve over time.
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International support for the implementation of domestic policies can be anchored in the negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) on financial mechanisms and technology transfer.

- With regard to technology transfer, the evidence from national and international innovation systems points to the importance of cultivating domestic markets in order to develop local capacities and attract national and international technology investment and production. Domestic policies that can create and support such markets are therefore an integral part of international technology cooperation.
- The principle of *common but differentiated responsibility* requires all countries to pursue climate policies; while expecting developed countries to pay for the incremental costs. Several options for cooperation on domestic climate policy implementation beyond the CDM approach are outlined and can also build on positive experience of country twinning. This project builds on the analytic framework of Sustainable Development Policies and Measures (SD-PAMs).

Any such cooperation has to be anchored in domestic initiatives – building on constituencies for policies with climate co-benefits. International cooperation on domestic climate policies provides institutional capacity and private sector expertise that enables developing countries to move to a low-carbon growth path whilst building local capacity. It can also contribute to robust institutional frameworks and government policies that facilitate increased private sector investment, which supports low-carbon production and consumption.

The many different options for cooperation can, however, easily distract from any focused effort. Therefore it will be important to identify aspects that need to be clarified at early stages and possibly even commit to a certain level of implementation activity to avoid obstacles. These aspects can include the volume of resources pledged by developed countries, the detail of reporting on a low-carbon development strategy, and a set of shared policy indicators or categories of policy indicators to facilitate international cooperation.

The following papers have been published at [www.climatestrategies.org](http://www.climatestrategies.org):

<b>Karsten Neuhoff</b> <i>Project leader</i>	International Support for Domestic Climate Policies: Policy Summary	University of Cambridge
William Gboney	Policy and regulatory Framework for Renewable Energy and Energy Efficiency Development in Ghana	International Institute of Economics and Management
Kate Grant	Concentrated Solar Power in South Africa	University of Cambridge
Haroldo Machado-Filho	Options for International Support for Low-Carbon Transportation in Brazil	Ministry of Science and Technology of Brazil
Anoop Singh	Climate Co-Benefit Policies in India: Domestic Drivers and North-South Cooperation	Indian Institute of Technology Kanpur
Umashankar Sreenivasamurthy	Domestic Climate Policy for the Steel Sector, India	University of Cambridge
Xiliang Zhang	North-South Cooperation and Private Public Partnership: A Case Study of China Wind Power Industry	Tsinghua University
James Cust	Intermediate indicators: Lessons for their Use in Measurement, Reporting and Effective Policy Implementation	University of Cambridge
James Cust, Kate Grant, Ilian Iliev, Karsten Neuhoff	International Cooperation for Innovation and Use of Low-Carbon Technology	Cambridge IP, University of Cambridge
Sarah Lester, Karsten Neuhoff	The Role Of and Experience From Policy Targets in International and National Government	University of Cambridge
Amichai Magen	Establishing and Maintaining an Effective Cooperation Facilitation System	Stanford University
Zsuzsanna Pato	On Twinning: The Hungarian Experience	Corvinus University
Maike Sipple, Karsten Neuhoff	Lessons from Conditionality Provisions for South-North Cooperation on Climate Policy	University of Cambridge

#### About Climate Strategies

Climate Strategies aims to assist governments in solving the collective action problem of climate change. It connects leading applied research on international climate change issues to the policy process and to public debate, raising the quality and coherence of advice provided on policy formation. Its programmes convene international groups of experts to provide rigorous, fact-based and independent assessment on international climate change policy.

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