

# Multilevel governance for climate change in Lao PDR



2020

## Summary

Lao People's Democratic Republic (Lao PDR) is increasingly shifting to a model of governance known as 'sam-sang' (3-build system), whereby responsibility is increasingly devolved to local administration levels (province, district and village). This poses an ideal opportunity to implement a well integrated and vertically coordinated climate change response.

In particular, structured, practical and long-term capacity building programmes are needed for all tiers of government, as is the integration of climate change into sectoral policies and plans.

## FACTS & FIGURES



Per capita greenhouse gas emissions (2014 estimate):

**4.5 CO<sub>2</sub>e**

Governance structure:

Three-tiered, "democratic centralism"

Human Development Index:

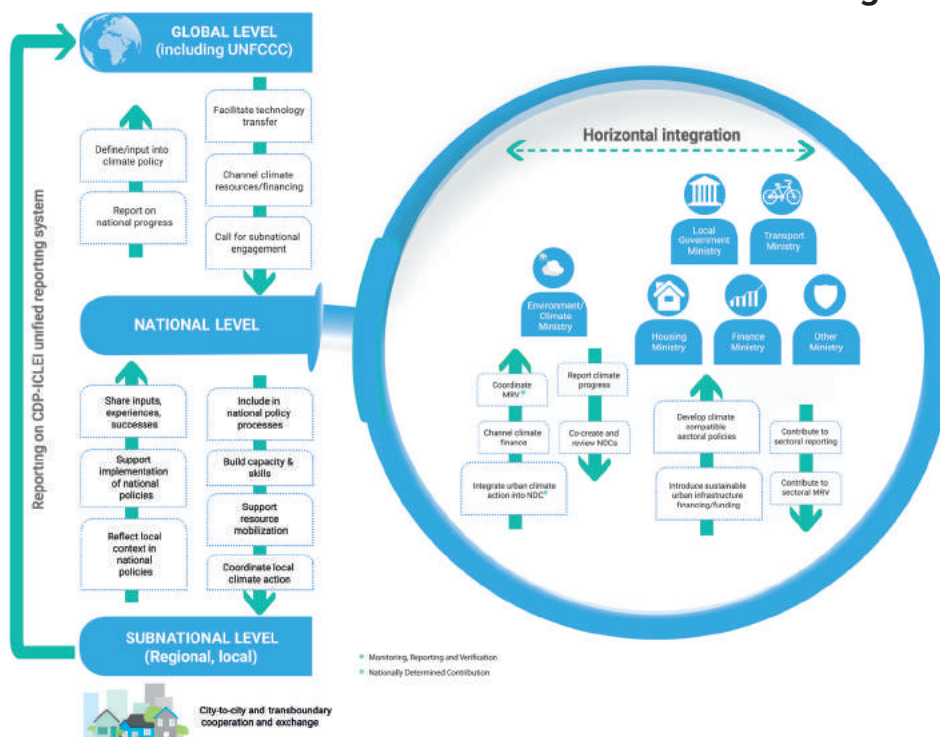
**139/181 (2018)**

% urban population:

**38% (2015)**



## The Vertical and Horizontal Dimensions of Multilevel Governance for Climate Change



## New project resource

This diagram has been produced by the Urban-LEDS project to show the important components of multi-level governance for climate change action. Only by supporting systems of collaboration between and within national and local government can we ensure climate change can be tackled successfully while meeting development goals.

## Enabling framework #1: National policies and strategies

Lao PDR’s Nationally Determined Contribution (NDC) recognizes the importance of mainstreaming climate change resilience and mitigation into development plans.

| Urban content in Lao PDR’s NDC   | NDC priority areas  |
|--|---|
| <p>UN-Habitat’s study entitled <i>Sustainable Urbanisation in the Paris Agreement</i> (2016) rated Lao PDR’s NDC as having “Strong” urban content, including:</p> <ul style="list-style-type: none"> <li>- Makes a specific request for capacity building on sustainable and integrated urban planning</li> <li>- Prioritises increasing the resilience of urban infrastructure</li> <li>- Aims to increase the use of public transport</li> </ul> | <p><b>Adaptation:</b><br/>Agriculture, Forestry and Land Use Change (LUCF), Water Resources, Transport and Urban Development and Public Health</p> <p><b>Mitigation:</b><br/>Forestry, renewable energy, large-scale hydroelectricity, rural electrification, transport</p> |

Governance arrangements for NDC implementation are still under development. Ministries currently report to a governmental “Round Table” via their leadership of individual sector working groups (there are 10 in total). This system could be used for NDC coordination. However, outside of the Ministry of Natural Resources and Environment (MoNRE) and Ministry of Agriculture and Forestry (MAF), NDC awareness among government officials at all levels is limited. One-off trainings have been conducted, but their impact is limited as the learning could not easily be operationalized.



Electric tuk tuks in Pakse City. Transport is a priority area in Lao’s NDC

### Local governments and key national development sectors



#### Energy

Local authorities are responsible for local investment and technical issues related to <5MW power projects. This could become a key competency for local government to contribute to the NDC’s 30% renewable energy target while securing multiple local development benefits.



#### Urban planning

National guidelines require that climate change risks are included in planning decisions. There are opportunities to integrate GHG emissions considerations into the Environmental Impact Assessment process, and in the development of new national building codes.

## Enabling framework #2: Monitoring, Reporting and Verification (MRV)

Given Lao PDR’s very low per capita emissions, the concept of MRV in Lao PDR is relatively new. Some steps have been taken to develop a sectoral MRV system. The Forestry sector has the most advanced knowledge of MRV. Currently, subnational greenhouse gas emissions data is not collected or monitored, and very little capacity exists to do this.

Reporting channels for climate change issues are already in place. The Provincial Office of Natural Resources and Environment (PONRE) is the focal point for climate change at the subnational level. It is possible that this existing structure could be used as a building block for institutional responsibilities for MRV. However, PONRE, as well as their District equivalent, DONRE, need additional staff capacity in order to successfully implement climate change related activities. Provincial and District Environmental Committees could be useful forums for enhanced dialogue, exchange and mainstreaming of climate change into sectoral plans, but would need upgrading and strengthening in order to play this role.



Different tiers of government and other partners come together to discuss low emissions development in the Urban-LEDS Project Advisory Group



**Lao PDR’s National Climate Change Action Plan** covers the period 2013 – 2020, and states that local governments must “consolidate various projects and focal tasks related to climate change, then integrate them into their Social Economic Development Plans, followed by participation and reasonable involvement into executing, monitoring and reporting”.

## Enabling framework #3: Financing the climate transition

It is estimated that a total of US\$2.37bn would be needed to implement the NDC.

Lao PDR has received almost US\$108m in climate finance from both international and local sources (US\$53.4m for adaptation and US\$54.6m for mitigation activities (OECD, 2011). The domestic Environmental Protection Fund (EPF) is in the process of becoming an Accredited Entity to various international funds. The EPF has funded 150 projects between 2005 – 2013, and sub-national government are eligible recipients. This holds the promise to provide a streamlined access point to climate finance for local governments. Capacity strengthening may be required to

enable the creation of attractive (financially-sound and bankable) project proposals.



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### GOOD PRACTICE EXAMPLE:

#### Sam Sang “3-build system” decentralization process

The *Sam Sang* “3-build system” directive proposed Provinces as strategic units, districts as comprehensively strengthened units, and villages as development units. The *Sam Sang* was completed in 2015 and represented a significant policy change. While still being progressively implemented, *Sam Sang* provides an opportunity to integrate climate change response at all tiers of government.



## Opportunities for enhancing multilevel governance

Several opportunities have been identified to strengthen implementation of climate change responses at all levels of government:

- **Capacity building:** Significant investment in building the capacity of national and sub national officials is required. This should move beyond one off workshops to ongoing training with practical application in real-time.
- **Continuation of decentralisation:** The continued allocation of administrative resources to sub-national government may be necessary in order to enable the implementation of new responsibilities as envisaged in the Sam Sang decentralization process.
- **Integration of climate change into sectoral policies:** Transport, urban planning and energy sector policies at both national and sub-national levels can be reviewed in order to strengthen vertical integration and mainstream MRV into sectoral policies
- **Mainstream national climate policy into local plans:** Local governments can benefit from integrating climate change, and the NDC, into local socio-economic development plans.
- **Build capacity of local governments to access climate funding:** Several domestic sources of funding could potentially be better used, including the Energy promotion and Development Fund and Environmental Protection Fund.

### The Urban-LEDS II project

The Urban-LEDS II project addresses integrated low emission and resilient development in more than 60 cities in 8 countries.

It is implemented by UN-Habitat and ICLEI – Local Governments for Sustainability (ICLEI). The project is funded by the European Union.


### Acknowledgements


This factsheet is based on research by Heather Robertson


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The Urban-LEDS project is funded by the European Union.