



City and National Governments Coordination on the Climate Agenda in Latin America – A Policy Note

Sergio Margulis

Abstract: Coordination between levels of government is a challenge in most developing countries. In the case of climate change, the uncertainties about the problem compound to make climate planning a complex challenge. Climate planning, both mitigation and adaptation, must be part of the agenda of the main economic sectors as well as local governments, and coordination between national and city governments is crucial. Cities have often been forerunners in climate planning.

Should national and city governments collaborate to address their climate change commitments and challenges?

There are many good reasons why they need NOT to collaborate. When there is a reasonable level of decentralization and independence, city and local governments are often more agile and advanced in the management of many public goods and services. They often are the ones who push certain agendas and national governments tend to follow – a classic example being pollution management.

“In the United States, as in Australia, the absence of national leadership on the issue of climate change has also served to create a policy vacuum into which city and state authorities have ventured, suggesting that coordination and support across vertical layers of government may not always be necessary in promoting urban responses to climate change” [1]. “The State of California is a notable example for its leadership on air pollution control that has provided a foundation of knowledge, experience and political will to support its recent actions to address climate change – action that is far in advance of those taken by the US national government” [3]. In Latin America, this has also been the case of Mexico City, Sao Paulo and Montevideo, for example. Worldwide, many cities have in fact been ahead of their national counterparts and pushed the climate agenda with greater enthusiasm and vigor, more often as part of their commitment to sustainability and better quality of life.

Another good reason why coordination of climate policies and initiatives between national and city governments may be limited is that many, or most, government responsibilities regarding climate change are well beyond the mandates of cities and local governments. This includes energy policies and pricing, the design of the energy mix and the sources of energy supplying cities, fiscal and market mechanisms, such as tradable permits and carbon taxes¹, and all emissions and impacts from agriculture, land-use change and forestry. Even many decisions that take place at the local level are largely influenced by the national government due to their funding, such as transport systems. Cities do have more autonomy with regard to land-use planning – including city design, which critically affects energy demand and GHG emissions – education, voluntary programs, and solid waste management.

When it comes to adaptation to climate change, city autonomy and “independence” are even more pronounced. Adaptation is specific to each region and locality, so that only individual cities know what are the best approaches and what are the available tools and capacity to respond to the specific climate change threats. National governments can provide cities with the needed information about these threats, they can also provide general frameworks for adaptation, but it is up to individual cities to use such information and design their adaptation strategies and plans.

In parallel to the above reasoning, there are also many (more) reasons to look for synergies between national and local government initiatives on climate change:

¹ Even though tradable permits and carbon taxes have been successfully implemented at more regional and local levels both in OECD and non-OECD countries, the bulk of such markets and players exist and operate at a national level.

- › Cities make a crucial contribution in helping countries to arrive at a climate agreement at a global scale.
- › Half of the world's population lives in cities (80 percent in Latin America), cities house most built assets, generate more than 80 percent of the world's GDP, are responsible for around 70-80 percent of the energy consumed, and generate three quarters of energy related GHG emissions. It is thus inconceivable that cities are not an integral part of any climate change mitigation strategy.
- › Cities are particularly vulnerable to the impacts of climate change, and adaptation will not possibly be all addressed and funded by cities alone. The concentration of people and economic activity make it much more cost-effective to focus both mitigation and adaptation action on cities, while the national and city climate regulations to be followed by private agents will have to be coordinated and consistent.
- › Cities house most scientists and research bodies, they are major sources of innovation and dissemination of ideas and practices, and without their involvement climate action will not even start.
- › National governments are responsible for designing most policies affecting a country's future carbon emissions, but implementation of such policies depends on a very strong agreement and engagement by cities – so it becomes crucial for governments to amply coordinate national policies and objectives with cities.

The extent to which such factors were clear when the NDCs were determined is unknown, but the fact is that in the vast majority of both developed and developing countries, NDCs were determined by National Governments 'only', with little, or no consultation and engagement by subnational entities.

The need for coordination between levels of governments is clearly non-specific to climate change or to the environment sector. "Vertical and horizontal integration allows two-way benefits: locally-led or bottom-up where local initiatives influence national action, and nationally-led or top-down where enabling frameworks empower local players. The most promising frameworks combine the two into hybrid models of policy dialogue ..." [4].

While it is indisputable that national and city governments should coordinate, align and support each other's initiatives on climate change, such coordination is extremely limited and often non-existent. 'Despite over two decades of policy interventions at the city level to address issues of climate governance, there remains a stubborn gap between rhetoric and action. Explanations for this gap vary from case to case but focus on issues of institutional capacity and factors of political economy' [1].

The challenge is how can national and city governments best coordinate their efforts to reduce emissions and to adapt to climate change, fulfilling countries' commitments of the Paris Agreement, minimizing costs, identifying opportunities and ensuring the 'right' institutional coordination framework.

The incentives for cities to engage on climate policies are different for national and city governments. They are also different for mitigation and adaptation. National governments

have a global commitment and are responsible for delivering country results. Cities in principle have a stronger incentive to focus on adaptation, which is more of a local (development) challenge. They may free-ride on the common mitigation effort, but not on adaptation. Yet, worldwide the vast majority of cities that have prepared a climate plan have tended to focus initially on mitigation. Reasons for this mismatch may be that (i) there is much greater dissemination and awareness of the need to mitigate, but much less on the need to adapt, where the information is much more limited; (ii) funding was initially almost exclusively available for mitigation, (iii) emissions inventories are technically easier to prepare than vulnerability assessments, (iv) mitigation is a global issue that attracts more attention than local adaptation, and (v) only mitigation addresses the causes of climate change – even if mitigation is a long-term process, well beyond the political mandates of city governments.

In the end, “there is no archetypical way of planning for climate change” [6], and the extent of coordination between national and city governments will likely mimic the existing modus operandi between the two in other sectors and issues. A key determinant is the level of fiscal centralization and cities autonomy and independence. “A multi-scale approach is needed, mainly ensuring sufficient capacity and resources to enable local authorities to plan and respond to their specific climate change agenda. However, tackling global issues requires more than the planning and action from the most forward-looking cities. Stronger and coherent national strategies are required, even if they are not always sufficient to trigger climate change action on the ground” [4].

The Konrad-Adenauer-Stiftung Foundation has recently funded a two-phase study in Latin America that looked at the ways in which national and city governments have developed their climate change plans – both mitigation and adaptation – looking for lessons to better integrate and coordinate their policies and actions². Some of the key findings and recommendations are summarized below.

The need for national and local governments to coordinate. In most case studies, consultation and negotiation processes among the different policy levels did not take place broadly. Encouraging good exceptions, even though not without problems and limitations, were the cases of Uruguay and Montevideo, Chile and Santiago, and Colombia and Bogota. Some cities also suggested that while the NDCs and adaptation plans were typically prepared without proper consultation and engagement by local governments, coordination begins to appear at the level of implementation: national governments are now approaching local governments to plan the implementation of NDC targets and policies, including adaptation.

How to coordinate. National governments can support municipalities by helping them to strengthen capacity and to improve their climate change knowledge base, by providing a (technical and institutional) framework for them to address climate issues, in addition, of course, to providing funding. The national government needs to conceive a system to engage lower levels of government, but worldwide the experience has been that national

2 The country and cities included in the two phases were Argentina/Buenos Aires, Brazil/Rio de Janeiro, Chile/Santiago de Chile, Colombia/Bogota, Costa Rica/San Jose, Ecuador/Quito, Guatemala/Guatemala City, Honduras/Tegucigalpa, Mexico/Mexico City, Panama/Panama City, Peru/Lima, and Uruguay/ Montevideo

governments have provided only limited and largely inconsistent support. This is more worrisome when it comes to implementation, where cities will have an even more prominent role, and funding will be a key determinant of success.

Good examples. Mexico and Chile are both providing a national framework to help small and medium-size cities to address climate change. In Mexico, the National Institute of Ecology is planning on designing a platform for States and Municipalities to prepare their emissions inventories. Another platform will focus on designing sustainable cities more broadly. This is aimed specifically at the small and medium size cities. In the case of Chile, the same approach has been adopted for adaptation planning. The national government has developed the “2018-2022 Adaptation Plan for Cities”, coordinated by the Ministry of the Environment with the general objective to propose adaptation guidelines for cities to face climate change, strengthening their response capacity.

Heidrich et al. [6] suggest that cities can provide and deliver strategies without the wider support and guidance from national governments, but they need to have the capacity, resources and political will to do so. Where such wider support is limited, only larger or capital cities have achieved this, creating a considerable gap between smaller and larger cities, which should be addressed by providing support for cities of any size.

Incentives to coordinate. In the case of adaptation, support from the national government will be dictated by the level of vulnerability of a city. With mitigation, such support will depend on the significance of emissions by individual cities and regions, which are mostly a function of their size and level of economic activity. In either case, however, the fundamental driver to promote coordination between different levels of government seems to be political: whether the two governments belong to same political parties, the level of political and economic decentralization of the country, the degree of autonomy of cities and municipalities, as well as their level of technical capacity.

Proactive cities and opportunities. Many city case studies took a proactive role in developing their climate action plans before the national governments. In principle, these commitments ignored funding from national governments and competition within country and across cities. They clearly see more opportunities of embracing the climate agenda early, in contrast to a position in which they might lose competitiveness by committing to low-carbon targets. A good example is the annual emission of green bonds by Mexico City for mitigation actions, which has been well accepted in the market and is generating around US\$ 50 million per year. This is a rather encouraging experience. City participation in international networks “also opens new opportunities, gives them a visibility as forward looking, and may strengthen their ability to attract investments to bring about sustainable development” [5].

Work at the level of Metropolitan Regions. It makes eminent good sense, and ultimately becomes much cheaper and cost-effective, to address climate challenges at the level of Metropolitan Regions, as opposed to individual city level. This applies to both mitigation and adaptation planning. Lima, Bogota, Montevideo and Tegucigalpa have taken this approach. This necessary coordination is not unique to the climate agenda – it applies equally to transport, sanitation, solid waste, and other services where economies of scale call for integrated action.

City climate actions take place in the context of broader sustainability. Climate plans must be aligned with the broader environmental, social and economic dimensions. Most actions that aim at reducing GHG emissions are also beneficial to other environmental (for example, air pollution), social (health), and economic (energy efficiency) goals. These are the co-benefits, and they generate not only higher social and economic returns, but also become much easier to be politically accepted. Co-benefits are much stronger even in the case of adaptation, where essentially all actions bring along local welfare improvements and reciprocally, many local development actions increase resilience to climate events.

Early political will and leadership. As with other themes, consultations and coordination need to start early in the process of designing climate policies. And the same with political engagement at the highest possible level. Such engagement needs to take place early on, in order to increase the chances that the plan will be mainstreamed in broader government development policies, in sector policies, and also so that they are eventually funded.

Sector awareness and mainstreaming. Climate change is still often perceived as a long-term problem, scientifically very complex that needs not to be addressed by poor developing countries, and even less by local governments. Even in sectors directly responsible for emissions or highly vulnerable to climate change impacts often perceive the problem as responsibility of the environmental sector only. Mainstreaming climate change in sector policies and programs is thus rather difficult. Uruguay appears to be the most successful example of mainstreaming, but that does not mean that a mainstreamed model is more appropriate in every context. Both Guatemala and Honduras, for example, indicated that given the current difficulties in coordinating policies across sectors and across levels of government, it may be more appropriate to have one specific ministry or institution in charge of climate issues, and that institution should (attempt to) push the problem into other sectors agendas.

Adaptation before, but not in spite of, mitigation. The NDCs and many of the mitigation and adaptation plans reviewed already indicated that for many countries and cities, adaptation is a greater priority than mitigation. This became patently clear in the final activity workshop. This sense of priority is stronger in the poorer countries in Central America – like Honduras, Guatemala, Costa Rica – that are specifically vulnerable to climate change. For these countries in particular, climate change is already an urgent problem, perceived as priority development challenge. As indicated, however, like in most countries in the world, including richer countries, cities and countries tend to have emissions inventories and mitigation policies more often than they have vulnerability assessments and adaptation policies. This suggests that the international cooperation should give more focus and attention to vulnerability assessments and adaptation strategies.

Implementation and funding. 'To date, much of the urban response to climate change focuses on universal targets ... without considering how such targets should be distributed across the urban arena or the procedures by which diverse urban publics might engage in debate about what constitutes a fair and equitable response to climate change' [2]. Many countries and cities analyzed are now engaged in designing implementation plans. Especially for cities, such efforts cannot ignore the fact that they '... need to have access to the necessary resources to achieve their stated goals. Local initiatives cannot be effectively implemented without recognition in the form of a mandate and medium to long-term support and funding' [7].

Need for sound technical analyses. Countries and cities prepare their mitigation and adaptation plans based on the best available data and planning tools, but the data and information are often very limited and/or low quality. This is particularly problematic in the case of climate change planning precisely because of the high complexity of the problem and the many uncertainties that remain. Cities emission reduction targets were rarely established based on careful technical and economic analyses of the potential emission reductions by individual economic sectors. The question remains whether the proposed targets were too ambitious or too conservative? Mexico City is largely outside of this pattern due to the high technical quality of its Climate Action Plan (PACCM). The lack of technical analyses is more pronounced in the case of vulnerability assessments and adaptation planning, because they require more local specific data. Almost the entirety of plans reviewed lack detailed economic analysis of the costs and benefits of alternative adaptation actions.

In closing, many limitations hinder the good planning and implementation of climate mitigation and adaptation: uncertainties about climate change and its projected impacts, scarce financial and human resources, limited integration or coordination of government policies and plans (vertical and horizontal), different perceptions of risks among sectors and among social groups, absence of strong leaders advocating for climate action, and a general mis-perception that we can free-ride on others and that there is still time to mitigate the problem.

Adaptation is gaining importance in all cities and countries studied, and it is increasingly becoming a priority. Yet, adaptation may come before but not in spite of mitigation – which is the common obligation of all countries and individuals in the world. Both mitigation and adaptation come in the wake of the sustainable development agenda. The idea that climate change is a long-term challenge, a scientific problem to be addressed by the richer countries needs to be reversed with simple, didactical and accessible information.

Climate planning remains a complex challenge, full of uncertainties, that can only be addressed with the use of the most accurate available technical information. Climate planning also must be part of the agenda of the main economic sectors as well as local governments – mainstreaming – because the impacts from climate change will be felt locally and at the sector level. Both mitigation and adaptation actions will consist of sector actions that need to be incentivized through sector policies and plans, integrated with the perspectives of each region.

Cities have been proactive with the climate agenda, increasingly in the adaptation agenda. This must be encouraged and strengthened, but national governments must support the less prepared and less capable cities. This requires a good effort towards coordination, that needs to start with strong political will and commitment – by all. But as with other development and challenges, governments need to have the adequate technical, financial and managerial skills to advance the climate agenda. This is a key role for the international development community to help with.

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About the author

Sergio Margulis is Senior Research Associate at the International Institute for Sustainability in Rio de Janeiro. He was former National Secretary of Sustainable Development in the Secretariat of Strategic Affairs of the Presidency, Lead Environmental Economist at the World Bank, former President of the Rio de Janeiro State Environmental Agency, and a researcher at IPEA. He holds a PhD in environmental economics from Imperial College, London.



Konrad-Adenauer-Stiftung e.V. Regional Programme Energy Security and Climate Change in Latin America (EKLA)

Director: Christian Hübner

Editorial coordination: María Fernanda Pineda

Fiscal address: Av. Larco 109, Piso 2, Miraflores, Lima 18 - Perú

Address: Calle Cantuarias 160 Of. 202, Miraflores, Lima 18 - Perú

Tel: +51 (1) 320 2870

energie-klima-la@kas.de

www.kas.de/energie-klima-lateinamerika/

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