

# Integrating Climate Risk in Long-Term Planning

## *Session 1: Introduction to LTS and Transparency*

21 September 2020



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# USAID T-LTS Project Overview

- The **USAID [Transparency and Long-Term Strategies \(T-LTS\)](#) project** supports countries in developing transparent long-term strategies (LTS) for low-emissions development.
- **Goal: Enhance the capacity of countries** in long-term modeling and forecasting of low-emission development alternatives.
- September 2019 – September 2021
- Activities:
  - LTS trainings
  - LTS best practices
  - Country support on LTS planning



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# Integrating Climate Risk in Long-Term Planning

## Training Objectives

1

Understand the concept and importance of transparency for long-term climate change planning

2

Integrate and mainstream climate considerations into sectoral planning

3

Create a preliminary LTS action plan that includes climate risk and transparency considerations

# Our Team

**Derina Man**  
*Senior Manager: Climate  
Change and Sustainability*



**Marian Van Pelt**  
*Senior Vice President:  
Climate Change and  
Sustainability*



**Jen Leisch**  
*Senior Clean Energy  
Consultant*



**Katie O'Malley**  
*Climate Change and  
Sustainability Specialist*



**Samantha Tigner**  
*Climate Change and  
Sustainability Analyst*



**Logan Pfeiffer**  
*Climate Change and  
Sustainability Specialist*



# Session 1 Objectives:

## Introduction to LTS and Transparency

- ✓ Define LTS and why are they important
- ✓ Learn the components of LTS
- ✓ Explain transparency and its requirements
- ✓ Describe the connection between LTS and transparency
- ✓ Identify LTS context for your country and sector

# Long-Term Strategies (LTS)



# What are Long-term Strategies (LTS)?

- ✓ A country strategy or plan that sets a vision and pathway towards sustainable, low-emission development to 2050
- ✓ Help countries establish long-term climate and development goals and consequently directs short-term decision-making
- ✓ Define pathways for achieving those goals



**LTS are not a new framework that need to be created, but rather build on a country's existing priorities and planning systems.**

# Why are LTS Important?

- Help countries set a vision and prioritize short- and mid-term actions
- Inform development of national plans, sector plans and/or subnational activities

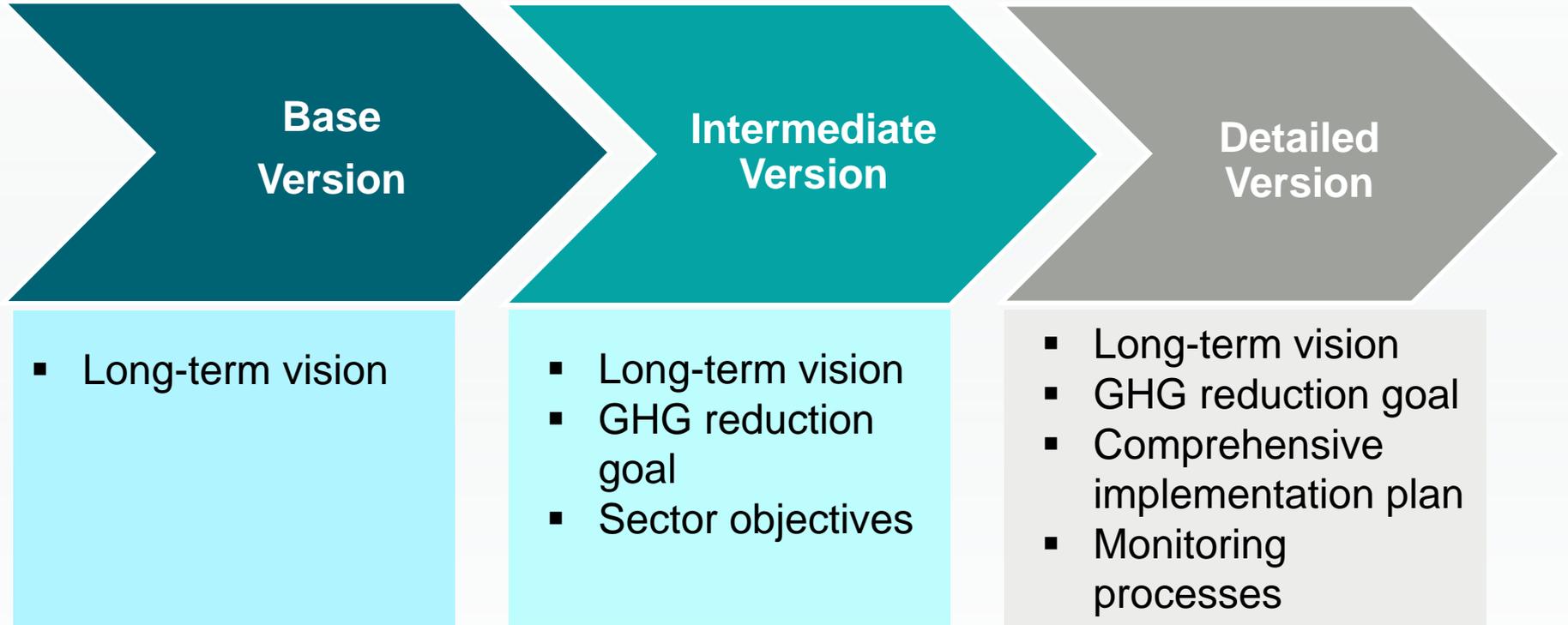


# Elements of an LTS

- There are variations of an LTS, depending on the capability and resources of a country
- A LTS does not have to include every single element.
- There are different levels of comprehensiveness of an LTS.
- Comprehensiveness can be built up over time.



# Elements of an LTS



# LTS and the Paris Agreement

## Paris Agreement Article IV, P. 19

“All Parties should strive to formulate and communicate **long-term low greenhouse gas emission development strategies**, mindful of Article 2, taking into account their common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.”

LTS	NDC
Defines the national vision and development priorities for a country, and links this to emissions pathway.	Defines specific GHG emission reduction targets and detailed implementation plans.
Voluntary (Article 4, paragraph 19)	Required (Article 4, paragraph 2)
Timeframe: 2050	Timeframe: 5-10 years
Parties are invited to submit a LTS in 2020 with no requirement for revisions	Parties are required to communicate and update NDCs every five years

# Alignment of LTS and NDC Process

**LTS and NDCs can inform each other and/or be developed in tandem**

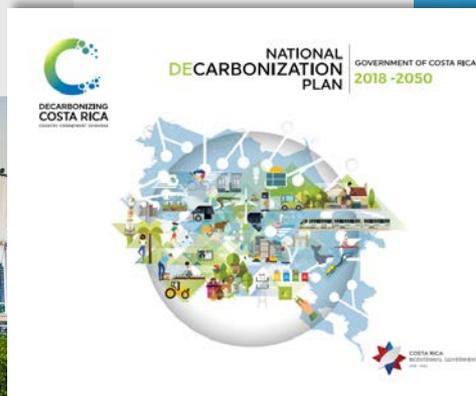
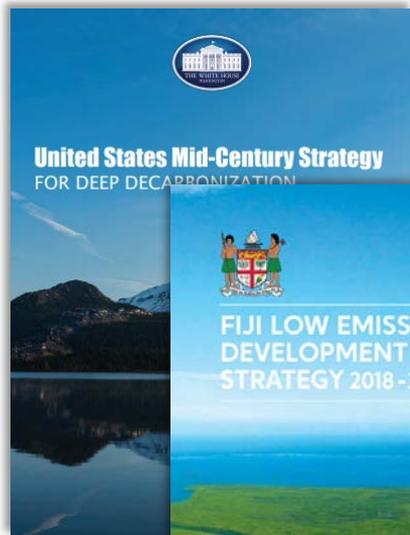


Adapted from GIZ and New Climate Institute

# Examples of Long-Term Strategies (LTS)



# LTS Examples



*17 Submissions  
(as of August 2020)*

<https://unfccc.int/process/the-paris-agreement/long-term-strategies>

# Costa Rica

*A long-term vision or goal related to Sustainable development*

“**Decarbonization** and **resilience** are recognized as the means to transform the current economic development model into one that is based on bioeconomy, green growth, inclusion, and on enhancing the well-being of all citizens.”

“Fiji is highly vulnerable to climate change due to its position as a small island developing state (SIDS)...It is therefore imperative to take **ambitious and rapid action** to address climate change, through greenhouse gas (GHG) emission reductions.”

# Fiji

*Climate Risk Considerations*

# Japan

*GHG Reduction Targets*

“Japan has set a long-term temperature goal of **reducing GHG emissions by 80%** by 2050, and will boldly take measures towards its realization.”

# Mexico

## *Implementation Pathways*

“**All sectors** must contribute to reducing emissions, increasing efficiency and innovation, promoting improvements, notably in buildings, agriculture, waste management and industry, with the energy system making the greatest contribution, particularly as regards electricity generation and transport.”

# United Kingdom

## *Monitoring & Improvement Processes*

“Climate challenge mandates a **transformation of production and consumption patterns**. To do so, Mexico requires a civically engaged society that demands **accountability** from the government. Educational programs and effective knowledge diffusion are fundamental to successfully implement such a transcendent policy.”

# Portugal

## *Adaptation and Sectoral Objectives*

Reinstate a regular Clean Growth Inter-Ministerial Group responsible for **monitoring the implementation** of this Strategy and driving ambitious clean growth policies. **Report annually** on our performance in delivering GDP growth and reduced emissions through an “Emissions Intensity Ratio”

“In producing our own 2050 Strategy, we wanted to set a clear framework for progressing towards net zero greenhouse gas emissions by 2050, as well as transitioning to an economy and society that is **resilient and can adapt to the inevitable impacts of climate change**. But most importantly, we wanted to do this in a way that promotes **sustainable development** and the future well-being of the Marshallese people – women, men and youth.”



Tile Til Eo  
2050 CLIMATE STRATEGY  
“Lighting the way”

The Republic of the Marshall Islands

September 2018

# LTS Example: Marshall Islands

- The [LTS of the Republic of the Marshall Islands](#) sets a clear framework for 2050
- Sets specific GHG emission reductions targets
- Focus on electricity sector and 100% renewable energy
- Acknowledges its vulnerability and increasingly damaging effects from climate change
- Develop a National Adaptation Plan (NAP) with short, medium, and long-term targets to facilitate adaptation and resilience

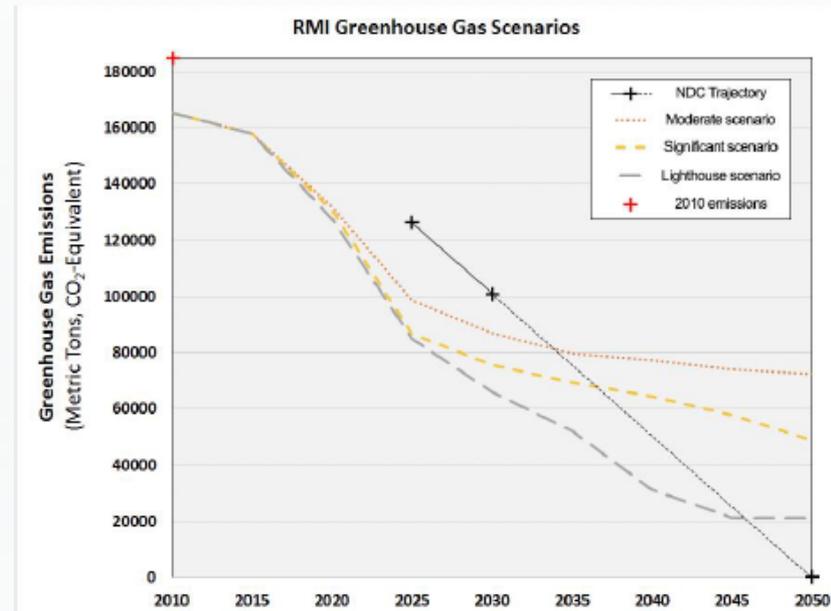


Figure 1: RMI Greenhouse Gas Emissions Reductions – NDC Trajectory and Scenarios

Source Government of the Marshall Islands

# LTS Example: Marshall Islands

- Sets out decarbonization scenarios and pathways for each individual sector
- Delineates the specific *Means of Implementation* for GHG emissions reductions and climate resilience objectives
- Emphasizes transparency and importance of quality data and monitoring systems for informed policy development and to measure progress

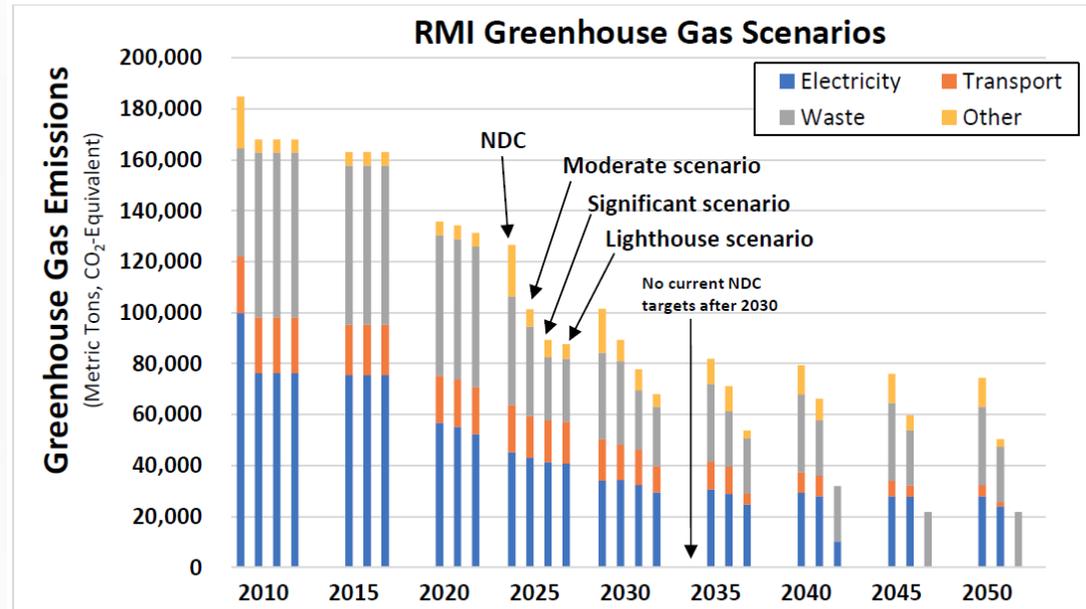


Figure 5: Snapshot comparisons of Scenarios by sector and year

# LTS Elements

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# Transparency



# Transparency & TACCC Principles

*UNFCCC introduced the TACCC principles over 20 years ago:*



- **Transparent**
- Accurate
- Consistent
- Comparable
- Complete



*Transparency ensures all assumptions and methodologies are clearly explained and documented to facilitate replication and assessment*

# What is Transparency?

Are your ***data sources, assumptions, methodologies, and uncertainties***:



Reported



Documented

...sufficiently to be ***replicated*** and clearly ***understood***?

# Transparency Applied to LTS

Applying transparency best practices to LTS will support:



**Good Governance:** builds trust amongst Parties, increases public confidence, supports accountability



**Technical Rigor:** increases credibility of assessments, enables replicability and revisions, supports alignment of long and short-term planning, reduces reliance on outside consultants



**Environment for Investment:** signals maturity of planning process and investment readiness

# Example: Transparency in the U.S. LTS

## I. Electricity Sector Assumptions

Both the Reference and Advanced Technology scenarios use capital cost assumptions that were developed for selected electricity technologies. All other technologies used default GCAM values (Table 1). The updated technology assumptions were developed specifically for 2010 to 2040 and were assumed to be constant after 2040.

The Advanced Technology scenario uses a set of updated capital and O&M cost assumptions for the following technologies: coal (IGCC CCS), gas (CC CCS), Gen III nuclear, CSP, PV, and wind. Relative to the Reference scenario, costs were higher in 2020 for coal (IGCC CCS) and CSP technologies and lower for all other technologies. In subsequent years, the advanced capital cost assumptions were uniformly lower for all technologies relative to the reference (Table 1).

In the Reference scenario, default GCAM fixed and variable operating and maintenance (O&M) costs are used. These costs are given for 2005 to 2015 and assumed to decrease by a constant percentage from 2015 until they reach a maximum improvement threshold. In the Advanced Technology scenario, data for fixed O&M costs was developed for this report for 2010 to 2040. Values after 2040 were assumed to equal those in 2040. With the exception of gas (CC CCS), fixed O&M costs declined under the Advanced Technology scenario relative to the reference. In addition, variable O&M costs were provided for coal (IGCC CCS) and gas (CC CCS) technologies. These cost assumptions are higher than in the Reference scenario (Table 2).

Efficiency and capacity factors assumptions did not change between the Reference and Advanced Technology scenarios, but are presented in Table 3 for reference. For intermittent wind and solar technologies without storage, capacity factors are assumed to be dependent on renewable supply curves.

Table A.1: Capital Cost Assumptions for Reference and Advanced Technology scenarios (2010\$/kW)

	Reference Technology				Advanced Technology			
	2005	2020	2035	2050	2005	2020	2035	2050
Biomass (conv) <sup>1</sup>	3999	3951	3818	3702	Same as reference			
Biomass (IGCC) <sup>1</sup>	6000	5745	5180	4819	Same as reference			

Documents  
and reports  
assumptions



# Key Takeaways

1. LTS are a strategy or plan that set a vision and pathway towards sustainable, low-emission development to 2050
2. LTS contain a variety of components including GHG reduction targets, sector & adaptation objectives, and climate risk considerations
3. Transparency includes documentation and reporting of information that underpins target setting, scenario planning, and monitoring
4. The integration of climate risk into LTS can improve resilience, decrease vulnerabilities, reduce adverse impacts, and contribute to long-term objectives

# Resources

- [Paris Agreement Full Text](#)
- [Long Term Strategies Submissions](#)
- [LTS Example: Marshall Islands](#)
- More on Transparency:
  - [Enhanced Transparency Framework](#)
  - [Transparency of support under the Paris Agreement](#)
  - [What is transparency and reporting?](#)
- [The Transparency and Long-Term Strategies Project \(T-LTS\)](#)



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Thank you!

