

Country Selection Project : A methodology to identify countries' green growth potential

Country Selection Project (Component2)



Global
Green Growth
Institute



Programmbüro
**Internationale
Klimaschutzinitiative**

On behalf of



Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety

of the Federal Republic of Germany



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1. Executive summary

Introduction and objectives

The Global Green Growth Institute (GGGI) is dedicated to pioneering and disseminating a new model of economic growth, known as 'green growth'. This is growth that features progress in key aspects of economic and social development as well as environmental sustainability. GGGI's country work consists of green growth planning (GPP) analysis and design, domestic capacity building, and developing public-private partnerships to support plan implementation.

The Country Selection Project, which ran from October 2011 to March 2013, was spearheaded by GGGI and Germany's Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) to increase the number of developing countries that demonstrate the feasibility and the benefits of green growth planning by engaging three countries where the potential for green growth is particularly significant. The components of this project are as follows:

1. Phase I: Developing an objective methodology for prioritizing countries for GGGI in collaboration with BMU to assist with GPP based on their commitment, potential, and capacity for green growth and applying the methodology to identify three countries for initial engagement;
2. Phase II: Engaging host country stakeholders effectively to build a shared vision of green growth and identify key areas of focus for country programs; and
3. Phase III: Developing a detailed and demand-driven scope of work for each of the three countries as part of the initial steps in a multi-year green growth planning program.

This report summarizes the approach, results and lessons learned from the project.

Country Selection Methodology (Phase I)

The definition of green growth adopted in this study is:

"Green growth is balanced economic growth that results in a broad based improvement in key aspects of social performance, such as poverty reduction, job creation and social inclusion, and environmental sustainability, such as mitigation of climate change, conservation of biodiversity and security of access to clean energy and water."

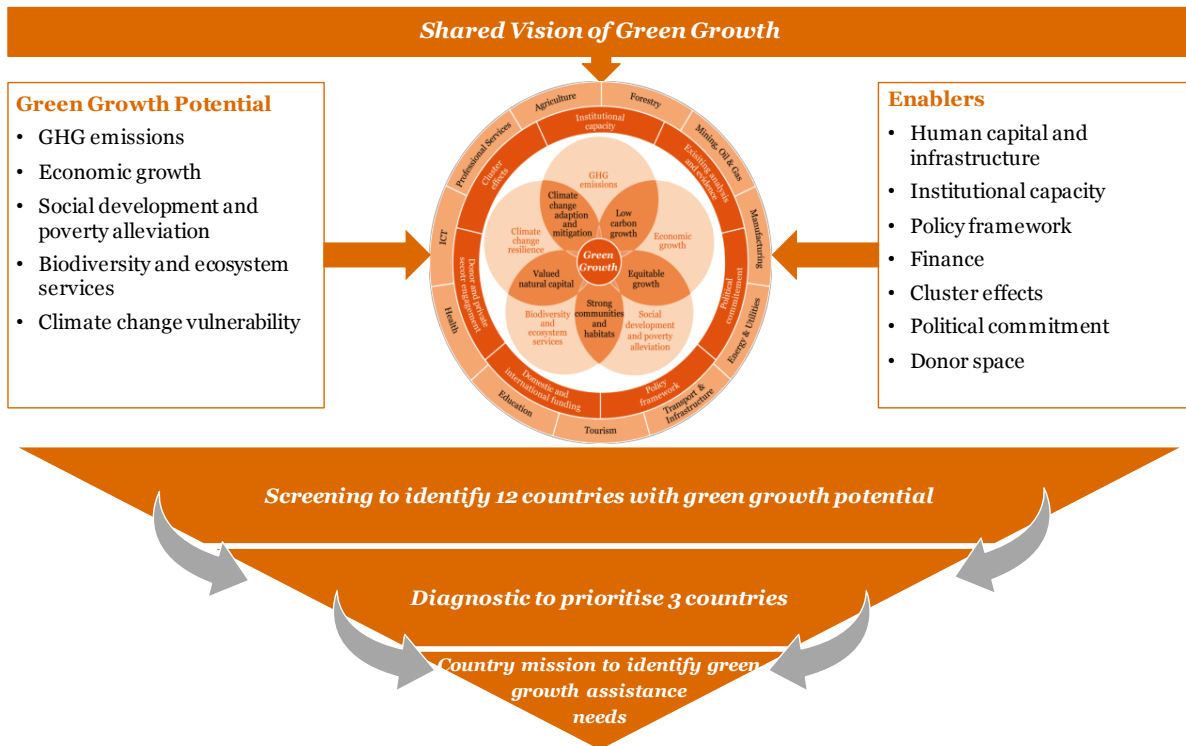
The Country Selection Methodology developed during the Project is designed to facilitate identification of countries where the potential for green growth is particularly high and where GGGI's future involvement is anticipated to generate significant beneficial impacts. The focus of the methodology development was therefore to identify countries that feature a high green growth potential and a favourable enabling environment. The approach involves a combination of quantitative and qualitative assessment of countries against a framework of 12 criteria and 38 indicators of green growth potential and the enabling environment.

The framework is illustrated in Figure 1. In summary, the methodological steps are:

- 1) **Filtering:** removing countries that are not compatible with the GGGI-BMU program, which emphasizes international stakeholders' objectives and GGGI's mission to promote green growth. Countries which GGGI is already engaged in were also removed from the pool (e.g. Ethiopia, Indonesia, the Philippines, Vietnam, etc.).
- 2) **Long-listing:** high-level quantitative scoring against 10 green growth potential and enabling indicators to narrow down the list of countries.
- 3) **Short-listing:** more detailed scoring using 38 green growth potential and enabling indicators with stakeholder assigned weights, together with stakeholder engagement to identify qualitative barriers that may not be evident in the data, producing a short-list of countries.
- 4) **Deep-dive:** qualitative assessment of green growth potential and enabling factors with a focus on political commitment, the level of existing donor activity in the green growth space and the status of current green growth

planning activities. The results of this analysis are considered in a prioritization workshop to produce a final list of countries for the next stage of GGP.

Figure 1: Framework for country selection



Initial engagement and program scoping (Phase II)

The countries identified as a result of the application of the methodology developed during the first phase were Jordan, Peru and Thailand. As mentioned above, it is important to note that these countries were not chosen based solely on their score. The last stage of Phase I process (“deep-dive”) involves multifarious considerations of both local and international stakeholders that are not easily quantifiable. In this particular instance, the number of countries was limited to three since it was deemed to be a manageable number given GGGI’s other projects and institutional capacity.

In the second phase of the project, GGGI met with in-country stakeholders and undertook scoping missions to each of these countries to engage with government, other international organizations, NGOs and private sector stakeholders to assess their commitment, potential and capacity to engage in green growth planning activities.

The initial country missions largely confirmed the findings of country assessments from Phase I and identified a range of opportunities to support each country with green growth planning activities. All three countries have strong potential for green growth, broadly display the enabling conditions for green growth identified in Phase I, and are at an early stage in terms of developing green growth plans. Further visits to the three countries were conducted during the third phase of the project in order to discuss and refine the identified opportunities and finalize the details of each country program.

Planned country programs (Phase III)

A National Green Growth Plan for Jordan: GGGI will support Jordan in creating an economy that is more resilient and suited to its natural challenges and strengths by catalysing the development of a ‘green economy’. The work will involve developing a National Green Growth Plan for Jordan to provide a clear vision towards green growth and a comprehensive, cross-sector strategic framework to support implementation. GGGI’s activities in Jordan will help coordinate existing policies and provide the platform for the design and implementation of green growth initiatives, which can be delivered through international and private sector investment finance. A capacity building program for public sector employees and public awareness raising activities will complement the program.

A National (Green Growth) Forest Plan in Peru: GGGI will support Peru in managing its forests to foster the broad economic development of forest-dependent sectors, promote social inclusion and improve the welfare of related populations, and maintain natural capital so as to optimize environmental values and eco-system services, especially GHG mitigation. It aims to do this by aligning existing forest-related initiatives behind a single, government-mandated master plan that prioritizes areas of activity, identifies barriers and required government interventions, and lays out a realistic roadmap for implementation over the next 5 years. The project will also design plans for implementation in 2-4 priority areas by developing detailed implementation plans in coordination with all relevant bodies, resulting in a set of proposed policy instruments that will be prioritized by the government.

Industry GHG reduction roadmap for Thailand: GGGI's work in Thailand will assist the implementation of the government's Climate Change Master Plan by developing a clear and credible roadmap for industry GHG reduction. The roadmap will be underpinned by an updated evidence base of emissions, cost-impact assessment of abatement technologies, and a set of potential mitigation policies supported by both businesses and government. A key aim of the project is to enhance the capacity for coordination and technical and economic analysis within the Government of Thailand and among the private sector in relation to GHG inventories, emission projections, mitigation opportunities and the economic impact of GHG mitigation within the selected sectors.

The methodology's purpose and features

The purpose of the methodology: The idea of "country selection" appears at face value to run counter to the prevailing demand-led ethos of GGGI and many other international stakeholders, and it is true that the approach adopted in the Phase I for the methodology development has been analysis rather than demand-led from developing countries. However, there are a number of reasons why a methodology to develop an objective and systematic approach to identify to identify countries that are more ready for green growth planning can be a useful tool for other international organizations:

- By highlighting countries with a high green growth potential and where assistance is likely to be most effective (strong enabling environment), the method can help prioritize requests for assistance with green growth planning.
- By shedding light on the maturity of each country's green growth planning efforts, the methodology can help international stakeholders identify the right time at which to engage a country with an appropriate scope of technical assistance at that time.

The use of quantitative analysis: At the heart of the methodology lies a quantitative assessment and scoring process to enable comparison of countries along the potential and enabler dimensions. In this project, the scoring methodology was used to help prioritize three countries for engagement. These countries were selected from among the highest scoring countries to achieve a geographical balance and to develop a portfolio of countries with specific assistance needs. It is important to note that the final selection is based on *both* the scoring output and strategic considerations of the parties involved – it is not a mechanical process determined by a single formula.

Qualitative information for decision-making: In addition to the scoring process, a large amount of qualitative information and studies were reviewed and synthesized to assist decision-making. The most useful aspects of the qualitative analysis proved to be those that were highly specific to green growth planning activities - in particular the assessment of political commitment, donor space, and the maturity of green growth planning, including the policy and institutional landscape.

Strategic priorities: The Country Selection Methodology was designed to better implement the strategic objectives of GGGI and BMU, but it accords a degree of flexibility for other international organizations who may have different priorities. Donor preferences may encompass many dimensions, for example, geographic region, size of economy, size of emissions, degree of political commitment, sectors of interest, etc. Some of these dimensions are quantitative or binary and are included as filters within the Country Selection Methodology, which can be switched on or off. Many of these criteria are qualitative however, and assessment against these would take place within the diagnostic stage of the methodology.

What are the key success factors for initial engagement with countries?

Based on the successful experience of initial engagement with stakeholders in Jordan, Peru and Thailand, the following are considered by the project teams to be the key success factors.

Identifying a suitable candidate: Based on the project team's experience of engagement with the three countries selected during the first phase of the project, a suitable candidate with which to commence a green growth planning project would be one in which:

- Low carbon development is already integrated into existing policies as a high level objective.
- Green growth planning is at an early stage of development.
- Governance and institutional arrangements for green growth planning are in development.
- There is good availability of data required for low carbon planning and policy analysis.
- Government has some experience of engaging with civil society institutions, e.g. business, trade associations, academia, NGOs on green growth planning topics.

In practice, one or more of these conditions is likely to be absent in most countries that are not already engaged in a national green growth planning process. Thus, green growth planning projects typically build in additional steps to support one or more of these aspects. Understanding the maturity of existing green growth planning efforts is key to scoping a program of work, and this is something that needs to be validated through in-country discussions.

Developing a clear engagement plan: In addition to stakeholder mapping to set out who to engage with and the underlying rationale, an engagement plan should be developed which addresses the timing, expectations, desired outcomes, and follow-up planned for each stakeholder. This is particularly important if a range of potential opportunities for support are under discussion with different lead ministries or public authorities.

Extensive engagement prior to visit: The project teams carried out extensive engagement with in-country experts and stakeholders, including donor organizations, academics, and the private sector prior to the country missions. These proved invaluable in informing the approach to the visit.

A dialogue over several visits is required: The process of initial engagement, developing a range of opportunities for donor support, and scoping out and agreeing on the final program of work, required 2-3 country missions in each case. These visits were necessary as GGGI did not have a local presence in the chosen countries at the time and a thorough in-person engagement was essential to reach an agreement on the precise scope of work. The timeframe required from first visit to reaching an agreement on the precise scope of work varied from several weeks to 8 months.

Co-ordination with other international organizations: There are many international organizations active in the green growth planning space. They should be contacted prior to and during country visits to discuss on-going and planned activities and to identify overlaps and synergies between projects. As well as sharing intelligence, donors and other organizations embedded 'in country' can be considered as potential collaborators in co-delivering projects, particularly in countries where donor space may already be crowded.

What are the key success factors for program scoping?

Demand-led program scoping & design: Upon deciding on partner countries based on the country selection methodology, the actual need expressed by partner countries is the primary factor driving the scoping and design process of GGGI's country program. One of the strategic goals of GGGI is to promote a demand-driven green growth planning.

Supporting implementation of national objectives: In order to gain acceptance and be a useful and relevant exercise, it is crucial that the green growth planning process be embedded in the national policy objectives. The goal and scope of each country program within this project were determined based on discussions with government. Each country program takes as its starting point a national policy objective expressed in a strategy or master plan. In each case the programs are designed to support implementation of that high level objective.

Planning for implementation: A key objective of all green growth programs should be to provide support throughout the full cycle of green growth planning and implementation. This means cultivating a long-term relationship with each country, ensuring that the process is owned by local stakeholders and focussing on developing comprehensive whole economy or sector roadmaps that assess the feasibility, costs and financial impacts of abatement policies

The importance of engagement with business: One of the ultimate goals of green growth planning is implementation of policies to encourage the private sector to reduce GHG, develop mitigation strategies, protect natural capital and provide finance for all of these. Early and extensive engagement with business is an essential pre-requisite for the

identification and adoption of successful policies and for the achievement of these goals. For this reason, the programs feature strong business engagement and private sector capacity building.

Designing specific capacity building activities: As well as capacity building through everyday project interactions, green growth programs should be designed to deliver specific capacity building outputs. This includes undertaking a needs assessment, delivering training and workshops, distributing e-learning packages, and so on.

Building in south-south learning opportunities: Green growth planning programs should aim to provide opportunities for stakeholders to share what they have learned with other green growth projects in the same region. Cross-country exchange of experience is crucial to promote green growth practices worldwide. For example, GGGI is working with Indonesia and Brazil in the forest sector, which will help inform the Peru project and it has also launched a green growth planning project in UAE which will help inform its Jordan project.

2. Introduction

Background

The Global Green Growth Institute (GGGI) is dedicated to pioneering and disseminating a new model of economic growth, known as 'green growth', that simultaneously targets key aspects of economic performance, such as poverty reduction, job creation and social inclusion, and those of environmental sustainability, such as mitigation of climate change and biodiversity loss and security of access to clean energy and water. The definition of green growth adopted in this study is: a balanced economic growth that results in a broad based improvement in key aspects of social performance, such as poverty reduction, job creation and social inclusion, and environmental sustainability, such as mitigation of climate change, conservation of biodiversity and security of access to clean energy and water.

GGGI's country work consists of green growth planning (GGP) analysis and design, domestic capacity building, and public-private partnership to support plan implementation. GGGI operates a tailored but consistent program for each country. Countries/regions in which GGGI is working on include: the Aral Sea Basin, Brazil, Cambodia, China, Ethiopia, India, Indonesia, Kazakhstan, the Mekong River Basin, Mongolia, Rwanda, the UAE, Philippines, Peru, and Vietnam. In addition, the Institute is currently in talks to proceed with GGPs or related projects in a number of other countries, including Mexico and East African Community.

About this project

The Country Selection Project (October 2011 to March 2013) was spearheaded by GGGI and BMU to develop an objective and systematic approach to selecting countries for the institute's projects. Specifically, the work involved:

1. Phase I: Developing a methodology for prioritizing countries for GGGI in collaboration with BMU to assist with GGP based on their commitment, potential, and capacity for green growth and applying the methodology to identify three countries for initial engagement;
2. Phase II: Engaging host country stakeholders effectively to build a shared vision of green growth and identify key areas of focus for country programs; and
3. Phase III: Developing a detailed scope of work for each of the three countries as part of the initial steps in a multi-year green growth planning program.

The methodology was designed to identify countries where the potential for green growth is particularly high and where GGGI's future involvement is anticipated to generate significant beneficial impacts. We emphasize that the project was not aimed at finding 'the right answer' or 'the best countries', but the Country Selection Methodology can be aligned with a strategic and policy objective of the parties involved and reflects their respective priorities.

This study has also drawn upon good practice and experience from processes delivered by organizations such as the World Bank, donors such as DFID, and other organizations such as CDKN, so that the outputs from this study can become an asset for the wider green growth practitioners' community.

About this report

This report provides an overview of the approach and findings from each phase, including a guide to the methodology that was developed in Phase I of the project and used to select countries for further engagement.

The following points are important to consider when reading this report:

- The Country Selection Methodology provides a relative assessment of each country's green growth potential and enabling environment based on readily available data sets.
- The assessment has been based on currently available datasets and stakeholder views and should be considered as a "snapshot in time". The readiness assessment of countries may change over time.
- The methodology acts as a filter narrowing down the countries under consideration in two stages.
- The assessment of green growth scores depends on a priority and objective chosen by GGGI and BMU for a collaborative engagement with three countries as well as the weights applied by the selected stakeholders.
- The final choice of countries was made jointly by GGGI and BMU.

3. Project overview

Overview of approach

The project was divided into three phases as outlined in Table 1 below:

- The first phase (October 2011 - February 2012) comprised the development of a methodology for country selection based on quantitative and qualitative analysis of green growth potential and enabling factors, and the use of the methodology to select three countries for GGGI and BMU assistance with green growth planning.
- The second phase (February 2012 - June 2012) involved engaging with key stakeholders in the selected countries to build awareness and commitment to green growth planning. This included a country visit to each of the three priority countries.
- The third phase (June 2012 - March 2013) involved working with government agencies in charge of implementing green growth and project implementation in the three countries to scope out a GGP program.

Table 1: Overview of project objectives, activities and outputs

Phase	Phase 1: Country Selection	Phase 2: Generating Commitment	Phase 3: Program Scoping
Objectives	<ul style="list-style-type: none"> • Identify a strategic priority of the parties involved GGGI and BMU – to be adopted for GGGI-BMU’s three country programs : select countries with a high potential for green growth • Develop a methodology for an objective and systematic approach to select countries • Select three countries with a high potential for green growth based on the above methodology 	<ul style="list-style-type: none"> • Develop an extensive local stakeholder engagement process with GGGI, BMU and partner countries • Validate the preliminary assessment made in Phase I • Prepare the ground for the future involvement 	<ul style="list-style-type: none"> • Finalize the program’s scope and objective through consultations with the target country’s government • Codify lessons learned and develop a plan for knowledge sharing, both in-country and internationally
Activities	<ol style="list-style-type: none"> 1. Project inception 2. Country screening and methodology development 3. Country diagnostic review 4. Reporting 	<ol style="list-style-type: none"> 5. Initial engagement 6. Country visits 7. Analysis of findings and reporting 	<ol style="list-style-type: none"> 8. Program scoping 9. Develop knowledge management plan 10. Final Report
Outputs	<ul style="list-style-type: none"> • Screening assessment of initial long list of potential partner countries • Detailed analysis of green growth potential of six countries • Toolkit for Country Selection Methodology • Agreement on the final three countries to visit 	<ul style="list-style-type: none"> • Identified stakeholders, projects and local priorities • Enhanced government commitment and support from key ministries • Identification of possible project opportunities • Preliminary action plan approved by local partners • Validation of preliminary assessments and tools 	<ul style="list-style-type: none"> • Finalization of the program’s scope, objective, and work plan • Application documents and knowledge management plan to facilitate on-going involvement • Final report for publication to facilitate GGGI’s wider public engagement
Reports	<ul style="list-style-type: none"> • Inception report • Phase I Report on the key findings of desk studies on six countries as a basis for selecting countries for country visits 	<ul style="list-style-type: none"> • Phase II Report on the key findings of the three country visits 	<ul style="list-style-type: none"> • Final project documents for three country programs • Final Report for public dissemination • Report on Country Selection Methodology

4. Country Selection Methodology

Methodology overview

The starting point for our methodology for country selection was to develop a shared vision of what green growth entails and an understanding of the respective country funding priorities of the donor organizations involved in the project. The definition of green growth used in this project is as follows:

“Green growth is balanced economic growth that results in a broad based improvement in key aspects of social performance, such as poverty reduction, job creation and social inclusion, and environmental sustainability, such as mitigation of climate change, conservation of biodiversity and security of access to clean energy and water.”

The main priorities of this project were to identify countries that exhibit a high green growth potential and a favorable enabling environment. Figure 2 illustrates the framework developed to identify countries with these characteristics. Figure 3 details the 12 criteria underpinning the assessment of green growth potential and enabling environment and provides a rationale for their choice.

Figure 2: Framework for country selection

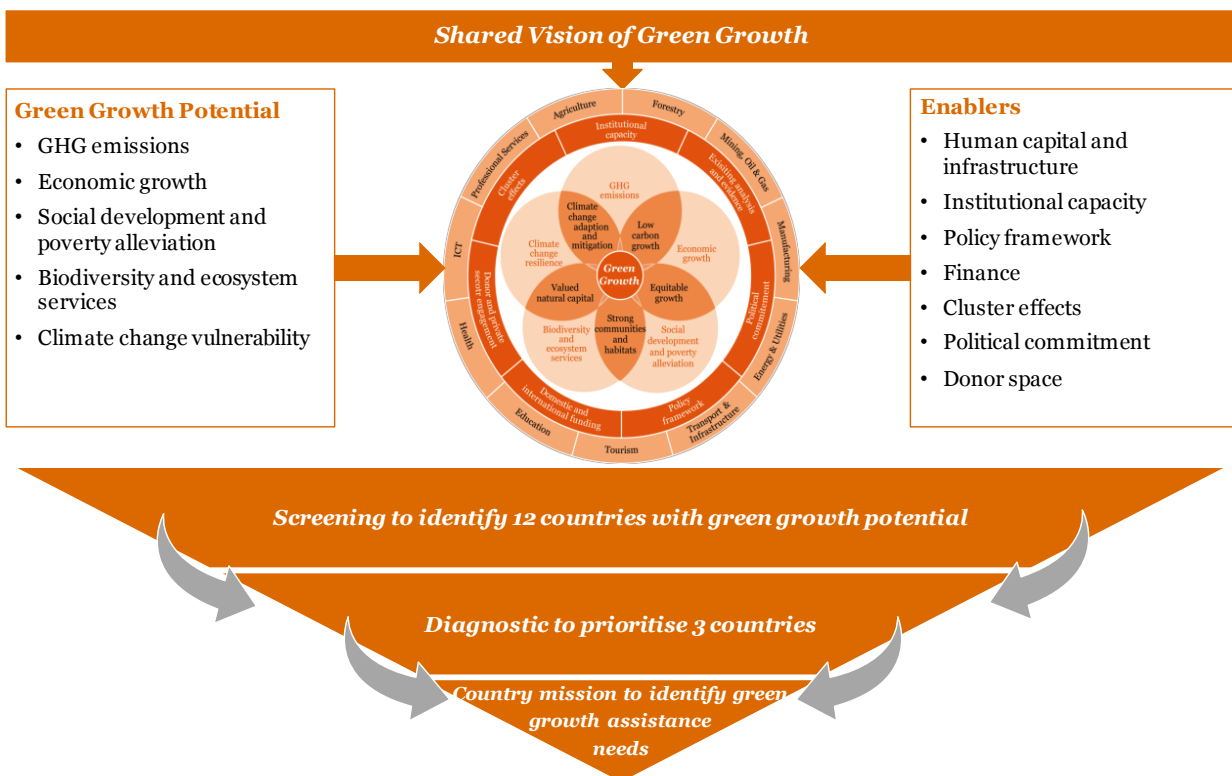
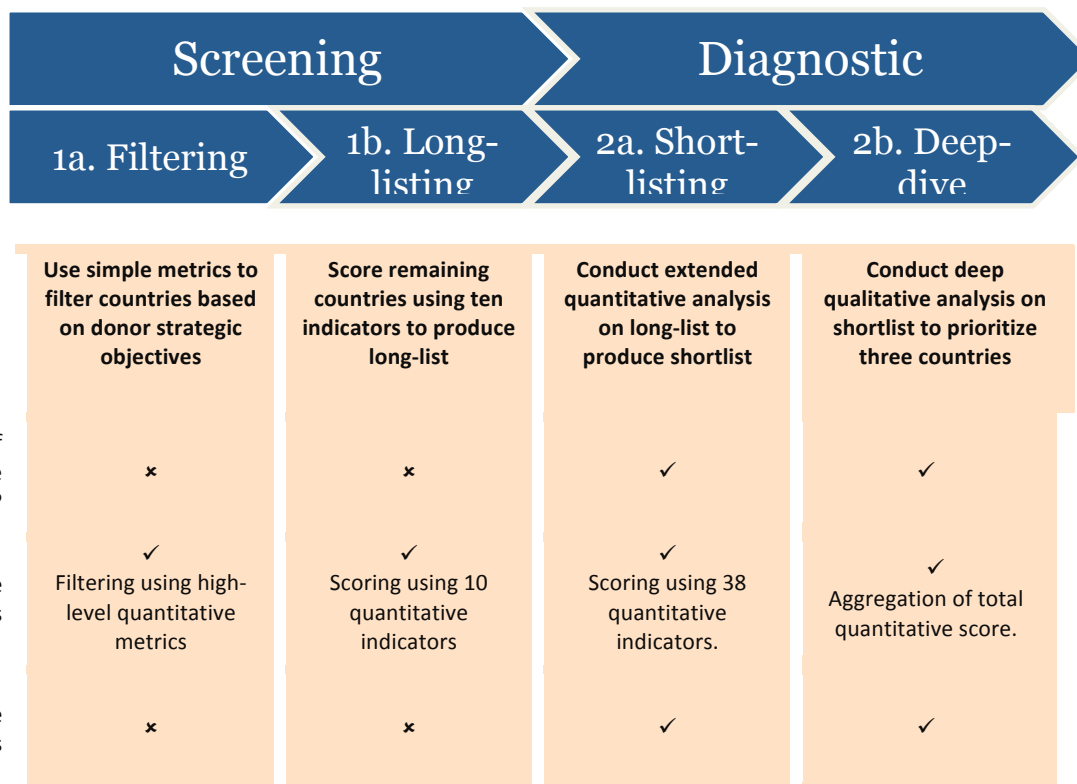


Figure 3: Green growth criteria used in the Country Selection Methodology

Green growth potential criteria
<p>Green growth planning and funding is likely to be more effective where there is greater potential for green growth. For example:</p> <ul style="list-style-type: none">• GHG emissions: countries with higher greenhouse gas emissions intensity have greater opportunities for cost-effective emissions reduction.• Economic growth: rapidly growing countries are likely to have greater opportunities for eco-efficient growth.• Social development and poverty alleviation: countries with higher levels of poverty and inequality are likely to benefit more from green growth interventions.¹• Biodiversity and ecosystem services: countries where biodiversity is rich and under threat from human activities are likely to benefit more from green growth than traditional development path.• Climate change vulnerability: countries that are more exposed to the physical and resource impacts of climate change are likely to benefit more from green growth interventions.
Green growth enabling criteria
<p>A favorable enabling environment is a pre-requisite for successful green growth,:</p> <ul style="list-style-type: none">• Human capital and infrastructure: countries with more skilled workers and higher levels of basic physical infrastructure (e.g. roads and communications networks) are likely to have greater capacity to benefit from green growth planning.• Institutional capacity: countries with better functioning and more appropriate institutions are likely to have greater capacity to implement green growth policies. Institutional capacity includes the following factors - information management, technology and knowledge absorption capacity, enforcing the rule of law, government efficacy, and an ability to monitor and evaluate performance.• Policy framework: countries with existing pro-green growth policies, low administrative barriers, low corruption, effective regulation and political stability are likely to have greater capacity to implement green growth policies.• Finance: countries with effective financial architecture and at least a moderate level of internal and external financing capacity are more likely to be able to leverage further funds for green growth implementation.• Cluster effects: countries with strong trade or cultural links to neighboring groups of countries are likely to have greater potential to lead them towards a green growth path and thereby maximize the regional impact of donor assistance.• Political commitment: countries with a proven track record of delivering on environmental or social policy pledges are more likely to be able to advocate and deliver green growth policies.• Donor space: countries with the right balance of having enough donors to reap synergies without being saturated with overlapping donor programs are more likely to be receptive to green growth planning assistance.

¹ It should be noted that GGGI's definition of "green growth" emphasizes *inclusive growth* as one of its key characteristics.

Figure 4: Overview of Country Selection Methodology



(1) Screening methodology

1a. Filtering methodology

The first step – the filtering step – takes the complete list of global countries and screens out countries that do not meet the donor’s strategic priorities.

In this Country Selection Project, GGGI and BMU’s priorities included screening out countries with relatively small populations or relatively large GDP as well as those already engaged with GGGI or other organizations in developing national green growth plans or Low-Carbon Development Strategies. Given the selected thresholds on these criteria, this provided a sample of 84 donor-eligible, medium-sized economies, where it was deemed likely that there was a high-level opportunity for fresh efforts at national green growth planning.

1b. Long-listing methodology

The long-listing step involves a quantitative assessment of eligible countries from the filtering step (1a) using a set of 10 indicators - 5 relating to green growth potential and 5 relating to the enabling environment. The indicators used are listed in

Table 2. The scoring approach applied is to normalize these indicators² across the sample group and take a simple average (ignoring data blanks).

The results of this scoring process can be used in a variety of ways. The approach used in the Country Selection Project was to select the three top scoring countries across each of 4 regions. This resulted in reducing the number of countries under consideration from 84 to 12.

² Data value minus sample average, divided by standard deviation i.e. the z-score method.

Table 2: Green growth indicators used in the long-listing step

	Criteria	Indicator	Rationale	Source	Relationship between indicator and score	
Potential	GHG emissions	Carbon intensity of economy	Countries above international benchmarks for carbon intensity will often have greater potential for reducing GHG emissions as they grow	World Bank	↑	
	Economic growth	Economic growth 2003-2008	Economic growth forms one of the core elements of green growth	World Bank	↑	
	Social development and poverty alleviation	Population living below \$1.25/day	The greater the percentage of the population living in poverty, the more important it is that green growth, including social development, occurs	UN HDR	↑	
		Human Development Index	The World Bank has suggested that the HDI is a good measure of vulnerability to climate change ³	UN	↓	
	Biodiversity and ecosystem services	Forecast population growth 2010-2020	Countries expected to have faster population growth will have an increasing impact on the environment	UN Population Division	↑	
	Enablers	Institutional capacity	Rule of law	Countries with greater institutional capacity, including a strong rule of law, lower levels of corruption and an enabling business environment are more likely to be able to implement green policy reform and promote green business	World Bank	↑
Corruption Perceptions Index			World Bank		↑	
Ease of doing business (rank)			World Bank		↓	
Human capital and infrastructure		Mean years of schooling	Countries with greater human capital are more likely to be able to develop green skills and capitalize on green job opportunities		UN HDR	↑
		Population with access to electricity	Countries with lower levels of electricity access contain a bottleneck to growth across all sectors. Higher access is therefore part of the enabling environment		IEA, World Bank	↑

Key to scoring:



indicates that the higher the indicator the higher the score



indicates that the lower the indicator the higher the score

(2) Diagnostic methodology

2a. Short-listing methodology

The short-listing step involves taking the long list of countries and performing a more detailed (mainly quantitative) assessment in order to derive a short-list of countries for more detailed qualitative analysis. The assessment features the following:

³ Füssel H-M., (2009) "Review and quantitative analysis of indices of climate change exposure, adaptive capacity, sensitivity, and impacts", *Background note to the World Bank World Development Report 2010*

- 38 quantitative indicators for measuring green growth potential and enabling criteria;
- Stakeholder weighting of the relative importance of each criterion, using the Analytic Hierarchy Process (AHP);
- Scoring for each of the long list of countries, based on their performance across 38 quantitative indicators; and
- Light-touch stakeholder consultation to supplement and validate the largely quantitative analysis undertaken to date.

Application of this process in the Country Selection Project involved quantitative assessment of the twelve countries identified in the previous step to produce a short list of six countries for qualitative assessment.

Table 3: Green growth indicators used in the short-listing step⁴

Potential		Enablers	
Criterion	Indicators	Criterion	Indicators
GHG emissions	<ul style="list-style-type: none"> • Energy intensity of economy • Carbon intensity of fuel mix • GHG emissions per capita 	Human capital and infrastructure	<ul style="list-style-type: none"> • Mean years of schooling • Mobile cellular subscriptions • Availability of scientists and engineers • Access to electricity
Economic growth	<ul style="list-style-type: none"> • Forecast economic growth (2011-16) • Global Competitiveness Index ranking • Material efficiency • Trade openness • Foreign Direct Investment • Innovation score on Global Competitiveness Index 	Institutional capacity	<ul style="list-style-type: none"> • Rule of Law • Corruption Perceptions Index • Voice and Accountability • Statistical Capacity Index
Social development and poverty alleviation	<ul style="list-style-type: none"> • Proportion of the population living below \$1.25 a day • Unemployment rate • Under-5 mortality rate 	Policy framework	<ul style="list-style-type: none"> • Fossil-fuel consumption subsidy • Government Effectiveness • Ease of Doing Business Index • Climate Laws, Institutions and Measures Index
Biodiversity and ecosystem services	<ul style="list-style-type: none"> • GEF Benefits Index of Biodiversity • Air quality • Water quality • Forested land area 	Finance	<ul style="list-style-type: none"> • S&P's sovereign ratings (AAA etc.) • Interest rate spread • Market capitalization of listed companies (% GDP) • Domestic credit to private sector (% GDP)
Climate change vulnerability	<ul style="list-style-type: none"> • Forecast population growth (2010-20) • Water stress • Vulnerability to drought • Vulnerability to flood 	Cluster effects	<ul style="list-style-type: none"> • Regional trade • Countries sharing common language

Weighting and scoring

Different stakeholders place different emphasis on each of the dimensions of green growth. In order to allow stakeholder views to influence the weight applied to each green growth criterion, the short-listing stage of the Country Selection Methodology features stakeholder consultation using the Analytic Hierarchy Process (AHP) method. The method is used to translate stakeholder judgements on the importance of different criteria into objective weights.

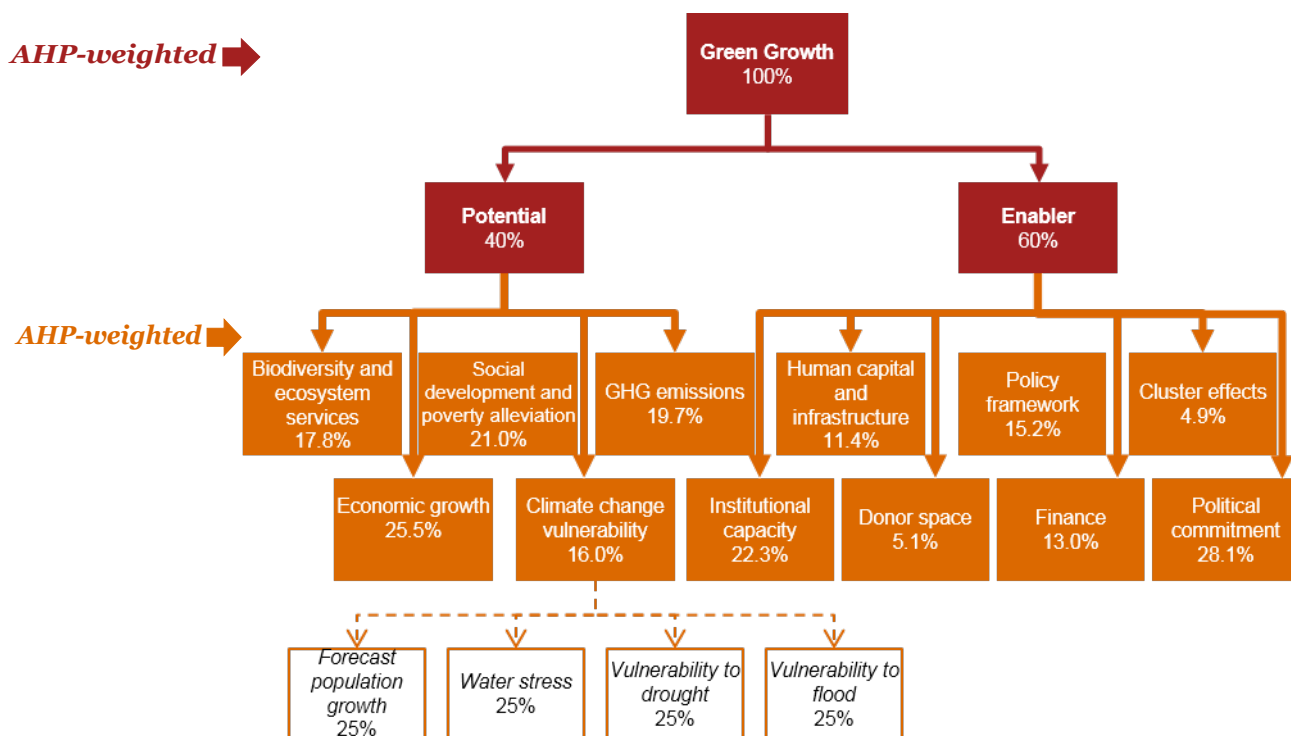
During the Country Selection Project, a panel of 12 stakeholders from across the public, private and non-profit sector were asked to complete an AHP questionnaire. The weights derived from this exercise are outlined in Figure 5.

⁴ In the short-listing step, political commitment and donor space criteria in the enablers category are not used because we believe that they are not amenable to meaningful quantification. They, however, are included in the weighting questionnaire sent to stakeholders since these criteria are scored qualitatively and weighted in the following deep-dive step.

To provide each country with a quantitative score, the 38 indicators discussed previously are normalized, again using the z-score method, relative to a small sample group of 16 high-scoring countries. Each country's score is then multiplied by the weights derived using the AHP process. Each country's total score is the sum of these weighted normalized indicators.

Data sets with poor data coverage should be avoided wherever possible – it may be advisable to remove countries from the sample group where data coverage is inadequate for robust analysis. However, some data blanks will remain. The scoring method is neutral to these; it ignores data blanks, and redistributes weights pro-rata across all other indicators. In the sample group of 84 countries (the long list) it was verified that all indicators displayed less than a 90% correlation with each other, and that only 5 pairs of indicators (out of a possible 722 pairs) displayed more than an 80% correlation with any others.⁵

Figure 5: Weighting hierarchy used



2b. Deep-dive methodology

The final methodological step comprises desktop research, stakeholder engagement and a prioritization workshop designed to:

1. Validate the findings of the short-listing stage by qualitatively assessing the available evidence on each of the green growth potential and enabler criteria.
2. Assign a score to political commitment and donor space and consolidate with the short-listing scores.
3. Synthesize the quantitative and qualitative findings.
4. Select three countries for country visits.

1) Qualitative assessment of green growth potential and enablers

Although the indicators used in the short-listing stage are useful for an overall analysis of enabling conditions, a more focused qualitative analysis on the country's receptiveness to green growth is necessary to facilitate country visits. The validation step therefore comprises a literature review, covering policy documents, publicly announced commitments, the results of NGO and multilateral and bilateral institutions' engagements, academic papers and other research.

⁵ In a sample of all countries in the world, the correlation has been observed to be generally higher than this across indicators, with some instances of correlation of more than 90%.

Table 4: Qualitative research areas

Potential		Enablers	
Criterion	Qualitative research	Criterion	Qualitative research
GHG emissions	<ul style="list-style-type: none"> • Sector emissions profiles • Assessment of the level of evidence and analysis of GHG emissions abatement potential 	Human capital and infrastructure	<ul style="list-style-type: none"> • Identification of key academic institutions for green growth planning
Economic growth	<ul style="list-style-type: none"> • Growth contribution of key economic sectors • Assessment of level of evidence and analysis of green growth potential 	Institutional capacity	<ul style="list-style-type: none"> • Identification of relevant ministries, regulatory agencies, and NGOs for green growth planning
Social development and poverty alleviation	<ul style="list-style-type: none"> • Regional social development and poverty hotspots 	Policy framework	<ul style="list-style-type: none"> • Identification of existing green growth policies and plans • Assessment of current status of green growth planning
Biodiversity and ecosystem services	<ul style="list-style-type: none"> • Identification of key high value natural capital resources and threats 	Finance	<ul style="list-style-type: none"> • Synthesis of results of country assessments carried out by international financial institutions.
Climate change vulnerability	<ul style="list-style-type: none"> • Identification of key vulnerabilities (e.g. human health, weather extremes, flooding etc) and sectoral hotspots, e.g. agriculture. 	Cluster effects	<ul style="list-style-type: none"> • Identification of regional trade bodies and cultural groupings that may determine regional leadership capability
		Political commitment	<ul style="list-style-type: none"> • Qualitative assessment of advocacy • Level of engagement with UNFCCC and Rio +20 process
		Donor space	<ul style="list-style-type: none"> • Mapping and assessment of existing donor projects

2) Approach to political commitment and donor space

To *qualitatively* assess the apparent level of political commitment towards green growth, the methodology is focussed on measureable events such as advocacy by high level policy makers, resource allocation, formulation and implementation of policies. This involves collecting evidence from political speeches and policy analysis which show that political leaders understand the issue and have supportive attitudes, higher-level policymakers engage in advocacy and that words are translated into actions in the form of policy formulation and implementation. In addition, in order to *quantitatively* assess the political commitment dimension, the methodology focussed on assigning a score to measurable events that demonstrated engagement with the UNFCCC process and Rio+20 preparations. This included events such as statements at COP meetings, submission of national communications and input to Rio +20 preparatory documents.

Donor space was included in the green growth scoring process as an indicator of the enabling environment for green growth. The rationale employed was that, all else being equal, a country with more donor involvement in the low emissions development space indicates a country with higher institutional capacity for and political commitment towards green growth. However, a country with a very high level of donor involvement may indicate that additional assistance would duplicate existing efforts or risk overwhelming the recipient's ability to co-ordinate donor efforts. A good candidate country may be one that has a mid-range score against this indicator.

In addition, there are a number of qualitative dimensions of donor space that are hard to translate into a numerical score, for example, the type of donor projects, the economic sectors involved and the particular national, regional or local government partners that are sponsoring the project. These factors were therefore mainly assessed

qualitatively. A framework for mapping the purpose and focus of donor projects was developed to allow consistent comparison between countries.

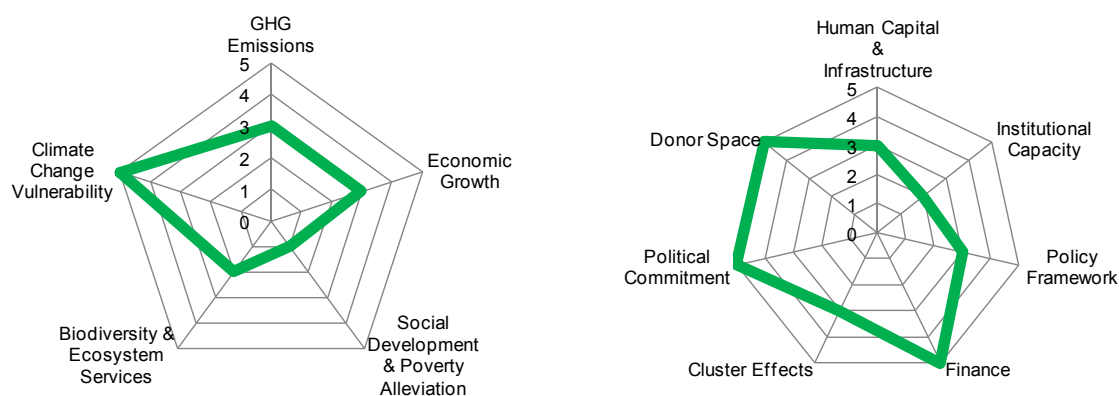
In order to consolidate the two qualitatively scored criteria described above (donor space and political commitment) with the scores from the screening stage, the indicators are first normalized using the z-score method, and the weights derived from the results of AHP applied.

3) Synthesis of findings

Having conducted the full quantitative scoring analysis and an extensive literature review, the overall findings are synthesized into a single report for each of the six countries. These reports are divided into 2 sections:

- A short quantitative assessment, outlining each country's score and the breakdown of the score among the 12 green growth planning criteria identified.
- A longer qualitative assessment, outlining the results of a literature review across each of the 12 criteria, including key data and charts such as Marginal Abatement Cost curves and emissions profiles by sector.

Figure 6 : Example output of country scoring results



4) Prioritization workshop

The final step in the methodology was a workshop with key stakeholders to prioritize the short-listed countries and select 3 to progress to the next stage. The prioritization workshop was held in Berlin in January 2012 and comprised of representatives from GGGI, BMU, Program Office of International Climate Initiative (ICI), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Deutsches Institut für Entwicklungspolitik (DIE).

This final prioritization step takes account a wide range of factors, including, but not limited to:

- The quantitative score received by each of the six countries;
- The country report including the results of the literature review; and
- Further analysis including a low carbon growth plan assessment and an assessment of strategic 'fit' with the donor.

The first part of the further analysis and discussion focuses on the status of countries' low carbon growth plans. This analysis looks to provide a snapshot of the breadth and maturity of countries' low carbon planning activities – for example, whether countries have identified abatement potential/cost, across which sectors, and whether the necessary steps towards implementation have been taken. The full assessment framework is outlined in Table 5.

Table 5: Example - Low carbon growth plan status assessment framework

Sector (if relevant)	Includes adaptation?	Baseline and low-carbon development scenarios	Abatement potential & cost identified	Policy levers identified ?	Feasibility assessed?	Institutional responsibility and resources assigned?
<i>Economy-wide</i>	✓	✗	✗	✗	✗	✗
<i>Agriculture</i>	✓	✗	✗	✗	✗	✓
<i>Electricity / energy</i>	✓	✓	✓	✓	✓	✓
<i>LULUCF</i>	✓	✗	✗	✗	✗	✓
<i>Industry / manufacturing</i>	✗	✗	✗	✗	✗	✓
<i>Transport</i>	✓	✓	✓	✓	✓	✓
<i>Waste</i>	✗	✗	✗	✗	✗	✓

Key:

✓ Substantial analysis of criteria in documents reviewed

✗ Very limited, high-level, or no analysis of criteria in documents reviewed

The second part of the further analysis gives consideration to the wider 'fit' between potential donor activity and current country needs. This includes identifying donors who are already funding projects in the target country, and the focal sectors of these projects. This is cross-referenced against, for example, economic sectors in each country with high GHG emissions in order to identify potential 'white space' for donor activity. Figure 7 illustrates an example of a donor space mapping included in the country reports, which was actively considered in this final stage of prioritization. In this example the number of projects is under consideration; other outputs at this stage included a list of relevant donor projects and an assessment of their total value.

Figure 7 : Example output of donor assessment

Explanation:

- Figures indicate number of recent and current donor projects in each category and percentage of total number of donor projects in each category. A donor may be funding more than one sector in some instances.
- A red dot indicates a relatively well funded sector or category.
- A yellow dot indicates some donor activity, but that there may be space for more donors.
- A green dot indicates that this is an area that donors are not focussing on at present.

Which sectors are donors funding?					
Electricity (Renewables, Efficiency)	LUCF and Agriculture	Transport	Industry and Manufacturing	Waste Management	
11	10	6	6	6	
58%	53%	32%	32%	32%	
Primary focus of donor projects					
Mitigation	Adaptation	Mitigation and Adaptation			
13	3	3			
68%	16%	16%			
Where donors are contributing to GG Maturity Process					
Supports vision development?	Supports baseline and scenario development?	Supports policy decision making?	Provides programme analysis/options development?	Provides development pathway/roadmap?	Supports implementation?
3	7	6	9	4	5
16%	37%	32%	47%	21%	26%
Where donors are supporting GG process elements					
Capacity building	Governance & insitutions	Data management systems	Social development	Financing and investment	
13	7	9	3	1	
68%	37%	47%	16%	5%	

5. Initial engagement and program scoping

Objectives and approach

The countries identified as a result of the application of the methodology during the first phase of the Country Selection Project were Jordan, Peru and Thailand. The number of countries was limited to only three since it was deemed to be a manageable number given GGGI’s other on-going projects and institutional capacity.

During the second phase of the project, GGGI undertook scoping missions to each of these countries to engage with a representative group of stakeholders (i.e. government, international organizations, NGOs and the private sector) and assess their commitment, capacity, and level of involvement with respect to green growth planning activities.

The initial country missions largely confirmed the findings of the country assessments undertaken during Phase I and identified a range of opportunities to support each country with green growth planning activities.

During the third phase of the project, GGGI conducted further visits to each of the three countries in order to discuss the host country’s objectives in more depth, prioritize opportunities for support and scope out the details of each country program.

Table 6: Approach to engagement and program scoping

	Phase 2: Initial engagement	Phase 3: Program development
Objectives	<ul style="list-style-type: none"> To develop an extensive local stakeholder engagement process with donors and recipients To validate the preliminary assessment made in Phase I To prepare the ground for the future involvement of GGGI To identify the level of commitment for green growth planning, and potential areas of focus. 	<ul style="list-style-type: none"> To scope potential green growth programs for the selected countries. To codify lessons learned and develop a plan for knowledge sharing in-country and internationally.
Activities	<ul style="list-style-type: none"> Identification of relevant stakeholders within government, private sector, academia, NGOs and other international organizations. Prioritization of government and other stakeholders for direct relevance in Green Growth Planning (GGP). Pre-visit engagement, mainly with donors, academia and private sector. Country visits of 5-9 days duration, to meet government officials and other stakeholders, identify opportunities and confirm level of interest in green growth planning. 	<ul style="list-style-type: none"> Follow-up engagement to maintain momentum, request further information and lay the groundwork for program development. Program scoping
Outputs	<ul style="list-style-type: none"> Stakeholder mapping Confirmation of Phase I findings List of potential opportunities that may develop into GGP projects Commitment from key stakeholders to follow-up and jointly explore green growth opportunities 	<ul style="list-style-type: none"> Program scoping document (project document for funds) for each country including definition of outcomes, activities, outputs, monitoring and evaluation plan, budget and timeline.

As the circumstances in each of the three countries differed, a flexible approach was taken to stakeholder engagement as detailed in Table 7. For example, the stakeholder focus varied by country to reflect the fact that Peru and Thailand have a more established policy framework and evidence of political commitment, whereas Jordan has a

different starting position. Similarly, Peru and Thailand both have a more active donor space, whereas in Jordan there is a more limited presence. These factors also influenced the duration of the visit and number of meetings held.

The findings from the scoping missions were used to inform the development of a draft green growth program for each country. Further engagement, including follow up visits, was undertaken to sustain established relationships and help refine program development.

Table 7: Tailored approach to in-country engagement

	Stakeholder focus	Pre-visit engagement
Jordan	<ul style="list-style-type: none"> • Focus on significant in-person engagement with top-level government officials - (Ministers, Secretary Generals, and Directors). • Additional engagement with donor organizations and private sector. 	<ul style="list-style-type: none"> • Engagement with national government and donors.
Peru	<ul style="list-style-type: none"> • Key Ministries in national government (Ministers, Secretary Generals, Directors) • Municipality of Lima • Donors/development organizations • Private sector/industry associations. 	<ul style="list-style-type: none"> • Significant engagement, primarily with donors and academia
Thailand	<ul style="list-style-type: none"> • Key Ministries in national government (Ministers, Secretary Generals, Directors) • Donors/development organizations • Industry associations. 	<ul style="list-style-type: none"> • Significant engagement, primarily with donors and academia

Country engagement outcomes

The initial country missions undertaken in Phases II and III largely confirmed the findings of the country assessments undertaken during Phase I. All three countries exhibit the necessary characteristics for a green growth plan to make a meaningful contribution to the government’s agenda. They broadly display the enabling conditions for green growth planning identified in Phase 1 and would benefit from shifting towards a more sustainable growth trajectory.

The country visits identified a range of opportunities in each country. Jordan might benefit from a top-down approach which integrates different sector initiatives into a comprehensive national green growth planning framework. Peru and Thailand already have stronger and more integrated cross-cutting policy frameworks, and would therefore benefit more from a sector- or region-focused planning approach, or implementation support.

The scoping mission to Jordan confirmed that it is a compelling candidate for the development of a comprehensive green growth planning process. Although the Jordanian Government has a suite of policies and strategies in place which are relevant to green growth (water, energy etc), there is no overarching strategy or narrative. A national green growth planning process would help Jordan to address the lack of a comprehensive, cross-sectoral strategy and to design an effective implementation scheme. Key stakeholders within the Jordanian Government were receptive to GGGI’s suggestion and would welcome support, especially around implementation.

The country mission to Peru confirmed the existence of a number of national climate change planning processes addressing the short, medium and long term and an emerging institutional framework for co-ordinating donor activity in relation to climate change mitigation and adaptation. Green growth planning opportunities were identified at a sector or region level specifically in the context of energy efficiency, forestry, and the Bicentennial Plan: Peru in 2021.

Forestry was identified as a sector that could benefit from the creation of a strategic development plan. A number of cross cutting areas were also identified: increasing the evidence base in relation to green growth by providing macroeconomic analysis to support the long term climate change mitigation planning process (Plan CC), developing a national GHG inventory process or supporting a national approach to technological innovation and climate finance.

In Thailand, Political commitment to green growth is relatively strong and public bodies have developed a range of national policies and plans. Master Plans exist at the national level and for many sectors, albeit in draft form. Any green growth programme should be tailored to fit into existing policy objectives and frameworks rather than redesigning or replacing them. Green growth planning opportunities were identified at the national and provincial level, especially in the implementation of a (draft) Climate Change Master Plan 2012-2050. Although the Plan is higher-level than a fully-developed green growth plan, a full-service engagement at national level still seems inappropriate. GGGI-BMU Thailand program could therefore focus on: one or two economic sectors, implementation of existing policy and so on. Also, a number of major international organizations are already active on the green growth agenda in Thailand and are well networked locally. From the visit, it was clear that any engagement will require extensive deepening and broadening of local and international relationships in order to succeed.

6. Country program details

A National Green Growth Plan for Jordan

Overview

The results of phase 1 of the project indicated Jordan as a country with significant potential to benefit from a green growth policy and implementation framework. This is due to the fact that its growth is highly vulnerable to external influences (energy, food and commodity prices) and to environmental constraints such as water scarcity. Green growth presents an opportunity for Jordan to simultaneously address these challenges, whilst meeting its development objectives.

The primary aim of GGGI's program of work in Jordan is to develop a National Green Growth Plan, so that there is a clear vision towards green growth and a comprehensive, cross-sectoral strategic framework to support implementation. A key enabling strategy will be to increase the capability of Jordan's government institutions around green growth planning and implementation.

GGGI's activities in Jordan will help coordinate existing policies and provide the platform for the design and implementation of green growth initiatives, which can be delivered through international and private sector investment finance. A capacity building program for public sector employees and public awareness raising activities will complement the program. Capacity building will focus on the capacity to further develop and implement green growth in Jordan.

The program will support Jordan in creating an economy that is more resilient and suited to its natural challenges and strengths. It will catalyse the development of a 'green economy', including the development of new industries and employment opportunities (e.g. renewable energy). It will also act as a positive beacon for green growth across the Middle East region.

Background: The green growth challenge

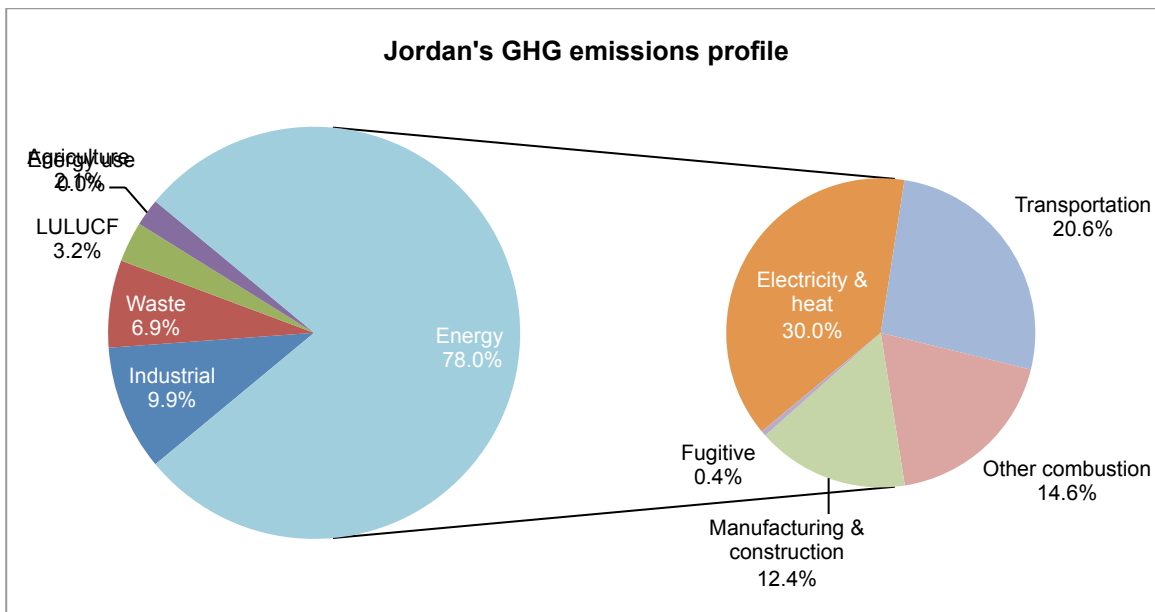
Our analysis suggests that there is good potential for green growth, and a clear need to address some of Jordan's key challenges:

- Jordan is an upper middle income country and has experienced a period of strong economic growth, based on services, inward investment and openness to trade.
- Its continued development is vulnerable to external shocks, given its high dependence on imported commodities, in particular energy. It is also severely challenged by water scarcity: an issue that makes it highly vulnerable to climate change and that is likely to present dilemmas over which uses to prioritize as it develops further.
- Its GHG emissions are driven by energy use, which already accounts for 78% of total emissions and is set to rise to 86% of emissions over the next twenty years⁶.
- Despite strong growth, Jordan remains one of the poorest economies in the Middle East. It has high levels of unemployment and more than 13% of the population live below the poverty line. Distribution of wealth has been unequal; and its young demographic means that there is a high dependency ratio of non-active individuals to workers⁷.
- Jordan has diverse species and natural assets with cultural and conservation value (e.g. the Dead Sea Basin and Great Rift Valley). These could offer tourism potential for Jordan and a route to greater economic diversification, if developed in a way that takes account of the national circumstances, in particular water scarcity.

Figure 8: Jordan's GHG emissions profile, 2005

⁶ Jordan's Second National Communication to the UNFCCC (2009)

⁷ Jordan's National Agenda (2006-2015)



Source: CAIT (2005) except for LULUCF, which was obtained from Jordan's Second National Communication to the UNFCCC (2000)

The Jordanian Policy Framework

Although the Jordanian Government has a suite of policies and strategies in place which are relevant to green growth (water, energy etc), there is no overarching strategy or narrative specific to green growth. Further, there is an acknowledged lack of green growth implementation capacity in Government, and a lack of financial resources to invest in green growth.

In its National Agenda, which sets the development agenda to 2015, Jordan set out an ultimate objective to achieve sustainable development through a transformation program that puts the country on a strong growth path with greater social inclusion. This is elaborated upon in the Executive Development Program (2011-13), including a commitment to develop a national strategy and action plan for a green economy. This evolving policy framework, and the stakeholder views expressed through the engagement process, provide a good platform for pivoting towards green growth planning and demonstrate a clear commitment and willingness by the Jordanian Government to shift towards a green growth development pathway.

Realising the green growth opportunity

It is evident, however, that without appropriate external support it is unlikely that Jordan will have the resources and capacity to fully realize its green growth ambitions. GGGI believes that it can play a pivotal role in assisting the Jordanian Government to realize this ambition through providing a program of supporting actions involving the development of a policy and analytical framework to underpin the green growth planning process, identification of key interventions and investments that will help deliver green growth outcomes, and the implementation of governance, engagement and capacity building arrangements that will help ensure the long term implementation of Jordan's green growth planning vision and priorities.

Therefore, GGGI's proposed program of work will help Jordan to meet the identified needs by providing a team of experts to work alongside Government officials to develop a green growth vision and develop a comprehensive, cross-sectoral strategic framework to support implementation. It will help to enhance the capability within Government around green growth and advise on institutional and governance arrangements necessary for effective implementation and enforcement.

The program aims to address the needs stated above through:

- Reviewing existing policies and initiatives: Jordanian stakeholders with sector expertise will work together to identify relevant policies and initiatives with the support of GGGI.
- Building green growth leadership in the Jordanian Government through close collaboration with stakeholders throughout the project.

- Making recommendations based on experience from countries facing similar challenges and conditions.
- Using and sharing international best practice.
- Building a Jordanian national Green Growth Planning platform and implementation roadmap to help attract future investment from the private and public sector, including detailed investment plans and business cases for investment in PPP projects.

In doing so, the Green Growth Plan for Jordan will build upon existing vision documents and reports and help drive forward policies and plans including the 3rd National Communication to UNFCCC, Jordan’s Water Strategy (Water for Life 2008-2022), The National Agenda, the Executive Development Plan, the Renewable Energy and Energy Efficiency Law No.18 (April 2012), the UNEP Green Economy Scoping Paper, and the National Climate Change Policy of the Hashemite Kingdom of Jordan 2013 – 2020.

Overall, the GGGI program of support will assist the Jordanian Government in realising its green growth vision through the design of the green growth master plan, implementation roadmap, and capacity building arrangements, building on and co-ordinating existing policies and initiatives in Jordan and providing a platform for attracting international and private sector investment to finance green growth opportunities.

Jordan program details

This program covers three activity areas supporting the development of a National Green Growth Plan (NGGP) for Jordan which comprise 17 distinct activities. The three activity areas are:

- Activity 1: Green Growth Planning, Policy Framework and Implementation Roadmap
- Activity 2: Institutional Setup, Stakeholder Engagement and Project Management
- Activity 3: Capacity Building

GGGI will work closely with the Jordanian government and local stakeholders on these three activity areas. At this stage the activities identified should be considered as illustrative but represent GGGI’s expected areas of green growth planning support based on the current level of knowledge of existing policies and stakeholder engagement to date.

Table 8: Jordan program activities

Activity	Description	Output
A1.1 Situation analysis	This activity will comprise stakeholder interviews and desk based review to assess current policy, economic, social and environmental performance and planned and ongoing projects relating to green growth objectives.	Situation analysis report
A1.2 Green growth visioning	This will involve working with the Jordanian Government and other stakeholders as relevant to develop and agree a vision statement for Green Growth in Jordan.	Green growth vision statement
A1.3 Development of an analytical framework	The framework would be used to promote better understanding and systematic measurement of the impacts of green growth development in Jordan. After activity A1.4, the analytical model will be further refined to assess the impact of key interventions to determine policy and sector investment priorities.	Green growth cost benefit model
A 1.4 Green Growth Policy	Activity A1.4 involves the identification of appropriate green growth policy options to capture Jordan’s emissions mitigation potential and make the change to a	

Options	green growth model.	
A 1.5 Green Growth Programmes – Prioritizing Policies	Identified policy options will be analyzed in detail and summarized in policy programmes to define focus areas and to understand the implications of different policy programmes for Jordan’s economic, environmental and social development.	
A1.6 National Green Growth Plan and Implementation Roadmap	A1.6 will result in the National Green Growth Plan, including the strategic alignment of green growth policy programmes with Jordan’s development goals and an implementation roadmap.	National Green Growth Plan and Implementation Roadmap
A2.1 Stakeholder Analysis and Engagement Planning	Developing a strategic approach to stakeholder engagement, including identification of key stakeholders, purpose of engagement, methods to be used and key engagement points in the process.	Stakeholder analysis & engagement
A2.2 Project Governance Structure and Institutional Set-up	A project governance structure will be designed to ensure cross ministerial ownership and coordination, and sufficient technical and analytic support for adequate buy-in by ministerial departments. Moreover, to ensure the continuity of green growth efforts in Jordan and the sustainability of policy achievements from this project, an institutional set-up will be suggested to the Jordanian government.	Project Governance structure and institutional set-up for green growth
A2.3 Government Engagement	Continuous collaboration with the Jordanian government to coordinate project activities, e.g. to help organize meetings, in particular of inter-ministerial working group and technical working groups, facilitate access to stakeholders etc.	
A2.4 Stakeholder Consultation Workshops	Stakeholder consultations will be held under the co-responsibility of the Ministry of Environment after the policy options are evaluated to introduce policy options and their underlying assumptions to a wider audience, validate them and collect comments from academia and the public and private sector.	
A2.5 Project management	This activity includes the development of project monitoring, reporting and review processes as well as tools and templates for the management and reporting of activities, outputs, risks & issue associated with project delivery. It also includes the subsequent application of processes and tools in project management throughout the project.	
A3.1 Capacity assessment	Survey and interviews with key stakeholders will be conducted to determine and prioritize capacity	Capacity building

	development needs.	programme
A3.2 Development of capacity building programme	Design of programme to address identified capacity development needs through formal trainings (seminars/workshops), lectures, professional certifications, knowledge transfer, on the job training etc.	
A3.3 Delivery of capacity building programme	Delivery of capacity building activities according to capacity building programme.	
A3.4 Public awareness initiatives	Support the Jordanian Government in promoting green growth internationally and in Jordan through media, websites and information material.	Public awareness initiatives

National Green Growth Forest Plan in Peru

Overview

Peru is one of the world's **twelve** 'mega-diverse' countries, with more than half of its land area covered in forest (72 million hectares), having the second largest forest ecosystem in Latin America and the fourth largest tropical forest surface in the world. According to the Government of Peru, the main source of GHG emissions in the country is deforestation for agriculture, cattle ranching, and informal mining. Whilst Peru has been noted internationally for its efforts in improving forest management, GHG emissions from deforestation and degradation remain significant. Peru currently has a number of high level national forest strategies and policies, together with some 'on the ground' activities addressing the forestry sector which has attracted the interest of a variety of international forestry funds. To date, there has been limited opportunity to coordinate these initiatives with one another and in line with a single overarching master plan. However, the Peruvian government has provided an enabling policy environment with a recently approved Forestry Law and a Forestry Regulation -- which provides detail for the Law's implementation -- in final stages of drafting. These two policy instruments establish the legal framework for the National Forest Plan and represent an opportunity for the different agencies responsible for forestry activities to organize themselves around coherent policy priorities.

In this context, the GGGI project will support Peru in managing its forests to foster the broad economic development of forest-dependent sectors, promote social inclusion, improve the welfare of related populations, and maintain natural capital so as to optimize environmental values and eco-system services, especially GHG mitigation. It aims to do this in two stages:

- **Development of a National Green Growth Implementation Plan for Forests:** This master plan will clearly prioritise areas of activity, identify barriers and required government interventions, as well as lay out a realistic roadmap for implementation over the next 5 years, which will help align the various existing forest-related initiatives behind a single policy framework.
- **Priority Areas:** Provide detailed design for the implementation of the plan in 2-4 critical areas by developing implementation plans in coordination with all relevant implementing bodies, resulting in a set of proposed policy instruments and prioritised by relevant government agencies.

In addition to the formation and implementation of the plan, the project will increase coordination and technical capacity around forest-related policies within the Peruvian government. Aligning existing government strategies, international donor initiatives and ground-level activities behind a clear and evidence-based plan will also leverage the existing public resources in a coordinated way to encourage the sustainable management of the forests.

Background

Our analysis of green growth potential in Peru suggests that:

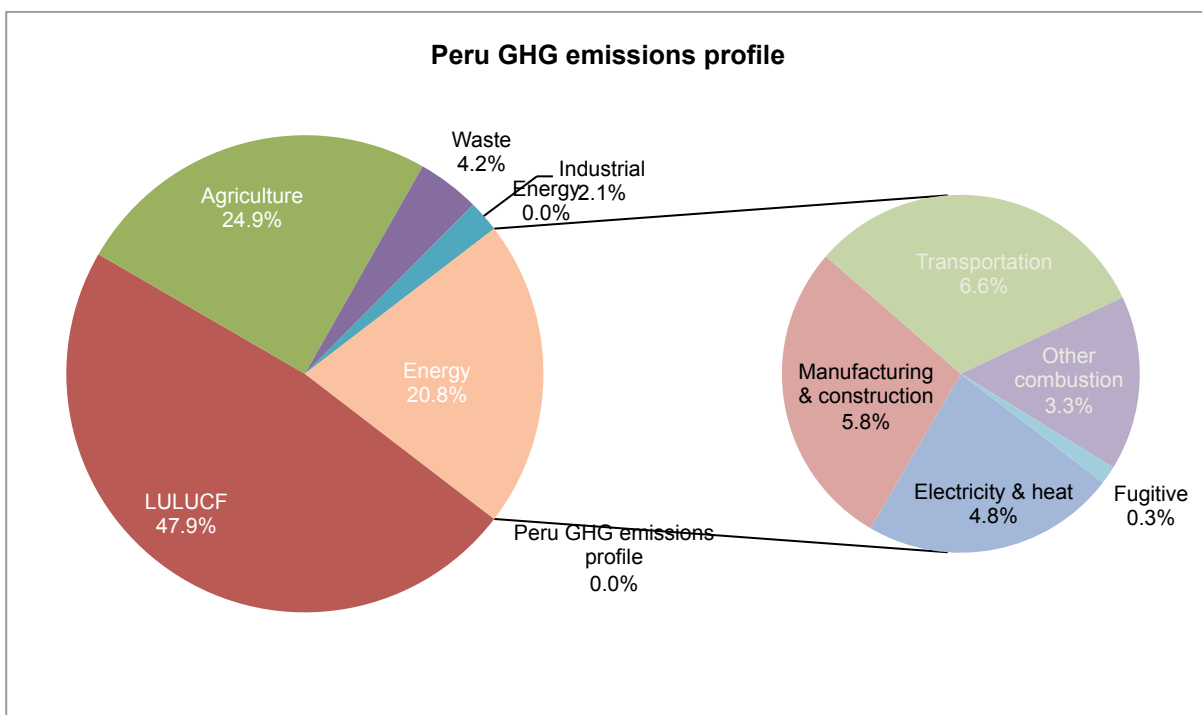
- Peru is a stable, liberal country with a strong, increasingly export-oriented economy rooted in the primary sector – specifically, agriculture and the extractive industries. Growth is forecast at 4.5% per year to 2016.⁸ There is potential for Peru to develop new green sectors in its economy, such as ecotourism and the production of natural pharmaceuticals.
- Almost half of Peru's GHG emissions originate from land use, land use change, and forestry (LULUCF), which can largely be attributed to the deforestation of its rainforests for agricultural use. While the rate of deforestation is relatively small at 0.2% per annum, the size of Peru's rainforests means that this produces a large absolute amount of emissions.
- There appears to be significant scope for emissions abatement, with the potential abatement of forestry dwarfing that of other sectors.
- Whilst poverty levels are reported to have reduced between 2005 and 2010, 28% of the population live below the national poverty line.⁹ Formalising of industries such as those in the waste sector presents an opportunity for poverty reduction, whilst the consequences of mining operations and the increased cultivation of crops for biofuels have been identified as both an opportunity and a threat to poverty reduction.

⁸ IMF Growth Forecasts (2012)

⁹ World Bank development indicators (2011)

- Peru is vulnerable to the impacts of climate change; particularly those affecting agriculture, fishing, and water availability, with the latter having implications on access to portable water and electricity from hydroelectric sources. These effects are likely to be further complicated by inequalities in geography and demography.
- Peru has rich biodiversity, being one of the world's twelve 'mega-diverse' countries; furthermore, there are relatively low rates of deforestation. However, forest degradation remains a problem and threats to Peru's rich biodiversity and ecosystem services arise from unsustainable natural resource management, especially with respect to fishing and mining.
- Peru's forestry issues include deforestation caused by agriculture, cattle ranching, and informal mining together with degradation caused by illegal logging.
- There is political recognition of the importance of forests and Peru has been noted internationally for its efforts in improving forest management. However, despite the variety of on-going activities, it was reported during our scoping missions that forests are still being used wastefully and that there was a need to link forest conservation with productivity.

Figure 9: Peru's GHG emissions profile



Source: World Resource Institute, Climate Analysis Indicators Tool, 2005

Policy developments

The forestry sector in Peru falls under the remit of both the Ministry of Agriculture (MINAG) and the Ministry of Environment (MINAM). Both ministries have developed forestry-related policies. MINAG authored the first National Forestry Plan in 2003, has recently authored the aforementioned Forestry Law, and is in the final stage of developing a high-level forestry strategy. MINAM's Plan Nacional de Acción Ambiental ('Plan AA') includes high level targets relating to the forestry sector and its Programa Nacional de Conservacion de Bosques para la Mitigacion del Cambio Climático (PNCBMCC) articulates a plan to conserve forests to address climate change including adopting a target of zero net deforestation by 2021, but has yet to be fully implemented.

The current overarching climate change governance process – the Plan Cambio Climático ('PlanCC') – has had limited input from MINAG and much existing forestry strategy resides in other frameworks with limited involvement from mainstream ministries with mandates for medium-term planning such as Ministry of Finance (MEF) and the National Centre for Strategic Planning (CEPLAN).

MINAG is responsible for administering and regulating sustainable forestry production areas 'Bosques de Produccion Permanente', and formerly administered a fund for forests: 'Fondebosque'. In contrast, MINAM is responsible for overseeing protected areas and for administering a Payment for Ecosystem Services scheme for smallholder farmers.

International funds

There are over 10 internationally supported projects already underway in the Peruvian forest sector, totalling in excess of €21m, from a variety of donors working with a variety of ministries. For example, Peru is active in international REDD+ initiatives. It is a Forest Carbon Partnership Facility (FCPF) Participant Country and its Readiness Preparation Proposal (R-PP) was assessed in March 2011. Peru is a pilot country to the Forest Investment Program (FIP) and it has already agreed to the Investment Plan Preparation Grant (April 2011) and the Joint Mission Statement (March 2012) for developing a long term REDD+ investment plan. Peru is also a partner country to the UN REDD Program. There are also numerous forest carbon projects in development and some active REDD+ projects validated under the Climate, Community and Biodiversity Standards (CCBS), the Verified Carbon Standard (VCS), and the Carbonfix standard.

Realizing the green growth opportunity

There is a good deal of activity in the Peruvian forestry sector, including amongst government and international donors. However, there appears to be some disconnect between the existing high level strategies or policies, their implementation, and the activities supported by several on-going donor-assisted funds. What appears to be lacking is an overarching strategy which:

- Coordinates and reconciles actors and on-going activities related to the development and conservation of the forests;
- Articulates a long term vision – one that is shared across Government – for how forest-related activities can deliver socially inclusive development without degrading the natural capital contained within Peru's forests; and
- Is implementable and leads to tangible policy outcomes in the medium term.

The project will achieve this by working towards three outcomes:

- Developing a national master plan for forests that is informed both by the large amount of existing evidence as well as specific research, and that, further, identifies a roadmap for implementation over the next 5 years.
- Identifying between 2 and 4 areas (geographic or thematic) where implementation of the roadmap can be prioritised; taking implementation through to the point where policy instruments are developed, their costs and benefits analysed, and are ready to be prioritised by the government.
- Through working with key ministries in Government of Peru throughout the process (specifically MINAG, MINAM, MEF and CEPLAN) to build coordination and technical capacity among and between ministries.

As set out above, a major focus of this project will be to map and reconcile the policy and projects that currently exist in relation to Peru's forests. This will leverage the public resources (domestic and international) currently being invested towards encouraging growth that is socially inclusive and does not degrade natural capital: implementing green growth through sustainable management of the country's forests.

Peru program details

The program is structured into 2 phases:

- A. Development of a National Green Growth Implementation Plan for Sustainable Forest Management
- B. Pilot Implementation in 1-3 areas

Table 9: Peru program activities

Activity	Description	Output
A.1 Establishment of Inter-ministerial Commission and Advisory Group	GGGI will support the Government of Peru in the definition of the structure, composition and functions of an Inter-ministerial Commission to be composed of key ministries for the development of the forest sector, such as MINAG, MINAM, CEPLAN, MEF and CIAM. In addition, GGGI will support the Government of Peru in the definition of the structure, composition and functions of a Coordinating Group responsible for day-to-day coordination and project management	<i>Executive committee established</i>
A.2 Policy and institutional mapping	GGGI will review and map the existing policy frameworks and institutions; active government and non-government initiatives in sustainable forest development; relevant stakeholders; science, technology and innovation initiatives related to the forest sector; and potential funding mechanisms.	<i>Policy and institutional map and engagement plan</i>
A.3 Develop framework for the preparation of the PNFFS	The process for the preparation, and the content of the PNFFS will be laid out in order to identify the best way to integrate the process and the results of the National Green Growth Implementation Plan for Forest Management into the PNFFS.	<i>Framework for PNFFS elaboration</i>
A.4 Define green growth objectives	Define objectives and key green growth indicators to be taken into consideration and advanced by the green growth plan, preliminarily including reduced deforestation, increased reforestation and plantation in previously deforested area, economic activity and poverty reduction	<i>Green growth objectives for forestry sector</i>
A.5 Economic diagnostic	GGGI, with the support of DIE and consultants, and in close coordination with the Government of Peru, will conduct a diagnostic of the major economic activities in the forest sector, including their existing and potential contribution to gross value added (GVA) and social inclusion (including socio-economic impacts on local communities)	<i>Economic diagnostic of forestry activities</i>
A.6 Ecosystem services diagnostic:	GGGI, with the support of DIE and consultants, and in close coordination with the Government of Peru, will conduct a diagnostic of the principle causes of deforestation and forest degradation, GHG emissions and loss or gain to eco-system services	<i>Ecosystem services diagnostic identifying causes of deforestation</i>
A.7. Identification of development obstacles and	Identification of obstacles for the development of the forest sector, potential government interventions to resolve development and deforestation problems, and resources and	<i>Obstacles and potential policy interventions</i>

Activity	Description	Output
potential policy interventions	stakeholders required to do so	
A.8. In-depth analysis and prioritization of pre-selected policy interventions and implementation roadmap	In-depth analysis of potential policy interventions, prioritization of interventions, and roadmap to implementation – based on the quantification of costs and benefits, consensus-based evaluation of multi-criteria analyses	<i>Priority policy interventions and implementation roadmap</i>
A.9. Implementation workplan	Implementation plans for the prioritized interventions required in next 5-10 years. Incorporation of the prioritized interventions into the country's budgeting process for strategic programs	<i>Implementation workplan</i>
A.10. Integration of National Green Growth Implementation Plan for Forest Management (NGGIP)	Prepare a draft report of the NGGIP for socialization, and comments will be incorporated into a final report which is well-aligned with and able to be incorporated into the PNFFS	<i>Draft report of NGGIP</i>
B.1 Selection of pilot areas and implementation working groups	Selection of 2-3 currently identified areas, where detailed planning would have additional value, to serve as priorities for detailed implementation planning. Potential areas for detailed planning may include: forest sector funding, reforestation of degraded areas, financing mechanisms, alternative economic activities or development of non-wood forest products.	<i>Detailed roadmap for 3 prioritised areas</i>
B.2 Detailed instrument design	Detailed work plan and specific instrument design, with the goal of achieving a prioritised set of proposals for the Ministry of Finance and/or other funding sources.	<i>Policy instrument proposals</i>

Industry GHG reduction roadmap for Thailand

Overview

Thailand has a number of high level plans that address climate change mitigation, including a Strategic Plan on Climate Change and more recently a (draft) Climate Change Master Plan 2012-2050. The ultimate goal of Thailand's Climate Change Master Plan is to reduce GHG emissions and to be a Low Carbon Society by 2050.

One of the key cross-cutting issues for implementation outlined in the Master Plan is the need for a robust database of sectoral GHG emissions and mitigation measures to facilitate scenario development and mitigation planning. The plan also outlines a number of short term actions including: "to identify greenhouse gas emissions reduction targets and capacity of each sector by 2020". The need for a robust evidence base of GHG mitigation potential was previously raised in the 2nd National Communication to the UNFCCC.

GGGI's work in Thailand aims to assist the implementation of the Climate Change Master Plan by developing a clear roadmap for GHG reduction in select industry sectors of the Thai economy that is underpinned by:

- An accurate evidence base of actual and projected emissions, mitigation potential, abatement technologies, policy measures, and costs for the selected sectors.
- The identification and prioritization of effective emissions mitigation policies, which have the support of businesses and government for the selected sectors.
- An enhanced capacity for coordination and technical and economic analysis within the Government of Thailand and among the private sector in relation to GHG inventories, emission projections, mitigation opportunities, and the economic impact of GHG mitigation within the selected sectors.

Background

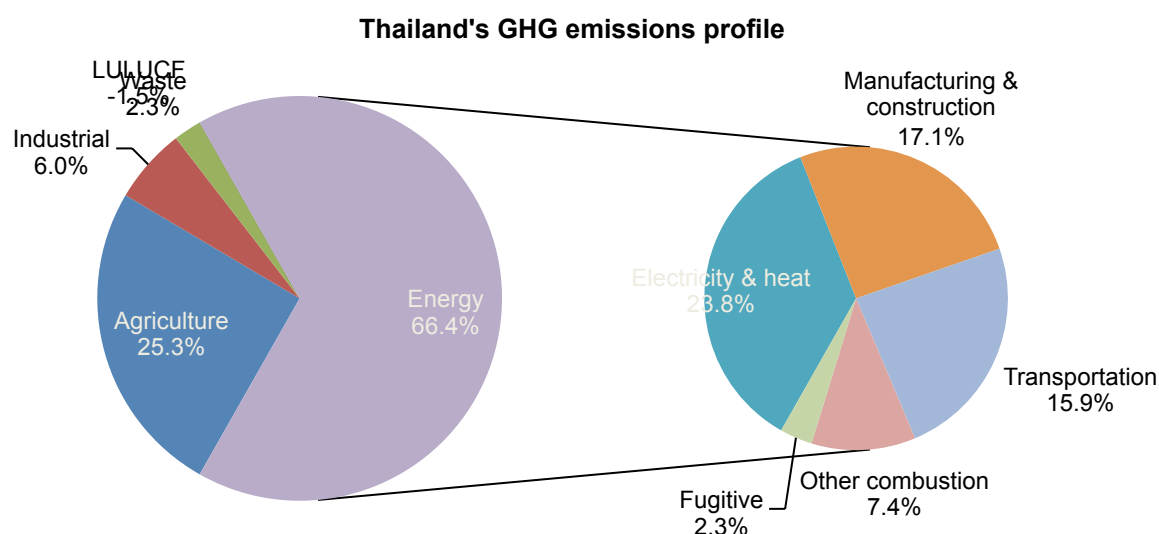
Our assessment of green growth potential in Thailand concluded that:

- Thailand is a solid middle income country with good growth potential based on a diversified, open, and trade oriented economy.
- However, there are a number of factors which may threaten longer term growth prospects. These include: a rising burden of health and social security spending caused by an aging population and the country's vulnerability to climate change impacts (the floods in 2011 are now estimated to have cost the economy 3-4% of GDP).¹⁰
- Thailand has a relatively carbon intensive economy. However, there is evidence of significant opportunity for low cost carbon abatement in the power, transport, industry and agriculture sectors.
- Thailand has an impressive record in poverty reduction (the proportion of the population living below the national poverty line has fallen to 7.8% in 2010¹¹). However, poverty alleviation remains a key pillar of Government development plans.
- Thailand has a number of significant natural capital assets which are under threat, including mangrove forests and coral reefs.

¹⁰ Financial Times (November 2011)

¹¹ World Bank development indicators (2013)

Figure 10: Thailand's GHG emissions profile, 2005



Source: CAIT (2005). LULUCF from Thailand's Second National Communication to the UNFCCC (2000) is a small sink equivalent to 1.5% of the GHG emissions included above.

Policy developments

As mentioned above, the draft Master Plan provides a high level framework and mechanism for an effective response to climate change adaptation and mitigation challenges across all sectors of the economy. The central objective is "to cut greenhouse gas emissions by 2050, without impeding the growth of country's gross domestic product (GDP) or reducing its developmental capability and competitiveness".

In planning the implementation of the Master Plan, the Government of Thailand aims to drive the participation of every sector and will measure success through the following indicators:

- Work plans/action plans on climate change of every sector and level for short, medium, and long term.
- The rate of voluntary greenhouse gas emission reduction of every sector by 2050.

However, the Government of Thailand has stopped short of outlining quantitative targets for emissions reduction for individual sectors or for the economy as a whole because of the absence of a credible dataset on which to base such targets. The work to be undertaken by GGGI will include the development of a reliable dataset on sectoral greenhouse gas emissions reduction capacity and feasible targets which will support the Government of Thailand in implementing the master plan.

Need for increased technical co-ordination

The establishment of a robust GHG inventory will be essential to underpin emissions targets and cost assessments. Thailand has made significant efforts to date, with Thailand Greenhouse Gas Management Organization (TGO) being the lead agency within Office of Natural Resources and Environmental Policy and Planning (ONEP) on this issue.

Thailand's Second National Communication, submitted in 2011 to the UNFCCC, contained a GHG inventory comprising detailed emissions estimates by sector. These were largely based on Tier 1 emissions factors and activity data from the year 2000. Aggregate uncertainty within the inventory was estimated at 7.4%, and at 7.2% within the Industrial Processes and Product Use (IPPU) sector.

ONEP and TGO have identified the following as immediate priorities to improve the management and reduction of GHG emissions:

- Fostering institutional leadership and coordination
- Creating a standardized GHG information management system

- Standardizing emissions calculation methodologies and increasing specificity for Thailand’s circumstances (i.e., moving from IPCC Tier 1 to Tier 2 methodologies wherever possible)
- Building capacity, particularly in the private sector and smaller organizations, to develop GHG inventories and identify mitigation opportunities

On-going programs

Some of these priorities are already being addressed within the government (e.g. the very existence of TGO itself will continue to improve institutional leadership and coordination). TGO has also announced that it is working towards an updated GHG inventory for the Third National Communication, including Tier 2 emissions factors for the energy sector, expansion of GHG data collection from private firms in the industrial processes and product use sector (which this project will further facilitate), and geographical information system data for methodologies in the agriculture, forestry and land-use sector.

International funds

International donors are supporting such efforts including USAID, Japan International Cooperation Agency (JICA), BMU and the German Development Cooperation (GIZ). GGGI itself has been directly involved through the Korean Energy Management Corporation capacity-building efforts around the T-VER carbon trading scheme in the energy sector.

Projects that appear to be particularly relevant to this project include:

- Guidelines for the LULUCF, agriculture, energy and waste (but not IPPU) sectors being developed under the Regional Capacity Building for Sustainable National Greenhouse Gas Inventory Management Systems in Southeast Asia Phase II (SEA GHG Project Phase II)), currently supported by USAID.
- Low Emission Asian Development (LEAD): a five year program, also supported by USAID to develop frameworks for low carbon development. Its focus in Thailand is in support of the SEA GHG Project Phase II (see above) as well as supporting regional training on Low Emission development Strategies (LEDS).
- Industrial Pollution Management Information System (covering non-GHG pollutants) currently supported by GIZ.

Thailand program details

The project is designed to deliver a policy road map to foster the development of an economically viable and low carbon industrial sector in Thailand. The project is structured as follows:

Development of GHG Reduction Roadmap

Activity 1: Sector diagnostic

Activity 2: GHG reduction roadmap

Activity 3: Project governance, stakeholder engagement and capacity building

Table 10: Thailand program activities

Activity	Description	Output
A1.1 Sector diagnostic	Preparation of a diagnostic assessment of industry GHG emissions, including a high level economic review of industry sub-sectors, current technologies in use and identification of GHG emissions trends, existing GHG reduction policies and key stakeholders including government departments, industry associations, academics.	<i>Diagnostic report</i>

Activity	Description	Output
A2.1 Emissions projections for the selected sectors	Building on previous work by updating data and methodologies and using stakeholder-driven assumptions to arrive at an internationally-credible BAU scenario for emissions. Activities will include reviewing previous emissions projections for the selected sectors including assumptions and forecasting methodologies, engaging stakeholders on key forecasting assumptions, updating methodologies and developing revised emissions projections.	<i>Emissions projections report</i>
A2.2 Identify industry emissions reductions measures and costs	<p>A full technical and economic mitigation analysis of the selected sectors building on any previous studies, and integrating new information from businesses and academia during the study.</p> <p>The technical assessment will include identification of GHG abatement measures and their cost, engagement with the companies and industry bodies in the selected sectors to prioritize technologies and understand the costs involved and to identify barriers to, and enablers for, implementation.</p> <p>The economic assessment will include elaboration of a range of reference scenarios for sector GHG emissions based on different policy and technology implementation assumptions and assessment of the wider economic and social costs and benefits of the measures.</p>	<i>Technical and economic analysis report</i>
A2.3 Develop GHG reduction roadmap	Development of a GHG reduction roadmap for the selected industry sectors through extensive engagement with government, companies and industry associations to develop recommendations on measures and policies.	<i>GHG reduction roadmap</i>
A3.1 Conducting stakeholder engagement	<p>Identify key stakeholders within the government, Thai industries, research and academic institutions and engage with them through initial interviews to inform the selection of suitable candidates for the establishment of a steering committee and industry advisory committees.</p> <p>Develop and deliver a wider stakeholder engagement plan to engage with key stakeholders from government, selected industry sectors, research and academic institutions and donor organizations through a range of methods.</p>	<i>Stakeholder engagement</i>
A3.2 Establishing project governance arrangements	Setting up a governance framework for the program comprising a project steering committee to oversee the project and advise on key project design decisions and a number of advisory committees to advise on the needs of Thai business and to raise awareness within the selected sectors about the domestic and export commercial opportunities from GHG measurement and mitigation. Representatives likely to be drawn from government, business, industry associations, academia and donor	<i>Project governance arrangements</i>

Activity	Description	Output
	organizations.	
A3.3 Capacity building within government and private sector	<p>Activities will include an assessment of the needs of key government and industry stakeholders in relation to GHG measurement, reporting, projections and abatement and development and delivery of a capacity building program.</p> <p>Technical areas for government officers may include:</p> <ul style="list-style-type: none"> • National GHG inventory methodology and management processes • Technical and economic analysis of mitigation technologies • Design and evaluation of policies to encourage GHG reduction activities including assessing the economic impact on industry of GHG mitigation <p>Technical areas for businesses may include:</p> <ul style="list-style-type: none"> • Company-level GHG reporting including data collection, monitoring, reporting and verification • Relevant GHG abatement technologies and practices to respond to regulation and policy 	<i>Capacity building</i>

Program summaries

Summary details of each proposed program, including objectives, activities and lead organization(s), are provided in Table 11.

Although there are differences in the focus and activities proposed, there are a number of common elements to each of the programs:

- Each has an identified lead Ministry, and a number of other prioritized Ministries.
- Each proposes a governance structure for the program, which included a Steering Committee with supporting technical/advisory/working groups.
- Each is around 20 months in duration, but with the expectation of sustained activity thereafter.
- Each includes activities around capability building, coherence and coordination.
- Each works with the grain of the policy priorities of the individual country i.e. bringing together existing policies, and building on existing initiatives and stakeholder activity.

Table 11: High level summary of proposed country programs

Country program	Jordan	Peru	Thailand
Title	Development of a National Green Growth Plan for Jordan.	National Green Growth Implementation Plan for Forests in Peru	Industry GHG reduction to support the implementation of Thailand's Climate Change Master Plan
Situation analysis	<p>Jordan has experienced strong economic development but the economy remains highly vulnerable to external shocks (energy, food, commodity prices). Access to water and energy security are significant challenges that will be exacerbated by climate change.</p> <p>Some green growth policies and strategies are in place but there is no overarching strategy or narrative.</p> <p>There is an acknowledged absence of green growth implementation capacity in Government.</p> <p>There is a lack of financial resources to invest in green growth.</p>	<p>Peru is one of the world's twelve 'mega-diverse' countries, with more than half of its land area covered in forest.</p> <p>Peru is noted internationally for its efforts in improving forest management, but GHG emissions from deforestation and degradation remain significant.</p> <p>There are a number of high level national forest strategies and policies in place, and some 'on the ground' activities.</p> <p>Peru has attracted interest of a variety of internationally supported forestry funds. However, there has been limited opportunity to coordinate these initiatives with one another and in line with a single overarching master plan.</p>	<p>The government has recently issued a draft National Master Plan on Climate Change, the ultimate goal of which is to reduce GHG emissions and to be a Low Carbon Society by 2050.</p> <p>The plan identifies a need for robust database of sectoral GHG emissions and mitigation measures to facilitate scenario development and mitigation planning.</p> <p>The current GHG inventory requires further work to meet international standards for robustness and timeliness.</p> <p>There is an identified need to improve institutional leadership and coordination around GHG mitigation and to build capacity particularly in the private sector and smaller organizations.</p>
Program goals	<ul style="list-style-type: none"> • Support Jordan in creating an economy that is more resilient and suited to its natural challenges and strengths. • Catalyse the development of a 'green economy', including the development of new industries and employment opportunities (e.g. renewable energy) • Establish a clear vision towards green growth. • Develop a comprehensive cross-sectoral strategic framework to support implementation. • Establish institutional and governance structures within Government that provide strategic coordination and leadership on green growth, and provide long term continuity. • Enhance capability in key Ministries around green growth and climate change mitigation. • Support Jordan to act as a positive beacon for green growth across the Middle East region. 	<ul style="list-style-type: none"> • Help foster the broad economic development of forest-dependent sectors, promote social inclusion and improve the welfare of related populations, and maintain natural capital so as to optimize environmental values and ecosystem services, especially GHG mitigation. • Develop a National Green Growth Implementation Plan for Forests that is owned and endorsed by Government that clearly articulates sustainable forest management in Peru and which is based on existing evidence, incorporates and rationalizes existing activities, and includes a budgeted set of prioritized actions for Government and other stakeholders. • Develop a number of proposed policy instruments for specific areas related to forests which are prioritised by the government. • Enhance coordination and technical capacity within Government in relation to the forestry sector, in particular between MINAG and MINAM. 	<ul style="list-style-type: none"> • Foster the development of an economically viable and low carbon industrial sector in Thailand through development of a clear roadmap for GHG reduction, in one or more sector(s) of the Thai economy. • Develop a substantive and credible evidence base of actual and projected emissions, abatement measures and costs for the selected sectors. • Identify comprehensive and effective emissions mitigation policies that will not compromise Thailand's growth or competitiveness. • Enhance the capacity for coordination and technical analysis within government and the private sector • Act as a demonstration project for the development and implementation of cost-effective emissions reduction policies in other areas of the economy.

Scope of activities	<ul style="list-style-type: none"> • Green growth planning, including analysing sectors, developing a vision statement, policy framework and an implementation plan. • Designing and delivering the governance structure for green growth planning • Designing and delivering stakeholder engagement activities. • Capacity building, including analysis of current capacity and development needs, delivery of a capacity building program, and public awareness initiative. 	<ul style="list-style-type: none"> • Developing a National Green Growth Implementation Plan for Forests aligning the various existing forestry initiatives behind a single master plan that lays out a realistic roadmap for implementation over the next 5 years. • Initiating the implementation of the plan in 2-3 critical prioritised areas. • Building coordination and technical capacity through working with key ministries in the Government of Peru throughout the process. 	<ul style="list-style-type: none"> • Developing a clear and credible roadmap for GHG reduction in the selected sectors • Establishing governance arrangements • Engaging with stakeholders • Building capacity within the government and private sector •
Lead institution(s) * Main lead ** Co-ordinating body	<ul style="list-style-type: none"> • Ministries of Environment (MENV)*, Planning and International Cooperation (MOPIC)** and the Ministry of Energy (MEMR). 	<ul style="list-style-type: none"> • Ministry of Agriculture* (MINAG), Ministry of Environment (MINAM), Ministry of Finance (MEF), National Planning Ministry (CEPLAN). 	<ul style="list-style-type: none"> • Office of Natural Resources and Environmental Policy and Planning* (ONEP), Thailand Greenhouse Gas Management Organization* (TGO), Ministry of Natural Resources and Environment (MNRE), Ministry of Industry (MoIn), Ministry of Energy (MoE).
Other key stakeholders	<ul style="list-style-type: none"> • Ministry of Water and Irrigation (MWI) • The Royal Court and Prime Minister's Office • International Cooperation and development agencies (e.g. GIZ, KfW Bankengruppe, UNEP, German Embassy in Jordan) 	<ul style="list-style-type: none"> • Local communities. • International Cooperation and development agencies, project developers and financing institutions (including NGOs). • NGOs and research institutions with sustainable forest expertise. • International knowledge sharing (e.g. Brazil, Paraguay, Costa Rica, Indonesia, South Africa). 	<ul style="list-style-type: none"> • Universities and research institutions • International cooperation and development agencies operating in GHG measurement and reduction • Industry associations and companies relevant to the industry sectors selected for the project (to be identified during early work).

7. Lessons learned

Applying the methodology

What is the purpose of the Country Selection Methodology?

The idea of “country selection” appears at face value to run counter to the prevailing demand-led ethos of many international organizations, and Phase I approach adopted in this project has been analysis rather than demand-led. There are a number of reasons why a methodology to identify countries that are ready for green growth planning can be a useful tool for international stakeholders:

- The methodology can be used to highlight countries for which the need for green growth planning assistance is most urgent i.e. those that have the highest growth and carbon emissions trajectories, the greatest threats to biodiversity or a high vulnerability to climate change impacts.
- The methodology can be used to highlight countries where green growth planning assistance is likely to be most effective because of the presence of a strong enabling environment e.g. with good institutional capacity, effective regulation and political stability.
- By highlighting countries with a high green growth potential and where assistance is likely to be most effective (strong enabling environment) the methodology can help prioritize requests for assistance with green growth planning.
- By shedding light on the maturity of each country’s green growth planning efforts, the methodology can help international organizations to identify the right time at which to engage a country on the topic of green growth planning and the appropriate scope of assistance.
- The methodology provides a clear and transparent framework for assessing political commitment towards green growth and also takes account of domestic priorities and policy mechanisms. It can thus help ensure that development assistance is effective in line with The Paris Declaration on Aid Effectiveness¹².
- By explicitly scoring the donor space, the methodology can help to identify “donor darlings” as well as countries that may have been overlooked by donors. Furthermore, by providing a framework for mapping the purpose and scope of donor projects, the methodology can help ensure that donors do not duplicate one another’s efforts in the green growth planning space.

The use of quantitative analysis

The methodology was designed for the purpose of identifying countries where green growth planning assistance is likely to be most effective. At the heart of the methodology and the toolkit lies a quantitative assessment and scoring process to enable comparison of countries along the relevant dimensions.

In this project the scoring methodology was used to help prioritize three countries for engagement. The countries chosen were Jordan, Peru and Thailand. However, these countries were not chosen because they were the highest scoring of all countries assessed. They were selected from *among* the highest scoring countries to achieve a geographical balance and to develop a portfolio of countries with specific assistance needs. In other words, the outputs of the methodology were used to *inform* country selection rather than to *dictate* it.

Qualitative information for decision-making

In addition to the scoring process, a large amount of qualitative information and studies were reviewed and synthesized to assist decision making. The most useful aspects of the qualitative analysis proved to be those that were highly specific to green growth planning activities - in particular, the assessment of political commitment, donor space and the maturity of green growth planning, including the policy and institutional landscape.

12 The Paris Declaration (OECD, 2005) http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html

Strategic priorities of donors in this project BMU expressed interest in supporting a comprehensive, national green growth planning effort through the mitigation channel of its International Climate Initiative. The Country Selection Methodology is sufficiently flexible to incorporate such preferences of the donor in addition to GGGI's priorities.

Other donors may have different strategic priorities and could thus use the methodology in different ways according to those priorities. Donor country preferences may encompass many dimensions e.g. geographic region, development status, size of economy, size of emissions, maturity of green growth planning process, status of diplomatic ties, activities of other donors, engagement with UNFCCC and other international initiatives and so on. The types of projects that donors may prefer to support will also affect the choice of country, e.g. mitigation or adaptation planning, technology roadmaps, provincial or regional level green growth planning. The economic sectors of interest will also vary between donors, e.g. energy, forestry, agriculture etc.

Some of these dimensions are quantitative or binary and are included as filters within the Country Selection Methodology toolkit, which allows users the ability to change the filtering values and switch the filtering criteria on or off according to their preferences. Many of these criteria are qualitative however, and assessment against these would take place within the diagnostic stage of the methodology.

As mentioned above, it is important to note that these countries were not chosen based solely on their score. The last stage of the selection process ("deep-dive") involves multifarious considerations of both local and international stakeholders that are not easily quantifiable. In this particular instance, the number of countries was limited to three since it was deemed to be a manageable number given GGGI's other projects and institutional capacity.

Green growth indicators and data

There has been increased interest in the subject of green growth measurement, for example UNEP¹³ and OECD¹⁴ have recently published sets of indicators that focus on monitoring progress towards a "green economy" and "green growth" respectively. While the GGGI Country Selection Methodology has been designed to measure readiness for green growth planning rather than directly measuring green growth itself, there are many similarities between the measurement frameworks and objectives of these studies. There is a greater thematic focus on natural capital as an asset in the OECD's work while the World Bank has developed a measure of natural capital consumption and used it to produce an "adjusted savings" indicator¹⁵. Future users of the Country Selection Methodology may prefer to increase the emphasis on natural capital either by adjusting the weighting accorded to the Biodiversity and Ecosystem Services criterion within the scoring methodology or by including additional natural capital indicators.

Political commitment

To *qualitatively* assess the apparent level of political commitment towards green growth, the methodology focussed on measurable events, such as advocacy by high level policy makers, resource allocation, formulation and implementation of policies. This involves collecting evidence from political speeches and policy analysis which show that political leaders understand the issue and have supportive attitudes, higher-level policymakers engage in advocacy and that words are translated into actions in the form of policy formulation and implementation. In addition in order to *quantitatively* assess the political commitment dimension the methodology focussed specifically on measurable events that demonstrated engagement with the UNFCCC process and Rio+20 preparations such as statements at COP meetings and submission of the national communications.

In practice, political commitment was hard to gauge prior to the first mission to each country and has only really been demonstrated after several country missions. While it seems appropriate to try and include some measure of political commitment in the Country Selection Methodology, it is worth noting that political commitment can only be confirmed after an engagement process has been undertaken.

Donor space

Donor space was included in the green growth scoring process as an indicator of the enabling environment for green growth. The rationale employed was that, all else being equal, a country with more donor involvement in the low emissions development space indicates a country with higher institutional capacity for and political commitment towards green growth. However, a country with a very high level of donor involvement may indicate that additional

13 http://www.unep.org/greeneconomy/Portals/88/documents/research_products/MeasuringProgress.pdf

14 <http://www.oecd.org/dataoecd/37/33/48224574.pdf>

15 <http://data.worldbank.org/indicator/NY.ADJ.NNAT.GN.ZS>

assistance would duplicate existing efforts or risk overwhelming the recipient's ability to co-ordinate donor efforts. A good candidate country may be one that has a mid-range score against this indicator.

In addition, there are a number of qualitative dimensions of donor space that are hard to translate into a numerical score, for example, the type of donor projects, the economic sectors involved and the particular national, regional or local government partners that are sponsoring the project. These factors were therefore mainly assessed *qualitatively*. A framework for mapping the purpose and focus of donor projects was developed to allow consistent comparison between countries.

In practice the donor space in each of the three countries was generally more crowded than was assumed before the missions. Although each country team conducted research and engaged with known donors operating in each country, this criterion proved hard to gauge accurately before going into the country.

Suggestions for future research

In this project, it was assumed that countries that had higher carbon intensity of the economy (CO₂/\$GDP) had higher potential for green growth. This is predicated on the 'declining returns' hypothesis; that reducing emissions becomes more and more expensive as emissions fall closer and closer to zero. Often, such a definition of potential is uncontroversial. In other cases, the linkage is less straightforward to ascertain. For example, given infrastructure lock-in and path dependency, countries with lower carbon intensities might be the ones that can most easily effect low-carbon growth. In this case, the relationship might be negative, not positive. Further, non-linear, or even inverse-U shaped relationships might render linear relationships too simplistic. The forward trajectory of the growth-emissions interaction is also likely to be important.

Initial engagement

Did the methodology identify suitable candidates for initial engagement?

The Country Selection Methodology was designed for GGGI and BMU to identify three countries for future engagement, which are Jordan, Peru and Thailand.

The initial engagement with these countries largely confirmed the findings of the country assessments undertaken as part of the methodology development phase. All three countries have strong potential for engaging in green growth planning. They broadly display the enabling conditions for green growth planning and could benefit from shifting towards a more sustainable growth trajectory (i.e., high green growth potential).

Based on the project team's experience of engagement with the three countries selected during the first phase of the project, a good candidate country with which to commence a green growth planning project would be one in which:

- Low carbon development is already integrated into existing policies as a high level objective.
- Governance and institutional arrangements for green growth planning are already in development, for example:
 - a strong institutional focal point has been established to co-ordinate green growth planning activities by government and donor projects,
 - a cross ministerial co-ordinating committee has been established, and
 - there exists one or more senior level, influential green growth champions.
- There is good availability of data required for low carbon planning and policy analysis.
- Government has some experience of engaging with civil society institutions e.g. business, trade associations, academia, NGOs on green growth planning topics.

In practice, one or more of these conditions are likely to be absent in most countries that are not already engaged in a national green growth planning process. Understanding the maturity of existing green growth planning efforts is key to scoping a program of work and this is something that needs to be validated through in-country discussions rather than relying solely on desk-top review.

Many green growth planning projects would encompass development of institutional arrangements and stakeholder engagement as the first step in project mobilization. However, experience from green growth planning projects elsewhere shows that development of these arrangements can be a slow and time consuming process. Where political cycles are short and senior civil servants are politically appointed the development of new institutional arrangements can be severely delayed. Developing a network of stakeholders from academia, business and NGOs also takes time.

What are the key success factors for initial engagement with countries?

Based on the successful experience of initial engagement with stakeholders in Jordan, Peru and Thailand, the following are considered by the project teams to be the key success factors:

- **Extensive engagement prior to visit.** Where the project teams were able to secure conference calls with in-country experts and stakeholders including donor organizations, academics and private sector, these proved invaluable in informing the approach to the visit. In addition the calls were used to validate the findings of initial research into the policy and institutions relevant to green growth, get an up to date view of the status of these policies and institutions, gain deeper insights into country-level politics relevant to the green growth agenda and build a clearer picture of the key stakeholders to engage before or during the visit.
- **Co-ordination with other international organizations:** There are many international stakeholders active in the green growth planning space. The project teams contacted many of these prior to and during country visits to discuss ongoing and planned activities and to identify overlaps and synergies between projects. In some countries donor co-ordination committees have been established which play an ongoing role in helping host countries effectively manage donor funds. Ongoing dialogue with other donors who are active in the host country in green growth or related topics should be considered a priority.
- **Identifying potential local partners.** As well as sharing intelligence (see above), donors and other organizations embedded 'in country' should be considered as potential collaborators in co-delivering projects, particularly in countries where donor space may already be crowded.
- **Developing a clear engagement plan.** In addition to stakeholder mapping to set out who to engage with and the rationale, an engagement plan should be developed which addresses the following questions:
 - When is the right time to engage with a stakeholder? E.g. are they a priority to engage with during the introductory mission, or at a later stage?
 - What are the donor's desired outcomes from each engagement? E.g. awareness raising, information gathering, opportunity development, or gaining commitment?
 - What do stakeholders expect? Is there a need to manage their expectations if they think differently to the project team?
 - What is the follow up going to be, so that the relationship is developed?
- **Clarity over strategic priorities of international organization.** In the effort to be collaborative, gather information from in-country stakeholders and understand a country's aims and objectives, it is all too easy to leave stakeholders confused about what the donor is offering. It is important to succinctly communicate the donor's interests and objectives to in-country stakeholders from the outset. In relation to green growth planning assistance the key issues to communicate are:
 - a. What is meant by green growth planning?
 - b. What is the donor's typical or preferred approach to a green growth planning project and which sectors and/or levels of government are preferred?
 - c. How is this distinct from what other donors may offer?
 - d. What scale of financial or technical assistance is envisaged and over what timeframe?
- **A dialogue over several visits is required:** The process of initial engagement, developing a range of opportunities for international support and scoping out and agreeing the final program of work was accomplished with between 2 and 5 country missions in each case. The process commenced with an introduction and fact-finding mission in which a host country project sponsor and a range of opportunities for support were identified. This was followed by one or more missions in which the opportunities were discussed and refined and a decision was taken by the host country project sponsor and donor as to which opportunity would form the subject of the work program.

- **Timelines for government decision making:** When multiple potential lead ministries are involved the timelines required to reach agreement on the preferred scope of support can be very lengthy. This decision making process can be further complicated having several similar donor projects under consideration at the same time.

Program scoping

What are the initial reflections on program scoping?

The three programs of support designed for Jordan, Peru and Thailand have not yet commenced or are in the early stages of project set-up. It is therefore too early to comment on the lessons learned from carrying out the projects. However, the common themes that arose in designing the programs of support are explored below.

- **Project scope:** The scope of each project is varied although all involve national level rather than regional level planning processes. In the case of Jordan the scope includes the development of a national level green growth masterplan and relevant action plans for implementation and its scope is thus economy wide. In the case of Thailand the scope includes the development of a national GHG reduction roadmap for a selection of industry sectors. In the case of Peru the focus is development of an implementation plan for Sustainable Forestry Management.
- **Supporting implementation of national objectives:** The goal and scope of each green growth planning project was determined in discussion with government and takes as its starting point a national policy objective, strategy or master plan. In each case the programs are designed to support implementation of that high level objective, strategy or plan:

Country	Project title	Starting point
Jordan	Development of a National Green Growth Plan for Jordan	National Agenda and Executive Development Program (2011-13) includes a commitment to develop a national strategy and action plan for a sustainable economy
Peru	National Green Growth Implementation Plan for Forests in Peru	A number of policies exist which contain high level objectives related to sustainable forest management including: Plan Action Ambiental, Programa Nacional de Conservacion de Bosques para la Mitigacion del Cambio Climatica, National Forestry Law.
Thailand	Industry GHG reduction to support the implementation of Thailand's National Master Plan on Climate Change	Draft National Master Plan on Climate Change (2011-2050), the ultimate goal of which is to reduce GHG emissions and to be a Low Carbon Society by 2050.

- **Institutional focal point:** The institutional focal point for each project is varied, but each project will have a similar governance structure involving a cross-ministerial steering committee with representatives from key ministries, agencies and planning organizations. The programs will also establish a number of multi-stakeholder advisory groups depending on the sectors covered by the planning and policy analysis.

Country	Lead Ministry	Proposed steering committee members
Jordan	Ministry of Environment (MENV)	Ministry of Planning and International Cooperation (MOPIC), Ministry of Energy and Mineral Resources (MEMR), Ministry of Water and Irrigation (MWI)
Peru	Ministry of Agriculture (MINAG)	Ministry of Environment (MINAM), Ministry of Finance (MEF), National Planning Ministry (CEPLAN)

Thailand	Office of Natural Resources and Environmental Policy and Planning (ONEP)	Thailand Greenhouse Gas Management Organization (TGO), Ministry of Natural Resources and Environment (MNRE), Ministry of Industry (MoI), Ministry of Energy (MoE)
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- **Planning for implementation:** Several early examples of low emissions development studies are just that: studies that end with a report on carbon reduction opportunities. The approach adopted in this project has been to plan for implementation from the start. This means establishing a long run relationship with each country, ensuring that studies will focus on policy identification and assessment as well as identification of GHG mitigation opportunities and developing sector roadmaps which have the buy-in of all stakeholders.
- **The importance of engagement with business:** The ultimate goal of green growth planning is implementation of policies to encourage the private sector to reduce carbon, develop adaptation responses, protect natural capital or provide finance for all of these. Early and extensive engagement with business would therefore seem to be an essential pre-requisite for the identification and adoption of successful policies and for the achievement of these goals. For this reason all three projects feature strong business engagement and/or private sector capacity building.
- **Designing specific capacity building activities:** Rather than relying solely on capacity building through normal project interactions, some of the programs have been scoped to deliver specific capacity building outputs. These include a needs assessment, training and workshops, e-learning packages and so on.
- **Building in south-south learning opportunities:** All three projects will feature opportunities for stakeholders to share learning with other green growth projects, often in the same region. For example GGGI is working with Indonesia and Brazil in the forest sector, which will help inform the Peru project and it has launched a green growth planning project in UAE which will inform the Jordan project.
- **Embed knowledge management into the country programs:** GGGI has a number of knowledge management roles to play in delivering the three country programs. These include: as a knowledge provider, bringing in the right expertise and research; as a knowledge broker helping connect partners with the best knowledge globally, not only from GGGI but also others such as through south-south cooperation and the Green Growth Knowledge Platform (GGKP); and in developing the capacity of local project partners to be able to generate, access, manage and use knowledge themselves. Knowledge management (KM) will need to be a key part of each program rather than a stand-alone activity. The means in particular building KM into project design by identifying what knowledge is needed and by whom to achieve program goals, by including feedback loops from host country target groups, and in ensuring that the program includes a learning element to capture and share whatever is learned from its implementation, both within the program, but also for the benefit of the wider organization(s) involved.