

ADEQUACY OF CLIMATE CHANGE MITIGATION INITIATIVES IN LAOS AND CAMBODIA (COOL) 2010–2012

Finland Futures Research Centre

Location of the action: Cambodia, Lao PDR

Total costs of the project: 175 078 €

Funded by: Ministry for Foreign Affairs of Finland

Length of the project: 10/2010–9/2012

Project partners: National University of Laos (NUOL); Ministry of Environment (MoE), Cambodia

As the number of climate initiatives is increasing, a need has emerged to analyse options and obstacles in integrating the poverty and sustainability goals of development policy into climate mitigation initiatives, especially in least developed countries. The Finland Futures Research Centre COOL project, commissioned by the Ministry for Foreign Affairs of Finland, analysed the implementation of four climate initiatives in Laos and Cambodia; Clean Development Mechanism (CDM), Voluntary Carbon Markets (VCM), Reduction of emissions from deforestation and forest degradation (REDD+) and Energy and Environment Partnership (EEP). Of these four instruments, the first three are global climate initiatives while EEP is a tool for Finnish development cooperation.

The COOL project aimed to identify capacity development needs, provide practical policy recommendations and analyse the role of these initiatives in Finnish development policy, while keeping in mind the targets of sustainability, poverty reduction and equity. As it is likely that both global and national climate funding will



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increase in the future, it was important to analyse the impacts and obstacles of these, and means to improve implementation.

The project included five case studies and data collection trips in Laos and Cambodia in 2010 and 2011, and two disseminating workshops, one in Phnom Penh, Cambodia, and another one in Vientiane, Lao PDR. Also a final dissemination event was held in Finland to report the concluding outputs of the project.

The research found that the possibility to reach multiple benefits has been the promise through which the integration of climate mitigation into development cooperation has been legitimised. However, the assessment and evaluation of the benefits has been generally weak in all of the studied mechanisms. The concept of multiple benefits requires explicit understanding of trade-offs in climate mitigation and development. The study found that small-scale projects, such as fuel efficient stoves, are a good example of sustainable projects through VCM or EEP. On the other hand, large-scale CDM projects, such as hydropower, can have severe development trade-off effects. REDD+ in Cambodia and Laos should improve intergration of locals, as so far benefit-sharing with the local communities is inadequate.

In conclusion, Laos and Cambodia rely on Official Development Assistance (ODA) specifically for poverty reduction. If more aid is channelled towards climate change mitigation projects, there is a risk of diverting funds from poverty alleviation. The carbon market and its offset logic cannot provide a quick path to development for the Least Developed Countries (LDCs) such as Laos and Cambodia.



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Publications:

Käkönen, M., Karhunmaa, K., Bruun, O., Kaisti, H., Tuominen, v., Thuon, T. & Luukkanen, J. (2013) Climate Mitigation in the Least Carbon Emitting Countries. Dilemmas of Co-benefits in Cambodia and Laos. FFRC eBook 3/2013.

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