

Fitness Framework for assessing NDC ambition

Analysing the likelihood that ambition will lead to action

Working paper

December 2019

Cover Summary

The Fitness Framework presented here is a tool with the potential to add value over existing approaches to assessing climate ambition and action, by explicitly taking stakeholders and their behaviour into account, and building on that to explain why change is more or less likely to happen (this likelihood is what we call ‘fitness’). It aims to provide a structure for analysing the political economy of ambition raising, using concepts familiar to climate and development experts. This is a work in progress.

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Parts of this working paper have been published as Chapter 3 ‘considering NDC and transformation fitness’ in the *November 2017 NDC Update Report*. It builds on the companion working paper *Towards a better understanding of NDC ambition: Lessons from political economy analysis in development support* (van Tilburg and Minderhout, 2019). Disclaimer: the work presented here is based on literature review and expert discussions - we have not had the opportunity yet to test the ideas presented here in practice.

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1. Introduction

Is the world on track to reach the Paris Agreement climate goals? Are countries ambitious enough in their mitigation pledges? And how likely is it that governments will be able to turn their climate ambition into real action in the various sectors of the economy? An often-heard answer is that we have the technology, but that it depends on political will. In this working paper we explore how a diagnostic tool could help to unpack this ‘political will’ and understand the factors that determine the likelihood of a country to (over)achieve ambitious mitigation targets.

Under the 2015 Paris Agreement, 196 countries have confirmed that they will transform their development trajectories towards reducing greenhouse gas emissions (GHGs), with the aim of keeping the global temperatures *well below* two degrees. In October 2018, the Intergovernmental Panel on Climate Change (IPCC) showed that this will be difficult, but not impossible. It would require that all countries phase out GHGs completely by 2050 or soon after (IPCC, 2018). Across the world, governments no longer need to consider *if* economic sectors need to reduce emissions and by how much, but the question has changed to *when* and *how fast* to transition to net zero emissions.

Collectively, countries are not on track: the sum of mitigation pledges in the first round of Nationally Determined Contributions (NDCs) is insufficient to put the world on a *well-below two-degrees* pathway. This is where the ambition ‘ratcheting’ mechanism in the Agreement comes in: it stipulates that countries submit new and updated, more ambitious mitigation pledges every five years, starting in 2020. Over time, increased ambition is necessary to make sure that we do stay within emission limits that make the temperature goal likely. Under the rules of the Agreement, governments are invited to develop and communicate long-term strategies (LTS) and expected to update their NDCs every five years to reflect the *highest possible ambition*. In order to establish what this highest possible ambition is, we will need to take a closer look at questions such as what needs to be done, by whom, and when? Who is impacted, who will pay for it? Who are the likely winners and losers, and how do we get it done?

It turns out that assessing how ambitious and credible NDC pledges are, based on the information provided in the NDC alone, is difficult. Current assessments of NDCs tend to focus on analysis of countries’ targets as well as self-reported emissions and policy data, for example, communicated under the United Nations Framework Convention on Climate Change (UNFCCC). Existing efforts on transparency, in their approach, scope and purpose, fall short of revealing anything about the likelihood that a country or sector will be able to achieve its targets.

This is why we suggest that there is room for a new diagnostic, which complements existing analyses, and which assesses ‘fitness’ to achieve NDC targets or long-term decarbonisation. Such a tool could provide important additional insights to inform NDC ambition raising. The need for such analysis is echoed by one of the country respondents to our NDC progress survey¹, suggesting that ‘commitments need to be stress tested’. The purpose of such ‘stress testing’ or *fitness assessment* is to diagnose, to assess the likelihood ambition will actually lead to action. It could provide a starting point for discussing where different stakeholders can improve fitness and how, and to provide an early indication of the credibility of country and sector targets.

¹ As part of the NDC Update Report series, published twice yearly, the Ambition to Action project conducts a survey of around 100 policy makers and experts involved in NDC planning and implementation (<https://www.ambitiontoaction.net/outputs/>).

2. Fitness framework

2.1. Background

Fitness, in the everyday English use of the word, can be defined loosely as the quality of being suitable to fulfil a particular role or task. Synonyms include capability, competence, proficiency, ability, readiness, preparedness, qualification, appropriateness, and adequacy. ‘Readiness’ – a term often used in the context of climate policy - is a related concept, with the subtle difference that fitness suggests a more dynamic and active state, related to an ongoing process in the presence, rather than a situation in the future (and perhaps contingent on an external event). In the context of the Paris Agreement two levels of fitness may be assessed:

- **NDC fitness** – this relates to the ability and likelihood of a country or sector to achieve its NDC. It does not consider the suitability of the NDC itself (for example to be sufficiently ambitious in the context of the Paris goals), but focuses on whether the key elements are in place for NDC implementation. Potentially the “NDC fitness lens” may be added to existing frameworks which assess the ambition of NDCs in the global context (e.g. the Climate Action Tracker).
- **Transformation fitness** – this goes beyond what is necessary to achieve the NDC, to assess the overall ability of a country or sector to deliver long term decarbonisation. This is particularly important when considering the ability to successfully implement the ambition mechanism of the Paris Agreement and deliver on “well below 2°C” compatible long-term strategies.

The following fitness-related questions about sector transitions are hard to answer without having intimate knowledge of the local conditions and the stakeholders involved:

- Is the NDC credible in the context of actual developments and activities in key sectors?
- How likely is effective implementation going to be, considering national and sectoral circumstances?
- Is the NDC going to disrupt the status quo in the sector?
- Do sector actions reflect a level of ambition that would not otherwise have materialised?
- Is the NDC supported and underpinned by an appropriate combination of plans, processes, institutions and resources to deliver meaningful and decisive action?
- Is there a clear vision of what needs to change in the sector and in what timeframe?
- Do the relevant stakeholders have a good understanding of the options available to achieve these changes, and how to implement and finance them?

2.2. Capturing the politics of NDC ambition raising

Applying the Fitness Framework to pledges in the current NDCs, we hope can reveal additional information about how plausible the proposed change is, and thus how ambitious the pledge is. By extension it can shed light on the opportunities for raising ambition. In light of the ambition mechanism under the Paris Agreement, the Fitness Framework can be used to get a better understanding of whether NDCs really show the “highest possible ambition, reflecting [Parties’] common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.” (Paris Agreement; article 4.3).

There are two important reasons for governments to analyse stakeholders involved in a sector transition: to ensure effectiveness of policies and strategies, and to manage the impacts across groups (i.e. protect vulnerable groups). Without understanding the political economy of sector transitions, policies may be ineffective and outcomes societally undesirable.

Political economy is a field of study and practice at the intersection between political science, sociology, and economics. It helps our understanding of *why* things change, rather than how. It looks at power and interests, and how dynamics between actors is shaped by incentives and constraints. *Political Economy Analysis* (PEA) is a diagnostic approach to understand the political economy of a specific situation. It is the attempt to find out what is really ‘going on’ in a situation, who influences change, and what lies behind the surface of the immediate problem, for example whether competing interests exist. PEA helps to “unpack all the issues previously lumped into the ‘political will’ box, so that we can consider the factors to which we must adapt and those that we can try to influence and change.” (Whaites, 2017).

In a companion working paper, we look at experiences with the use of PEA tools in development cooperation and find that there is significant experience with this kind of analysis. These tools can be used directly, but they can be resource and require specific expertise to apply them. Encouraged by a recent trend towards simplification of political analysis it is our intention to develop a simple framework that allows users to start with a cursory scan of the political economy drivers, and iteratively update the diagnosis as the analysis deepens and the evidence becomes more robust (van Tilburg and Minderhout, 2019).

Existing PEA approaches all put stakeholders (what they call ‘actors’) in a central role, in order to study their interaction with each other and their environment. It is rare for existing climate policy monitoring and reporting frameworks (e.g. UNFCCC reporting, but also various climate indexes and trackers) to include specific stakeholders, let alone their role, interest or motivations. We put stakeholders in a central role in the Fitness Framework , complemented by a description of the building blocks that make up the transition process and the external factors that shape stakeholder behaviour but are outside their control.

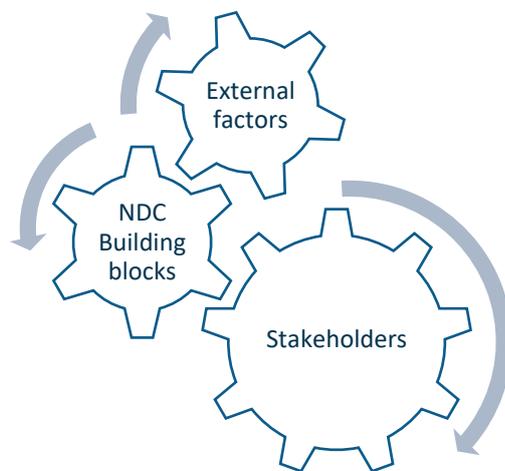


Figure 1: Fitness framework concept – Stakeholders, NDC building blocks, and external factors

We appreciate that time and other resources can be limited and while conducting a full-scale political economy analysis can be costly, there can also be much value in doing a more modest analysis (Whaites, 2017). An important consideration for the Fitness Framework is therefore that it should be useful across different *effort levels*: easy to conduct with limited resources, and easy to scale up when more resources are available (ESID, 2015). We aim to accomplish this by differentiating between three layers of information – each providing more detail, but also more resource-intensive to establish. Moreover, we refrain from prescribing the building blocks to use, leaving it up to practical considerations.

The *audience* for the results of the fitness diagnostic includes all stakeholders involved in the sector low-carbon transition or any interested person. To any audience, the Fitness Framework provides information on key stakeholders and key topics relevant to the transition, a shared language to discuss the transition, and

structured guidance for asking pertinent questions to reveal the political dynamics. Close to the original use of existing PEA frameworks, development agencies, development finance institutions, donors, and embassies can use fitness for the more specific purpose of informing decisions on their programs and activities. Similarly, investors and companies can use fitness to establish realistic expectations on implementation, highlighting business opportunities and challenges, and understanding the credibility and predictability of climate policies and pledges. In addition to these outside-in usages, the Fitness Framework could also be used to inform the domestic discourse and sector dialogues.

We suggest initially limiting the *scope* of the fitness analysis to a sector. There are various sector classifications available, with anywhere from a few, to over a hundred different subsectors. IPCC, for example, uses five aggregate ‘sector’ categories for emissions, which is obviously too crude, and breaks it down to 125 subsectors, which is probably too detailed. Instead of prescribing which classification to use, a practical choice would be to look at the significance of emissions and whether the same stakeholder groups are involved in the activities grouped together. This could, for example, reduce the scope covered by the fitness analysis from the whole energy sector to specific domains such as off-grid and/or on-grid power supply, industrial heating and cooling, cooking, buildings and appliance efficiency, etc.

Box 1: Political economy through four lenses

Political economy analysis can be used to question *why* ambitious climate policy is more or less likely to succeed. The political economy lenses shown below cover the four areas of inquiry commonly used in PEA: Which *structural factors* (outside stakeholders’ direct control) make sector transformation more or less likely? What kinds of *stakeholder behaviour* (incentives and constraints) make sector transformation more or less likely? Who stands to win and lose from reform? How can stakeholders impede, block, or promote reform? What are the (perceived) *rules of the game* and which formal and informal institutions make sector transition more or less likely? Do feasible (more or less ambitious) alternative transition pathways exist? How likely is *plausible change*? In practice, these four lenses will consist of a template with guiding questions.

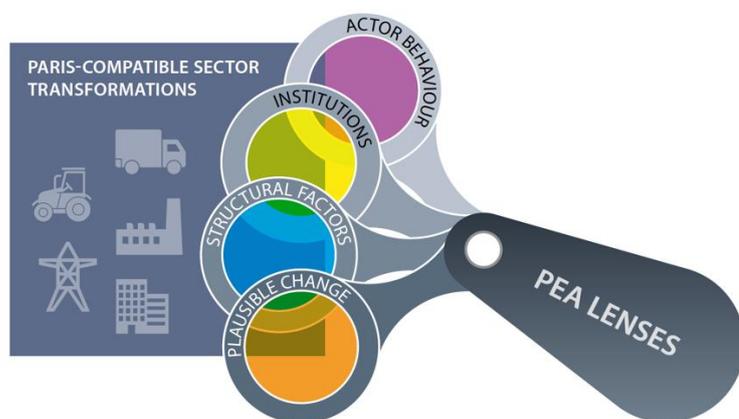


Figure 2: Four PEA lenses for different areas of inquiry (source: van Tilburg and Minderhout, 2019)

Political economy analyses can be at risk of using concepts and jargon from political science without sufficiently clarifying its meaning and implications to the intended audience – the users of the framework. Although it is probably useful to have access to a political economy and communications expert when using the Fitness Framework, the tool is intended for use by climate and development experts and analysts, without making assumptions on their knowledge of political concepts and terminology.

Sensitivity is a big issue with tools such as the Fitness Framework, especially because it considers specific stakeholders (individuals or groups) and political dynamics. Revealing what is behind ‘political will’ may

expose facts that are not popular with some people. There is no good way to design the tool around this; the analyst should keep high quality standards and triangulate findings, and although naming specific stakeholders is often necessary for a good understanding of the results, framing the analysis as ‘winners and losers’ instead of ‘good or bad guys’ can set the right tone.

2.3. Stepwise and scalable

The framework concept consists of a stepwise approach (see Figure 3). The purpose is to get an increasingly robust understanding of the stakeholders, the NDC building blocks, and the external factors (see Figure 1), and how they interact. The following sections below (2.4 - 2.6) give more detail on each of the three elements.

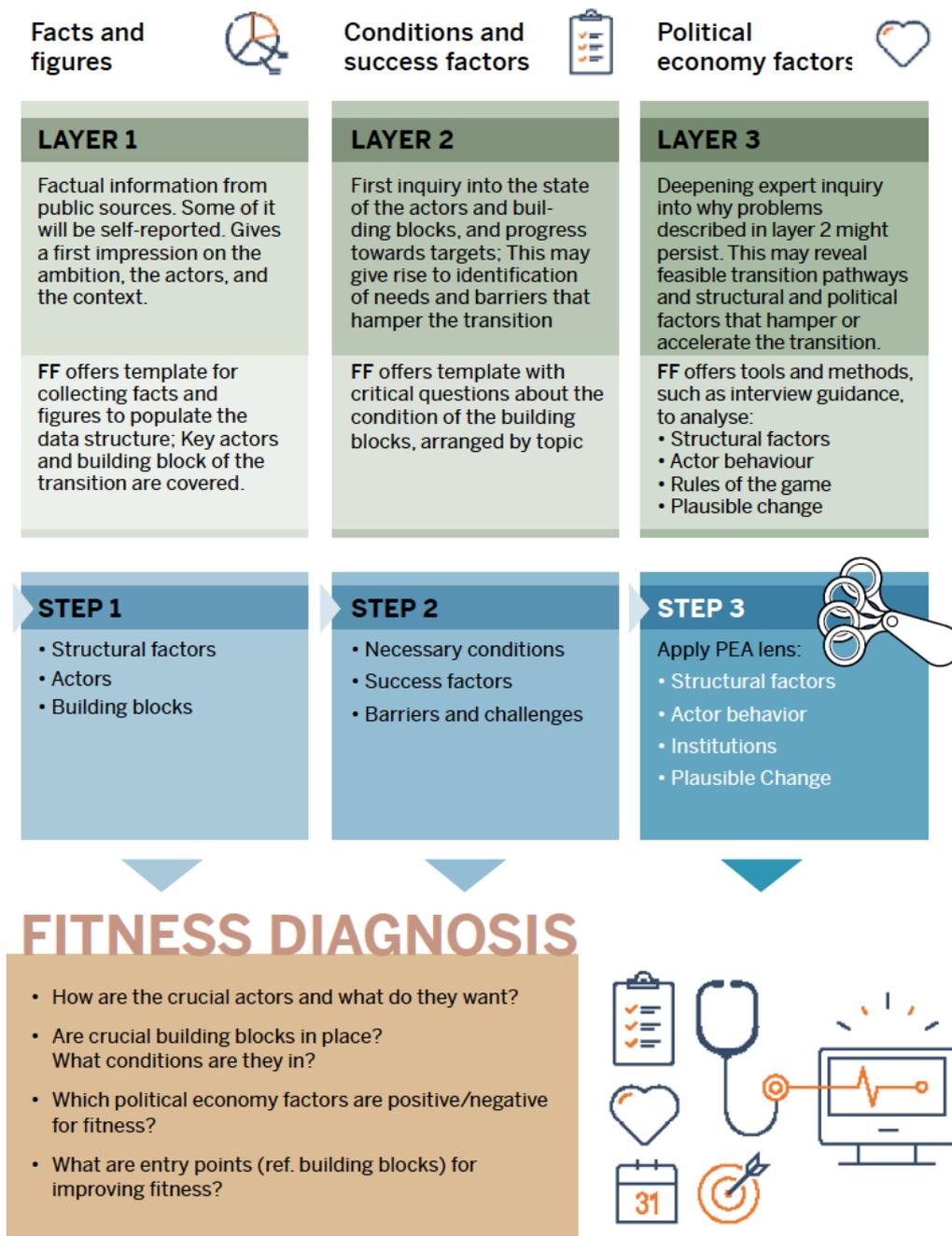


Figure 3: Fitness framework concept – stepwise and scalable

We distinguish three layers of information: the first layer contains factual information, the second layer contains a critical assessment identifying necessary conditions for the transition, as well as barriers and challenges. This second layer of information is often contained in project or program proposals as ‘barrier analysis’ (e.g. in NAMA proposals to the Green Climate Fund). The third step involves a political economy analysis, and can be as simple or as complex as resources allow.

Box 2: Everyday political analysis

In ‘Everyday Political Analysis’ (Hudson *et al.*, 2016) the authors reduce PEA to a minimum core that helps the user think politically in everyday life: it provides a condensed checklist of two times five questions “to help conduct quick political analysis and make this an accessible part of ordinary business practice.”

The first five questions consider understanding of actors’ interests: Is what they want clear? Are they acting in line with their core beliefs? Do you understand the constraints they face? Is it clear who and what the key influences on them are? Is their behaviour being shaped by social norms about what is appropriate? The second five questions consider actors’ agency and capacity to effect change: are they the key decision maker? Do they have potential coalition partners? Are their key decision points clear? Is their framing of the issue likely to be successful? Are they playing on more than one chessboard?

While it is good practice to initially consider a wide range of possible stakeholders, in reality the analysis of fitness is most likely to centre around at most 5-10 stakeholders or stakeholder groups. A mapping of building blocks at the start of the analysis can point out which of the building blocks may be most interesting to investigate in detail. Similarly, an initial set of external context factors can be chosen pragmatically and updated as the analysis progresses.

Fitness Diagnosis

Establishing the fitness level of a country or sector is not easy. Any framework has to take account of country and sector diversity. The same achievements in one sector or country can be much easier or harder depending on the individual set of circumstances. Moreover, the optimal and feasible speed and timing of the transformation will vary per country and per sector.

The assessment of fitness is subjective, and results are open to interpretation. This is not problematic in itself and does not imply vagueness; a diagnostic tool such as the Fitness Framework is designed to help structure the arguments behind an assessment. It does not require consensus, and it is possible that stakeholders come to different conclusions using the same framework and information. While fitness doesn’t lend itself per se to comparison across sectors and countries, it could be useful to assess fitness regularly and compare how the dynamics change. Comparing sector fitness over time may reveal changes in the context or political dynamics and so-called windows² of opportunity in which the transition can be accelerated.

It is entirely likely that anyone working with the tool has preconceptions on the level of fitness of the sector they investigate. We accept that and encourage users to update their diagnosis after every step and iteration (see Figure 3), to reflect the evidence: How likely is the sector to (over)achieve its NDC target?

- Who are the crucial stakeholders and what do they want?
- Are crucial building blocks in place? What condition are they in?

² Kingdon (1984) developed a model where policy entrepreneurs inside and outside government construct and use agenda-setting opportunities, or **policy windows**, to bring issues onto the government’s agenda. In his view, forces that can open or close windows occur through interaction between stakeholders, institutions, and ideas.

- Which political economy factors are positive/negative for fitness?
- What are entry points (ref. building blocks) for improving fitness?

Ultimately the fitness diagnosis will be subjective, but the users should strive to collect as much evidence as possible in support of it.

2.4. Stakeholders

A successful transition requires all stakeholders to be aware of what a low-carbon future looks like in practice, and what it means to them. There will be winners and losers: every participant will need to realise the actions required from them and the impacts they can expect, and will need to be able to form their opinion and act accordingly. Leadership and vision of individuals, and their ability to act within the (political) system, can be an enabler for change, and related to that, continuity of political leadership and stable, nondisruptive transitions of power are expected to increase the ease of managing the sector transitions. Sufficient technical, financial and human capacities are important ingredients for a sector transition – not just the establishment of appropriate expertise and skills, but also the ability to retain skills and maintain institutional knowledge. Beyond the political and government sphere, implementation of ambitious climate policy requires the successful participation of the private sector, sector stakeholders, civil society and the general public.

A *stakeholder* is any group or individual who can affect or is affected by the achievement of the [organisation's] objectives. Persons, groups, neighbourhoods, organisations, institutions, societies, and even the natural environment are generally thought to qualify as actual or potential stakeholders (Mitchell, 1997). They can be primary stakeholders, who are directly involved, secondary stakeholders who directly affect or are directly affected, and there is the larger group of contextual stakeholders – sometimes including more abstract notions like natural resources, the environment, nature, animals, plants, past and/or future generations.

Actors involved in a sector transition may include government stakeholders, such as key ministries and executive bodies, state-owned enterprises, and (sub)national authorities; as well as other stakeholders such as Non-Governmental Organisations (NGOs), political parties, donors, multilateral and international organisations, private sector entrepreneurs and associations, diaspora, and civil society organisations, (Moncrieffe and Luttrell, 2005). Depending on the sector of interest, the list can be extended and made more specific. For example, for their Energy Transition Index (ETI), the World Energy Council and McKinsey identify the groups of stakeholders as: energy producers, manufacturers, technology companies, financiers, governments, cities, international organisations, civil society, end consumers, and industrial consumers (WEF, 2018: Figure 1). It is not uncommon for political analyses to be very specific and identify individual entities, like 'state-owned utility Eskom Holdings in South Africa', 'the President of France', or 'Mexico's Ministry of Finance'.

There are different ways to visualise the characteristics of stakeholders and their relation to each-other and to the transition. A stakeholder analysis at the start of the analysis can point out who is important, why, and because of which attributes? Such analysis can reveal interests; conflicts and risks; opportunities and potentially productive (or obstructive) relationships; appropriate participants; and groups likely to be impacted by a change in policy and practice (ODI, 2009). The following stakeholder attributes are commonly used in literature and practical applications:

- **Impact:** the degree to which stakeholder *is affected by* the outcome (i.e. co-benefits analysis)
- **Influence:** the degree to which stakeholder *can affect* outcomes

- **Interest:** How much will they gain (or lose) when the goal is achieved ? What is their claim/stake?
- **Importance:** the extent to which the stakeholders’ actions or approval matters to the outcome (i.e. to the sector transformation).
- **Support:** the extent to which the stakeholder agrees the goal should be achieved
- **Urgency:** the degree to which stakeholder claims call for immediate attention. Introduced by Mitchell (1997); older articles and theories do not include the time dimension.
- **Legitimacy:** socially accepted and expected structures or behaviours: “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995: 574). Legitimacy and power are distinct and combine to create authority, but can exist independently as well (Weber, cited in Mitchell, 1997:866).
- **Power:** the extent to which a stakeholder has or can gain access to coercive (physical means), utilitarian (material means) or normative (prestige, esteem and social) means to impose their will (Mitchell, 1997). Stakeholder A has power over B to the extent that he can get B to do something that B would not otherwise do (Dahl, 1957).
- **Awareness and expertise:** the extent to which the stakeholder has knowledge that something exists, or understanding of the situation or subject
- **Alignment:** the degree to which the stakeholder agrees with the approach, process, assumptions; perceptions matter: do they want to do the same things that we think need to be done? Are they thinking what we are thinking?

Figure 4 illustrates a visualisation that is often used, where stakeholders are positioned on a two-dimensional grid, with each of the axes having a qualitative scale going from negative (not very, blocking) to positive (crucial, excellent). The exercise of mapping and required data and analysis to do so provide the first understanding on questions like, why is this stakeholder supportive in achieving NDC ambitions or not?

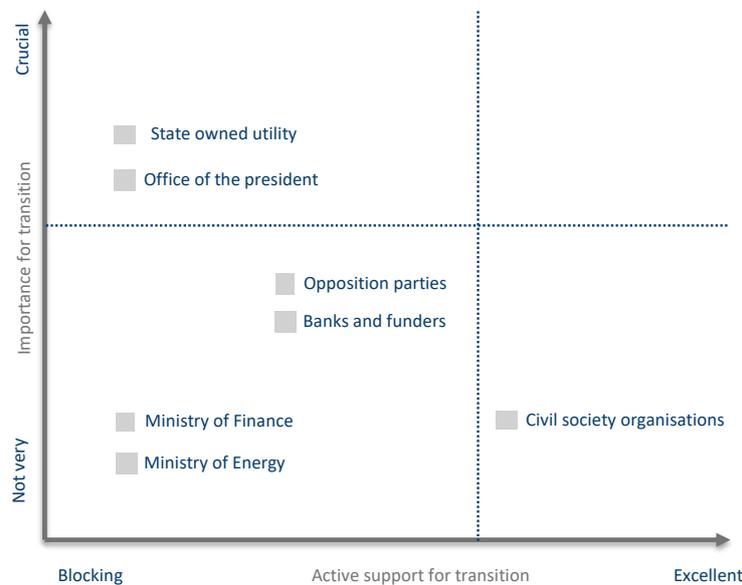


Figure 4: Comparing stakeholder support for, and importance to, the low-carbon transition

This is just one example of plotting stakeholders on a two-dimensional grid. There is a variety of tools to make stakeholder attributes and relations insightful like Force Field Analysis (FFA), circle of influence (COI), and

Alignment, Interest and Influence Matrix (AIIM), each of these methods focusing on other combinations of attributes.

2.5. NDC implementation building blocks

Stakeholders are central: they interact with each other but also with their environment. We distinguish between structural/external factors and the ‘transition process’ in all its building blocks (ingredients). We use the term *building blocks* to describe the main topic areas relevant to a sector transition. There is no agreed classification to describe the ‘ingredients’ of a Paris-compatible sector transformation.

In order to make the Fitness Framework flexible enough to be used as ‘add on’ or overlay, we don’t prescribe which building blocks to use. In addition, the purpose will be leading in choosing the appropriate building blocks. It will be a balance between effort and detail.

To illustrate, consider two sets of building blocks. The first is based on the Energy Transition Framework developed by McKinsey and the World Economic Forum: it has an energy focus and a business orientation; it identifies six ‘transition readiness enabling dimensions’ to structure their analysis, and is ultimately used to score progress against a benchmark and rank countries against each other (Table 1; based on WEF, 2015).

<p>Energy system structure</p> <ul style="list-style-type: none"> • Energy supply per capita • Share of electricity from renewables • Share of electricity from coal • Electricity system flexibility • Share of global fossil reserves 	<p>Human capital and consumer participation</p> <ul style="list-style-type: none"> • Jobs in low-carbon industries • Education quality
<p>Capital and investment</p> <ul style="list-style-type: none"> • Investment freedom • Access to credit • New RE capacity • EE investments 	<p>Infrastructure and innovative business environment</p> <ul style="list-style-type: none"> • Logistics performance • Transportation infrastructure • Technology availability • Innovative business environment
<p>Regulation and political commitment</p> <ul style="list-style-type: none"> • NDC commitment • Policy stability • EE and RE regulations 	<p>Institutions and governance</p> <ul style="list-style-type: none"> • Corruption • Rule of law • Credit rating

Table 1: Example building blocks for the Fitness Framework (adapted from WEF, 2015)

The second illustration of what building blocks could be used is based on the Green Growth Best Practice (GGBP) initiative: a collection of practices and analyses across all building blocks of green growth, GGBP has a national transition focus and a policy orientation, and is ultimately used to document lessons from experience (Table 2 **Error! Reference source not found.**; based on GGBP, 2014).

<p>AMBITION AND TARGETS</p> <ul style="list-style-type: none"> • Targets and ambition • Scenarios; technology pathways • Vision and political leadership 	<p>NDC PLANNING AND COORDINATION</p> <ul style="list-style-type: none"> • Process design; stakeholder engagement • Institutional home
<p>Support (buy-in)</p> <ul style="list-style-type: none"> • Ideas (core- and dispositional beliefs), norms, ideologies, and values • National development priorities • Support and resistance • Consensus building 	<p>Policies: design and implementation</p> <ul style="list-style-type: none"> • Incentives, mandates, and enabling policies • NDC incompatible policies • Innovation and creating markets; labour and skills development • Managing natural resources • Enabling green infrastructure
<p>Evidence</p> <ul style="list-style-type: none"> • Analysis of costs and benefits; • Synergies and trade-offs; winners and losers • Historical track-record on sector change 	<p>Subnational action</p> <ul style="list-style-type: none"> • Incentives and targets • Capacity and authority • Joint action and dialogue
	<p>Mobilising investments</p> <ul style="list-style-type: none"> • Financing gap • Enabling green investments • Public budget and instruments

Table 2: Example building blocks for the Fitness Framework (adapted from GGBP, 2014)

The type of visualisation discussed in section 2.4 above for stakeholders, can to a certain degree also be used for getting an overview of the condition of the building blocks and, for example, the priority given by government (see Figure 5 below).

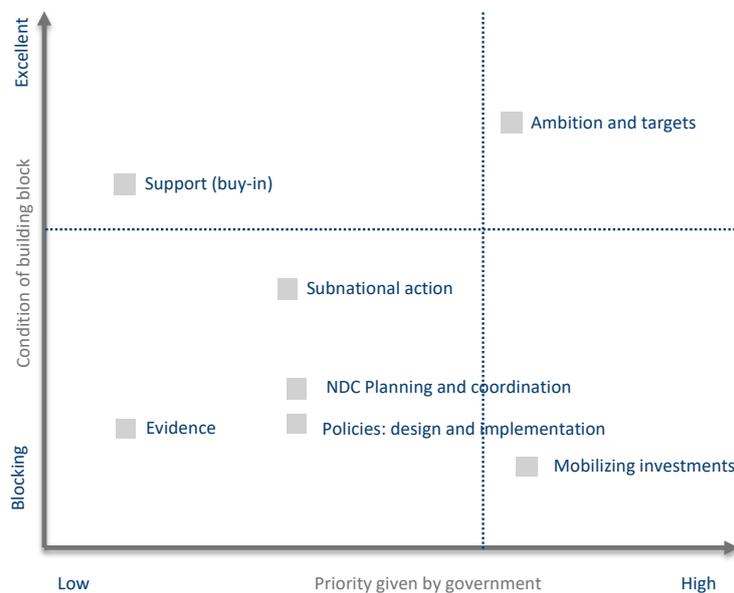


Figure 5: Comparing the low-carbon transition building blocks according to condition and priority given by government

2.6. Structural (external) factors

The structural factors in Figure 1 are those features that affect the transition but are not within control of the stakeholders. The variation among structural factors is substantial as they may include anything from geography and demographics, to technology availability, market structure and investment climate, and political system. We propose to make a pragmatic selection of structural factors to describe, based on their relevance to the transition.

Box 3: Structural factors in NDCs and long-term strategies

A review of the first round of NDCs shows that external factors can play an important role in shaping the countries' ambitions and commitments. For example, in the NDC of Iceland it reads "electricity production and heating comes almost 100% from renewable energy, with minimal emissions. This was mostly achieved before 1990. This means that Iceland must look to other sectors for mitigation options" (NDC Iceland, 2015). At the time of submitting the first long term strategy, Japan was still recovering from a catastrophic external event: "Having faced a drastic change in its circumstances with regard to energy due to the Great East Japan Earthquake and the accident at the Tokyo Electric Power Company's Fukushima Dai-ichi Nuclear Power Station, Japan decided the new Strategic Energy Plan last year as a starting point for reviewing and rebuilding our energy strategy from scratch". Other countries have the boldness to make their action contingent on the very resource that causes the problem: "These ambitions are contingent on the Kingdom's economy continuing to grow with an increasingly diversified economy and a robust contribution from oil export revenues to the national economy." (Saudi Arabia, first NDC). Economy-wide austerity measures or violent conflict can severely limit the room for ambition raising, as is illustrated by the NDC of Ukraine: "In 2014-2015, the temporary annexation [...] radically changed Ukraine's development course. The need has arisen to defend the nation [...] which requires growth in output of heavy industry products, metals, cement, etc. Due to the military aggression 20% of the country's economic potential has been destroyed. [...]" (Ukraine first NDC). The United Kingdom, in its 2017 long-term strategy 'The Clean Growth Strategy: leading the way to a low carbon future' emphasises that London as financial heart of Europe is ideally placed to capture part of the emerging market for 'low carbon financial and professional services'. This existing reputation and infrastructure can be considered 'external circumstances' that are quite influential to the way stakeholders engage with the transition.

3. Towards better analysis of NDC ambition

The Fitness Framework presented here has the potential to add value over existing approaches to assessing climate ambition and action by explicitly taking stakeholders and their behaviour into account and building on that to explain why change is more or less likely to happen (this likelihood is what we call 'fitness'). It is not a replacement for existing PEA tools, but aims to provide a structure that is useful to analyse the political economy while at the same being familiar to climate and development experts.

Many existing PEA frameworks are resource-intensive and require specific expertise. For this reason, we designed the Fitness Framework concept to be scalable (i.e. offers choice and the detail of building blocks) and can be used iteratively; it can be used in a 'quick scan' way requiring limited effort, or as basis for an in-depth sector analysis.

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