

# Understanding the Role of Policy Targets in National and International Governance

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**Sarah Lester and Karsten Neuhoff**

International cooperation for climate policy implementation is currently the subject of wide discussion. In developed countries, absolute emission targets play an important role for policy frameworks and the design of cap and trade emissions trading schemes. In developing countries, absolute emission targets are more difficult to define because of uncertainties associated with projections of emissions for the business as usual scenario. Also, absolute emission targets are likely to be less effective where there is less institutional capacity for their translation into specific actions and more contentious if they are seen to not reflect the differentiated nature of responsibility.

This raises the question of whether domestic policies and international cooperation on actions with climate (co-) benefits in developing countries can be pursued without the definition of absolute emission targets. Discussions on international cooperation for climate policy are exploring the use of policy targets for the implementation of specific actions or policies with climate co-benefits. How can successful implementation benefit from international cooperation? The paper summarises experience from the use of national and international policy targets to inform the wider debate surrounding these questions.

The paper focuses on the literature on policy targets in order to understand the use of performance objectives, programme targets and indicators in the policy process. Governance, performance management and budgeting, indicators systems and public administration literature are considered first, an overview of case studies follows and implementation experience is then discussed. The influence of targets on governance processes is explored by summarising lessons from the implementation of previous policies. The Millennium Development Goals of the UN, Public Service Agreements between the UK national and local governments, and the Poverty Reduction Strategy Papers of the IMF are examined in detail. Experiences from internal government performance management schemes, such as the Government Performance Results Act targets implemented by the USA and the UK Best Value Performance Indicators provide insights on the role of targets for domestic policy.



Implementation and evaluation of these schemes is then discussed to suggest insights for the use of successful target policies in national and international regimes.

Domestic policies suggest the importance of outcome-based targets, partnership and accountability for successful policy benefits. Budgeting and financial planning are becoming increasingly important for both domestic and international government. International development assistance is based on the transfer of financial flows, knowledge and technical skills from developed to developing countries; the performance management structures required by such financial flows help to determine the nature and success of such policies. The paper concludes by evaluating the policy regimes of the targets discussed and considering the implications suggested for climate policy.

The challenge for the transfer of this experience to climate policy is likely to revolve around the definition of appropriate metrics (Cust 2008). The negotiations of these metrics is an inherently political activity; involving complicated negotiations between international and national, or national and local, levels of government. For climate policy, the translation of long-term emissions reduction objectives towards intermediary outcomes that reflect the success of government policy within, for example a three-year timeframe, could prove useful. The choice of an appropriate timeframe for targets for both domestic and international policy is discussed within the paper: while fifteen-year timescales allow for more holistic policies, shorter three-year frameworks enable rapid learning from the policy process. The role of learning for policy development is an iterative process, and one that feeds directly into the effectiveness of domestic target regimes.

Governments have to implement robust and comprehensive policy frameworks to internalise carbon externalities and provide regulatory and market structures for the transition towards a low-carbon economy. This in turn will shift private sector investments and activities towards low-carbon sectors and technologies, which will deliver the desired emissions reductions. The long chain linking initial policy decisions and ultimate emissions reductions creates a delay that is often in excess of the short-term, five-year frameworks. This creates a challenge for the policy processes. The paper explores the experience from other policy fields to inform the discussion of the role of targets in policy implementation. Targets can be used to measure the effectiveness of governance, and provide information to improve the management and implementation of both national and international policy.

Contact	SL492@cam.ac.uk	Karsten.neuhoff@econ.cam.ac.uk
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