



Insights on Building and Strengthening Climate Governance Frameworks at All Levels to Support NDC Implementation

Part of the IKI NDC Support Cluster's thematic workshop series 2018

1 Background and objectives of the workshop

From 25 to 27 June 2018, the thematic working group on governance of the NDC Support Cluster (more information at www.ndc-cluster.net) co-hosted a workshop with the thematic working group on transparency in Washington DC (United States) to discuss **how the effective vertical and horizontal integration of subnational and national governments can support and accelerate Nationally Determined Contribution (NDC) implementation.**

Key areas of discussion at the workshop:

a. Vertical integration for NDC implementation

- Establish strong coordination mechanisms
- Make efforts to close finance and other capacity gaps
- Increase consistency of targets
- Motivate actors by engaging with international bodies

b. Horizontal coordination for NDC implementation and cross-cutting coordination issues

- Close institutional gaps
- Improve communication procedures
- Balance competing interests and political priorities
- Address capacity shortcomings

The workshop discussions involved renowned experts from climate and development implementing organisations, national and subnational governments, think tanks and academia. The workshop included in-depth discussions on transparency and governance as well as joint sessions of the two working groups.

2 Workshop themes

Within the governance work stream, participants identified common challenges and possible solutions related to governance frameworks for NDC implementation and developed a series of NDC implementation approaches to overcome the challenges identified. The workshop discussions focused on two main topics: **vertical integration for NDC implementation** on the one hand and **horizontal coordination for NDC implementation and cross-cutting coordination issues** on the other.

3 Discussion outcomes

The key findings of these discussions are summarised below, concentrating on key challenges (in italics) and solutions for effective and successful NDC implementation

a. Vertical integration for NDC implementation

- **Establish strong coordination mechanisms:** *In many countries, there are no clear mechanisms in place for coordination between the national and subnational level and no multi-level governance strategies to engage subnational actors. Moreover, planning processes do not always prioritise NDC targets in national and local plans, and national and subnational priorities are often not aligned.* To overcome these barriers, channels should be established for regular meetings between officials at different levels. Active groups of municipalities dealing with climate change could be launched and supported, and mutual peer review and exchange among these groups incentivised. Sharing NDC-related information with the subnational level and involving it in planning and funding decisions is crucial to making subnational actors part of the implementation process.
- **Make efforts to close finance and capacity gaps:** *At the subnational level, technical knowledge and funding for existing climate plans is often insufficient. Human capacity to mainstream NDCs is also often lacking; the workforce tends to be more involved in traditional approaches to development and service delivery.* Against this background, it is highly important to strengthen local capacities and develop integrated financing approaches advancing NDC implementation. Such approaches could support stakeholders, for example, in learning about regional and subnational funds, which may also be relevant from a climate perspective. ‘Climate funding academies’ may be helpful in building this knowledge base and promoting learning about the availability of funding and direct access windows within international funding institutions such as the Green Climate Fund (GCF). Joint project proposals by cities or municipalities could be encouraged through project preparation facilities specifically established for non-state actors. Finally, the national and subnational levels need to closely coordinate the tracking of funding and donor activities throughout the implementation of climate programmes.
- **Increase consistency of targets:** *Many subnational targets are inconsistent with NDC targets, and the issue of ‘burden sharing’ between levels is not always clear. Moreover, NDC and SDG mainstreaming processes at the national level are often poorly integrated (e.g. the coordinating institutions are different).* Ideally, subnational climate plans should always be aligned with national ones to improve the chances of securing funding and reaching climate targets. In this respect, utilising international standards developed for the subnational level – such as the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC) and city certification systems – helps to guide subnational actors and at the same time raises their motivation to implement climate policies. Localising and simplifying such standards (if needed) and integrating them into national development planning offers promising opportunities.
- **Motivate actors by engaging with international bodies:** *In many cases, the problem lies at the subnational level, with local governments unable or unwilling to proactively engage in mitigation activities. There are often few (if any) climate champions at the subnational level.* With a view to increasing motivation to participate in climate action, engagement with regional or international bodies and networks, such as ICLEI – Local Governments for Sustainability and C40, could be promoted and supported. Local champions should be identified at an early stage so that they can take a leadership role and better realise their contributions to NDC implementation. Increasing diplomacy by government bodies in regional platforms (including non-climate-specific ones) and putting the country in the international spotlight (e.g. through a G20 or COP presidency or climate change summits) spurs momentum towards increased country engagement. Last but not least, establishing a

participatory process that highlights the benefits of climate action for development and makes NDC implementation a priority can help mobilise additional support at the subnational level.

b. Horizontal coordination for NDC implementation and cross-cutting coordination issues

- **Close institutional gaps:** *Many problems related to horizontal coordination result from weak or outdated institutional and legal frameworks as well as gaps in policies, mandates and divisions of responsibilities. Other widespread issues are the reluctance of leading institutions to decentralise NDC implementation and conflicts of interest and agendas due to the diverging interests of actors and lobbying efforts aimed at different ministries. Finally, actors involved in NDC implementation will in many cases be different from those who developed the NDCs.* To cope with these problems, national emissions inventories could be broken down for relevant sectors (including at the local level) and detailed action plans for each sectoral ministry involved in the NDC implementation process could be designed. Moreover, introducing climate-related indicators at the sectoral level (e.g. for agriculture and industry) makes the efforts undertaken by different ministries more target-oriented. Anchoring NDC implementation in legally binding agreements (in order to integrate an enforcement component) and creating specific laws or climate safeguards for government action can help stabilise the process. Monetary and non-monetary incentives could be created to encourage relevant ministries to participate in the NDC implementation process, and cross-sectoral learning exchanges could be organised.
- **Improve communication procedures:** *A widespread problem is the absence of communication materials and databases on NDCs as well as data-sharing procedures. Often, countries lack joint platforms to share information or tools and communication instruments to localise NDC implementation.* The lack of communication on NDCs can only be overcome if relevant communication materials are available to stakeholders. The visibility of the NDC targets and climate change topics within the larger society is therefore crucial. It is necessary to share information on climate change impacts in specific sectors. A greater effect can be achieved by using different narratives for various target groups and highlighting the co-benefits of climate action. A permanent dialogue or coordination platform focused on tracking NDC implementation could be helpful as an ongoing process to share knowledge and data at all levels on a continuous basis. Translating high-level abstract NDC language into personalised, actionable messages in the local context by establishing an iterative stakeholder process with a strong focus on civil society could be a promising solution.
- **Balance competing interests and political priorities:** *A prevailing dilemma for decision-makers is how to balance the winners and losers of climate action. Decision-making power is mostly concentrated in certain groups and levels, and there tends to be a lack of political will and awareness regarding climate issues outside these groups. The situation is often exacerbated by the lack of an effective flow of strong and concise communication on examples of climate frontrunners.* However, the NDC implementation process cannot progress without an understanding of the priorities of other institutions and the identification of commonalities or common mindsets with officials from other departments and ministries. To gain broad-based support for NDC implementation measures, a steady flow of information from policy to civil society is required. Governments cannot ignore future losers of climate action; they should launch dialogues explaining the need for transformation and identifying ways that compensation can be granted. Countries are using

long-term strategies to address economic issues and job loss and creation to ensure that the transition process will be fair.

- **Address capacity shortcomings:** *Even if coordination arrangements are well established, resources and financial instruments for the actual implementation of climate actions may be lacking. For example, monitoring, reporting and verification (MRV) provisions for subnational climate actions that contribute directly to fulfilling NDC objectives may be weak.* In this regard, it is crucial to allocate adequate resources to building capacities for local greenhouse gas (GHG) inventories, MRV and information technology (IT) systems and modelling different scenarios for various levels of ambition. Mandating an evaluating institution to prove the alignment of NDCs with sectoral and subnational targets is one solution. At the same time, creating new institutional structures might not necessarily be needed; allocating new functions to existing institutions might suffice. Finally, establishing local government networks for peer-to-peer learning helps to address capacity shortcomings.

4 Conclusions

Key take-away messages from the workshop related to governance include the following:

- Interest in efficient governance arrangements to address both horizontal and vertical integration is increasing to further improve NDC implementation. To this end, further sharing of lessons and approaches is needed since there are already good practices that illustrate solutions.
- The integration of NDC targets into existing and future planning processes, including sector policies, is crucial. This can only be achieved through close exchanges among different stakeholder groups – ideally during the development and revision of NDCs.
- A clear coordination mechanism can prove crucial for NDC implementation to align subnational and national interests as well as the interests of different ministries. Such a coordination mechanism is not just about roles and mandates but should be accompanied by capacity building and financial resources.
- The mainstreaming of climate action in sectoral and subnational development efforts is critical to achieve NDC targets and long-term ambitions. This does not necessarily require new institutions but can be supported by using and further developing existing ones. For example, the financing of local climate action can be accomplished by pursuing existing national funding opportunities and addressing sectoral priorities instead of considering more complex ways of accessing international climate financing as a first step.

5 Workshop organisers and participants

The workshop was jointly organised by the GIZ-International Climate Initiative (IKI) Support project for the implementation of the Paris Agreement (SPA) as coordinator of the NDC Support Cluster, the United Nations Development Programme (UNDP) as lead of the thematic working group on governance, and the World Resources Institute (WRI) as lead of the thematic working group on transparency. Other NDC Support Cluster members participating in the workshop included the Low Emission Development Strategies (LEDS) Global Partnership, the Greenhouse Gas (GHG) Management Institute and Climate Analytics gGmbH. In addition, representatives from the following climate and development implementing organisations, national and subnational governments, think tanks and

academia took part in the workshop: Carbon Trust Mexico; Department of Environmental Affairs, South Africa; Ministry of the Environment and Sustainable Development, Colombia; Ministry of the Environment, Chile; ICF; Philippine League of Local Environment and Natural Resources Officers, Inc.; Sustainability and Climate Change Agency, Chile; The Climate Group; and University of Maryland. adelphi developed the overall workshop methodology, supported the preparation of the workshop and was responsible for moderation and the facilitation of individual sessions.

6 Annex: NDC implementation approaches

Based on the in-depth exchanges on challenges and solutions, the participants engaged in a co-creation process to develop new and innovative approaches to address some of the challenges. These include, for example:

- **Capacity building for climate action funding opportunities:** This approach addresses the lack of technical capacity at the local level and the mismatch between funding requirements and local conditions. It focuses on identifying and mapping potential funding according to action priorities, matching potential funds with priority actions at the local level, determining partnerships for fund application and developing project applications.
- **NDC messenger: Localising NDC messages and actions:** This approach seeks to translate high-level abstract NDC language into personalised, actionable messages in the local context by establishing an iterative stakeholder process with a strong focus on civil society.
- **ND2NDC/national dialogue/coordination platform:** The goal of this approach is to launch a permanent dialogue with focal points and create an ongoing process to share knowledge and data at all levels. It involves the creation of an NDC implementation plan, continuous evaluation of its implementation and regular NDC updates in line with the Paris Agreement cycles.
- **Strengthening national networks of mayors with a focus on sustainable development employment in the context of NDCs:** This approach aims to strengthen existing national networks of mayors and provide a forum for aligning local development policies with NDCs. Creating avenues for attracting resources for sustainable development projects should also be part of the efforts carried out by the networks of mayors.
- **Vertical integration support instrument – multi-level climate governance (MLCG) tool for countries:** Subnational governments, national interagency committees, academia and development partners will share experiences, lessons learned and tools to provide a country-driven self-help tool. This also includes the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC), which could serve as a vehicle to promote the enhanced transparency framework for action and support under Article 13 of the Paris Agreement at local and regional levels.
- **Project funding facility for local governments (PFF4LG):** The PFF4LG aims to empower local governments to get involved in the NDC-debate and use the PPF to address gaps in the implementation of NDCs on the ground, focusing especially on accessing funding.
- **Advocacy for leadership:** This approach aims to tackle the problem of insufficient support from national and subnational governmental institutions for NDC implementation by lobbying for governments to become forerunners on climate-related issues in international fora, with a view to increasing the awareness and engagement of many national and subnational stakeholders in both the public and private sector.