



# **Insights on Building and Strengthening Climate Transparency Frameworks at All Levels to Support NDC Implementation**

Part of the IKI 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 Transparency of the NDC Support Cluster (more information at [www.ndc-cluster.net](http://www.ndc-cluster.net) ) co-hosted a workshop with the thematic working group on Governance 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. **Effective target setting**
  - Alignment of policies and target setting
  - Integrated digital data management systems or platforms
- b. **Assessing GHG and non-GHG impacts of subnational climate policies and actions**
  - Sustained knowledge for GHG accounting and inventories
  - Incentives for climate impact assessment
- c. **Integrated approaches for tracking progress**
  - Mandates and responsibilities for tracking progress
  - Alignment of inventories and MRV systems

The workshop discussions involved renowned experts from climate and development implementing organisations, national and subnational governments, think tanks and academia. The workshop combined selected joint sessions of the two working groups with in-depth discussions on transparency and governance issues in three key areas. The NDC Support Cluster is funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

## 2 Workshop themes

Within the transparency work stream, participants identified common challenges and possible solutions with regard to enhancing transparency frameworks for integrated NDC implementation and developed a series of NDC implementation approaches to overcome the barriers identified. The workshop discussions focused on three topics: **Effective target setting, assessing greenhouse gas (GHG) and non-GHG impacts of subnational climate policies and actions and integrated approaches for tracking progress.**

## 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. Many themes were repeated in the different discussions due to their link to broader transparency issues relating to all three subtopics.

## a. Effective target setting

- **Improve the alignment of policies and target-setting activities across different levels of government:** *Poor alignment between local and national policies and a lack of clearly defined mandates for different levels of government represent a multi-faceted hurdle for effective target setting at the subnational level. Informal or missing national pathways for emissions reduction targets complicate the translation of national targets into subnational ones. Further contributing factors include the lack of transparency of national targets (e.g. regarding the calculation of emissions baselines and trajectories) and the limited relevance of the issue for subnational governments. The resulting methodological inconsistencies and information gaps (e.g. different target types, timelines and boundaries of targets set at the subnational level) impede the aggregation of data provided by subnational actors for tracking progress on NDC implementation. The situation is further complicated by a proliferation of initiatives at the international and subnational government level, each promoting different standards and approaches.* Improved communication of national targets to the subnational level as well as the provision of useful information for designing and implementing their policies and strategies can help raise the awareness and engagement of subnational governments in collecting and processing information on GHG reductions. Setting up regional inventories might be a useful intermediary step. Designing the domestic transparency system in such a way that it provides clear benefits to subnational stakeholders (e.g. financial incentives, opportunity to meet peers and a clear understanding about co-benefits) can further promote vertical integration. Recognising and thereby enhancing the visibility of subnational climate action in the next rounds of NDCs could also serve as an incentive. Efforts to harmonise the approaches of international networks may also be helpful.
- **Focus on building and retaining technical capacities, especially at the local level:** *Limited capacities to undertake transparency-related activities, such as monitoring and reporting, especially at the local level, represent a second major obstacle to effective target setting. For example, the preparation of inventory reports has in many countries been undertaken by external consultants with little being done to transfer knowledge and build the required technical expertise among national and local staff so that they can prepare such reports themselves in the future. Where capacities are available, they are often concentrated in national-level institutions, with little or no knowledge transfer from the national to the subnational level, and vested in individuals rather than organisations. As a result, local experts lack not only expertise but also ownership in target setting.* Starting points for addressing these issues include the provision of dedicated funding to build specific monitoring, reporting and verification (MRV) capacities and the delivery of capacity building activities targeting subnational experts. Processes to transfer knowledge from the national to the subnational level could be complemented by supporting peer-to-peer exchanges between municipalities and building regional communities of practice. Further efforts could also be undertaken to retain qualified staff once expertise has been built (e.g. by promoting specific incentive and career development schemes).
- **Support the development of integrated digital data management systems or platforms:** *A major barrier to effective target setting is often a lack of high-quality data at the subnational level, including transparent, consistent and accurate emissions inventories. In many countries, prospective analysis is not carried out on a permanent basis, with resulting negative effects on data quality. Where data does exist, more often than not, it is not available in a computerised format.* Against this background, many countries are currently working on digital data management systems or platforms that can serve different purposes (e.g. they can be used not only to address data quality issues but also for knowledge transfer from national to subnational

governments or for the empowerment of the latter) and provide access for different stakeholder groups. They can also be a means for transferring knowledge and building capacity and help clarify basic data needs to track progress. Sharing information on how these platforms are designed would be useful. In addition, the development of open software solutions could be undertaken jointly or transferred between countries and adapted to local circumstances.

## b. Assessing GHG and non-GHG impacts of subnational climate policies and actions

- **Strengthen ownership and sustain knowledge of GHG accounting and inventories:** *Given the lack of capacities of national and subnational governments in terms of human resources and technical expertise, in many countries external consultants or experts are called in to support GHG accounting and the development of (national) inventories. As a result, knowledge on how to create GHG inventories or conduct impact assessments is not sustained and government actors often lack ownership of the products delivered (e.g. GHG inventories) or struggle with updating them further.* Establishing clear institutional arrangements (e.g. incorporation of new products/processes into statistical offices), reporting structures and communication channels to integrate the work of the external consultant into national (and subnational) governance structures and processes is key to sustaining the required knowledge within the system. It is also crucial to specify the terms of reference for external consultants with regard to process outputs (e.g. establishment of new processes and on-the-job-coaching of government staff on methodologies) as well as product delivery.
- **Support subnational governments in GHG reporting:** *Subnational governments often lack technical capacities and resources to calculate GHG emissions reductions to be submitted and integrated into the national GHG inventory.* Targeted consultation processes combined with capacity building interventions and tools for GHG accounting are ways to overcome this common challenge. While various countries have already started similar initiatives (e.g. data aggregation toolkit for local governments in the Philippines and a guide on calculating GHG reductions for subnational government entities in Colombia), experience shows that tools and guides need to be designed in such a way that they are easy to use and accompanied by targeted training activities for the staff concerned.
- **Create incentives for subnational governments to engage in climate impact assessment:** *Motivation for subnational governments to steer climate action and undertake impact assessment is often low. This is related to the lack of awareness among subnational actors about climate change and the Paris Agreement in general and about how these are linked to the goals and reporting requirements to be fulfilled.* Putting the NDC and related national strategies and action plans as well as the Intergovernmental Panel on Climate Change (IPCC) methodology in context for subnational governments can help foster their understanding of and commitment to engaging in climate action and impact assessment and reporting. In addition, co-benefits of climate adaptation and climate change mitigation measures should be demonstrated to subnational actors and used as entry points to get them on board for the NDC implementation process.

## c. Integrated approaches for tracking progress

- **Clarify mandates and responsibilities for tracking progress:** *A common barrier to tracking progress on GHG reductions and related impacts is a lack of clear mandates and responsibilities in the relevant government agencies. In most cases, there are no permanent policy frameworks or institutional arrangements for sharing information and data and developing emissions projections.* Appointing a coordinating entity vested with the required decision-making authority to lead the process is a prerequisite to ensuring that progress is tracked on a continuous and

harmonised basis. Country experiences show that coordination is more effective if the entity concerned has the required authority in the institutional landscape (e.g. in Trinidad and Tobago the responsibility for coordination lies with the Planning Ministry). In other circumstances, it makes sense to set up a committee or coalition for coordinating progress tracking processes, involving both national and subnational entities to facilitate cooperation at the technical level.

- **Align inventories and MRV systems across government jurisdictions:** *In many countries, MRV systems and GHG inventories at the national level are to a large extent decoupled from the systems and registers at the regional and local level. Insufficient comparability and aggregation of subnational data and integration into the national inventory makes double-counting more likely. Reasons for this include the lack of alignment between methodologies and systems at the horizontal and vertical level and the fact that subnational actors lack the motivation and capacity to participate in MRV and GHG accounting.* As a first step, standards for different levels and sectors need to be introduced gradually (e.g. harmonise requirements for time series and trends at the national/subnational level). In this instance, the focus should be on harmonising approaches on a horizontal level (e.g. between municipalities) to ensure comparability at the subnational level before tackling integration between national and subnational government levels. Secondly, incentives to encourage subnational levels to engage in MRV and GHG accounting need to be identified and created. These may range from linking activities to better access to (national) funds to providing technical support or useful information that subnational governments can use to develop policies and projects and justify investments (e.g. large infrastructure) or advertise climate action.
- **Increase technical capacities for MRV at the subnational level:** *Given their lack of capacities to gather, aggregate, analyse and verify data and manage reporting, subnational governments struggle to provide adequate data for national governments to comply with IPCC protocols and guidelines and United Nations Framework Convention on Climate Change (UNFCCC) requirements.* In many contexts, a basic understanding of what a tracking process is and what the data is needed for is also lacking. National government entities need to be sensitive to the challenges subnational actors face and provide targeted capacity development activities using existing tools and frameworks to enhance local capacities. Training needs to be combined with initiatives to raise awareness about current requirements and their ultimate purpose (e.g. general relevance of climate change mitigation/adaptation and NDC and national goals).

## 4 Conclusions

Key take-away messages, including cross-cutting themes, from the workshop discussions include the following:

- Challenges and solutions related to transparency for NDC implementation are highly interlinked and difficult to separate from one another, but approaches to improve domestic MRV can solve multiple challenges.
- Vertical integration for transparency could greatly benefit from a clarification of roles and mandates between national and subnational actors as well as better aligned policies.
- Creating incentives for subnational governments to participate in domestic transparency systems (e.g. through visibility/recognition of efforts, improved access to finance or the provision of information on co-benefits) should be a major focus for national governments.
- There is a tremendous need to build and retain technical capacity and expertise at all levels in order to improve and maintain effective transparency systems in the medium- and long-term.

- User-friendly yet powerful integrated data management systems, possibly based on open software solutions, are already being developed by many countries to support policy alignment, incentive mechanisms and capacity building and should be expanded further.
- The interest of countries in fully integrating transparency systems between national and subnational levels is growing, and further sharing of lessons and approaches is needed.

## 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 World Resources Institute (WRI) as lead of the thematic working group on Transparency, and the United Nations Development Programme (UNDP) as lead of the thematic working group on Governance. Other NDC Support Cluster members participating in the workshop included the GHG Management Institute and the National Renewable Energy Laboratory (NREL), representing the Low Emission Development Strategies (LEDS) Global Partnership, 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 the 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:

- **Framework for guiding the development of a platform/catalogue of elements:** A framework to guide the development of inclusive and holistic domestic data platforms that capture subnational GHG reduction and climate action data and feed back information (e.g. on impacts and co-benefits) that can be used for multiple purposes, such as developing policies and projects, informing the public and raising awareness on climate action.
- **Cataloguing national MRV system elements:** Living database of MRV system components for comparison and learning between countries and to facilitate coordination of support activities.
- **Building and sustaining capacities by institutionalising processes:** Establishment of institutionalised structures and processes as well as communication channels to sustain and transfer knowledge on MRV within the government system.
- **COP – Cultivating ownership process:** Nationally led identification process involving guidelines, training and other support to identify sectoral climate actions and develop indicators for measuring progress and assessing the impacts of such actions at the subnational level.