United Nations Framework Convention on Climate Change

Preparatory phase

OVERVIEW OF INSTITUTIONAL ARRANGEMENTS INCLUDING DATA MANAGEMENT FOR TRANSPARENCY

Consultative Group of Experts

for the Africa and Latin America and Caribbean region

5 to 7 July 2021

Before start

Make sure you have watched introductory videos on MRV and ETF:

- Benefits of national reporting
- International consultation and analysis process under the UNFCCC
- Introductory videos on MRV and ETF

CGE handbook on institutional arrangements (available in AR, EN, ES, FR, RU, ZH)

AGENDA

1. **BACKGROUND**
   Institutional arrangements in the context of transparency

2. **DEFINING INSTITUTIONAL ARRANGEMENTS**
   Introduces key components of institutional arrangements

3. **SETTING UP INSTITUTIONAL ARRANGEMENTS**
   Introduces actions involved in developing institutional arrangements

4. **ENSURING SUSTAINABILITY OF INSTITUTIONAL ARRANGEMENTS**
   Showcases key elements to sustaining institutional arrangements

5. **STEP-BY-STEP GUIDE**
   To setting up and adapting institutional arrangements

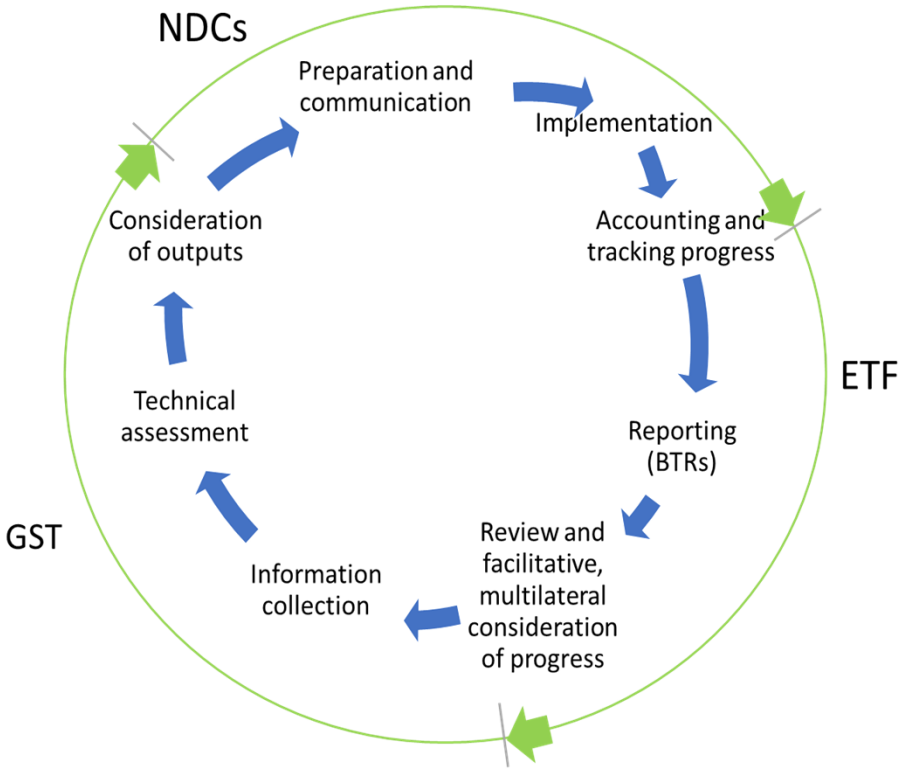
6. **REPORTING ON INSTITUTIONAL ARRANGEMENTS**

BACKGROUND

Institutional arrangements in the context of transparency

Background

- The adoption of the Paris Agreement and the transition from the existing MRV arrangements to the ETF will:
  - Necessitate a fundamental change in how governments respond to their new international obligations, including preparation and communication of:
    - Successive NDCs every 5 years;
    - Biennial transparency reports every 2 years;
  - Introduce enhanced scope and depth of climate reporting for developing countries.



Recurring processes under the Paris Agreement

Background

- Transparency of climate action and support, through the ETF, is a key mechanism for:
  - Building mutual trust and confidence;
  - Facilitating implementation and raising ambition of climate action.
- It requires a continuous process of improvement, collection, processing, analysis, compilation and reporting and review of data.

Continuous process for national climate reporting

Background

- Strong institutional arrangements are vital to enabling countries to provide a reliable, consistent and continuous flow of data and information.

Transparency

- Enhanced reporting requirements are met
- Quality of reports is continuously improved

- National decision makers are informed on the progress on climate action and level of climate ambition

Decision-making and implementation

- Decision makers are equipped with the evidence they need to choose the right course of action and secure investments

Strong institutional arrangements

Background

- Benefits of strong institutional arrangements

Timely and sustainable international reporting

Informing policies, plans, strategies and programs

Political buy-in

Improved access to support

Increased awareness

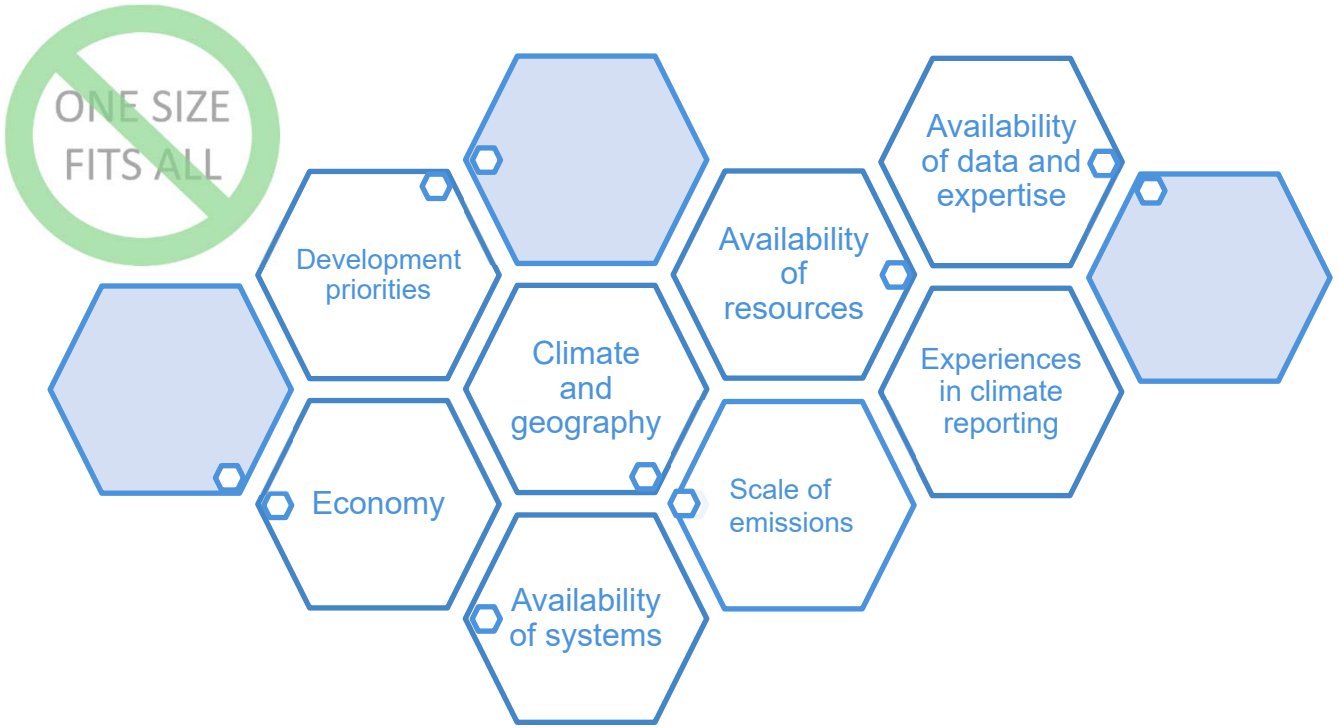
Capacity-building

DEFINING INSTITUTIONAL ARRANGEMENTS

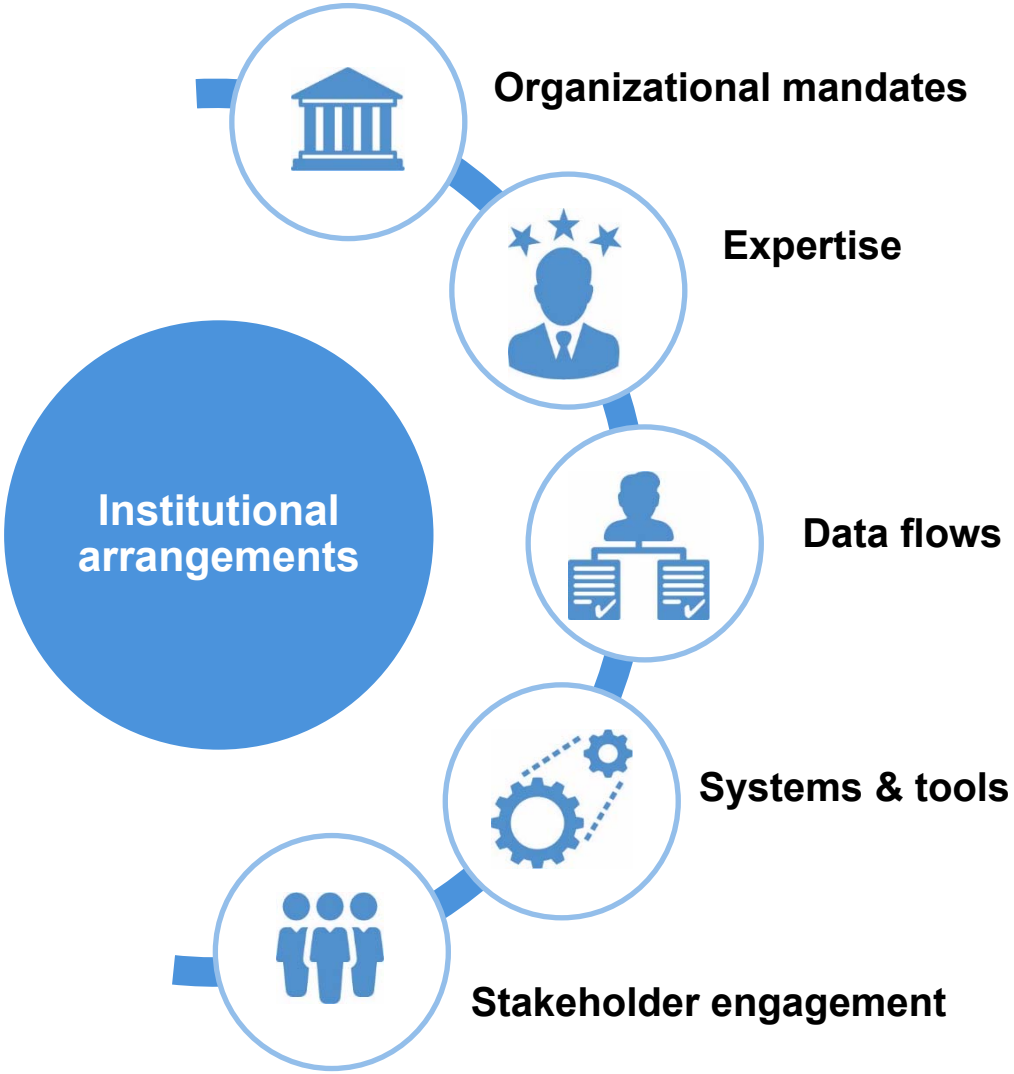
Key components of institutional arrangements

Defining institutional arrangements

- There is no one-size-fits-all model for institutional arrangements.
- Need to be designed and tailored to national circumstances.

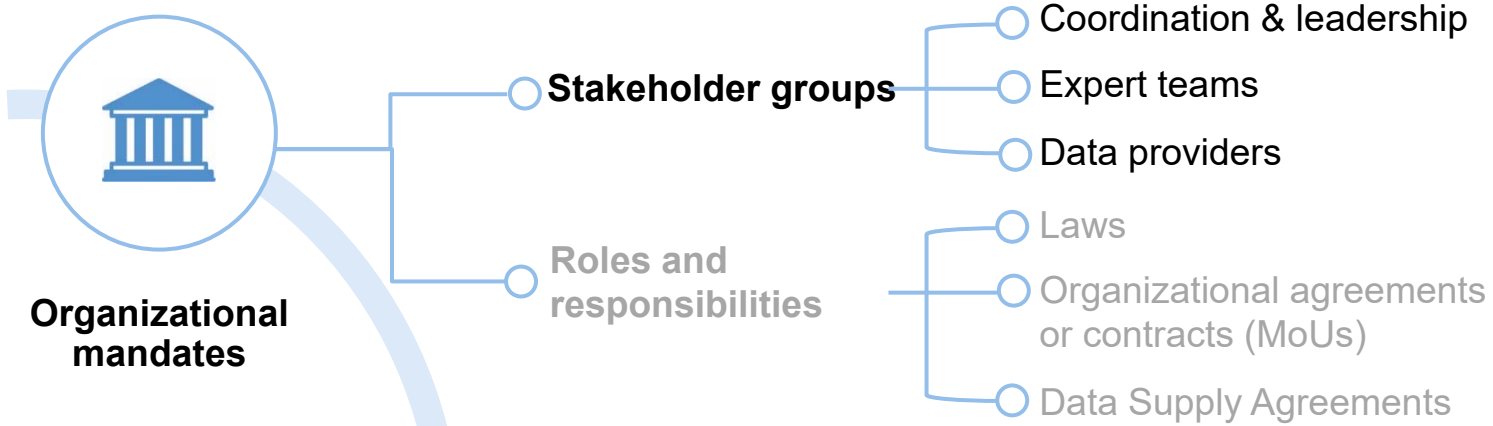


Key components of institutional arrangements



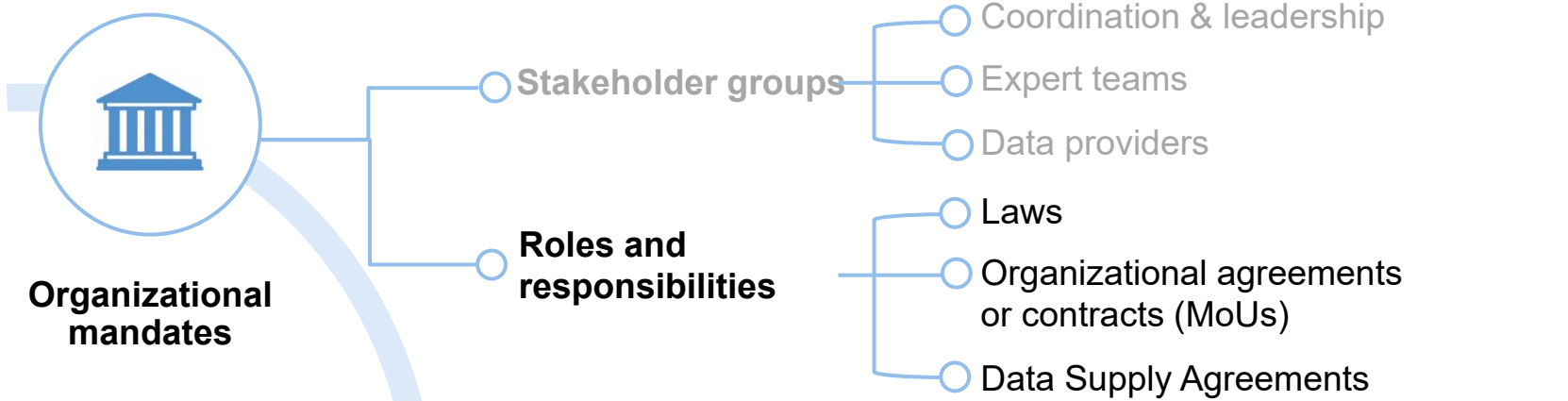
- These components span a range of organizations (government, academia, private sector, etc.)
- Developing these components is a process of continual, gradual improvement tracked through a well-developed improvement plan.

Organizational mandates



- Guarantees that human, financial and data resources needed are made available;
- Legitimizes resource requests and facilitates reforms and the formulation of new responsibilities;
- Defines roles and responsibilities of stakeholders;
- Formalize the necessary collaboration across government entities; between the government and private sector;
- Ensures a regular supply of data;
- Manages data confidentiality;
- Guarantees access to data.

Organizational mandates



- An overarching climate change law or by-law;
  - Climate Change Act 2008 of the United Kingdom
- Expansion of existing organizational mandates (on environmental data gathering and reporting, e.g.air pollution, SDG monitoring, etc.);
  - Greenhouse Gas Reporting Program of the United States
- Framework contracts and MoUs;
  - US EPA GHG inventory toolkit provides various supporting templates (inception memorandum, memorandum of cooperation, confidentiality agreement, etc.)
- New data sharing agreements (DSAs)
  - German data-sharing agreements (industry cooperation agreements)

Organizational mandates

Organizational mandates

Key questions for consideration

- Which organization should be the main focal point for collecting & compiling all information? Which organizations already coordinate and provide expertise on data collection and reporting?
- Are the same themes being dealt with separately by different organizational groups? If so, how is data collection and analysis being coordinated between these groups?
- What national strategic ministerial-level steering committees exist that would benefit from inputs from transparency system? Do these committees have climate-related working groups that should participate in the transparency system?
- What existing systems, structures and organizations can be built upon? (e.g. national statistical or environment agency activities)
- How can these organizational structures support monitoring and reporting on a broader agenda beyond climate change (e.g. SDGs, national development strategies)
- How can the institutional arrangements be designed in a way that transparency activities are prioritized and mainstreamed into sectoral ministries/ departments' work?

Greater details will be unpacked on Day 1 during training phase

Organizational mandates

Organizational mandates

Examples of how other developing countries are doing:

CGE IA toolbox

- **Afghanistan** (Secondary legislation under Environment Law under development)
- **Armenia** (Government Decree on Inter-agency Council on Climate Change)
- **Brazil** (Letters of agreement; government memoranda established for all sectors)
- **Chile** (Climate Change Law under development; MoUs in place)
- **Costa Rica** (DSAs under finalization)
- **Indonesia** (Ministry Regulation No. 73/2017 and No. 71/2017)
- **Jamaica** (Update/Amendment of Climate Change Policy Framework under process)
- **Jordan** (Environmental Protection Law 2017; Climate Change By-law 2019)
- **Mexico** (General Law of Climate Change 2012)
- **Moldova** (Government Decision No. 1277; NSMR Regulation)
- **Papua New Guinea** (National Climate Change Management Act 2015)
- **Uruguay** (National Climate Change Policy)

Expertise

Expertise

- **Compilation coordination**
- **Sector expertise**
- **Reporting**

- A team of *national* experts that:
  - Are capable of *regularly* gathering and processing data;
  - Have suitable back-up expertise and access to relevant training materials;
  - Progressively rely less on external consultants;
- Effective recruitment, retention and succession procedures should be put in place (i.e. to buffer high turnover);
- These aspects depend on suitable organizational mandates.

Expertise

Expertise

Key questions for consideration

- Who are the experts needed for the transparency system and which agencies, government departments, academic institutions, private enterprises do they come from?
- How do experts in non-government organizations contribute to the transparency system? Is regular interaction facilitated? Are there any barriers to engagement?
- How can government agencies cultivate and retain in-house experts? How can they manage/direct/advise consultants actively?
- Are there existing knowledge management and training resources for archiving information and documenting processes to ensure work builds from existing efforts and also facilitates work of future staff?
- What role do national statistical offices (NSOs), environment and sustainability departments/agencies play in the provision, analysis and QA/QC of data? Is there any overlap between departments in data collection activities?

Data flows

Data flows

Datasets

Data providers

- Reliable, regular data flows are essential that;
  - Define data needs and data uses;
  - Manage the delivery of the required datasets from a range of data providers on a regular basis;
  - Continuously improve data and reducing uncertainty.
- Relevant datasets include:
  - National statistics and government data;
  - Various forms of measurement data;
  - Company and trade association reports;
  - Censuses and surveys.
- In order to fill gaps in knowledge where existing data does not exist, identifying and engaging with stakeholders who hold, produce and could supply data will be important.

Data flows

Data flows

Key questions for consideration

- Which key stakeholders are necessary and/or proactive in collecting information and could be potential data suppliers, and how can they be integrated into the institutional arrangements of the transparency system?
- What legislative and policy instruments, tools and modalities, need to be developed to facilitate data flows between government agencies and from the private sector? Which government agencies are best suited to lead this process?

Examples of how other developing countries are doing:

CGE IA toolbox

- **Brazil:** A direct contract with the National Energy Balance team was established to improve reporting according to 2006 IPCC guidelines.
- **Maldives:** Accommodating some of the required indicators into the existing data collection processes established by respective institutions is being discussed.

Systems and tools

- Effective systems and tools:
  - Ensure that the team of national experts are able to access the data and manage the data flow, perform QA/QC and produce timely outputs of a sufficient quality that improves overtime;
  - Facilitate the engagement of a wide range of stakeholders.
- Institutional arrangements need to provide for the development and maintenance of workplans, engagement tools, databases, data analysis, indicators and reports.

Systems and tools

Systems and tools

Key questions for consideration

- Is a system or database in place to which data providers for climate reporting have an access? Is it sector-specific or across sectors?
- Which existing systems and/or databases can be leveraged and built upon to integrate climate reporting?
- How is historical data being managed and archived?
- Does your transparency system take into account linkage with SDG monitoring and/or other domestic/international reporting?
- Has there been template(s) for data sharing circulated to data providers to ensure data provided is coherent and consistent with reporting guidelines?
- How is the compiled data verified? Has the QA/QC procedure been formalized?

Systems and tools

Systems and tools

Examples of how other developing countries are doing:

CGE IA toolbox

- **Afghanistan**: Climate Change National Information System (CCNIS) *under development*
- **China**: National GHG data management system *under development*
- **Costa Rica**: National Climate Change Metrics System (SINAMECC)
- **Indonesia**: Web-based platform to calculate emissions (SIGN SMART); National Registry System of Climate Change *under development* (as key element for ETF implementation)
- **Jordan**: Web-based multi-level integrated MRV system
- **Lebanon**: Management and Information System for Climate Action (MISCA)
- **Moldova:** National system for monitoring and reporting GHG emissions and other information relevant to climate change (NSMR)
- **South Africa**: Web-based inventory management tool (South African Greenhouse Gas Emissions Reporting System, (SAGERS))

Stakeholder engagement

- Ensures that the transparency system reaches a broad range of stakeholders;
- Involves seeking out key individuals and organizations and offering benefits in exchange for their involvement with the transparency system (i.e. providing data, insights and resources);
- Stakeholders engaged in national policymaking and business decision-making will provide an important link to:
  - Wider impacts of climate action and;
  - Integration of climate action with national social, environmental, economic and sustainability goals.

Stakeholder engagement

Stakeholder engagement

Key questions for consideration

- Are the objectives and outputs of transparency system clearly articulated to the stakeholders?
- How is the information prepared and reported to the UNFCCC being used by the public, academia, NGOs and policymakers?
- Are national benefits of climate reporting clearly understood across government structures? Is there any avenue to promote such understanding?

Examples of how other developing countries are doing:

CGE IA toolbox

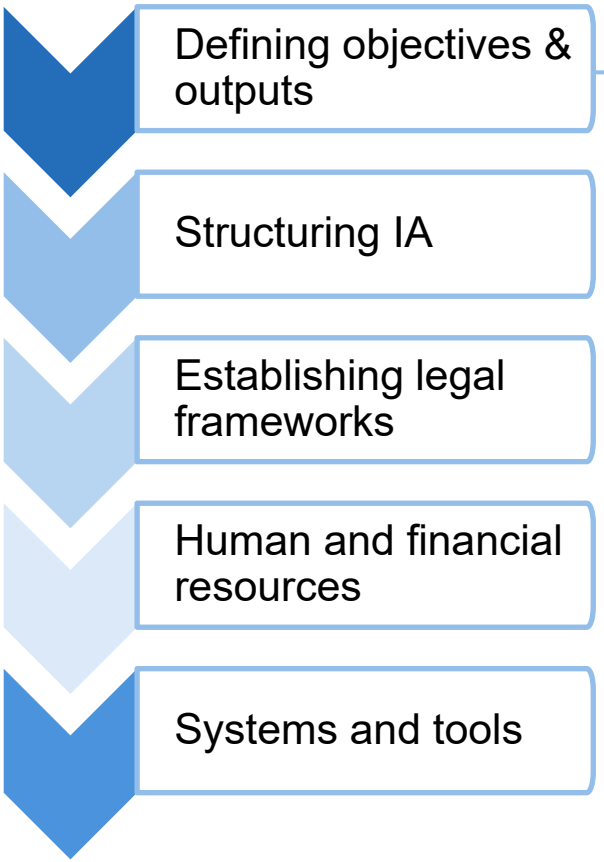
- **Brazil:** The government has been raising awareness of primary data collectors to specific inventory demands.
- **Maldives:** Consultations took place with stakeholders, as part of a thorough gap analysis, to institutionalize data sharing process.
- **Mauritania:** Efforts to increase political buy-in by bringing visibility of transparency at high-level governance structure and to integrate planning for reporting into other national planning process are under way.

Greater details will be unpacked on Day 2 during training phase

SETTING UP INSTITUTIONAL ARRANGEMENTS

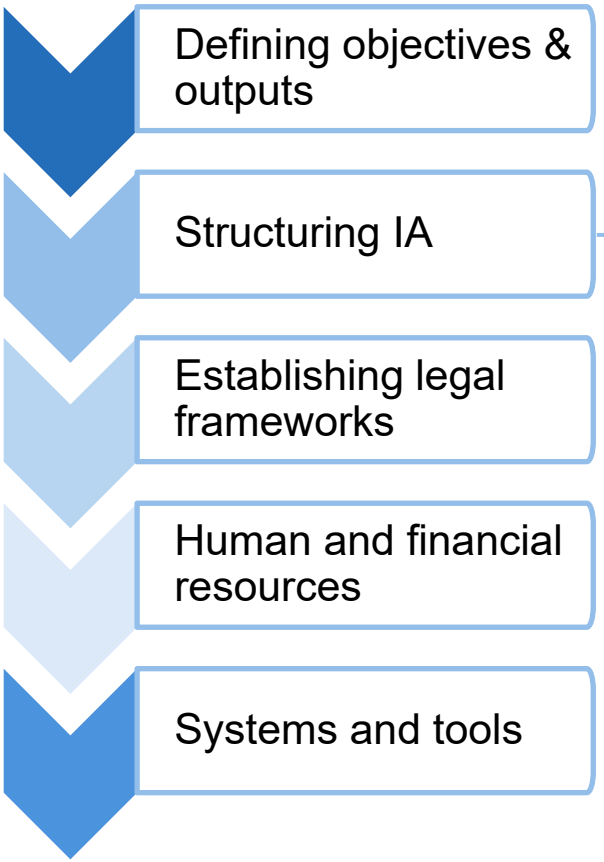
Actions involved in developing institutional arrangements

Defining objectives and outputs



- Articulate the overarching climate goals and targets and transparency outputs needed to track them;
- Identify and prioritize the relevant data, expertise and organizations;
- Define the scope and details of requirements of transparency system;
- Institutions involved should understand how transparency activities interact with their own mandates and other national development priorities.

Structuring institutional arrangements



- **Cross-cutting nature** of managing the gathering, analysis, compilation, reporting and use of data across the different transparency themes;
- Identify stakeholders;
- Define **coherent roles and responsibilities** among the involved organizations;
- Common roles and responsibilities of key stakeholders include:
  - National focal point;
  - National steering committee;
  - Management and coordination: technical coordinating bodies and ministries;
  - National experts;
  - Data providers.

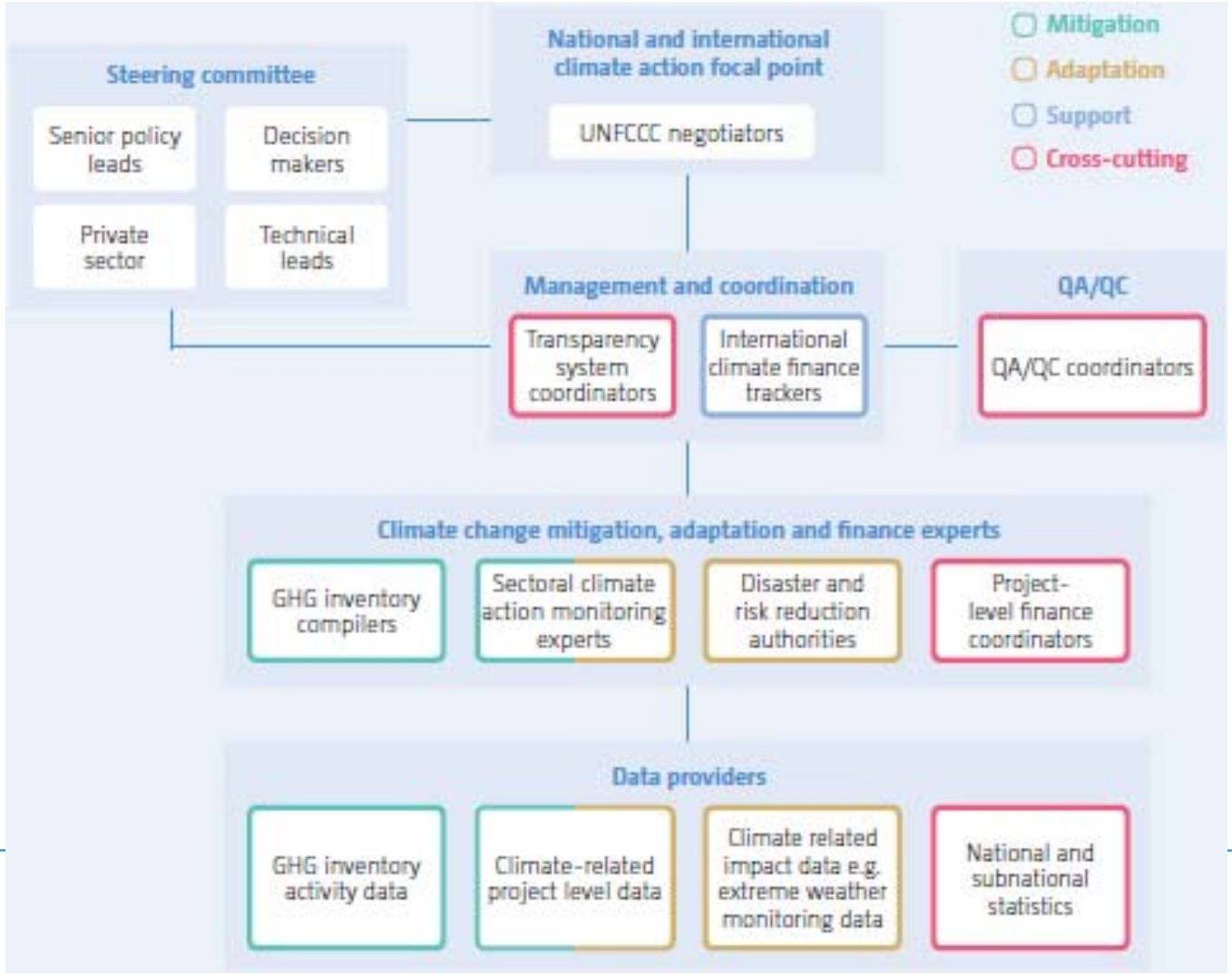
Reminder:

- Linking mitigation and adaptation action (especially those that engage common stakeholders)
- Opportunities to capitalize the existing datasets / data collection processes (NSOs involvement; potential synergies in data collection with SDG monitoring)

Structuring institutional arrangements

Model structure of institutional arrangements

The structure should be adapted as part of a stakeholder engagement and consultation process.



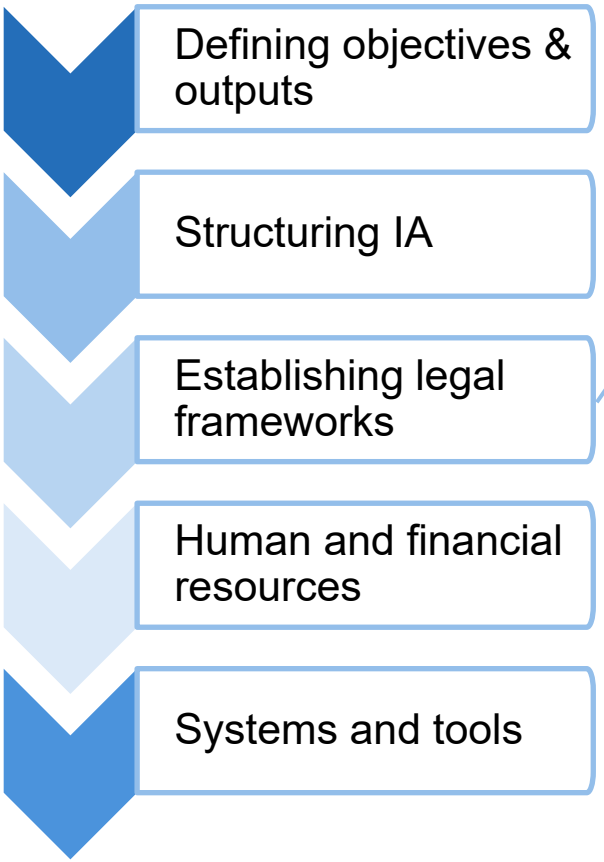
Structuring institutional arrangements

Examples of how other developing countries are doing:

CGE IA toolbox

- **Steering Committees**:
  - **Nigeria:** Inter-Ministerial Standing Committee on Climate Change serving as a hub for collating data
  - **Togo**: Steering Committee comprised of focal points across all structures providing activity data
- **A coordination entity**:
  - **Papua New Guinea**: Climate Change and Development Authority, mandated to compile and prepare national GHG inventories on a regular basis;
  - **Singapore**: MRV Taskforce with the responsibility of coordinating inter-agency MRV efforts and overseeing the continuous preparation and submission of NCs and BURs;
- **Working Groups**:
  - **Papua New Guinea**: Sub-Technical Working Committees by sector
  - **Thailand**: Five sectoral working groups responsible for QC and Climate Change Knowledge and Database Sub-Committee responsible for verification
  - **Uruguay**: Inter-institutional working group under National Climate Change Response System (SNRCC), mandated to prepare national GHG inventories

Establishing legal frameworks



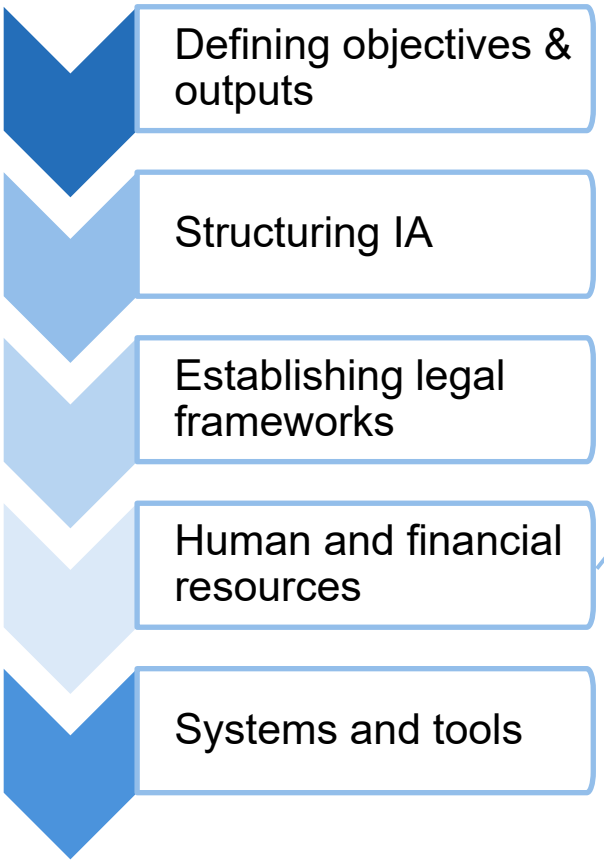
- Create a legally binding mandate;
- Legitimize resource request;
- Facilitate formulation of new responsibilities;
- Formalize the process;
- Facilitate cooperation and overcome institutional barriers over data ownership.

Some elements for consideration when designing a climate change law

Focus	- Standalone; or - In the context of wider sustainable development
Scope	- Mandate driven by domestic outlook; or - Set within international context
Design	How the law will be implemented / targets achieved
Devolution	Level of centralization / devolution of responsibility

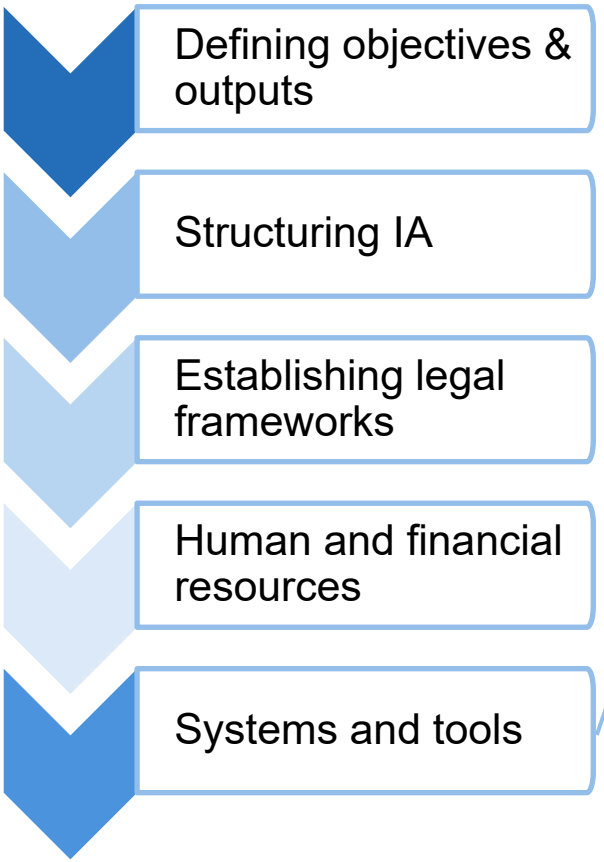
If relevant laws are already in place, it may be necessary to periodically assess them to ensure they are still fit for purpose, especially if there has been significant reprioritization since the development of a climate change law.

Securing human and financial resources



- Sustainable institutional arrangements require sufficient dedicated human and financial resources.
- Resource needs will vary depending on national circumstances. Countries may need to increase resources in transitioning from MRV to ETF owing to the increase in the scope and rigor of reporting.
- *Human resources* should be secured with succession planning and backup support. A lack of experts in a particular area should be flagged as a gap.
- *Financial resources* are required for:
  - Hiring and maintaining experts;
  - Training;
  - Developing IT systems, databases and archived;
  - Conducting stakeholder engagement activities;
  - Acquiring data.

Developing systems and tools



- Workplan:
  - Defining milestones and deliverables;
  - Should be cyclical to reflect the nature of the reporting cycles and so that lessons learned from one cycle can be incorporated into the next
- Data management system:
  - Well-established data structures;
  - Suitable nomenclatures; and
  - QA/QC procedures;
- Quality management and documentation tools:
  - QA/QC plan; QA/QC log
- Improvement plan: should be periodically reviewed and re-prioritized

Developing systems and tools

Suggested template for the improvement plan

1. Categorization	2. Name	3. Description	4. Origin	5. Status	6. Priority	7. Owner
Mitigation: GHG inventory: Energy balance: QA/QC	Energy balance checking	Improve the checking of the energy balance for time series consistency and comparison with large industrial reporting on energy consumption associated with emissions trading	International assessment and review / international consultation and analysis; technical expert review / technical analysis	In progress	High	Ministry of Energy
Mitigation: GHG inventory: Fluorinated gases: Accuracy	Tier 2 fluorinated gas estimates	Move to 2006 IPCC tier 2 estimates for fluorinated gas emissions	Stakeholder consultation 2018	In progress	High	Ministry of Interior
Adaptation: Vulnerability assessment: Agriculture sector: Livestock	Agriculture sector livestock vulnerability assessment	Undertake first analysis of vulnerabilities and risks to livestock using the latest (2019) climate impact scenarios	National adaptation plan consultation	In progress	High	Ministry of Agriculture

1. *Categorization of the improvement – including sector or categories; type of improvement activity (e.g. improved QA/QC processes; improved uncertainty assessment; improving data; recruiting expertise)*
2. *A short unique name*
3. *Description of the improvement including information on time frames and technicalities for development*
4. *Origin of the suggested improvement (e.g. recommendation or exert suggestion or ICA/TER process)*
5. *Status (e.g. suggested, proposed, planned, in progress, implemented) of the improvement*
6. *Priority of the improvement*
7. *The owner is the person or entity responsible for implementing the improvement.*

ENSURING SUSTAINABILITY OF INSTITUTIONAL ARRANGEMENTS

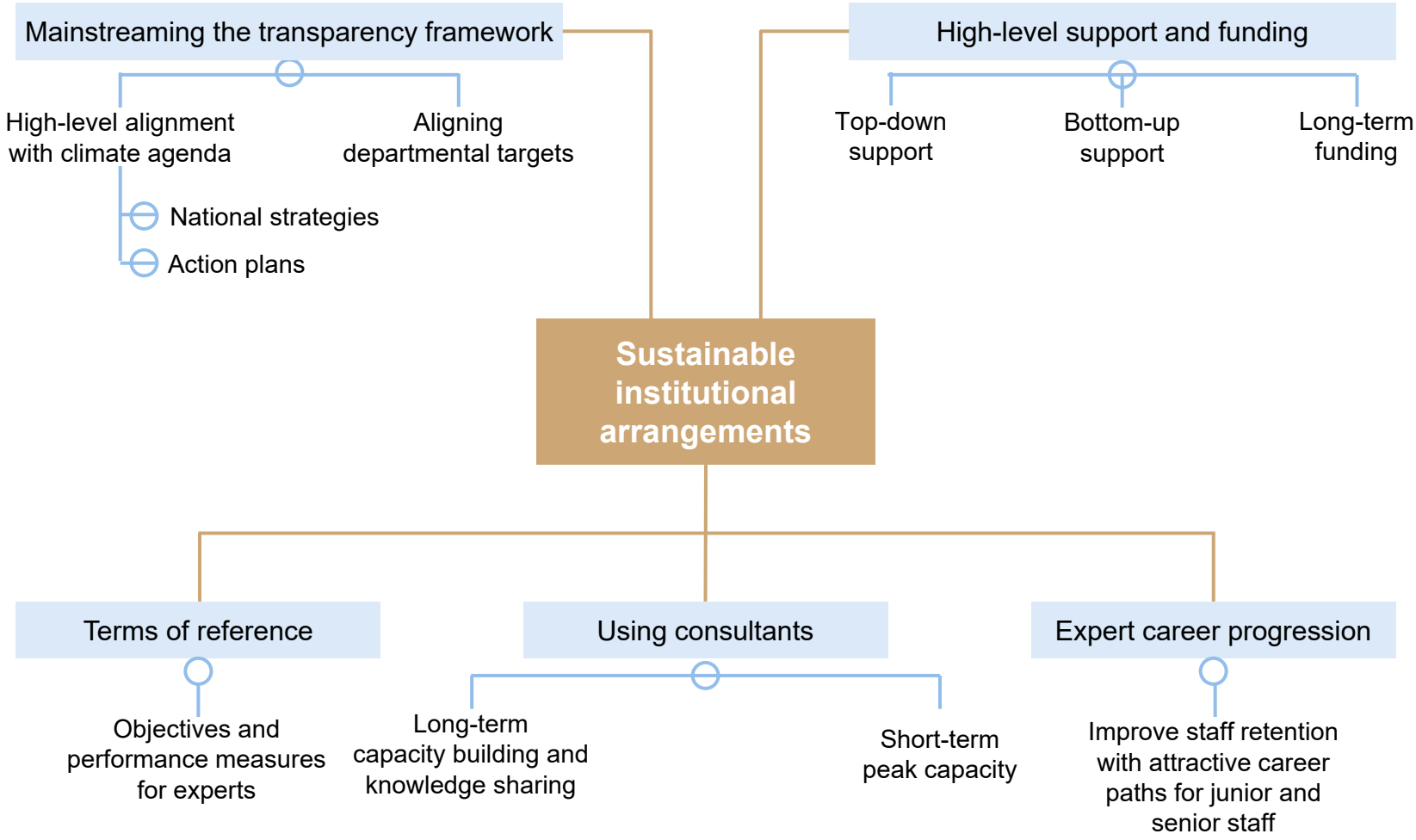
Key elements to sustaining institutional arrangements

Sustainable institutional arrangements

- Institutional arrangements should ensure:
  - Continuity of service of, and continuous improvement within, the transparency system;
  - Retainment of the knowledge and expertise gained from previous reporting cycles;
  - Availability of sufficient dedicated human and financial resources;
  - Relevant stakeholders are integrated in the transparency system;

See slide no.8 to recap on benefits of strong institutional arrangements

Key elements to sustaining institutional arrangements



Support available to enhance institutional arrangements

Financial and technical support available

Capacity-building Initiative for Transparency (CBIT)

1) **Strengthen national institutions** for transparency-related activities in line with national priorities
2) Provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Paris Agreement
3) Assist in the **improvement of transparency over time**

Initiative for Climate Action Transparency (ICAT)

1) Enhance climate action transparency, **enabling transformative policies** and better responding to the UNFCCC
2) Increase **awareness of the benefits of enhanced transparency** to encourage countries to invest in **data systems**
3) Develop a set of tools and methodologies and supporting networks for transparency efforts

Global Support Programme

1) Institutional arrangements
2) NDCs
3) Vulnerability & adaptation
4) GHG inventories
5) Mitigation actions
6) Constraints, gaps and needs

Others

Donors / international organizations

STEP-BY-STEP GUIDE

To setting up and adapting institutional arrangements

Step-by-step guide to setting up and adapting IA

Phase 1: Scoping

- Clarify the scope and objectives
- Form a picture of the existing national system elements

Phase 2: Identifying key stakeholders, organizational mandates

- Find a champion
- Establish high-level coordination
- Map the proposed arrangements

Phase 3: Developing systems, processes, agreements to maintain data flows

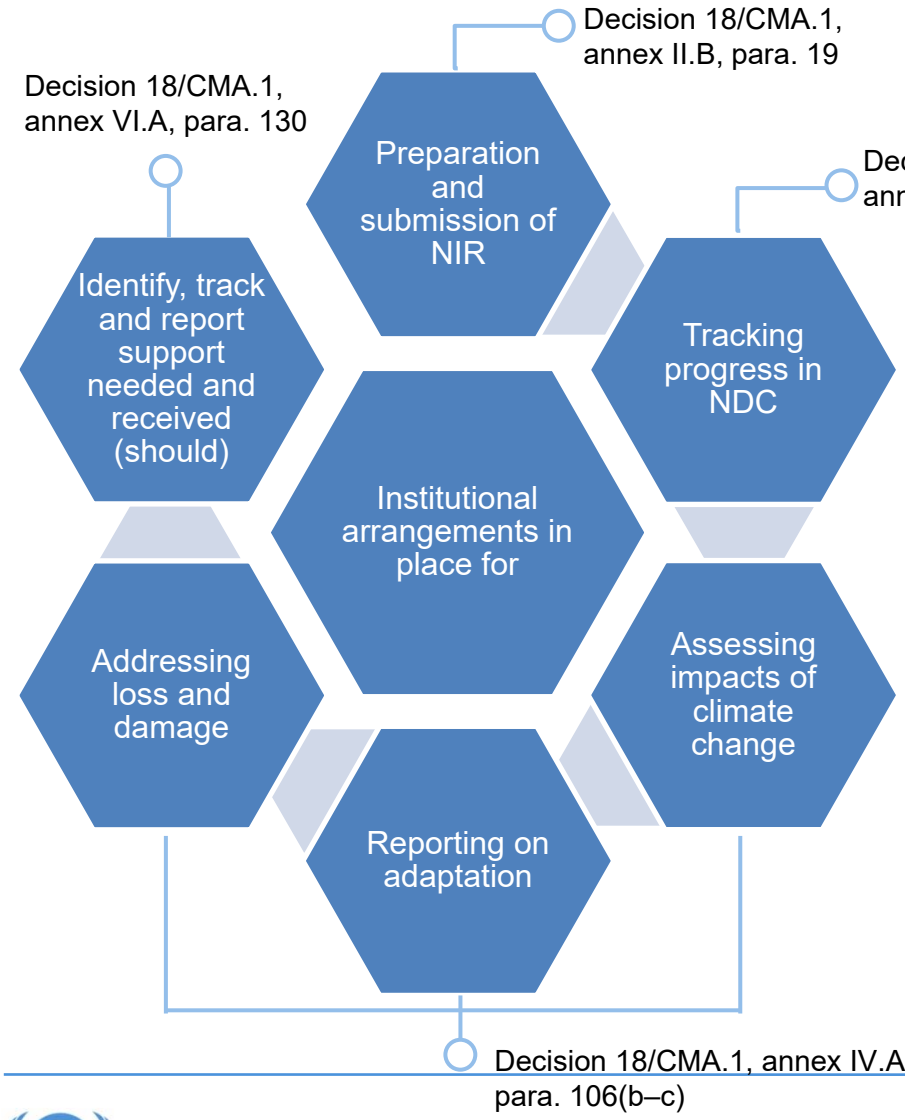
- Develop an implementation plan
- Develop the legal framework
- Put in place structures for long-term success

Phase 4: Reviewing and improving

- Allow for the evolution of arrangements, systems and processes

REPORTING ON INSTITUTIONAL ARRANGEMENTS

Reporting on institutional arrangements



- Important to show how a range of stakeholders come together and work together across transparency themes (organizational charts)
- Demonstrate what efforts are being made to enhance the sustainability of institutional arrangements
- Demonstrate how institutional arrangements are embedded in or interact with core national strategy development and implementation functions as well as other environmental goals and the SDGs

Wrapping up

- Should you have any questions or need to seek clarification on the contents of this presentation, you are strongly encouraged to reach out to the Consultative Group of Experts either through the pre-workshop survey or by emailing at tisu@unfccc.int.
- The Consultative Group of Experts will take note of your question(s) and address them at the training session.