

Capacities needed for the horizontal and vertical integration of Nationally Determined Contributions (NDCs) Outcome Article

side event series at the Regional Climate Weeks 2022

Recognizing the transformative role of horizontal and vertical integration of NDCs as a provider of opportunities for greater policy synergies, efficiency, and coherence, the <u>Paris Committee on Capacity-building (PCCB)</u>, in collaboration with the <u>PCCB Network</u>, organized a dialogue and information exchange at the side event "Capacities needed for the horizontal and vertical integration of Nationally Determined Contributions (NDCs)" at the <u>UNFCCC climate week in the Latin America and the Caribbean (LAC)</u> region in 2022. This first event in a series of regional side events had a panel discussion format to provide a platform for stakeholders to collaborate and share their experiences and best practices related to climate change capacity-building at the regional and thematic levels, with a focus on horizontal and vertical integration of NDCs.



NDCs are key aspects for countries to achieve their respective goals related to the Paris Agreement, but the priorities of each NDC and how they are designed and implemented by individual governments vary from country to country. Vertical and horizontal integration are at the heart of good implementation of NDCs in this regard. In this context, capacity-building is also needed to mobilize the opportunities associated with the different approaches to integration. Aligning climate and development agendas and integrating NDCs across the board could improve horizontal policy coherence. At the same time, integrating NDCs at different levels of government, namely regional, national, and local, could improve vertical policy coherence.

The PCCB side event first examined the current situation of horizontal and vertical integration of NDCs in the Latin America and Caribbean region and the role of capacity-building in this context. Nathalie Flores Gonzalez, Director of Climate Change, Adaptation and Mitigation at the Ministry of Environment and Natural Resources of the Dominican Republic, highlighted her country's efforts in this regard, mentioning that The Dominican Republic has taken capacity-building measures for the implementation of its National Adaptation Plan, mainly due to its constitutional mandate to adapt to climate change and build resilience. In addition, with support from the Green Climate Fund, the Global Environmental Facility, and the United Nations Environment Programme, the country is building capacity for its transparency system by mobilizing universities and scientific communities to teach public entities how to report their emissions and meet the standards of the national legal framework.

Still on the same question, Ms. Clarissa Lehne, Country Engagement Specialist for the NDC Partnership, cited as an example the Economic Advisory Initiative, through which several Latin American and Caribbean countries are benefiting from by sending economic advisors to their ministries to help them integrate green aspects into their work, which also seeks to reach out to subnational governments to achieve greater vertical integration. Dr. Fernanda Carvalho, Global Policy Manager, Climate & Energy at WWF International, added that while there are good examples of vertical and horizontal integration of NDCs in Latin American and Caribbean countries, such as Chile, Colombia, and Argentina, capacity-building initiatives should focus on the financial aspect and integration with finance ministries, highlighting that NDCs need to be integrated with finance, budget and development discussions.

The panel discussion then focused on capacity needs and gaps in integration efforts and what is needed to scale up capacity-building efforts for successful horizontal and vertical integration of NDCs. Nathalie pointed out the importance for national and subnational governments to first conduct an initial capacity assessment to efficiently identify what gaps exist in terms of capacity-building, and then build on how to address those capacity-building needs specifically in the context of NDCs. Clarissa added that such an initial focus on assessments prevents countries from simply copying and pasting the capacity-building models used in other countries and allows for tailored analysis that can yield better results in each specific context. She also emphasized that through the work of the NDC Partnership, a general lack of capacity in central banks could be identified. As a result, the Readiness Support for Greening Central Banks Initiative was launched at COP 26 to enable central banks to leverage the knowledge, institutional capacity, systems in place, and processes to adopt precautionary approaches to climate-related financial risks. Regarding gaps, Fernanda mentioned that NDCs need to take system-wide approaches to promote systemic change, rather than focusing only on specific sectors implementing mitigation and adaptation actions that are not integrated with each other.

Panelists also commented on the role of Article 6 of the Paris Agreement in financing NDCs and the challenges of integrating the institutional framework required for Article 6 with the institutional framework required for the implementation of NDCs. Nathalie spoke about the Dominican Republic's efforts to enter into South-South collaborations with different countries and also to develop new projects focused on capacity needs for Article 6 implementation with support from UNEP and GCF, with the aim of raising internal awareness, identifying the gaps and developing these mechanisms for sustainable development. Clarissa mentioned that the NDC Partnership is promoting opportunities and initiatives to improve coordination and communication between donors and developing countries to ensure that countries have the national capacity to coordinate climate action on Article 6 or other areas. Finally, Fernanda added that there are still gaps in information, clarity, transparency, and understanding of the requirements of countries that want to use Article 6 to achieve their NDCs, and that capacity-building measures are needed to address these challenges.

