



## Germany

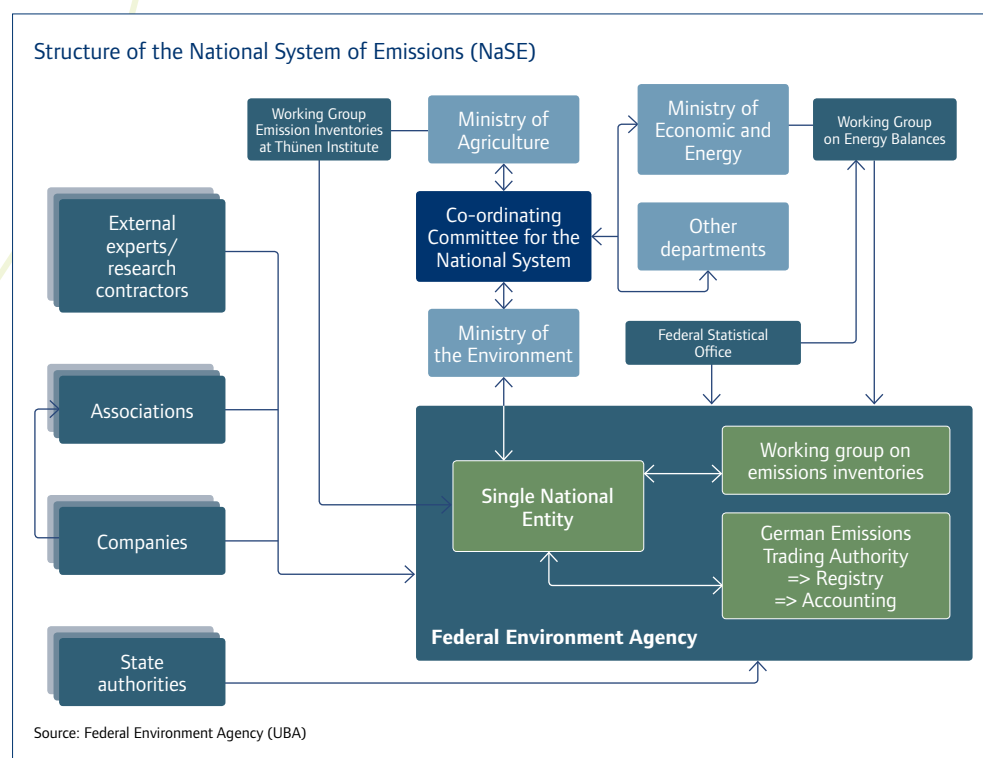
# Institutional Arrangements for the National Greenhouse Gas (GHG) Inventory System

Activity	Institutional arrangements and processes between government and non-government actors to enable continuous collection and reporting of sector based data relevant for the GHG inventory
Country	Germany
Sector(s) involved	All
Time frame	2007 – ongoing

### Case summary

In response to international reporting requirements, Germany set up a national GHG inventory system in 2007. The system is coordinated by the Federal Environment Agency (UBA) and builds on cooperation with a range of government and non-government entities. A particular feature of the system is the industry cooperation agreements signed between the German government and industry sector associations and individual companies. The agreements ensure regular and efficient flow of data and information to enable the estimation of GHG emissions.

The German GHG inventory system is considered good practice as it is an example of an efficient and comprehensive national GHG reporting system based on extensive collaboration between a large number of different stakeholders. In particular, the cooperation between government and the private sector is exemplary, and resulted in significant benefits, both in terms of high quality, robust data outputs as well as increased trust and transparency.



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Why is it good practice	<ul style="list-style-type: none"> <li>» The national GHG inventory system and associated cooperation agreements are a good example of effective collaboration between government and the private sector.</li> <li>» The collaboration supports the establishment of a robust GHG reporting system, which is based on accurate, sector specific data.</li> <li>» Through the collaboration between the different actors, reporting processes are very efficient thus minimising the need for additional resources in particular at the governmental level.</li> <li>» Quality is assured through the involvement of industry and sector experts.</li> <li>» In contrast to reporting systems, which are enshrined in law, a system which is based on collaboration helps to improve trust and an open communication between the different actors and is more flexible in view of potential modifications and amendments.</li> </ul>
Success factors	<ul style="list-style-type: none"> <li>» Open and direct communication</li> <li>» High level political involvement</li> <li>» Clear benefits for industry</li> <li>» Forging alliances and strategic partnerships</li> <li>» Stepwise approach</li> <li>» Transparency</li> </ul>
Overcoming barriers/challenges	<p>What were the main barriers/challenges to delivery?                  How were these barriers/challenges overcome?</p>
Financial	<p>Companies/industries saw the reporting requirements as an additional burden.                  Building awareness and increasing understanding among industry about the value of site-specific data collection and reporting. Site-specific monitoring typically results in lower GHG emission values as estimations take a more conservative approach. The alternative to reporting information directly would have been for the UBA to estimate production data for the calculation of GHG emissions that would have likely resulted in higher calculated GHG emissions.</p>
Information	<p>Some companies/industries did not understand the need for additional data reporting, given that a lot of data was already being reported to the same agency.                  Clear communication and awareness building on the need for additional data collection which was based on the fact that either not all relevant data is reported or that, legally, data can only be used for one purpose, especially if reported to different branches of the same agency.</p>
Institutional	<p>UBA is the agency that leads the GHG inventory and at the same time sets emission limit values for industry. Companies feared that data reported for the GHG inventory may be used to tighten emission limits.                  Credible and transparent institutional arrangements to ensure firewalls between the relevant departments and avoid data misuse. At the same time, it was important to gain the trust of companies through continuous and open communication. Over time, it became clear that no data transfers or misuses occurred.</p>
Capacity	<p>Occasional capacity constraints to ensure necessary level of sector expertise for collection and assessment of data. For example, in 2011 the European Statistics Directive expired for the iron &amp; steel sector, and hence data for the GHG inventory could no longer be drawn from the official statistics. At the same time, the relevant knowledge and capacities at the agency level had long been reduced.                  Case by case agreements and strategies to build up capacities at the agency and/or industry level. Such technical capacity is often relevant for other management processes and hence it can be in the interest of industries/companies to maintain or build such capacities.</p>

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### Lessons learned

- » **Confidence and trust is key:** Trust is essential to ensuring good and effective relationships especially when dealing with sensitive information.
- » **Clear institutional responsibilities:** The handling of data and commercially sensitive information requires well-designed institutional processes and structures to ensure data is only used for the agreed purpose.
- » **Carrots are effective but sometimes sticks are needed:** Generally, industries and companies recognised the benefit of entering into voluntary agreements as well as collecting the GHG relevant data. However, in some cases the “threat” of legislation had to be used to facilitate the voluntary agreement.
- » **Processes and relationships need time:** Over time and through daily practice, relationships between the UBA and industries became stronger and more open. Transparency and evidence on the way data is handled helped to give confidence to companies that the information is only used for the agreed purpose.

### How to replicate this practice

- » **Start small, but start somewhere:** It is important not to overly complicate the system from the start. Better to start small and build the reporting system up over time.
- » **Start with existing data and information and do not reinvent the wheel:** A lot of data that is needed for the GHG inventory and reporting system is already available, collected and reported somewhere.
- » **Highlight the national/private sector interest and benefits:** Much of the information gathered for international GHG reporting is relevant for other processes owned by companies as well as national governments.
- » **There are no blueprints for GHG inventories:** Each country has to find its own strategy and way to collect the relevant data and ensure continuous information flows based on its own specific national circumstances.
- » **Initial costs can be significant however decrease over time:** The initial costs and resources required to set up the reporting system can be significant. It is important to understand this as a long-term investment and process which, once operational, requires less resources over time.

### Institutions involved

- » **Federal Ministries and agencies:** Federal Environment Agency (UBA); Federal Statistical Office; Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB); Federal Ministry of Economics and Energy; Federal Ministry for Food, Agriculture and Consumer Protection; Federal Ministry of the Interior; Federal Ministry of Defence; Federal Ministry of Finance; Federal Ministry of Transport and Urban Development
- » State level authorities
- » Institutes and research organisations
- » Industry associations and companies

### Finance

The activities are funded through the German federal budget. The ongoing operation of the system cost an average of EUR 1 million per year. Activities undertaken by non-government actors are funded by those actors themselves.

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## Organisers

The Global Good Practice Analysis and accompanying case studies are a joint initiative by the International Partnership on Mitigation and MRV and the UNDP Low Emission Capacity Building Programme in an effort to document and share examples of good practice in the design and implementation of INDCs, LEDS, NAMA and MRV systems. For an extensive version of this factsheet and more information, including the criteria applied, please visit [www.mitigationpartnership.net/gpa](http://www.mitigationpartnership.net/gpa)



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