



# NDC Implementation Futures

Policy Recommendations from the 2018 NDC Support Cluster Workshop Series

facilitated by:



On behalf of:



of the Federal Republic of Germany

# Introduction

Many countries have started taking steps towards achieving the objectives of their Nationally Determined Contributions (NDCs). However, there are still numerous barriers that are significantly slowing down the implementation process, especially in developing countries. In the spring and summer of 2018, the [NDC Support Cluster](#), funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), conducted a series of workshops on NDC implementation within its four thematic work streams – governance, transparency, sector approaches and financing. These work stream topics represent important areas for exploring not only significant challenges, but also opportunities towards paving the way for transformative climate policy and implementing the Paris Agreement.

This paper summarises the key insights and main recommendations gained from the 2018 NDC Support Cluster workshop series for national and subnational governments and for the expert community supporting NDC implementation. In doing so, it builds on the ideas for a number of concepts designed to support NDC implementation, which were developed by the participants during the course of the workshops. Some examples of these are included as summaries in the text boxes below, and all concept ideas are referenced at the end of the document.

The workshops were aimed at discussing key experiences as well as identifying lessons learned and promising solutions with regard to various aspects of NDC implementation with a view to guiding this process further. To this end, the workshops brought together representatives from climate and development organisations, national governments, think tanks and academia.

Across the four topic areas, coordination and target alignment, appropriate incentive structures for the private sector, solutions for communication and capacity development turned out to be of major relevance.

## 1 Coordination and alignment of climate targets, policies and data at various levels

### *Key issues*

- *Establish strong coordination mechanisms and increase consistency of targets and policies*
- *Ensure effective stakeholder participation*
- *Enable data sharing and alignment of inventories and MRV systems*

#### **a. Establish strong coordination mechanisms and increase consistency of targets and policies**

The NDC process requires coordinated action by multiple departments and ministries. In this context, effective instruments and approaches for addressing coordination issues include cross-sectoral taskforces or involving key ministries in the coordination and harmonisation of existing policies. Among those key ministries are not only the line ministries which are affected by the targets and policy instruments outlined in the NDCs, but also the planning and finance ministries with important competencies. Institutional arrangements such as for example climate change committees or taskforces for coordinating NDC progress tracking, may not be limited to the national level but may also reach out to subnational entities. Here, coordination should be aimed at supporting active groups of municipalities dealing with climate change or incentivising mutual peer reviews and dialogue among those groups.

Strengthening coordination and communication across different levels of government is also crucial for ensuring that climate targets and policies are aligned. Improved communication of national targets and guidance for designing and implementing policies and strategies can help raise the awareness and engagement of government partners – at both national and subnational level. There may even be conflicts between targets established in the NDC and sector approaches that need to be addressed throughout the implementation process. Mapping out national and subnational policies may often prove useful for improving alignment with the overall climate goals. More engagement at the subnational level can be achieved by offering clear benefits to subnational stakeholders that adopt climate targets and policies (financial incentives, ability to meet peers, etc.) and promoting the recognition and visibility of subnational climate targets and action in the next rounds of NDCs.

### **NDC implementation approach: Low carbon economy transition roundtables to raise ambition for the private sector**

While there is widespread agreement that the private sector needs to be involved in order to achieve ambitious climate goals, there is often a lack of trust between the public and private sectors. In addition, the private sector does not often yet commit to government climate initiatives. This approach addresses these challenges by convening high-level roundtables that bring together business, finance sector and the government to align activities with the Paris Agreement.

#### **b. Ensure effective stakeholder participation**

NDC implementation can benefit from broad stakeholder involvement. Launching a dialogue with civil society, the private sector and potential veto players from the outset, and leading an open debate about the risks of new policies and the need for transformation, are key approaches for gaining policy support and stimulating action at all levels (several approaches in the annex put forward ideas for stakeholder engagement). A transformation readiness assessment – including an analysis of potential winners and losers of climate action and the relationship between public and private sector activities – can prepare the ground for such a dialogue.

To further boost the motivation to participate in climate action, engagement with regional or international bodies and networks could be promoted and supported. Increasing the diplomacy of government bodies in regional platforms (including non-climate-specific ones) and putting the country in the international spotlight (through a G20 or COP presidency, climate change summits, etc.) spurs momentum towards increased country engagement, including at the subnational level. In this regard, various activities have already been launched, e.g. by Local Governments for Sustainability (ICLEI) or C40, a network of the world's megacities committed to addressing climate change.

#### **c. Enable data sharing and alignment of inventories and MRV systems**

Sharing NDC-related information is crucial and requires support during NDC implementation. Integrated digital data management systems or platforms (for example, for addressing data quality issues and facilitating knowledge transfer, e.g. from national to subnational governments) should be established, ideally in a format that does not restrict their use (see approach in annex). The development of open software solutions could be undertaken jointly or transferred between countries and adapted to local circumstances.

To this end, aligned reporting standards for different levels and sectors also need to be introduced gradually. First, the focus should be on the horizontal level (e.g. between municipalities) to ensure comparability at the subnational level before tackling the integration between the national and

### **NDC implementation approach: Mapping national MRV system elements**

This NDC Implementation Approach proposes a simple analytical framework that helps countries to map the elements of its evolving system for measurement, reporting and verification (MRV) and assess its maturity as well as a format (and potentially platform) for sharing this information with others. Given the lack of such an overview, this may support learning between countries and facilitate coordination of support activities. Ideally, this tool becomes part of a broader process in the country for establishing and further strengthening domestic institutional arrangements for climate MRV.

subnational levels as a second step. Setting up regional inventories might be a useful intermediary step. International standards developed for the subnational level such as the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories and city certification systems can be used to provide guidance for subnational actors (see approach in annex). As detailed in section 1 and further elaborated in section 2, incentive structures need to be created in order to motivate subnational actors to engage in monitoring, reporting and verification (MRV) and GHG accounting. These may range from linking these activities with better access to funds to providing technical support or useful information.

## **2 Provision of incentives for increased private sector engagement and investments**

### **Key issues**

- ***Address (perceived and real) risks and provide investment incentives***
- ***Support the private sector to identify business opportunities and models***
- ***Bridge the gap between finance and climate action (matchmaking)***

#### **a. Address (perceived and real) risks and provide investment incentives**

A better combination of existing financial instruments could be used to de-risk investments for the private sector, including on-lending schemes, concessional financing from local banks or establishing risk-sharing facilities. It is also essential for the public sector to create incentives in the form of subsidies, taxes or reward schemes for companies (e.g. score cards for public procurement). Making use of the opportunities offered by the green bond market may also be helpful in bringing down (re-)financing rates. Along the same lines, energy efficiency funds could be established to provide financial support for energy efficiency measures.

### **NDC implementation approach: Mini-grid market development facility**

This approach seeks to address the lack of relationships and thus the lack of trust between developers or small-scale projects and providers of financing for these projects, as well as the lack of bankable projects and the difficulty in efficiently navigating the complex ecosystem of financiers with different requirements regarding returns/impact. The general idea is to form a network of potential mini-grid entrepreneurs, support the strongest ideas coming out of start-up programmes, develop these ideas into bankable projects and then take these to a trusted network of financing institutions for investment.

## **b. Support the private sector to identify business opportunities and models**

The public sector could undertake efforts to identify viable business opportunities for climate projects. As one possibility, feasibility studies on energy projects or adaptation activities that consider relevant local, regional or national circumstances may be conducted to prove financial viability. For adaptation in particular, a public funder facility or another professional intermediary (e.g. a green investment bank) may be a useful means for supporting the design of adaptation projects to be taken up by private companies. Another useful service may be assisting companies in translating climate data into risk assessments.

## **c. Bridge the gap between finance and climate action (matchmaking)**

Engaging the local financial and insurance sector is a key element in building the structures for financing climate measures. Targeted and systematic matchmaking between project developers and potential financiers (e.g. through local funds) could support the translation of promising ideas into investment-ready project proposals, or bundle together a number of smaller projects to create larger-scale investment opportunities. In a similar vein, joint project proposals by cities or municipalities could be encouraged through project preparation facilities specifically established for subnational actors.

### **NDC implementation approach: Translating climate risks into investments and resilience**

This approach tackles the gaps around convening conversations between all relevant actors to design solutions for achieving the active participation of the private sector in adaptation investments. It outlines a process that is convened by so-called climate-aligned intermediaries around localized climate impacts that will help to identify innovative (private sector-led) solutions.

## **3 Apply effective communication**

### **NDC implementation approach: National dialogue (platform) for NDC implementation (ND2NDC)**

This dialogue will bring together all stakeholders from the government (from national to local level), the private sector and civil society in one forum. A main forum, led by the country's head of government, will be responsible for developing and maintaining a common vision and for mediating the main conflicts of interest. It will ensure a common understanding of the differentiated roles, responsibilities and capabilities of the stakeholders in their contribution to the NDC.

### *Key issues*

- *Develop convincing communications approaches*
- *Create narratives that speak to business*
- *Communicate the (co-)benefits of NDC implementation*

### **a. Develop convincing communications approaches**

An effective communications strategy is a powerful way to support the NDC implementation process. It should demonstrate how political instruments can help achieve sectoral and national economic goals and outline what forms of compensation are envisaged for those stakeholders who feel disadvantaged. Communication materials should be available for particular stakeholder groups and the broad public and highlight the NDC targets and climate change impact in specific sectors. A greater effect can be achieved by using different narratives for various target groups. Continuous dialogue constitutes an essential part of any successful communication strategy.

Therefore, a permanent dialogue or a coordination platform for focal points with an emphasis on tracking NDC implementation could be helpful as an ongoing process for sharing knowledge and data on a continuous basis (see approach in annex). Adapting climate communication to the local context and translating high-level abstract NDC language into actionable messages at personal level can help make climate policies more comprehensible and strengthen civil engagement in the NDC implementation process (see approach in annex). An integrative platform of dialogue with subnational stakeholders and civil society may be a suitable format for this purpose.

**b. Create narratives that speak to business**

The key to enhancing understanding between the public and private sectors may lie in more effective communication. Speaking ‘business’ (e.g. by focusing narratives on the co-benefits for businesses) helps to build a strong relationship based on trust. Communicating with businesses through industry bodies or other intermediaries might therefore in some cases be a more efficient way of convincing the business community to take action than direct communication initiated by government entities.

**c. Communicate the (co-)benefits of NDC implementation**

Building evidence on the co-benefits – the actual benefits for many stakeholders – of climate action, linking them with the diverse interests of key stakeholders and the general public (creating jobs, air quality, etc.), and then promoting these messages through targeted communication strategies, can help increase acceptance among these actors and mobilise them for NDC implementation. For example, in many countries, energy security and access to energy (SDG 7) are high-priority issues, in which case it may be useful to focus more effort on framing the climate action debate within the energy narrative. Another key message could be climate change adaptation’s crucial role in ensuring energy security by, for example, enhancing the climate resilience of energy infrastructure.

## 4 Capacity development

### *Key issues*

- *Intensify efforts to increase knowledge and capacities for accessing climate finance*
- *Focus on building and retaining technical capacities*

**a. Intensify efforts to increase knowledge and capacities for accessing climate finance**

For advancing NDC implementation, it is highly important to strengthen local capacities and develop integrated financing approaches. In this connection, ‘climate funding academies’ may be helpful for building a knowledge base amongst key stakeholders and providing information about the availability of funding at the international, national, regional and subnational levels, including direct access windows within international funding institutions such as the Green Climate Fund (GCF). To close existing knowledge gaps in the finance sector, it may be useful to set up special units within banks with technical expertise (‘clusters’). In addition, multilateral and bilateral financial institutions could fund targeted capacity-

### **NDC implementation approach: Building capacity for climate action funding opportunities**

The climate funding academy approach will provide in-depth training for key stakeholders within subnational governments that have already developed or are in the process of developing strategic climate action plans. These training experiences will be developed in situ, over a period of several days, and include follow-up sessions in order to assess the primary outcome of the training exercise: the presentation of a concrete project proposal.

building with the aim of establishing lasting capacity within banks and other financial institutions, also with a view to select bankable projects for investments. More generally, establishing networks of national stakeholders, as well as among local governments, to promote peer-to-peer learning can also help address other capacity shortcomings during the NDC implementation process.

**b. Focus on building and retaining technical capacities**

Once expertise has been built, efforts should be undertaken to retain qualified staff (e.g. by promoting specific incentive and career development schemes). One approach towards achieving this end would include supporting the necessary institutional arrangements and structures for retaining knowledge and skills related to NDC implementation in national and subnational institutions. Among other things, this would involve communication channels that foster a free flow of information, systematised documentation for retaining knowledge, on-the-job coaching for internal staff and shadowing on systematic inventory development, recording particular steps in climate change data and information, and providing instructions for institutionalising data and information processes (see approach in annex). At the subnational level, it is crucial to allocate adequate resources for developing capacities for local greenhouse gas (GHG) inventories, MRV and information technology (IT) systems and modelling different scenarios for various levels of ambition. Likewise, establishing local government networks for peer-to-peer learning between municipalities and building regional communities of practice could help to address capacity shortcomings (see approach in annex).

## 5 Conclusion

NDC implementation does not start from scratch. The tracking of various country activities, often based on already well-established policy processes, can provide an insightful pool of knowledge for other countries and show how to address some of the challenges already identified. However, the NDC Support Cluster workshops organised in the spring and summer of 2018 were aimed at moving beyond simply identifying barriers to discuss and formulating implementation approaches to provide concrete solutions. These approaches may therefore also serve as valuable input for discussions among international networks such as the NDC Partnership.

In addition, **country representatives** and partners may consider using the list of NDC implementation approaches contained in the annex as a starting point to search systematically for concrete ways to further support the national NDC process.

Aside from national and subnational governments, the discussions at the workshops also produced a series of key take-away messages for **project designers and financiers**, playing an important role in facilitating NDC implementation. These messages are summarised below to be considered in future programmes and projects aimed at supporting NDC implementation:

- *Increase support for efforts to coordinate and align targets, policies and data across various levels.*
- *Develop approaches that help partner countries engage and collaborate with private sector actors where this seems useful.*
- *Explore opportunities to systematically include communications aspects in their programme planning that address key stakeholder groups where this is important for the success of the respective project/activity.*
- *Seek to develop and include mechanisms in their activities that ensure technical capacities can be retained in target countries/institutions.*

## 6 Credits

*The workshops were jointly organised by the GIZ 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; the World Resources Institute (WRI) as lead of the thematic working group on transparency; SouthSouthNorth as lead of the thematic working group on financing, as well as NewClimate Institute and Energy Research Centre of the Netherlands (ECN) as lead of the thematic working group on sector approaches. Other NDC Support Cluster include the Low Emission Development Strategies Global Partnership (LEDS GP); the Greenhouse Gas (GHG) Management Institute; and Climate Analytics gGmbH.*

*Also participating were government representatives from the Planning Commission, Bangladesh; Ministry of Energy, Ministry of the Environment, and Sustainability and Climate Change Agency, Chile; Ministry of the Environment and Sustainable Development, Colombia; Ministry of National Development Planning/National Development Planning Agency (Bappenas), Indonesia; Ministry of Energy, and Ministry of Devolution and ASAL, Kenya; Ministry of Environment and Territorial Development, and Energy Policy and Planning Office of Mexico; Department of Environmental Affairs, South Africa; Ministry of Mahaweli Development and Environment, Sri Lanka; Energy Policy and Planning Office, Thailand; Ministry of the Environment, Peru; Ministry of Water and Environment, Uganda; Ministry of Industry, Energy and Mining; Uruguay, Ministry of Industry and Trade, Vietnam.*

*In addition, representatives from the following subnational governments, international organisations, think tanks and academia took part in the workshop: Kumbungu District Assembly, Ghana; CIOESTE - Sao Paulo Metropolitan west municipal consortium; Philippine League of Local Environment and Natural Resources Officers, Inc.; Rajshahi City Corporation; ICLEI - Local Governments for Sustainability; United Nations Executive Office of the Secretary-General (EOSG); UN-Habitat, Philippines; NDC Partnership Support Unit; UNEP DTU Partnership; International Institute for Sustainable Development (IISD); Institute for Advanced Sustainability Studies e.V. (IASS); the German Institute for Economic Research (DIW Berlin), Overseas Development Institute (ODI); University of Maryland; Energy Research Centre of the University of Cape Town; Adapt Chile; the South Africa National Business Initiative; Janathakshan GTE Ltd.; Clean Energy Consult; Ekasi Energy; Ethio Resource Group PLC; Fayan Consulting; SD Strategies; The Climate Group; Carbon Trust Mexico; ICF; Perspectives Climate Group; PricewaterhouseCoopers.*

*adelphi developed the overall workshop methodology, supported the preparation of the workshop and was responsible for moderation and the facilitation of individual sessions.*

***Further information on the respective workshop contents and outcomes is available online:***

- [NDC Support Cluster Blog: "Innovative ideas drive NDC implementation"](#)
- [Insights NDC Cluster Workshop Transparency](#)
- [Insights NDC Cluster Workshop Governance](#)
- [Insights NDC Cluster Workshop Finance](#)
- [Insights NDC Cluster Workshop Sectors](#)

***In the annex to this document, you find a full list of NDC implementation approaches ideas that have been developed at the workshops. Please get in touch in case you are interested in a particular approach: [info@ndc-cluster.net](mailto:info@ndc-cluster.net)***

# Annex: List of NDC implementation approaches ideas developed at the workshops

## Governance

- Capacity building for climate action funding opportunities
- NDC messenger: Localising NDC messages and actions
- ND2NDC/national dialogue/coordination platform
- Strengthening national networks of mayors with a focus on sustainable development employment in the context of NDCs
- Vertical integration support instrument – multi-level climate governance (MLCG) tool for countries
- Project funding facility for local governments (PFF4LG)
- Advocacy for leadership

## Financing

- Raising ambition for the private sector implementation of NDCs through transition risk roundtables
- Opportunity identification mechanism – translating risks into investments
- Mini-grid market development (power generation/distribution) facility/programme/initiative
- Transparency and efficient allocation of finance (transparency mechanism on finance)
- Facility for blending finance to mobilise private investments in the mini-grid business (MPI):
- Readiness support for domestic financial institutions
- Physical risk resource platform – quantifying (physical) climate risks to enable better decision-making in investment

## Transparency

- Framework for guiding the development of a platform/catalogue of elements
- Cataloguing national MRV system elements
- Building and sustaining capacities by institutionalising processes
- COP – Cultivating ownership process

## Sector approaches

... developed at workshop

- Regional / Thematic “Communities of Practice”
- Bridge the NDC to the grassroots level to create ownership and engagement
- Common international elements for sectoral transformation narratives (“Common Elements” Approach)
- Reinvestment of fossil fuel subsidies for NDC implementation (subsidy “swap”)
- Creating dynamic habitat for new RE business

... developed by country representatives, partners and academia, further refined at workshop

- Chile’s National Energy Policy 2050
- Uruguay: Introduction of non-traditional RE in power generation
- Indonesia: Forum to ensure alignment of NDC Action Plan with Annual Government Work Plan
- Vietnam: NDC on energy of Vietnam - Bottom-up BAU definition to improve MRV quality
- IASS COBENEFITS project: develop a national perspective on co-benefits of NDC implementation through an analysis and dialogue with national key stakeholders at eye level
- UNDP NDC implementation support tailored for countries’ needs: revision/design of NDC implementation and finance plan; NDC dialogues, NDC support programme, CPEIR etc.

## Imprint

**Disclaimer:** This document has been prepared in the framework of the NDC Support Cluster of the International Climate Initiative (IKI) funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU). It represents the authors' personal opinions and does not necessarily reflect the positions of all implementing partners of the NDC Cluster.

**Authors:** Julia Groß, Tobias Hausotter, Julia Rohe-Frydrych, Dennis Tänzler

adelphi  
Alt Moabit 91  
10559 Berlin  
Germany  
+49 (030) 8900068-0  
office@adelphi.de  
www.adelphi.de



adelphi is responsible for the content of this publication.

Commissioned by



On behalf of:



Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety

of the Federal Republic of Germany

Support Project for the Implementation of the Paris Agreement – Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

This project is part of the International Climate Initiative (IKI). The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag.

Berlin, December 2018