

Support for National Baseline Reports on the MRV of Mitigation Actions & the MRV of Climate Finance

This proposed initiative will support the short-term contracting of national researchers to produce Baseline Reports on **the National MRV of Mitigation Actions**, and the **National MRV of Climate Finance**. This activity builds upon the strong progress and regular convening of the National MRV Communities of Practice **as a prerequisite**. The initiative is structured to facilitate a multi-level, interdisciplinary collaborative discussion on the effectiveness and efficiency of these emerging national climate MRV Systems. The objective is to stimulate inter-sectoral dialogue, information sharing, and spark collaboration opportunities that emerge from the gaps, priorities and recommendations presented in the reports.

Context:

While international reporting obligations have been the main driver behind interest in climate MRV, officials in West Africa have indicated that developing **more effective and efficient** domestic Climate MRV Systems to achieve their NDCs is rapidly becoming more crucial. This can partly be attributed to the obligations of the Paris Agreement, as well as piqued curiosity in carbon pricing schemes as a potential revenue source. But it is also in response to very real continued energy demands and worsening air quality, on top of intensifying climate change impacts. These combine to increase the urgency to **de-risk and accelerate feasible mitigation actions and all forms of climate finance**.

The 2030 NDC targets of the West African nations are **undoubtedly ambitious as they require a profound transformation of the climbing business-as usual (BAU) trajectory in energy and carbon emission intensification**. As a reference—globally, to keep warming under the Paris Agreement limit of 1.5°C, countries collectively, need to decrease consumption of oil, gas and coal by 6% per year, for the next decade¹. A data review of the fossil fuel CO₂ emission trends between 1990 vs 2019 for the nations of West Africa² confirms the significance of the actions required to transform emission trajectories towards NDC achievement. Regionally, **each nation in West Africa must address its particular unique challenges and sovereign priorities to redirect this pathway**³.

In many countries, “Climate MRV” refers solely to the ex-post assessment of GHG emissions, and produces an estimate of an historical GHG inventory. Awareness of the MRV of Mitigation Actions (MRV-MA) and the MRV of Climate Finance (MRV-CF) is still quite nascent. An important lesson emerging from the Pacific Alliance (PA) and West Africa (WA) bilateral Climate MRV Programmes is that complementary to the MRV of

NDC 2030 ER Targets vs Change in Fossil CO₂ emissions

	NDC Emission Reduction 2030 Target	Fossil tCO ₂ Δ1990 - 2019
Bénin	3.5% unconditional vs BAU	1,863%
Burkina Faso	6.0% unconditional vs BAU	860%
Cabo Verde	Boost renewable energy to 50% of total generation	1,995%
Côte d'Ivoire	28% unconditional vs BAU	348%
Ghana	15% unconditional vs BAU	427%
Guinée	13% unconditional vs BAU	172%
Guinée Bissau	Range of actions conditional upon international support	123%
Liberia	15% unconditional vs BAU	191%
Mali	29% agriculture conditional vs BAU 31% energy conditional vs BAU 21% forest conditional vs BAU	168%
Niger	3.5% unconditional vs BAU	160%
Nigeria	20% unconditional vs BAU	34%
Sénégal	5% unconditional vs BAU	309%
Sierra Leone	25% conditional vs BAU	89%
The Gambia	44.4% unconditional vs BAU	298%
Togo	11.14% unconditional vs BAU	273%

¹ UNEP, 2020. Production Gap Report. <https://www.unep.org/resources/report/production-gap-2020>

² Fossil CO₂ emissions include sources from fossil fuel use (combustion, flaring), industrial processes (cement, steel, chemicals and urea) and product use. (Crippa, M., et al. 2020. Fossil CO₂ emissions of all world countries - 2020 Report)

³ For more information on country specific Climate MRV Needs & Gaps, consult the [Nov 2020 Regional Synthesis of the National Consultations with Key Stakeholders](#).

GHG emissions, **the MRV of Mitigation Actions and the MRV of Climate Finance are priority components** of an effective and efficient⁴ National Climate MRV System. This is because they provide policy and decision makers, along with investors, the **determining information (feedback) necessary to steer progress towards actual achievement of the NDC**—an undoubtedly intense, rapid scaling sequence of economic, social and political decisions and investments across all sectors and levels of government, involving both the public and private sectors, across urban and rural areas.

As substantiated by the 2020 WA-MRV [Scoping Reports](#), the discussions between national officials during the [Abidjan meeting](#), and the recent National Consultations of Key Actors ([English](#), [French](#)) across the region, **the current domestic MRV Systems in West Africa for Mitigation Actions and Climate Finance are in various stages of early development.**

In preparation for this proposed activity, a “[Desktop Review of MRV Reports from West African Countries](#)” for information specific to MA and CF was conducted.⁵ It concludes that **very few of the national reports are consistent with the harmonized international reporting framework.** In particular, the information provided in the reports and the descriptions of the development and status of the national MRV systems for Mitigation Actions and Climate Finance **are inadequate to properly understand national progress.** Indeed there are a few countries that convey real advances from one reporting period to another, but the majority do not.

MRV of Mitigation Actions

More specifically, the MRV of mitigation actions (**MRV-MA**) is concerned with tracking implementation, and accurately assessing, the impacts of GHG mitigation projects on national climate emission targets. Ideally, this process also includes assessing the impacts of emission mitigation actions on other non-GHG development goals; namely, changes in economic, social or other environmental conditions; such as employment, income levels, attracting additional private sector investments, air pollution, health benefits, social equity, biodiversity and other sustainability goals.

Mitigation “actions” can encompass a broad range of measures, from policies to hard new infrastructure; such as vehicle fuel efficiency standards, or electricity generation from methane captured at solid waste landfills. At the same time, MRV-MA applies to initiatives not only in early concept phase, but also to ongoing performance monitoring (i.e. ex-ante, in progress or ex-post). Adding another layer of complexity to measurement and tracking; these mitigation actions can be public sector projects and policies implemented via national government institutions, or realized by various levels of sub-national government departments. What’s more, these strategic actions may be entirely or partially driven by the private sector— in urban to rural environments and all industries stretching between.

In particular, key design elements of the UNFCCC Biennial Update Reports (BURs) related to MRV-MA include:

- Name and description of the MA; including information on the nature, coverage (i.e. sectors and gases), quantitative goals and progress indicators.
- Methodologies and assumptions (to track GHG mitigation actions).
- Objectives of the action and steps taken or envisaged to achieve the mitigation action.
- Progress of implementation of the MA and the underlying steps taken or envisaged, and the results achieved, such as estimated outcomes (metrics depending on type of action) and estimated emission reductions to the extent possible.
- International market mechanisms.
- Description of domestic MRV arrangements (general).

The review of the most recent BURs and National Communications (NCs) of the 14 West African countries, in the aforementioned rapid assessment⁵ reveals differences in reporting structures and contents, between the nations as well as between reporting periods. Information on MRV-MA is limited in some reports and where it exists, it sometimes does not follow the guidelines for reporting. It can be difficult to logically follow the progress of emission and mitigation information across reporting periods due to inconsistencies. A comparison of key MRV-MA elements reported in the BURs and NCs across WA countries is included in the rapid assessment report.

⁴ Effective means that climate MRV explicitly improves decision making, policy formulation and infrastructure investments towards achieving the NDC. Efficient refers to the level of inputs and investments required to achieve the effective impact. Efficiency is the “effectiveness” relative to the inputs invested. Efficiency allows for a greater magnitude of impacts, with swifter decision making and rapidly scalable investments.

⁵ (2021) Edewor, S. “A Desktop Review of West African Countries’ Climate MRV Systems for Mitigation Actions and Climate Finance.” <https://drive.google.com/file/d/1nWF2wSBrQ9lyH1F2avxrCXf1-ZJOIYOe/view?usp=sharing>

Pacific Alliance Spotlight - MA

The MRV of GHG Mitigation Actions: Discussion of Current Domestic Programme Challenges & Opportunities

[English](#), [French](#), [Spanish](#)

(August 2020) This synthesis report reflects on select aspects from the National Baseline Reports on the domestic MRV for GHG Mitigation Actions in the member countries of the Pacific Alliance (PA); Mexico, Colombia, Peru and Chile.

Each country is working diligently to address a broad range of challenges in their current domestic MRV-MA systems; not least among them, permanently establishing the MRV systems as legacy; to be operational, relevant and effective to national decision making, thus maturing beyond international reporting compliance and the reliance on international donor support.

From a regional perspective, the goal of aligned MRV-MA processes in the Pacific Alliance will strengthen national implementation, while delivering transparency and accountability; elevating credibility of policies and targets, raising ambitions, benchmarking progress, building confidence and trust, improving the equitable distribution of benefits, and progressing towards regional offsets and a fungible carbon market mechanism.



MRV of Climate Finance

Significant increases in all forms of climate finance are fundamental to achieve the rapid and profound transformations necessary for NDC achievement. Strong MRV of all forms of climate finance (MRV-CF) is not only critically important to stimulate the actual design, launch and operation of transformative projects and low-carbon infrastructure, but MRV-CF is also a precursor to determining the additional support needed (technical, financial) for achieving the conditional targets put forward in the NDCs.

During the [National Consultations with Key Stakeholders](#), it was observed that **a common definition of climate finance is elusive**. In general, the term “climate finance” is being used to refer to international “financial support,” with no recognition, nor tracking of; national climate expenditures, public and private investments and other forms of finance to build wealth and achieve national climate and other development targets. This stunts the informative tracking of finance across diverse economic and social sectors, that is fundamental for generating knowledge to de-risk and ensure effective investments and transformational decisions to efficiently drive development towards the NDC, as well as attract additional resources for pursuit of the “conditional” NDC targets.

In addition, WA stakeholders pointed out the very real risk of expectations to receive funding from the international community to implement climate actions. In some cases, this has unfortunately resulted in GHG mitigation initiatives dependent on external support to move forward. In general, clean energy and other climate actions are not yet widely seen as sovereign, domestic investment opportunities, nor valued for their crucially important development co-benefits.

The strengthening of MRV-CF systems and protocols, along with the familiarization with neighbouring counterpart programs across the West African region requires time and resources. The proposed MRV-CF baseline report initiative is a strong, initial step in this direction. The information presented in the baseline report may include:

- a compilation and update of information on the nature and scope of the MRV of climate finance;
- definitions;
- institutionality;
- instruments;
- platforms; methodologies, processes, and assumptions;
- implementation progress; and the expected products and results.

This initiative will go on to create the opportunity for a concerted, comparative discussion among the participants of the National MRV Communities of Practice, as well as between nations, towards establishing a common understanding, potential protocols or a standardized process for accurate CF reporting. It will also identify south-south learning opportunities between country focal points.

Pacific Alliance Spotlight - CF

Climate finance is an area with great potential for South-South partnership learning.

Experience Spotlights:

- Pacific Alliance-MRV spotlight: “Colombia Implementing a Climate Finance MRV System. ([English](#), [French](#), [Spanish](#)). The MRV Climate Financing System in Colombia is defined as a set of information management processes for monitoring and reporting on flows of climate finance: public, domestic, international public, and private in Colombia. It is well understood that these processes involve people, data, operations and calculation tools and a platform reporting and visualization. The report, with inputs and the support of the working team in climate finance on MRV of the Colombian National Planning Department, reviews challenges and opportunities for the Climate Finance MRV System in Colombia and presents a summary of Lessons Learned to share with other countries.
- In Chile, the “Climate Public Expenditures and Institutional Review” or [CPEIR methodology](#) was implemented to start the debate on the National climate finance report. Today, Chile’s Ministry of Finance and the Ministry of the Environment coordinate efforts to advance in a comprehensive system of climate finance/expenditure reporting linked to the national system of accounts and coordinated with other initiatives to report spending. This responds both to the needs of domestic information for the diagnosis, analysis, and design of public policy; as well as to international commitments such as those established in the NDC, as well as with the OECD, among others.
- The National Planning Department of Colombia has created a comprehensive [online platform for Climate Finance MRV](#). This is complemented by a User Manual with infographics, maps and more. Originally the MRV-CF platform was developed with the support of the Green Climate Fund Preparation Program and others.

National MRV Communities of Practice

This support for the national preparation of MRV of MA and MRV of CF baseline reports **is conditional**. It builds on strong progress and diverse participation in the **National MRV Communities of Practice (CoP) and their growing network of diverse key actors** towards improved institutional arrangements. The regular periodic interaction of these individuals and institutions from diverse sectors, has increased climate MRV interest, awareness, and cooperation within the countries. It is **an instrumental prerequisite for advancing the baseline reports**.

It is recognized that **CoP progress in some WA countries is still nascent and ill-timed to support the research and production of the proposed MRV-MA and MRV-CF Baseline Reports**. Rather in those countries, the WA-MRV programme will continue to focus support for building connectivity and awareness in the emerging National MRV CoPs.

For the countries that do pursue the elaboration of the National MRV-MA and MRV-CF Baseline Reports by a nominated local expert, all work will be carried out in coordination with the National Climate Focal Point, and with the close participation of the Ministries of Finance, Energy, and other relevant sectoral ministries. At the same time, the National MRV CoPs will serve as a central resource to help guide the production of the reports to meet the needs and expectations of the key MRV actors. The National CoPs will also serve as a vehicle to support the implementation and follow-up of any recommendations in the reports. The CoPs will help disseminate the information produced, and use them as learning tools to help sharpen ambitions, develop internal capacities, strengthen diverse institutional arrangements and **spark collaboration opportunities and enable nations to define and develop their own complementary inputs and improve the quality of internal organization**.

Outputs and Outcomes

Within the participating WA countries, this initiative will drive the analysis, self assessment and diagnosis of specific technical and systemic needs for more effective and efficient MRV-MA and MRV-CF. Through the research and published report, and subsequent debate on the state of these MRV systems and practices in each country; the proposed initiative can frame a way forward for more harmonized accounting and reporting of GHG mitigation activities and climate finance; there by improving clarity, transparency and understanding— all essential steps towards mobilizing investments in low carbon infrastructure.

National Activities under this initiative include:

- Creation of Terms of Reference (ToRs) that respond to needs and wants of the country. Refinement of regional template ToRs by the climate National Focal Point (NFP) and the National Coordinator.
- Nomination and contracting of National Researchers; for MRV-MA and MRV-CF
- Partner National Researcher with an international expert co-researcher to support their efforts.
- Research, interviews, report production.
- Presentation of the Report by the National Lead Researcher to the National MRV CoP, for debate and review.
- Incorporate final research and edits in line with NFP, CoP comments and recommendations.
- Final publishing, dissemination and presentation to National CoP with a focus on recommendations and opportunities.

Regional activities under this initiative include:

- Summary presentation from the Pacific Alliance countries, Process overview, lessons learned, etc.
- WA Synthesis of regional challenges and opportunities across region; MRV-MA and MRV-CF. Dissemination.
- A video teleconference between the national focal points, NCs, and the lead authors to debate country differences, and opportunities for better alignment.
- Identification of South South partnership learning opportunities between WA countries.
- Recommendations for possible collaborative approaches.
- Suggested concrete actions aimed at fostering practices of continuous improvement, transparency, accuracy, completeness, comparability and coherence.

Next Steps

- Questions and inquiries are welcomed from the NFP on this opportunity. More detailed information will be discussed with the NCs of the MRV CoP.
- Draft template ToRs will be shared with the NFP and the NCs for them to propose modifications and tailor the deliverables to more closely match their particular needs and wants. At the same time, the country should include the nomination of two potential consultants to be the National Lead Researcher for the report.

Additional Resources

Pacific Alliance MRV-MA

- [Country MRV-MA Reports](#)
(Mexico, Colombia, Chile, Peru)
- [Country MRV-CF Reports](#)
(Mexico, Colombia, Chile, Peru)
- Bilateral exchange experience between Colombia and Chile - "Implementation of offsets as a complementary instrument to the carbon tax." [English](#), [French](#), [Spanish](#).



For more information on the WA-MRV Programme:

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