

Knowledge Product

Leading on Transparency – a Coalition of MRV Leading Countries



International Partnership
on Mitigation and MRV

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Leading on Transparency – a Coalition of MRV Leading Countries

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1 Executive summary

» *MRV, leadership and groups/clubs/coalitions* « were the buzzwords at the Summer Retreat of the International Partnership on Mitigation and MRV held in Mexico in September 2015. This knowledge product builds upon the discussions from the Summer Retreat and aims at demonstrating that building a coalition of countries to lead the way in Measurement, Reporting and Verification (MRV) can be an effective way of ensuring countries rise above the floor of minimum requirements for transparency in their climate actions.

The United Nations Framework Convention on Climate Change (UNFCCC) can be interpreted according to a very narrow vision in which leadership responsibility lies exclusively with developed countries and is only considered for climate change mitigation and support. The results of the Summer Retreat suggest that leadership could also be understood in broader terms: there is nothing to stop developing countries reaping the benefits of taking leadership on mitigation while integrating other issues such as MRV and adaptation.¹ The Summer Retreat participants also noted that the support that developed countries provide to the leadership efforts of developing countries is vital for unlocking additional opportunities for action and cooperation. These considerations are reflected well in the new Paris Agreement which underscores that developed countries should continue to lead the way in reducing emissions and mobilizing climate finance. At the same time, the Agreement also encourages developing countries to raise their ambition levels and be more stringent in a range of areas, including emissions reduction, climate finance and transparency. It also calls for support be provided to these endeavours where needed and for joint efforts to be made to reduce impacts, which is the main collective benefit of cooperation.

Groupings or » *coalitions* « of countries were identified as potentially effective means of promoting such leadership and cooperation.

» *Groups, coalitions or clubs [can be] defined as smaller groups of countries that take action outside of the United Nations Framework Convention on Climate Change.*² *Club members get the benefits but also pay the dues. The benefits of a successful club are sufficiently large that members will pay dues and adhere to club rules in order to gain them.* «³

This idea is also anchored in the Paris Agreement, which calls for cooperation between groups of countries in order to further advance climate action.

The Coalition of MRV Leading Countries proposed in this report could prove to be a fruitful example of such cooperation: It would aim at a world of full transparency in relation to climate policies, including those dealing with greenhouse gas (GHG) emissions, mitigation and adaptation action, support, financial flows, and any benefits emerging from cooperation. This could in turn also promote further cooperation in other dimensions of climate action.

One of the first immediate benefits of such a coalition is access to a pool of knowledge and best practices ready to be shared by the countries involved and willing to accept the rules of participation. Additional subsequent benefits could arise from increased cooperation between those

1 Among other examples of leadership, Mexico submitted regular National Communications and Israel submitted a national inventory report when there was no requirement for these submissions.

2 » <http://onlinelibrary.wiley.com/doi/10.1111/reel.12007/epdf>

3 » <http://www.nybooks.com/articles/archives/2015/jun/04/new-solution-climate-club/>

countries that are moving forward together, with global benefits resulting from further collective action by group members and others.

The rules of the Coalition should operationalize its vision and objectives and provide a set of requirements that bring countries forward on MRV matters at an intensity and speed greater than that required by the UNFCCC. This could include requirements such as the submission of a plan for establishing steps towards achieving high-quality MRV. This plan would incorporate capacity development and international support requirements, and would also involve submission of a list of resources, capacity strengths and good practices that can be shared with other Coalition members.

The Coalition could make use of several tools to accomplish its vision and objectives, such as a technical/coordination body, a pool of experts, procedures for the peer review of reports produced by members, training activities and technical assistance. Members would agree among themselves on the provisions for funding the Coalition initiatives.

These tools can effectively contribute to the implementation of the Capacity Building Initiative for Transparency created under the Paris Agreement and fundamental for the effectiveness of the transparency framework created in this Agreement.

2 Introduction

2.1 International Partnership on Mitigation and MRV

The International Partnership on Mitigation and MRV was launched in the context of the Petersberg Climate Dialogue in May 2010 by Germany, South Africa and South Korea. The objective of the Partnership is to support a practical exchange on mitigation-related activities and MRV between developing and developed countries in order to help close the global ambition gap. Over 90 countries have taken part in the various Partnership activities, more than half of them developing countries. The Partnership has no formal character and is open to new countries.

2.2 Summer Retreat

The Summer or Autumn Retreats (formerly known as Summer Schools) of the International Partnership on Mitigation and MRV are one of the Partnership's key formats for supporting negotiations on an ambitious climate deal. These meetings bring together a mix of negotiators and practitioners from developing countries, emerging economies and industrialized countries from all across the world. They provide a space to discuss some of the most pressing issues in the negotiations, get latest input from the world's leading experts in the field and learn from each other in a trustful, familiar and collaborative spirit.

The Partnership has already carried out Retreats in Germany (2012), Vietnam (2013), the Dominican Republic (2014) and Mexico (2015). They consist of around seven days of structured and facilitated programme including inputs, break out group work, and open discussions.

Costs for the Summer Retreats are borne by the Federal Environment Ministry of Germany (BMUB), which has commissioned and funded the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to organise the event on behalf of the International Partnership on Mitigation and MRV.

The purpose of the 2015 Summer Retreat⁴ was to discuss potential elements of the rules base for accounting, MRV and implementation that were to be decided upon during the next Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris and the capacities needed to fulfil the respective requirements. Inputs, working groups and exchange focused on participants' views on the necessary elements of the rules base, the technical procedures and instructions that need to be developed for implementation, and issues related to capacity for MRV.

There were participants from 14 different countries at the 2015 Summer Retreat: Angola, Argentina, Colombia, Brazil, Dominican Republic, Germany, Ghana, Mexico, the European Union, South Africa, South Korea, Thailand, United Kingdom and Viet Nam. The speakers were from organisations such as the World Resources Institute (WRI), the United Nations Development Programme (UNDP), UNFCCC Secretariat, Energeia, and independent consultancies.

The agenda of the Summer Retreat was tailored around the following topics: negotiating rules for a new climate regime, mitigation and ambition, accounting, MRV and flexibility, MRV of adaptation and support, capacity for MRV, and promotion of implementation.

⁴ More information on the 2015 Summer Retreat can be found here » <http://mitigationpartnership.net/summer-school-2015-%E2%80%93-transparency-and-implementation>

Throughout the discussions, which were motivated by expert inputs, there was one theme present in most interventions: leadership. Participants consistently asked and reflected on how to do more and how to move quickly on a path consistent with the 2°C goal as determined by science.

In this regard, two related topics featured prominently in the discussions:

- » Shall the most vulnerable, least emitting majority of countries be ambitious in mitigation action? Will the less vulnerable, big emitters then follow? How can leadership be rewarded?
- » Can leadership also be found in adaptation, MRV and support?

This knowledge product addresses the second question by elaborating on leadership on MRV, namely by deepening the discussion on a [Coalition of MRV Leading Countries](#), as extensively discussed during the Summer Retreat.

The next chapter discusses leadership, including its benefits, and focuses on coalitions of countries as a way to promote and incentivise leadership.

The third and final chapter describes a proposed [Coalition of MRV Leading Countries](#).

3 Leadership

The UNFCCC has a very clear requirement in terms of leadership: developed countries are to take the lead in reducing greenhouse gas (GHG) emissions and shall provide the required support to developing countries for reducing emissions, and in particular for adapting to the impacts of climate change. This principle has been reiterated by the Paris Agreement. At the same time, it encourages developing countries to raise their ambition levels and be more stringent in a range of areas, including emissions reduction, climate finance and transparency in line with their national circumstances.

Some interpretations of the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) have shaped the understanding of the Convention as creating a black and white world: developed countries are to lead in action and provide support; developing countries will not act before developed countries demonstrably do so and until the required support is provided.

This interpretation has arguably brought the world into a situation where mitigation action has been insufficient in avoiding dangerous human interference with the climate system, with greater risks affecting the most vulnerable (developing) countries. Those who hold the responsibility to act and fail to do so are the ones least hurt by lack of action. One can then argue that this more restricted vision of leadership and interpretation of CBDR-RC that has on occasion percolated the Convention process has failed, and has failed the developing, most vulnerable countries in particular.

In this context, Garibaldi and Arias posit that it is high time for the majority of developing countries, frequently those with low-emissions and vulnerability to climate change impacts, to answer the call for leadership themselves and join forces with more proactive countries to press the laggards to do more. Two main reasons/assumptions justify this bold proposal for a more proactive interpretation of the UNFCCC, where all take more action, even if some do more than others:

- » It makes economic sense to act on mitigation, not only because of economic gains through enhanced efficiency, but also because of reduced costs from impacts over the longer term.
- » Once a coalition of lower-emitting, most vulnerable developing countries takes the lead, the high-emitting laggards would soon be isolated and thus be encouraged to follow suit.

While this paper is not arguing for a reversal of the principle of leadership, it joins others in arguing that the climate change regime should take a more proactive view of encouraging more action and provide the right incentives for that, namely for the promotion and recognition of efforts that go beyond the minimum expected from each Party:

» [...] without prejudice to the responsibilities embodied in any principle of the Convention, leadership and action towards sustainable development would be seen side by side with incentives and initiatives for bold action by all Parties, regardless of where this leadership emerges. « (Garibaldi; Arias, 2014)

Rather than creating a limit to action » *you shall act only if others do* «, the regime should create a floor of minimum requirements, a common starting point for all Parties, taking into account their respective capabilities (without backsliding from the current status). Additionally, a set of

incentives could encourage Parties to surpass this floor as soon as possible and thus earn the benefits that accrue to early movers:

» [...] *the regime must not preclude means that allow sovereign Parties willing to act to do so, especially if early actors seek the benefits accruing to developing countries that advance early towards low-carbon and climate resilient development.* « (Garibaldi; Arias, 2014)

There are two important issues in relation to this proposal that deserve consideration: the benefits and the incentives.

It is important that the benefits of the early movers are felt domestically and not simply at the level of multilateral negotiations (Garibaldi; Arias, 2014). While some argue that win-win or no-regret climate actions could be realised in all countries, a preconception of the disproportionate costs and risks of (early) action still ranks high with some key stakeholders and decision-makers. While changes in this mind-set can be observed in many countries all over the world, there is still a long way to go before that preconception is no longer a barrier to (early) action and related benefits are widely acknowledged.

The discussion on incentives and benefits is even more complex. There are few incentives or benefits that can be used within the scope of the climate change regime and that can make a difference at scale by actually driving a significant number of countries forward. While several incentives and benefits can be found in the literature, some are rather unrealistic in terms of political acceptability, such as trade sanctions or preferential treatment.

The Kyoto Protocol's flexibility mechanisms have proven to be a highly valuable reward for the most compliant countries (for example, only Parties with robust MRV systems were allowed to benefit from the potential lower costs in complying with commitments that would accrue for the use of such mechanisms). In this context, participation in the Kyoto Protocol flexibility mechanisms was a good incentive for enhanced MRV. While the Paris Agreement declared the establishment of a mechanism that assists the mitigation of GHG emissions, supports sustainable development and makes use of » *internationally transferred mitigation outcomes* « it does not contain a clear set of tools with the same depth and potential coverage as in the Kyoto Protocol.

The section below discusses one approach towards raising countries' ambitions: groupings of countries, from formal exclusive clubs to informal coalitions of countries. They all seem to have at least one incentive, which, while intangible, is perhaps very acceptable to politicians and key decision-makers: the sense of belonging.

3.1 Coalitions of countries as a way to lead

The notion of groupings, clubs or coalitions⁵ of Parties has been gaining traction within the scope of the UNFCCC as a way to promote greater cooperation among Parties (as well as with non-Party actors) towards the achievement of the ultimate objective of the Convention. In fact, the decision text to the Paris Agreement in paragraph 121 provides for the creation of a space within the UNFCCC process, as part of high-level dialogues, where such coalitions can be announced, thus recognising its importance.

⁵ While these terms do not represent the same concept, they have in common the fact that they represent more or less formal gatherings of countries aimed at achieving a common goal. From here on, the term coalition will be used whenever a generic reference to such gatherings is made, except in cases of direct quotation.

» Clubs [can be] defined as smaller groups of countries that take action outside of the United Nations Framework Convention on Climate Change (UNFCCC). The term 'clubs' includes any grouping that comprises more than two and less than the full multilateral set of countries party to the UNFCCC and that has not reached the degree of institutionalization of an international organization. While clubs may include other stakeholders, they are predominantly governed and funded by national governments. « (Weischer, et al.)

» A club is a voluntary group deriving mutual benefits from sharing the costs of producing an activity. Members get the benefits but also pay the dues. The benefits of a successful club are sufficiently large that members will pay dues and adhere to club rules in order to gain them. « (Wagner)

This means that for a club to be successful, the benefits need to be greater than the costs of participating (so that the benefits can become an incentive to join), but it also means that countries joining need to be committed; in other words, countries need to be willing to pay the price to join: Many say that what is given without a price is not valued by the receiver.

» Biermann and colleagues⁶ list four types of benefits that derive from using clubs as a governance arrangement, including:

Speed. A smaller set of countries may be faster negotiators and able to deal with more contentious issues.

Ambition. Smaller groups can be 'narrow but deep' when it comes to substantial policy goals, in contrast to the often 'broad but shallow' multilateral agreement. Clubs may also possess more innovative capacity.

Participation. Fewer barriers to entry for a wide range of stakeholders, including non-state actors, may increase the involvement of important actors.

Equity. Clubs might offer solutions that are specifically tailored for specific regions. Moreover, smaller groups simplify monitoring and thereby bolster reciprocity, which could increase the chances of reaching an agreement and mitigating non-compliance (Keohane and Victor 2011).⁷ «

Bo Kjellén, former chief UNFCCC negotiator for Sweden, argues that

» clubs can facilitate creating what he calls 'enabling conditions', meaning that agreement at the international level can only be met when national conditions are favourable for an agreement. For instance, implementation and energy clubs can be conducive to lowering abatement costs of climate change and thereby make national interests more prone to action. « (Widerberg, 2013)

Clubs, groups or coalitions of Parties (and non-Parties) can in fact play an important role in moving faster towards preventing dangerous human interference with the climate system by either facilitating the negotiation of international rules, promoting and facilitating their implementation, or going beyond such rules.

There are several experiences and examples of coalitions of countries on climate change-related topics at project, sectoral, national and global level, which Weischer et al. classify as dedicated to dialogue or to implementation.

⁶ As quoted by Widerberg (2013).

⁷ Idem.

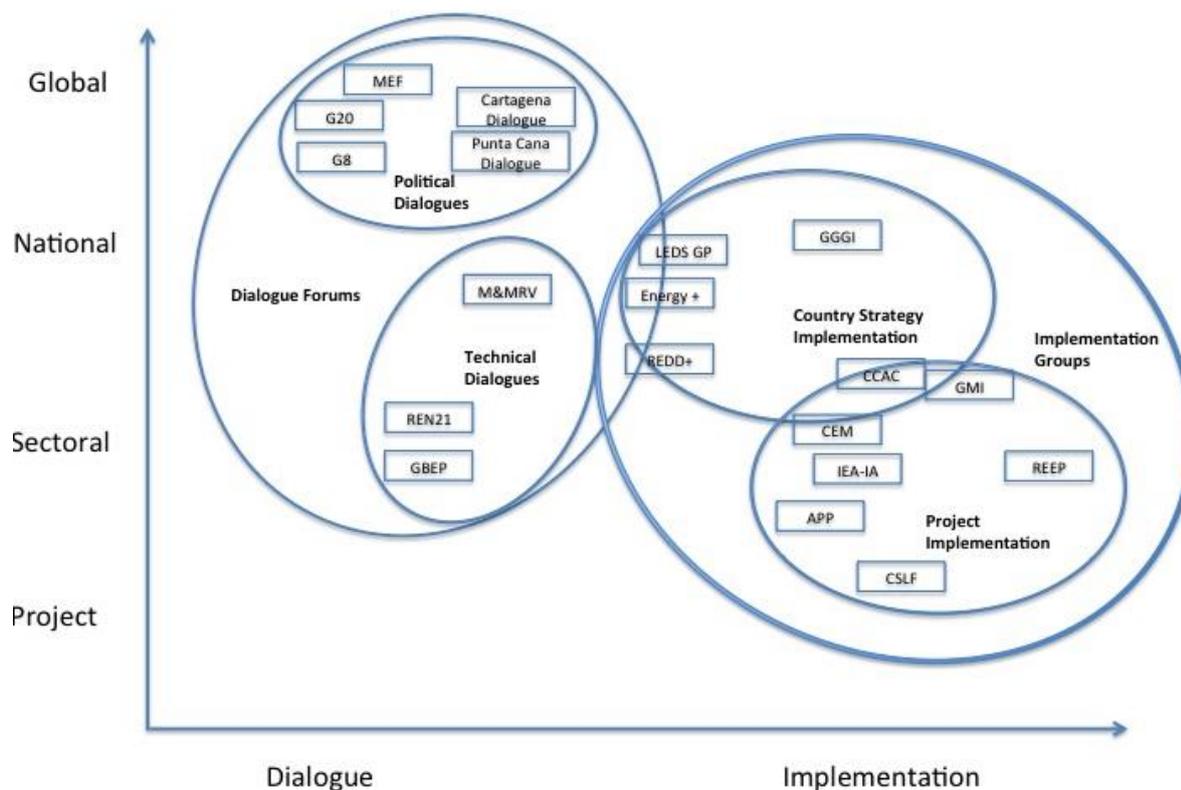


Figure 1. Climate clubs landscape (adapted from Weischer et al.)

Among the clubs/coalitions identified by the mentioned authors, the International Partnership on Mitigation and MRV⁸ (M&MRV in the figure above) is classified as a national-level technical dialogue.

The REDD+ Partnership,⁹ which has been discontinued, was assessed as a 'moderate success' as it achieved its goal of creating a REDD+ community by facilitating informal discussions among REDD+ negotiators. This partnership included several of the elements proposed below for a coalition on MRV, namely an important knowledge-sharing component with knowledge contributions from either independent experts or member countries.

The LEDS Global Partnership (LEDS GP) is another interesting case which, like the REDD+ Partnership, is classified as a country strategy implementation group. In addition to the several activities LEDS GP implements, such as guidance manuals, reports, webinars and trainings, it connects country teams to an extensive network of low-emission development strategy (LEDS) professionals to provide virtual consultation and advice.¹⁰

⁸ For more information please visit » <http://mitigationpartnership.net/>

⁹ For more informatoin please visit » <http://www.fao.org/partnerships/redd-plus-partnership/en/>

¹⁰ For more information please visit » http://ledsgp.org/?loclang=en_gb

3.2 Leading on MRV

It was argued above that countries may want to lead and act ambitiously on a variety of issues. Likewise, coalitions of countries do not need to be focused on or limited to mitigation. There are, of course, important benefits and reasons as to why countries should join efforts and build coalitions around issues such as MRV and its associated benefits.

The strong anchorage of the transparency framework within the Paris Agreement highlights that importance of MRV in the climate regime is growing and is likely to grow even more. Paris is based on a 'tell me what you will do and show me what you have done' approach that is transparency and trust: two key concepts that can only be operationalized with an effectively implemented, robust MRV framework.

Countries may even find merit in acting ambitiously and leading on MRV irrespective of the provisions for the new climate regime. Currently, most developed and developing countries have national climate change policies in place, some of which are rather sophisticated. The wide array of approaches to climate change mitigation as well as adaptation became very clear in the INDCs submitted by countries thus far.

As most countries have climate policies related to mitigation and adaptation that are not strictly enforced at the international level, monitoring the effective implementation of such policies becomes above all a national good-governance imperative. It is in a country's domestic interests to monitor the effectiveness of the investments made in implementing such policies (taking into account climate benefits and co-benefits as well as costs and unintended consequences). Moreover, as Garibaldi (2015) notes, the synergies between adaptation and mitigation deliver not only local but also global collective benefits that can be effectively harnessed through domestic cooperation. Furthermore, the information gained through an MRV system can be used for domestic awareness-raising, to underpin political arguments and to facilitate cooperation between various national stakeholders.

Setting up a robust system that facilitates countries' MRV of climate policies, both at national and international levels, will soon become a national priority for all countries and can help bolster the international understanding of the level of climate action delivered, including the existing mitigation gap and what is required to bridge it. This may be the case in particular if, as expected, the international flows of climate finance and support are attracted to countries with the most transparent MRV policies, where the effectiveness and efficiency can be determined more easily.

In this context it can be expected that countries will join efforts, share experiences and provide support to each other in a coalition of leaders on MRV.

The next chapter discusses the establishment of a Coalition of Leading Countries in MRV.

4 Coalition of Leading Countries in MRV

4.1 Key elements of a successful coalition

In order to be successful, a coalition of countries must address a number of issues regarding the decisions that need to be made by the founding members.

A coalition may take the form of a » *dialogue forum* « or an » *implementation group* «. While it may be a mix of both, it can be expected that a coalition clearly defines whether its focus is on exchanging information and experiences among members or whether member countries collectively design and implement strategies, programmes and/or projects.¹¹

In terms of its relationship with the multilateral regime, a coalition may be *bound by its limits* or *may go beyond it*, both in terms of the depth of commitments or speed of implementation (while each term can be applicable to both, the first – depth – could be considered as ambition and the second – speed – as leadership).

With regard to membership, a coalition can be composed of *countries only* or it may also include *non-country actors*, such as universities, non-governmental organisations (NGOs), intergovernmental organisations (IGOs), other civil society organisations and/or companies. It may be decided that members have different benefits and responsibilities according to their respective type. On this same topic, a coalition may aim at having a *universalistic* nature (welcoming as many members as possible) or a *restrictive* nature (aiming at welcoming only the few top performers), or some combination of both.

There are two fundamental aspects to having either broad or a restricted participation: *benefits* and *rules*. Benefits attract members, and rules may restrict them. Large benefits and simple rules result in a universal coalition. Large benefits and strict rules result in an exclusive, highly coveted coalition. A combination of small benefits and strict or simple rules will result in a coalition attracting little interest (either because the benefits are just too small per se or because they are outweighed by the costs of participation).

Direct benefits are at the core of any coalition:

» *[and] should be significant and exclusive to the club members and need to accrue to all members of the club and be generated in a way that respects existing international law, including, notably, the UNFCCC.* « (Weischer, et al.)

Equally important in these wider leadership views are the indirect positive benefits coalitions of leading Parties can create beyond their original membership. As Garibaldi and Arias (2014) and Garibaldi (2015) argue, if successful in their objective to mobilise larger UNFCCC Parties to realise further transparency of action and support, the coalition would then actually be helping to deploy global public goods in the form of increased ambition and transparency. These indirect benefits can add momentum to a virtuous cycle geared towards increasing transparency in achieving the ultimate objective of the Convention, while benefiting all Parties – including original club or group members. These indirect benefits can be a powerful incentive for various more vulnerable Parties and mobilise other willing partners beyond the original membership.

¹¹ » <http://www.wri.org/blog/2012/10/two-degrees-clubs-how-small-groups-countries-can-make-big-difference-climate-change>

As a summary, Jennifer Morgan and Lutz Weischer identify the following conditions for a successful coalition of countries:

- » **An ambitious vision.** Club members should come together around a vision that is commensurate with what climate science suggests is needed to avoid dangerous climate change. This vision could be framed around emissions reductions, targets for energy efficiency or renewable energy deployment, or price parity for renewable energy technology. It needs to be a stretch goal that represents the ambition required to solve the problem.
- » **Clear conditions for membership.** The club should be an exclusive group, open only to those countries that meet clear criteria consistent with the vision. Criteria could consider the track record of potential members, targets for the future, and/or the existence of national strategies and policies. The criteria need to be specific and measurable, demonstrating that countries already intend to move forward and wish to go further and faster together.
- » **Significant benefits provided to members.** The club needs to offer strong incentives for joining so that countries will accept the ambitious conditions for membership. Therefore, the club has to create real benefits for members in areas such as investment, technology sharing, or trade. These benefits should not be available to those outside the club.
- » **A pathway to start now and expand over time.** The club needs to become operational quickly, so it is likely to start with relatively easy-to-implement activities, such as information sharing. However, a two degrees club should be set up in a way that allows it to address more difficult questions (e.g. around trade), grow in scope (e.g. expanding from renewable energy or efficiency to other areas), and increase the number of members over time. What starts as a small energy transformation club could turn into:
 - » *low-carbon union, providing significant benefits across all sectors of the low-carbon economy to a growing number of member countries.* «¹²

4.2 Proposal for a Coalition of Leading Countries in MRV

4.2.1 Vision and objectives

A Coalition of MRV Leading Countries should aim at a world of full transparency in relation to climate policies, including those related to GHG emissions, mitigation and adaptation action, and support and financial flows. The Coalition can also take a lead role in defining new terms and identifying practical realisations of the negotiated terms.

The objectives of the Coalition should give members an indication of how the vision will be fulfilled. In that sense, the objectives may detail the Coalition's understanding of full transparency and may also refer to how to achieve the vision, namely through commitments, sharing of knowledge, provision of mutual support among members, and outreach to mobilise other larger laggards.

4.2.2 Benefits of participation

The benefits of participation depend on the level of engagement of all members. It should be expected that the more ambitiously members are willing to act in relation to MRV, the more benefits members should be able to grant each other.

¹² <http://www.wri.org/blog/2012/10/two-degrees-clubs-how-small-groups-countries-can-make-big-difference-climate-change>

The overall benefit of participating in such a coalition is enhanced transparency of climate policy and enhanced capacity for MRV. While all countries (Coalition members and non-members) will enjoy the benefits of the enhanced transparency of the members, only members will enjoy the enhanced capacity for MRV achieved through the different support mechanisms established.

The first direct benefit of being a member to the Coalition is [access to a pool of knowledge and best practices](#), ready to be shared in a systematic way by countries engaged with each other in the quest for high levels of transparency of their respective climate policies. Members will have access to a pool of [experts](#)¹³ available to provide [advice](#) on implementing effective MRV, enhancing transparency and fulfilling requirements under the UNFCCC (in terms of measurement and reporting, but also in terms of verification).

Such [knowledge transfer and peer advice](#) will allow member countries to effectively and efficiently measure, report on and verify their climate policies through the establishment of national MRV systems, which are adequately staffed and have access to the technical and technological resources required. Being a member of the Coalition will contribute to the effective implementation of the UNFCCC requirements, thus contributing to the higher political visibility of the country.

Coalition meetings and other instruments also provide a good opportunity to showcase achievements, thus helping increase the regional and global influence of the country, namely by potentially serving as a best practice.

The elaboration of the national MRV plan described below will empower countries and enhance the ownership of the capacity-building support received.

The Coalition will need to have mechanisms in place that facilitate and ensure the effective [transfer of soft and hard technologies](#) (such as computer programmes and models and the know-how to run them). Such mechanisms will have to be operationalized by the (financial) support pledged by countries in a position to do so.

Recognising their commitment to transparency, Coalition members that are donor countries should be able to grant general [preferential treatment](#) to recipient country Coalition members in relation to overall climate-related support (including financing and means of implementation) for mitigation and adaptation. In addition, countries with enhanced transparency are more likely to attract higher volumes of climate finance and better means of implementation. Therefore, being a member of the Coalition should indirectly facilitate access to international climate finance (and support), including from the private sector.

These direct benefits should be available to all Coalition members and should not be available to non-members.

Finally, through outreach activities, the Coalition can bilaterally or multilaterally, in the UNFCCC framework and similar fora, press less proactive Parties to progressively adopt the more stringent MRV provision it is imposing on itself, thus raising the transparency bar all Parties need to abide by, in other words, raising the common floor all need to observe.

4.2.3 Rules for participation

Rules for participation in the core group should operationalize the vision and objectives of the Coalition and should constitute a set of requirements that, in terms of MRV, bring countries towards a depth and speed greater than that required at the UNFCCC level.

¹³ See section on 'Tools' below

While rules should be the same for all members of the Coalition, in order to be aligned with the general principles of the UNFCCC there should be an expectation taking into account Parties' different national circumstances. For example, it is expected that countries that are self-determined to be in a position to do so will provide support (financial, technical and technological) to those that require it. It also should be expected that countries in a position to do so will contribute to the running costs of the Coalition (namely for the implementation of the tools described below).

The Coalition should have a set of mandatory rules as well as rules whose implementation is desirable.

The following rules could be considered for the Coalition of MRV Leading Countries:

- » Pursuant to the operationalization of the vision of the Coalition, there could be a mandate for the timely submission of reports required under the UNFCCC. This rule could also contain some provisions that go beyond UNFCCC requirements (for example developing countries could be mandated to submit a GHG inventory with a complete time series up to year X-2 or submit its reports in accordance with the most stringent verification procedure available; developed countries, or perhaps all countries, could be required to submit a transparent accounting approach).
- » The Coalition could mandate the submission of an MRV plan aimed at establishing steps for developing high-quality MRV, including capacity development and international support needs in all aspects of climate action.
- » The Coalition could mandate the submission of a list of resources, capacity strengths and good practices that can be shared with other Coalition members.
- » The Coalition could mandate the pledging of financial or other resources to be made available in support of the Coalition and its members that require such support.

4.2.4 Membership

Unless specified otherwise by the (founding) members, the number of countries participating in this Coalition will be determined by each country's assessment of the costs and benefits of participating.

While any country willing to abide by the rules for participation should be allowed to be a member, the Coalition should define rules of procedure for accepting and rejecting membership (including termination of membership for members who do not follow the rules for participation).

While a universalistic approach can demonstrate more easily the appeal and success of the Coalition, it may result in the Coalition losing its focus and in watering down the benefits available to each of its members. Adequate management of the difference between the direct benefits members receive and the indirect benefits that the Coalition can provide to the UNFCCC process is key in helping to diminish this threat.

Another aspect is also crucial with regard to membership: the Coalition needs to reach critical mass in order to function well, namely in terms of the amount of countries willing to share knowledge, best practices and other resources (including but certainly not limited to financial resources). It is likely that the Coalition will be formed initially by more proactive countries with low emissions and more vulnerable circumstances operating side-by-side with more proactive Parties with more capacity.

The level of universality, the composition of the Coalition and the handling of benefits can be managed collectively through careful consideration of country membership and the internal benefits and outreach activities of the Coalition. In this regard, it may also be important to include reputed non-state actors in the Coalition (such as companies, think tanks, NGOs, other civil society organisations and universities). Likewise, a careful linkage with other groups/coalitions and other similar emerging approaches, particularly with regard to the mitigation–adaptation nexus, will be important for this approach to become sustainable in good time.

4.2.5 Tools

The Coalition should avail itself of several tools to meet its vision and objectives, operationalize the benefits and enforce its rules. Ideally, each of the tools below will serve all these purposes.

Technical/coordination body. The Coalition should be able to provide immediate support to its members, which can only be ensured through a permanent staff with both managerial and technical skills.

Meetings of members. These meetings are mostly managerial and serve the purpose of providing overall guidance to the work of the Coalition, identifying needs and resources available, assessing progress towards the Coalition vision and objectives, and providing a platform for mutual recognition of efforts.

Pool of experts. The Coalition should have a pool of experts for the key technical issues. In addition to the peer review described below, these experts should provide technical assistance to Coalition members as per their request.

These experts are nominated by the member countries and shall be available to support members who so request in different ways: country visits, desk research, training, technical assistance, online support, etc.

Even when a country requests the assistance of an expert from another country, it is expected that, if available, the requesting country contributes to the pool by nominating its own national experts, taking into account the areas where it has greater capacity and more knowledge to share.

Peer review. The pool of experts mentioned above should peer review the reports produced by members of the Coalition before they are submitted to the UNFCCC, thus qualifying as a quality assurance and joint learning procedure. This peer review could mirror the UNFCCC verification procedures, which would give countries that subject their reports to it an advantage as they may correct any issues ahead of submission or may already be aware of potential issues to be highlighted by the team of experts performing the verification under the UNFCCC secretariat.

Additionally, this peer review process will constitute an important benefit to members, as it provides an important input of knowledge directly to the MRV system in each country. The participation of national experts as peer reviewers is also an important way to enhance technical knowledge on both sides – the one being reviewed and the one providing the feedback.

Workshops/seminars/trainings. These events should promote the transfer of knowledge among Coalition members. They can be applicable to all members (held in a central location) or they can be

tailor- made to address the specific needs of one or more members (held in a member country involving a higher number of national stakeholders/experts).

Template and guidance for a national MRV plan. Each member of the Coalition should be encouraged (or requested) to elaborate a national MRV plan. This plan will identify:

- » national MRV objectives (in terms of completeness, accuracy, transparency, consistency and comparability);
- » priorities;
- » capacity gaps and needs;
- » measures to address gaps and needs, including a tentative time plan;
- » the international support required.

While this plan will be of great significance at national level to allow for resource programming, it will also be of vital importance for planning the activities of the Coalition as it identifies key priorities and the needs of its members.

The plan is ultimately the instrument by which each Coalition member shares its path towards achieving the mission of the Coalition with the remaining members: the full transparency of climate policies.

In order to facilitate the development of the plan by each member, the Coalition could develop, in addition to specific training and/or technical assistance, a template and guidance for the elaboration of a national MRV plan.

Global and regional outreach events. This can help outline the level of progress achieved by the Coalition, while pressing for the general collective rules to be raised and for all Parties to progressively adopt the rising floor that the Coalition has been implementing itself. It can also link with other initiatives that depend on MRV, including those supporting mitigation, adaptation and means of implementation, and/or the use of any cooperation and/or markets. Altogether, the collective action of the Coalition can help raise the stringency and scope of the global rules of transparency and collective action.

5 Conclusion

Leading in MRV can be an important way to raise the profile of climate change policy in all countries. Enhanced MRV capacity is actually beneficial to all countries irrespective of requirements agreed at UNFCCC level: the increasingly complex and comprehensive national climate change policies, which are largely uncontrolled at international level, are a sufficient justification for the establishment of a robust MRV system that, if nothing else, serves the purpose of tracking and evaluating domestic policies. Nonetheless, MRV takes up a central role in the Paris Agreement, particularly in relation to the implementation of nationally determined contributions. The proposed Coalition of MRV Leading Countries may make an important contribution to the effectiveness and success of the future climate regime. This is not only because of enhanced transparency per se, but also because it attracts international climate finance and support and because more effective MRV generates potential for more mitigation and adaptation action.

Groups or coalitions of countries can be an effective way to promote leadership in MRV, as these arrangements allow for a balanced set of benefits and rules to be put together as countries cooperate and support each other, taking into account their respective national circumstances, specific advantages and needs in terms of mitigation, adaptation and means of implementation, and the global collective benefits that can emerge from these actions and cooperation.

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International Partnership
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