



Localizing the NDCs: how do we fund and implement action at scale?

A Global Covenant of Mayors side event at COP 26

9th November, 3.30pm-4.30pm CET - 2:30 – 3:30 GMT+1

1. The context

The **climate crisis** urges for immediate action. There's a consolidated and shared acknowledgement in the overall climate arena (international organization, public institutions, Research & Innovation (R&I) community, private sector and organisations, etc.) that determination of targets (though ambitious) and alignment of policies and strategies with those targets won't suffice. The climate crisis has to be addressed through effective actions in this decade and now, actions implementation must replace reporting and planning. **Vertically integrated and multilevel implementation of Climate Action Plans is essential for their full and complete effectiveness**, and attainment of the mitigation and adaptation targets that are at the core of the cities' planning process.

Vertically integrated climate policies, or "multi-level climate governance" (i.e. climate policies coordinated across the different administrative levels) refer to endeavours made by all levels of government – national, regional and local – to jointly develop and implement strategies, programmes and measures to mitigate greenhouse gas (GHG) emissions and adapt to climate change starting with a clean and just energy transition.¹ For the new generation of updated NDCs "entering in force" by end of this year the real challenge will be how to move attention from the targets and policies definition to the **implementation process and capacity in each country**, that will require as game-changer:

- **Improving the capacities (analytical as well as strategical) of NDCs by extending /completing/integrating the current sector-based approach with a further spatial/territorial approach**, that will allow for a more effective allocation of resources covering/addressing different country's territories and key areas (including, but not exclusively limited to, urban areas) according to their specific needs, resources, targets, etc.;
- **Recognize factually and operationalise the institutional role of cities/local governments in implementing climate actions aligned with the NDCs planning framework and targets**, and facilitate the process for allocation of the related financial resources.

¹ VICLIM, GIZ, <https://www.giz.de/en/worldwide/42707.html>



2. Scope and objectives

In this perspective, the GCoM session at COP26 on “Localizing the NDCs: how do we fund and implement action at scale?” aims to contribute to **identifying technical procedures and institutional mechanisms for multi-level implementation of Climate Action Plans at scale**. A complete multi-level implementation process of CAPs should in principle include the following steps:

A. Commitments, targets, NDCs:

Review the country’s submitted NDC and consider gaps and opportunities for vertical integration of CAPs. Extend communication of the NDC to urban stakeholders at national and local level;

B. GHGs emissions and risks/vulnerability accounting/reporting:

Build conditions for integration and transparency of CAPs with national reporting platforms, with balanced approach in mitigation and adaptation. RCLs (Regional/Local Contributions) should be formally acknowledged and recognized as commitments and achievements of local and regional authorities and their role in the global climate governance system. GCoM (and many other) cities have already developed CAPs (including GHG inventory and resilience tracking tools), however harmonisation and standardization of data and methodologies among different institutional tiers is still lacking, which makes final aggregation at national/NDC level not possible yet. Mechanisms need to be identified and put in place to ensure continuous alignment and integration of reporting systems between city and national levels. “When planning urban climate action within the NDC, it is necessary to consider how to link data collection from urban areas through sub- national government to the national level in the long term, to demonstrate contribution towards NDC targets”²;

C. Strategies and Action Plans, Financing and Implementation:

Identify concrete policies and actions for integrating the actions of urban areas in the NDC. RCLs are not separate submissions to the UNFCCC, but should rather be seen as an opportunity to assist in the implementation and enhancement of NDCs, in a process of mutual complementarity with current commitments made at all governance levels. NDC Implementing tools/plans needs to be identified, building on existing city climate and resilience plans and actions, and ensuring that city level actions are being captured in the NDCs (in terms of accounting, transparency, and recognition).

² UN HABITAT, Enhancing Nationally Determined Contributions through Urban Climate Action, 2020



Develop vertically integrated NDCs Investment Plans, but Localize climate finance. Financing resources needed for implementation of urban mitigation and adaptation actions included in CAPs as part of the NDC's implementation process can be mobilized:

- by the public sector, through a substantial shift in both long-term national budget expenditure;
- by more strict collaboration between public and private sector actors, through various forms and type of facilitation mechanisms that can help to render urban climate investment more attractive and profitable.

In this perspective, outlining a clear finance strategy for each urban mitigation and adaptation plan/action will require a new states/regions/cities' capacity to make climate-action investments, based both on **reallocation of existing budgets** as well as on the ability to **raise revenue**. To increase the rate and capacities for implementation will require framing of climate actions within the CAPs/NDC in such a way that they have the greatest potential for attracting finance (e.g. as bankable projects, or ambitious climate projects), under different kinds of finance (public/international/ private) or instrument (grant/loan/risk mitigation/equity/blending). An ideal process would imply³:

- to **build a pipeline of climate compatible urban infrastructure projects** e.g. mass transit, charging stations, wind farms etc., in the NDC or related Action Plans and articulate the financing needs;
- to **facilitate a discussion across all key ministries** (e.g. housing, energy, transport, finance, etc.) to allocate financial resources in a systematic manner that can leverage urban climate action in the long-term;
- to **utilise** the nature and format of the NDC as a means of **potentially guiding private sector investments**, and if possible, to involve important national, regional and local industry in the process.
- potentially, accordingly to circumstances, consider to establish a **national climate fund** and early stage project development assistance (such as Gap Fund) using international and national climate resources, to which a local government can apply.

D. Institutionalise the NDC process beyond 2021:

A complete **institutionalisation of the process for vertical integration of urban Climate Action Plans** is hence necessary to provide a framework for continuous and effective multi-level implementation. The formal procedure would require precise definition and allocation of responsibilities (for central/regional/local governments, public sector in general and other urban stakeholders) and timeframes. In extreme synthesis, this institutional process/procedure should include at least the following steps⁴:

³ UN HABITAT, Enhancing Nationally Determined Contributions through Urban Climate Action, 2020

⁴ Partnership for Collaborative Climate Action (PCCA) – Recover green: Higher NDC ambition through Collaborative Climate Action, 2020



- **Verify** whether CAPs/urban initiatives are reflected at national level and, if not, calculate their emissions reduction potential;
- **Identify** areas that are under the sole responsibility of – and require action by – a subnational authority, and make them explicit in the NDC or its background documents, including where they relate to policies and measures and climate finance;
- **Ensure** that subnational levels have the mandate and access to data and financial resources to fulfil their mitigation and adaptation potential;
- **Set** national standards (for example, energy efficiency in buildings, targets for renewable energy or greenhouse gas emissions) and allow the subnational actors to set theirs higher – but not lower;
- **Establish** a coordination mechanism that oversees the NDC development and the sustainable recovery, to manage the process of project consideration and keep an updated list of projects compatible with climate targets;
- **Explore** and establish ways to make grant support available to help with project preparation, with a focus on converting NDC commitments into actionable projects that would be competitive in stimulus discussions.

Definitively, under a wider and longer perspective, the_GCoM session at COP26 on “Localizing the NDCs: how do we fund and implement action at scale?” intends to support cities and national governments (line Ministries and institutions) on initiation of country-based process at scale for **multi-level implementation of CAPs** to be continued after COP26 through the **GCoM facility support to Regional/National Covenants for advocacy on facilitation for vertical integration NDC/CAPs**.

3. Session roll-out

The session will be framed through brief interventions as "pitches" from speakers representing the most relevant key actors and institutional tiers in the process defined above, aiming to provide a complete picture and start building a common narrative of the needs, constraints, resources and potential of the multi-level implementation of Climate Action Plans. Namely,

- **UNFCCC**, as the UN entity receiving and maintaining the registry for Nationally Determined Contributions (NDC), the key national documents for **implementation of the Paris Agreement**;
 - The **European Commission**, consistently financing and supporting the local energy transition via the various measures and initiatives comprised in the EU Green Deal;
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- A **National Government (Japan, tbd)**, showing how a national Institution can facilitate and support integration of CAPs in implementing NDCs;
- A local **City Government (city of Turku or Utrecht, tbd)**, highlighting the needs of a city/local government in implementing its own Climate Action Plan, and how this process can feed/complement/support the successful implementation of NDC's policies;
- A financial Institutions (the **European Investment Bank**, dealing directly with the "fundamental" question of the session, "how to fund action at scale?"

During the session, two further **GCoM products** will be released, aimed to help and boost the next multilevel climate actions of countries and cities:

- **The GCoM Multilevel Climate Action Playbook for Local and Regional Governments**, providing key elements for an enabling environment that can weave climate ambition and action of local & regional governments into national policy developments to accelerate the vertically integrated NDC implementation and investment plans;
- **The Global Covenant of Mayors Aggregation Report 2021** – numbers, data, results and impacts of the GCoM cities and the alliance in 2021.

4. Agenda of the Event are as follows;

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European Pavilion and Online

Introduction

National and local governments will identify the most effective way for integration of city-level Climate Action Plans within the NDC multilevel implementation process, involving financial institutions for a faster unlocking of climate action financing. New GCoM country-tailored initiatives to support multilevel climate action will be launched.

Agenda

Introduction and Housekeeping – <i>Giorgia Rambelli, GCoM Secretariat</i>
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5 min	Importance of Multi-Level Governance – GCoM Mayor tbd
5 min	Localizing NDCs - Playbook of strategies and tools by local, regional and national authorities – Benjamin Jance, GCoM Secretariat
35 min	Pitch/Presentation by guest speakers (7 min for each speaker) - <ul style="list-style-type: none">• UNFCCC: the importance of multilevel integrated action for effective implementation of NDCs - TBD• MOJE Japan: localizing the Japanese NDC on the road to climate neutrality - TBD• Utrecht: local action planning and multi-level target setting in Europe – <i>Sharon Dijksma, Mayor of Utrecht</i>• EIB: how to fund action at scale? - <i>Giulia Macagno, Head of Unit, European Investment Bank</i>• The GCoM support to multi-level implementation of Climate Action Plan – <i>Pier Roberto Remitti, GCoM Secretariat</i>
5 min	Numbers on the spotlight - presentation of the Global Covenant of Mayors Aggregation Report 2021 – Andy Deacon, GCoM Secretariat
10 min	Final Messages: Supporting local energy transition via the Green Deal <i>Liviu STIRBAT, Deputy Head of Unit, European Commission, Directorate General for Climate Action, Adaptation</i>

Guiding “hooks”:

- IPCC Report
- GCoM Global Impact Assessment Report
- GCoM Playbook of strategies and tools to localize NDCs

Potential questions for the interaction with the Audience via [Sli.do](#) : TBD