



## **STATE OF PALESTINE**

### **Implementation Roadmap for the Nationally Determined Contributions (NDC) Under United Nations Framework Convention on Climate Change**

#### **"Guidance Note"**

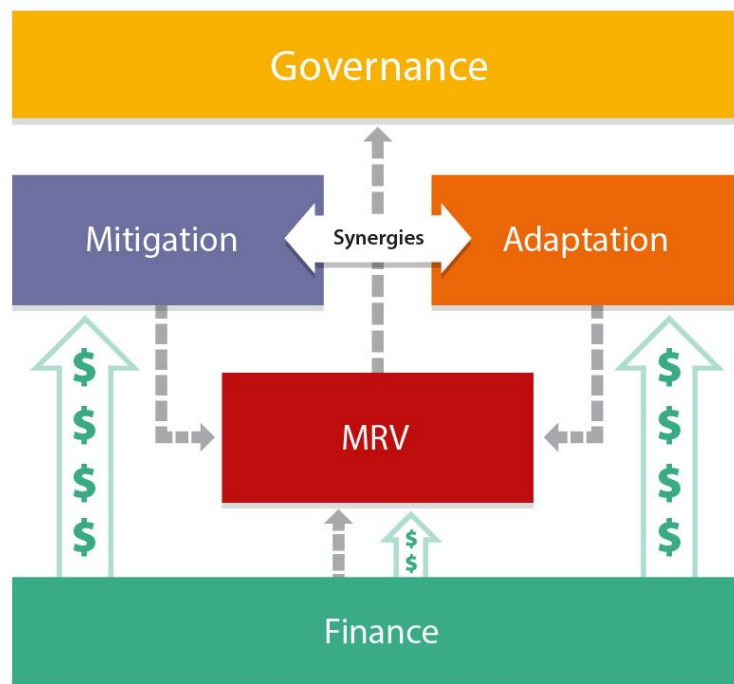
# 1 Introduction

In March 2016, the State of Palestine became a Party to the UNFCCC and one month later signed and ratified the Paris Agreement. As such, the State of Palestine will be submitting its first NDC in 2017. The NDC is consistent with the Initial National Communication Report (INCR) and the National Adaptation Plan (NAP), which were reviewed and approved by stakeholders in 2016. The NDC is also consistent with the recently developed draft sectoral strategies. This means that the actions put forward in the NDC have been discussed with stakeholders and agreed at the ministerial and sectoral level.

This document suggests next steps for planning the implementation of the State of Palestine's NDC, with Annex 1 providing an outline MRV system for tracking the implementation of the NDC. The approach and structure of the document draws on Ricardo Energy & Environment's 5 module framework for NDC implementation, as shown below:

- **Adaptation:** integrated adaptation planning builds long-term resilience to the impacts of climate change by mainstreaming adaptation into national and sectoral plans, drawing on UNFCCC's National Adaptation Plan process.
- **Mitigation:** long-term mitigation strategies aim to reduce greenhouse gas emissions through national and sector plans that are aligned with development priorities, and by using the right tools to minimise costs and deliver transformational changes.
- **Finance:** a climate finance framework should match a country's needs against funding streams, and include strategies to access these.
- **Monitoring, Reporting and Verification (MRV):** these systems track implementation and apply the lessons learned, thus enhancing analytical capacity and understanding about which policies and actions work best, and why.
- **Governance:** good governance maintains momentum in implementing NDCs. This includes: creating an enabling environment for action; driving progress; coordinating activities, processes and structures for decision-making; stakeholder engagement, both inside and outside of government; and maintaining strong political will at the highest levels.

Figure 1: Ricardo Energy & Environment's 5 module framework for INDC implementation<sup>1</sup>



<sup>1</sup> For further information please see: <http://www.cdkn.org/ndc-guide/>

## 2 Next steps for NDC implementation

This section set out suggested next steps for NDC implementation. Note that not all activities are sequential and many can be implemented in parallel. The next steps and their indicative timings are intended as a guide only.

### 2.1 Mitigation

The NDC sets out the below mitigation outcomes for the State of Palestine:

- **Independence scenario:** 24.4% by 2040 relative to Business as Usual (BAU), conditional on international support in the form of finance, technology transfer, and capacity building.
- **Status quo scenario:** 12.8% by 2040 relative to BAU, conditional on international support in the form of finance, technology transfer, and capacity building.

The NDC presents all mitigation actions that were prioritised within the INCR (both the 'realistic' mitigation actions and 'all' mitigation actions) and specifies that their implementation is conditional on receiving international support. These actions are listed below:

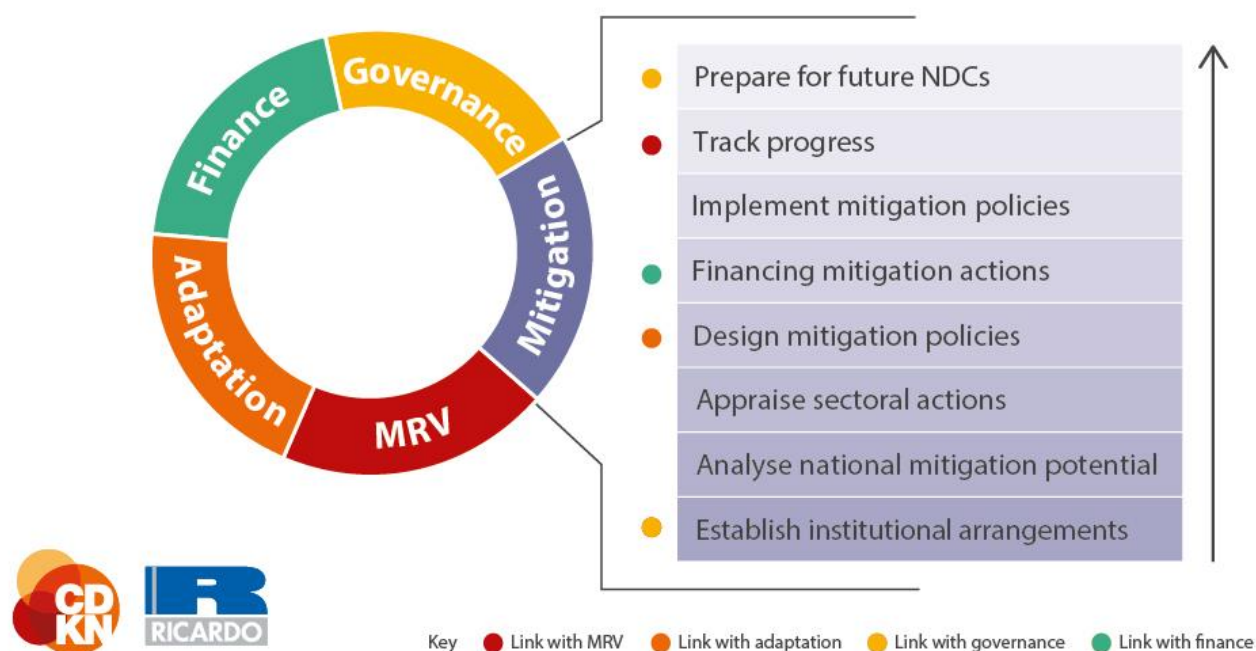
- Solar photovoltaic
- Energy efficiency in buildings
- Use of waste for cement production
- Use of waste for electricity generation
- Reduction of methane from landfill
- Energy efficient lighting
- Hybrid electric vehicles
- Compressed natural gas powered vehicles
- Modal shift programmes
- Afforestation

In addition to the ten conditional mitigation actions above, during the process of developing the NDC, new conditional mitigation actions were identified since the publication of the INCR; these were also included in the NDC.

Lastly, the mitigation component of the NDC includes a number of mitigation actions already funded and/or being implemented in the energy and agriculture sectors. These have been included in the NDC as unconditional mitigation actions, i.e. actions to which the State of Palestine (commits to undertake unconditionally (planned or under implementation).

Figure 2 below presents an NDC implementation framework for implementing the conditional and non-conditional mitigation actions in the NDC.

**Figure 2: Mitigation activities relevant to NDC implementation**



Building on the work already undertaken in the INCR and for the NDC - including work already done to analyse the national mitigation potential to identify priority sectors and mitigation options, and the identification of a coordinating entity within government for both policy design and implementation - we suggest the following steps:

- **Undertake barriers analysis for each priority mitigation action**
  - Assess the enabling environment for each action, for example domestic policy support frameworks and institutional barriers.
  - Understand the mix of financial and non-financial measures required to successfully implement each action.
- **Appraise policy options to deliver the mitigation actions**
  - Undertake an initial review of options for delivering the actions (e.g. fiscal instruments, regulations, standards, information campaigns).
  - Consider any actions that may be needed outside of each sector to support the sector achieving its targets.
- **Design the required policy(s)**
  - Agree the most appropriate policy options for delivering the identified mitigation actions.

- Design the policy, including information on the proposed policy, the expected impacts (including co-benefits), feasibility studies, alignment with similar policies and possible funding options.
- Consider the broad set of outcomes that the policy should achieve, including supporting SDG implementation and gender equity.
  - Gender-responsive climate change mitigation involves asking who should decide on the consumption of energy at the household level, who prioritises sources of energy at the national level, how technology and energy choices can address the unequal division of unpaid labour between men and women, and which technologies and emission levels are decided by governments and who takes this decision.
  - For example, consider targeted financing mechanisms such as payment plans and pay-as-you-use models to facilitate the provision of energy services for poor households.
- Consult with relevant stakeholders when designing the policy.
- **Agree arrangements for ongoing implementation**
  - Develop MRV arrangements for the policy
  - Agree the policy implementation plan, with clearly defined activities, timelines, and roles and responsibilities.
- **Implementation**
  - Implement the policy, putting in place appropriate frameworks for programme management, MRV and stakeholder engagement.
- **Resources and support**
  - Organise capacity-building for the institutions that will deliver the policy, to administer and successfully implement it. This will also help with developing expertise in project implementation and financing.
  - Develop any communications and guidance that may be needed to support the implementation of the policy (e.g. marketing materials and technical guidance).
- **Evaluate policies, structures and processes**
  - Evaluate the policy and make changes as appropriate, involving key stakeholders (including women) to ensure the policy is effective, user-friendly and sustainable.

The State of Palestine will also need to access finance for the mitigation actions (see section 2.5) and to develop an MRV system for tracking the implementation of the actions (see section 2.4 and Annex I).

## 2.2 Adaptation

The State of Palestine has developed its NAP and included associated outputs in the INCR. The NDC presents all of the adaptations options in the NAP and specifies that their implementation is conditional on receiving international support. In addition to these conditional adaptation options, during the process of developing the NDC, new conditional adaptation actions were identified since the publication of the NAP; these were also included in the NDC.

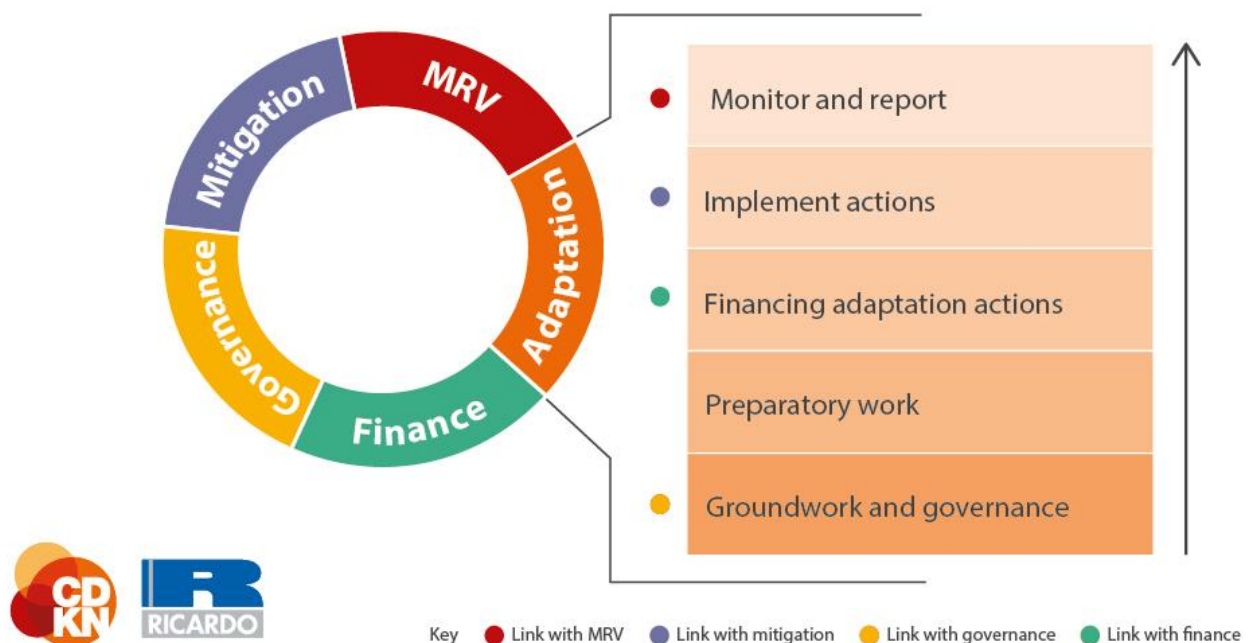
The adaptation component of the NDC also includes a number of adaptation actions already funded and/or being implemented in the food, agriculture, and water sectors. These have been included in the NDC as unconditional adaptation actions.

The UNFCCC technical guidelines for the NAP process produced by the Least Developed Countries Expert Group identify four main elements for NAP development and implementation:

- Element A- Lay the groundwork and address gaps
- Element B - Preparatory elements
- Element C - Implementation strategies
- Element D - Reporting, monitoring and review

Figure 3 below provides a summary of how these NAP elements relate to NDC implementation.

**Figure 3: Adaptation activities relevant to NDC implementation**



The first two activities above (Groundwork and governance - Element A of the NAP process, and Preparatory work - Element B of the NAP process), have been almost entirely completed during development of the State of Palestine's NAP. Hence, next steps for NDC implementation in relation to adaptation in the State of Palestine are recommended to focus on:

- Preparatory work (Element B of NAP process)
  - Integrating climate change adaptation into national and sub-national development and sectoral planning
- Implement actions (Element C of NAP process)
  - Prioritising climate change adaptation in national planning
  - Developing a long-term national adaptation implementation strategy
  - Enhancing capacity for planning and implementing adaptation
  - Promoting coordination and synergy at the regional level, and with other multilateral environmental agreements.
- Monitor and report (Element D of NAP process)
  - Monitoring the NAP process (see Section 2.4 and Annex 1 for more information).

## 2.3 Governance

In its NDC, the State of Palestine advises that the Environment Quality Authority (EQA) has the mandate for NDC implementation within the State of Palestine. Its remit is recommended to include supporting the sectors with the planning and implementation of mitigation and adaptation actions, the assessment and communication of support needs (nationally and internationally) and the monitoring, reporting and verification (MRV) related to NDC implementation, coordinating and improving cooperation among ministries on climate change, and mainstreaming mitigation and adaptation. The NDC foresees a strong role for ministries leading the sectoral actions highlighted in the NDC, integrating NDC implementation wherever possible into the implementation of sectoral strategies and action plans at both the national and local levels.

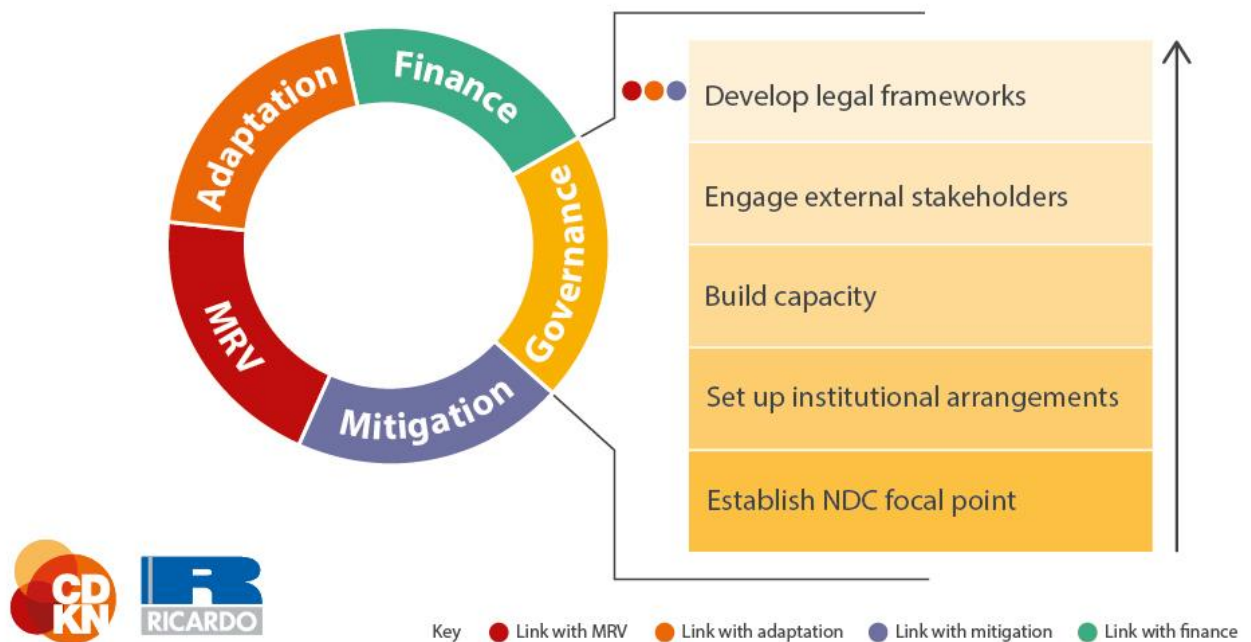
Another project entitled "Provision of services to implement the Capacity Development Action Plan on Climate Change – Phase 1" is being undertaken simultaneously alongside the NDC project. This project is reviewing the institutional framework for climate change and recommending improvements to the institutional structures for delivering climate change policies and in particular the proposal to establish a Disaster Risk Reduction and Climate Change General Directorate within the main beneficiary (EQA). The outputs of those projects could further inform the State of Palestine's proposed NDC implementation governance structure.

Whichever approach is adopted,

Figure 4 below presents an NDC implementation framework for implementing the conditional and non-conditional mitigation actions in the NDC.



Figure 4: Governance activities relevant to NDC implementation



Hence, next steps for NDC implementation in relation to governance are recommended to focus on:

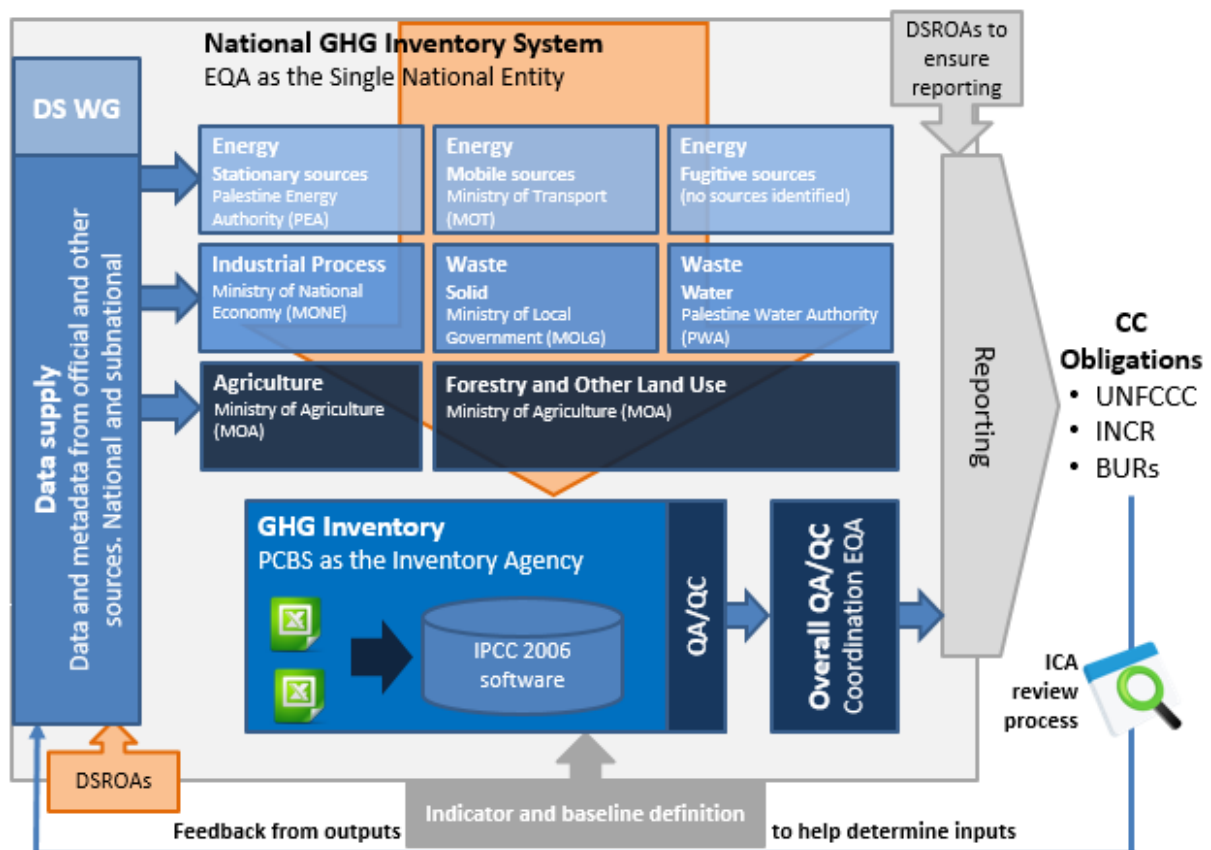
- EQA establishing an NDC coordination unit. This could involve any or all of the below activities:
  - Defining the role of the coordination unit with regards to the implementation of the NDC
  - Agree the unit's role and agree ensuing cooperation approaches with relevant ministries involved in NDC implementation
  - Ideally enshrining the creation of the coordination unit and its role at a legal level
  - Based on the unit's role, defining the number of staff members required and their roles. On this basis, budgetary requirements for the unit can be defined.
  - Identify and allocate budget for the unit, ideally on a long-term basis. This might include funding from international donors. This step links to the finance framework for NDC implementation.
  - Seek suitable staff for the unit and integrate them into the existing structure.
- The NDC coordination unit to set up institutional arrangements for implementing the NDC:
  - Define how the NDC coordination unit's role will be implemented in practice
  - Identify cooperation and communication processes with the line ministries for the planning and implementation of mitigation and adaptation actions, identification and allocation of climate finance, and monitoring reporting and verification

- Consider the need for memoranda of understanding supporting the cooperation processes with other ministries (e.g. related to data sharing for MRV or the climate finance plan)
- Based discussions with the line ministries, the NDC unit to elaborate an NDC implementation plan, detailing which actions are to be implemented and by when, the required funding and the funding sources, the institutions responsible for implementation, potential interactions between actions in their implementation (with some action being dependent on another action being implemented first). This plan is likely to require updating over time in careful alignment with the line ministries.

## 2.4 Measurement, reporting and verification systems (MRV)

At the moment, the State of Palestine has an MRV system for their greenhouse-gas (GHG) inventory which was developed as part of the INCR. Figure 5 presents the institutional set up for data collection for the GHG inventory system. All stakeholders represented in the figure have received training on the data needs to develop a GHG inventory and on how to develop the inventory itself in line with UNFCCC requirements using the 2006 IPCC software.

Figure 5: State of Palestine's National GHG inventory system<sup>2</sup>

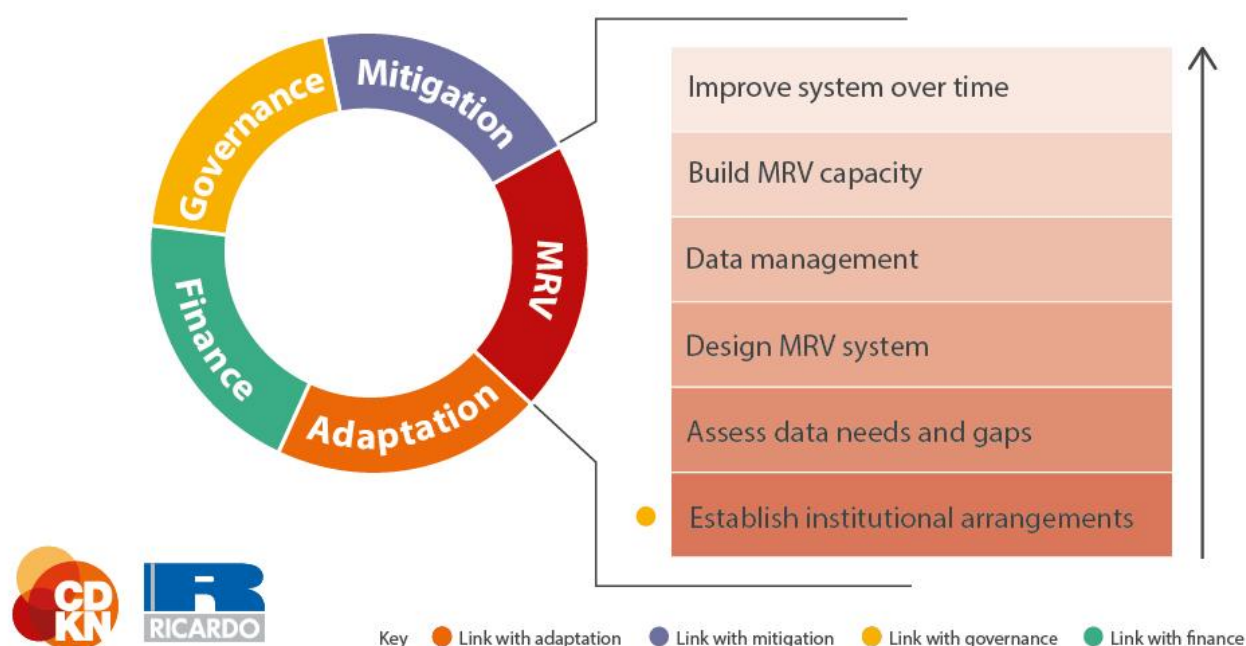


<sup>2</sup> INCR

Figure 6 provides a summary of activities to develop an MRV system for NDC implementation. The key components of an MRV system for NDC implementation include:

- A national GHG inventory
- Tracking of mitigation actions
- Tracking of adaptation actions
- Tracking of support (climate finance, capacity building and technology transfer).

**Figure 6: MRV activities relevant to NDC implementation**



While work is underway on the GHG inventory, there is still work has yet to develop tracking of mitigation activities, adaptation activities and support. Annex 1 outlines a possible structure for an NDC MRV system for the State of Palestine.

The NDC MRV system will provide information for political decision-makers to steer adaptation and mitigation actions to maximise mitigation (an international benefit), but also the specific benefits for the country, which, apart from increased climate resilience, potentially include job creation, reduced dependency on fuel imports, education, health, access to power, etc. Information required for this purpose, includes data on implementation and impacts of mitigation and adaptation actions (e.g. GHG reduction and job creation for mitigation actions, e.g. increased resilience for adaptation actions), international support received for any of those measures or other activities related to NDC implementation and data from the GHG inventory to understand how mitigation actions as a total impact national and sectoral emission levels over time. The approach foresees EQA annually receiving relevant information from the line ministries, and to evaluate and report the information nationally and internationally, with a strong integration of international reporting into the existing

UNFCCC reporting processes already set-up at the national level. The evaluation would allow EQA and the line ministries to actively steer mitigation and adaptation actions to maximise benefit for the State of Palestine and to achieve the set targets.

Hence, next steps for NDC implementation in relation to MRV are recommended to include:

- Assess existing data collection processes, reporting processes and capacities within the Environment Quality Authority and the line ministries. This need not be a lengthy task and can focus on understanding what is there, so it can be considered as a basis for setting up the NDC data collection, evaluation and reporting processes.
- Define roles of the institutions involved (EQA and the line ministries), identify focal points for MRV in each line ministry, and potentially identify sectoral responsibilities among staff at the coordination unit.
- Agree indicator sets for each sector related to GHG emission levels, mitigation, adaptation and support, as well as at the national level. Partly, national level data can simply be summarised from sectoral data (e.g. total support received).
- Define when and in which format indicator data is to be provided. Consider using a reporting template, ensuring all relevant data is provided with the right units.
- Define processes for the assessment, evaluation<sup>3</sup>, reporting and documentation of the data received, including quality control / quality assurance approaches. These steps should be integrated into existing UNFCCC reporting processes as far as possible (requirements related to the Paris transparency framework which remain to be agreed). Consider whether an institution not involved in the data collection and evaluation process could be able to perform quality assurance.
- Define a process for feeding the results of the evaluation back to the relevant stakeholders. This could be done in the form of an annual meeting where the results of the evaluation are presented and discussed, involving at least the coordination unit and the focal points at the line ministries. At this meeting, the current status, successes and potential shortcomings as well as necessary action could be discussed. Involving higher-level management at the line ministries might have the benefit of achieving stronger buy-in for the INDC implementation process, including the need for enhanced action, where there are delays to the implementation plan or measures require adjustment as they do not yield the desired impacts.

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<sup>3</sup> The evaluation would not be a project evaluation using the OECD DAC criteria as this is usually done for development projects. The evaluation in this specific case would focus on whether mitigation and adaptation actions are implemented and achieve the aims that were set for them. Combining mitigation action indicators and GHG inventory indicators at the sectoral and national level allow understanding how the actions influence national/ sectoral GHG emissions. Once impacts are understood, it can also be assessed, whether the support received for implementing these measures, was used the most efficient way possible. The aim of the evaluation is to understand, whether adjustments to mitigation and/or adaptation actions are required to achieve the set aims and/or whether adjustments to the use of support received allow increasing the efficiency of this use.

## 2.5 Finance

The NDC sets out mitigation and adaptation actions which will be implemented conditional on receiving support from the international community, and provides costs for implementing those mitigation and adaptation actions.

For the mitigation actions, costs were taken from the INCR, where mitigation costs were based on abatement costs (i.e. unit currency per unit GWP abated). These were produced using GACMO<sup>4</sup>, a simple GHG mitigation costing tool created by UNEP DTU. GACMO allows users to vary key parameters in existing mitigation potential assessments; using this technique, users can derive abatement costs for mitigation measures that make use of locally-applicable assumptions. This means the cost estimates for the mitigation measures are based on proxy international data within GACMO for project types similar to those in the INCR- hence, the cost estimates produced are not specific to the Palestinian context, and should be considered 'ballpark' estimates only.

The mitigation costs in the NDC were based on total up-front investment costs (i.e. capital expenditure) for the mitigation actions to 2040, assuming the general 'independence' scenario. The estimates will only take account of discount rates where GACMO accounts for discount rates.

These costs are reflective of the level of effort that will be required in the short term but not necessarily reflective of the net, long-term cost of these measures. This is because the cost estimates focus on capital costs, thereby neglecting the long-term operating costs and any potential cost savings.

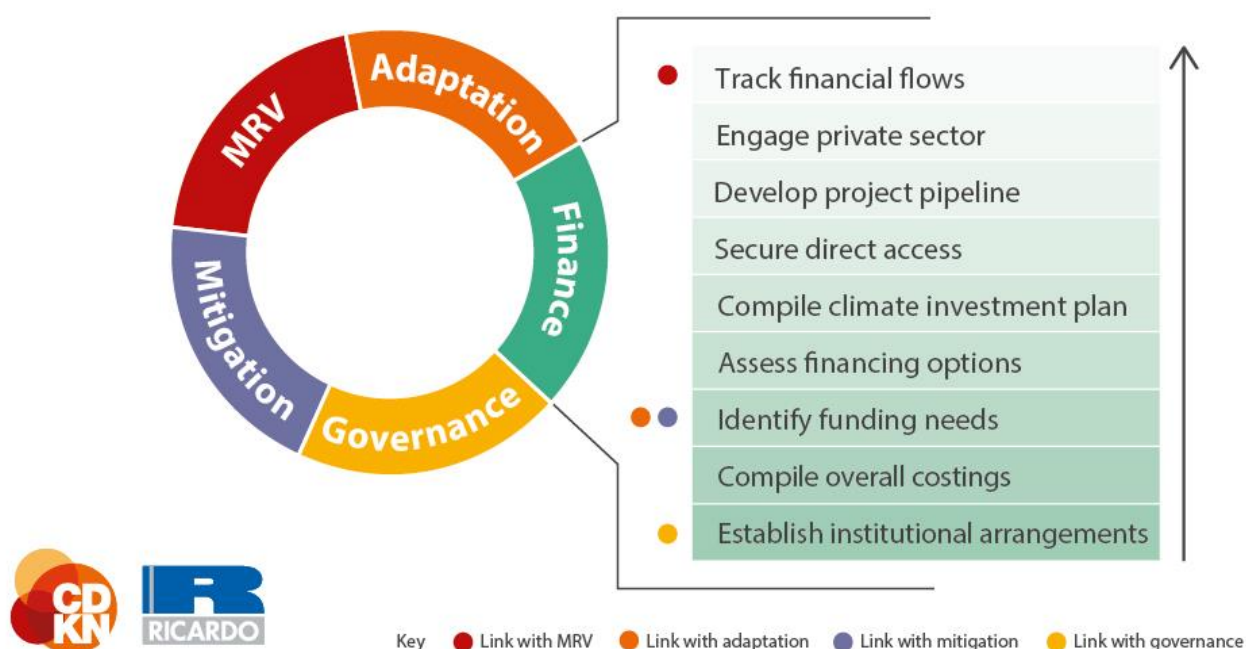
For the adaptation actions, costs were taken from the NAP. Costs for each adaptation option were estimated for years 1-5 and 6-10 by the key stakeholders from each of the 12 'highly vulnerable' sectors. Stakeholders were provided with prompts to aid their consideration of the scale of costs. The costs were then reviewed and finalised by EQA.

Figure 7below provides a summary of the activities that can be taken to finance NDC implementation.

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<sup>4</sup> Greenhouse Gas Costing Mode (GACMO); see <http://www.namapipeline.org/>

Figure 7: Finance activities relevant to NDC implementation



Key steps towards an NDC climate finance framework entail matching national as well as international funding with the actions outlined in the NDC and developing financing propositions that can be shared with public and private sector funders.

Next steps for financing NDC implementation are recommended to include:

- **Improve current costing estimates:**
  - Mitigation measures have been initially costed using international proxy data (to provide indicative figures for the INCR and NDC), but could be undertaken in more detail – for example using Palestinian data.
  - Costs related to delivering the NDC implementation plan –the creation of a climate finance plan (or climate investment plan), operation of the NDC coordination unit, and development of the MRV system for NDC implementation.

- **Climate finance governance**
  - Identify and delineate key roles on climate finance
    - Consider internal government focal points with bilateral and multilateral funders (including but not limited to adaptation and mitigation projects).
    - Consider establishing a cross-ministerial working group to enhance coordination on climate finance issues
  - Identify a team within government to lead on national climate finance coordination, including the development of an NDC financing plan. For example, this could be within the ministry of finance and planning (MOFP), EQA, or the prime minister's office. It should ideally be a gender-balanced team and have the mandate to:
    - strategically plan and coordinate the access, mobilisation, disbursement and tracking of climate finance across the country
    - establish and maintain communication with government focal points and with bilateral and multilateral funders
    - ensure coordinated engagement with funders via these government focal points
    - disseminate information to country stakeholders regarding funding criteria and the operational requirements and procedures of major funders.
  
- **Assess the funding status of each NDC mitigation and adaptation action**
  - Identify existing and projected domestic budgetary support for each NDC action
  - Consider available domestic budgetary support, as well as any expected bilateral and/or multilateral support and private sector finance.
  - Identify which actions and sub-actions have yet to be fully funded.
  
- **Identify the level and type of support needed to address each funding gap**
  - Assess the amount and type of support required to close each funding gap (e.g. capacity-building, technical assistance, finance) and the likely type of funding source (e.g. government, bilateral and multilateral funders and private sector).
  - This could require further scoping out the mitigation and adaptation actions in more detail, to identify the amount and type of support for different project components.
  
- **Assess public and private financing options**
  - Assess the potential for further domestic fiscal support for each action
    - Review existing development policies, programmes and infrastructure project pipelines to assess the potential for 'greening' these activities, for example extending or amending these to include NDC priorities, and screening the climate risks or mitigation potential associated with these projects.

- Identify opportunities to mainstream climate change priorities into the national budgetary and infrastructure planning process. This can indirectly increase domestic and international fiscal support for climate change initiatives. See the governance module for more details regarding integrating NDC implementation across government.
- Additional engagement with key departments may be required, including planning, finance and sectors involved with NDC implementation, at both the national and sub-national levels.
- Consider what information on the co-benefits of climate action might be useful to these departments, to obtain buy-in and support.
- Assess the eligibility of each action against bilateral and multilateral funding sources
  - Consider the country's history of accessing funds from bilateral and multilateral sources to identify potential funders with whom the country already has a relationship. These could potentially be approached in the short-to-medium term regarding financing for priority NDC activities.
  - Identify any new sources of multilateral and bilateral finance that could potentially support the actions.
  - Assess the eligibility of each action against the funding criteria for existing and potential new bilateral and multilateral funding sources.
  - Hold initial meetings with potential international funders to scope out their interest and ability to address funding gaps
- Assess options for private sector investment for each action
  - Assess the suitability and potential attractiveness of each action to the private sector. This can be done by determining if the action is likely to generate a predictable future revenue stream that can cover the costs and generate profit (e.g. electricity sales to consumers where there is large unmet energy demand), or if the government may consider directly paying private sector investors (e.g. a public–private partnerships where assets are built and the government pays investors for delivering services).
- **Development of concept notes and/or full funding proposals to be submitted**

### 3 Timeframe for implementation

Table 1 **Error! Reference source not found.** presents an indicative timeframe for the next steps presented in Section 2. The table assumes that funding is available for each task; in practice, funding may need to be identified for any individual tasks in order to take their implementation forward.



**Table 1 Suggested timeframe for key steps in preparing the NDC implementation – 10 year plan**

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# Annex I–Suggested MRV system for the implementation of State of Palestine’s Nationally Determined Contributions

## A1 Background

### A1.1 The State of Palestine’s NDC

The State of Palestine plans to submit its Nationally Determined Contribution (NDC) to the secretariat of the United National Framework Convention on Climate Change (UNFCCC). The NDC sets out two scenarios for its conditional mitigation contribution (independence versus status quo) and the mitigation actions to be undertaken to achieve these. The NDC also presents several mitigation actions which Palestine will undertake unconditionally. The NDC sets out priority adaptation actions, based on the NAP. Lastly, the NDC describes the international support required in terms of climate finance, technology and capacity building to implement both the adaptation actions, and conditional mitigation actions.

NDCs are documents submitted to the UNFCCC to fulfil the requirements of the Paris Agreement. From a national point of view, the mitigation and adaptation actions are considered to be highly beneficial to the country, by enabling the State of Palestine to embark on a green growth and climate resilient development route. In order to reap these benefits at the national level and steer towards the achievement of the NDC in an efficient manner, the implementation of these actions as well as their impacts need to be tracked.

### A1.2 MRV, NDCs and the Paris Agreement

At the international level the tracking of progress towards the contributions within the NDCs is generally referred to as measurement, reporting and verification (MRV). References to MRV are interwoven throughout the Paris Agreement, but are primarily found in Article 13. The transparency framework mentioned in Article 13.1 will help track mitigation and adaptation actions (Articles 13.5 and 13.6) and allows flexibility for certain parties (Article 13.2), including least developed countries. The specific requirements of the framework remain to be agreed, but will build on and enhance the existing transparency arrangements under the UNFCCC, such as National Communications, Biennial (Update) Reports, International Assessment and Review and International Consultation and Analysis, as well as introducing a new option to report on adaptation communications.

The new transparency framework will inform the global stocktake (Article 14), which will be used to assess global progress against the goals of limiting warming to 2°C or, more ambitiously, 1.5°C. The Capacity Building Initiative for Transparency is established (Decision 1/CP21, para 85) to support developing countries with meeting the enhanced transparency requirements under Article 13.

This document presents first ideas for a system allowing the efficient track of the State of Palestine’s NDC, a so-called NDC MRV system.

## A 2 Considerations for the MRV system

In drafting a basic outline of the MRV system, a number of requirements have been considered. With regards to scope, the system aims to cover:

- Mitigation actions and their impacts
- Adaptation actions and their impacts
- Climate finance received and requested.

For efficiency reasons, this information is ideally compiled by one designated institution. Collection of the information on implementation and impacts is, however, often more efficiently collected by entities close to the planning and implementation of the actions. Data collection might therefore take place through other entities than compilation and reporting.

From a national perspective, steering towards the NDC contribution requires information on implementation and impacts of mitigation and adaptation actions, but also climate finance required received. This information is also required for Biennial Update Report and National Communications. At the same time, information on the impacts of mitigation actions implemented does not give a full picture on progress towards the mitigation contribution. A national greenhouse gas (GHG) inventory, providing an overview of GHG emission levels over time, is required. GHG inventory data also has to be reported in BURs and National Communications. While compilation of the international reports might not take place within the same entities, efficient exchange of the appropriate data at the right time in the right formats has to be ensured.

Finally, to ensure efficiency, the set-up of an NDC MRV system should be based on existing structures, processes and capacities wherever possible. This does not only relate to integration with BUR and National Communication processes, but also to allocating relevant tasks to teams with existing capacities and using and extending existing communication channels and agreements.

## A 3 Suggestions on Institutional Structures

### A 3.1 MRV of mitigation and adaptation actions

Based on the above considerations, the following key roles within the MRV system are foreseen to be:

- Collection of indicator data on implementation and impacts of mitigation and adaptation actions, as well as on support received and support required
- Combination with GHG inventory data, allowing to further assess the mitigation impact of the mitigation actions
- Evaluation of data to understand the need to adjust/extend mitigation and/or adaptation actions

- Compilation of the data into an NDC implementation report,
- Provision of guidance on collection and reporting of indicator data,
- Exchange of data with BUR and National Communication compilation processes.

It is recommended that evaluation, compilation, provision of guidance and data exchange are covered by one entity, which could be the Environment Quality Authority (EQA). This unit will be familiar with the mitigation and adaptation actions to be implemented. However, data collection should take place at the sectoral level, led by their Ministries overseeing sectoral action. This would include:

- Palestinian Energy Authority – for energy (stationary sources) related mitigation and adaptation activities
- Ministry of Transport – for energy (mobile sources) related mitigation and adaptation activities
- Ministry of National Economy – for industrial process emissions when they become relevant (i.e. when cement production begins)
- Ministry of Local Government – for solid waste related mitigation and adaptation activities
- Palestine Water Authority – for waste water related mitigation and adaptation activities
- Ministry of Agriculture – for agriculture and forestry and other land use mitigation and adaptation activities

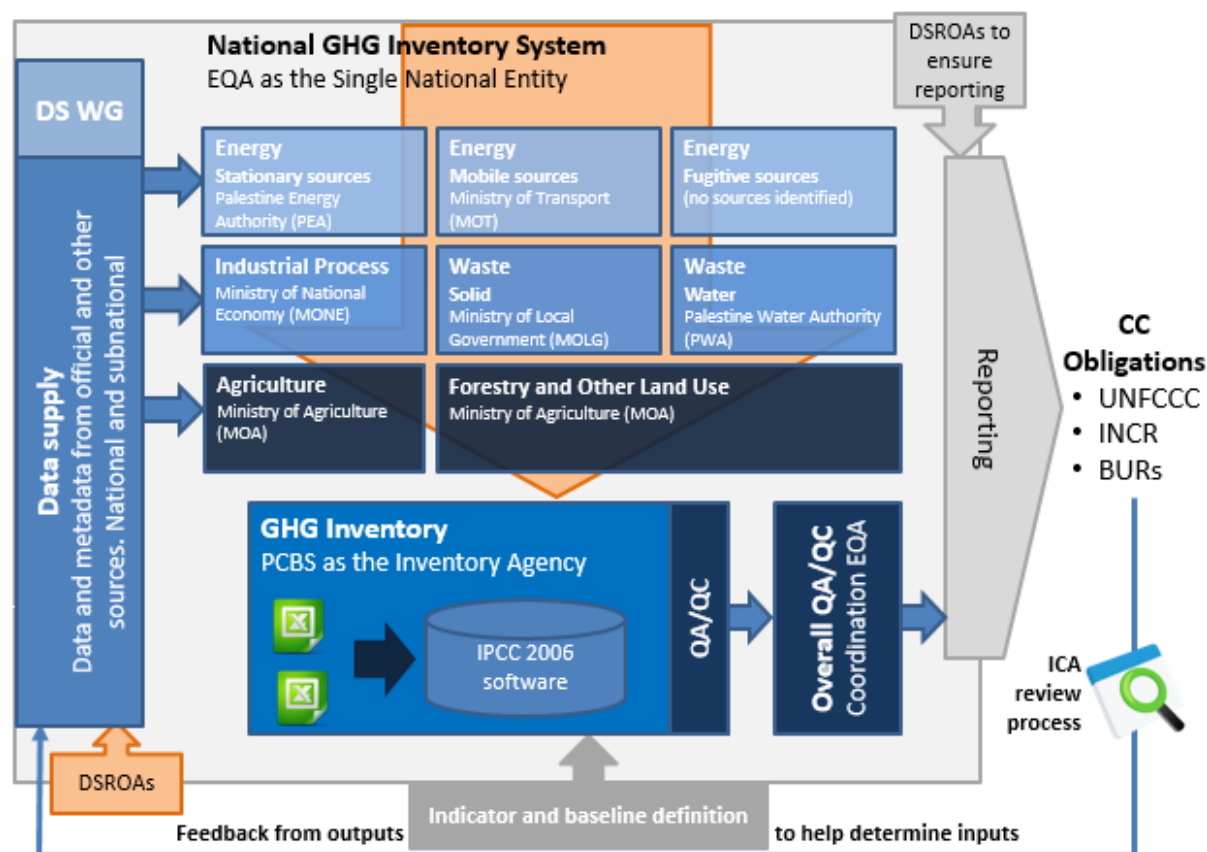
As adaptation plans or strategies might be developed for other sectors, the list might be extended by EQA to other responsible ministries.

The above ministries have already been working on collecting data and sharing it with the Palestinian Central Bureau of Statistics (PCBS) as part of the national GHG inventory system which in itself is an MRV system at the national and the sectoral level.

Figure 1Figure 8 presents the institutional set up for data collection for the GHG inventory system that was developed as part of the work for the Initial National Communication Report (INCR). All stakeholders in the figure have received training on the data needs to develop a GHG inventory and on how to develop the inventory itself using the 2006 IPCC software.



**Figure 8: State of Palestine's National GHG inventory system**



Notes:

DSROAs = Data Supply and Reporting Obligations

BUR = Biennial Update Report

DS WG = Data Supply Working Group

ICA = International Consulting and Analysis

The above figure denotes the PCBS as the Inventory Agency. As a minimum, national GHG inventory data will be available every second year. The most recent national GHG inventory, which covers 2011 GHG emissions, has been developed with the PCBS and long-term structures for the regular compilation of a national GHG inventory were set up. As such:

- data on mitigation and adaptation actions and on support goes to EQA
- data for the GHGI goes to PCBS
- PCBS communicate the finalised GHGI to EQA.
- EQA only compiles the data for the NDC report, but does not compile the GHGI.

In order to ensure clear communication, it is important to appoint an NDC-MRV focal point in each of the ministries listed above and for each of the topics. These can be the ministries that are already part of the National Committee on Climate Change<sup>5</sup> (NCCC).

The focal points would be responsible for the provision of the relevant data to EQA. Based on this information, EQA would regularly compile a report on the NDC implementation status. The compilation process would include quality control processes on the data received. This report would allow understanding progress towards the target, support required, and efficiency of implementation and could, where necessary, highlight the need for less successful mitigation or adaptation actions to be adjusted or discontinued. This relationship is presented in Figure 9.

**Figure 9 Suggested roles and responsibilities**

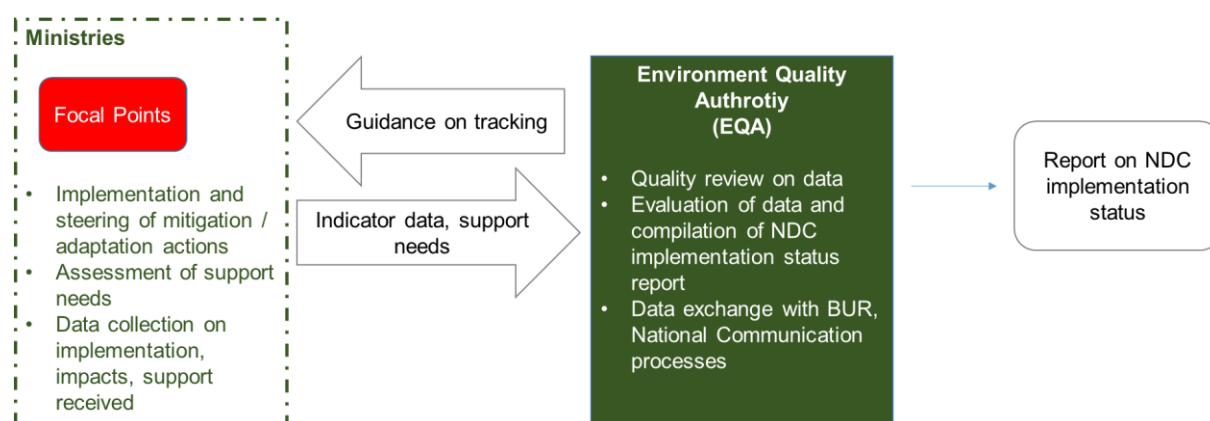
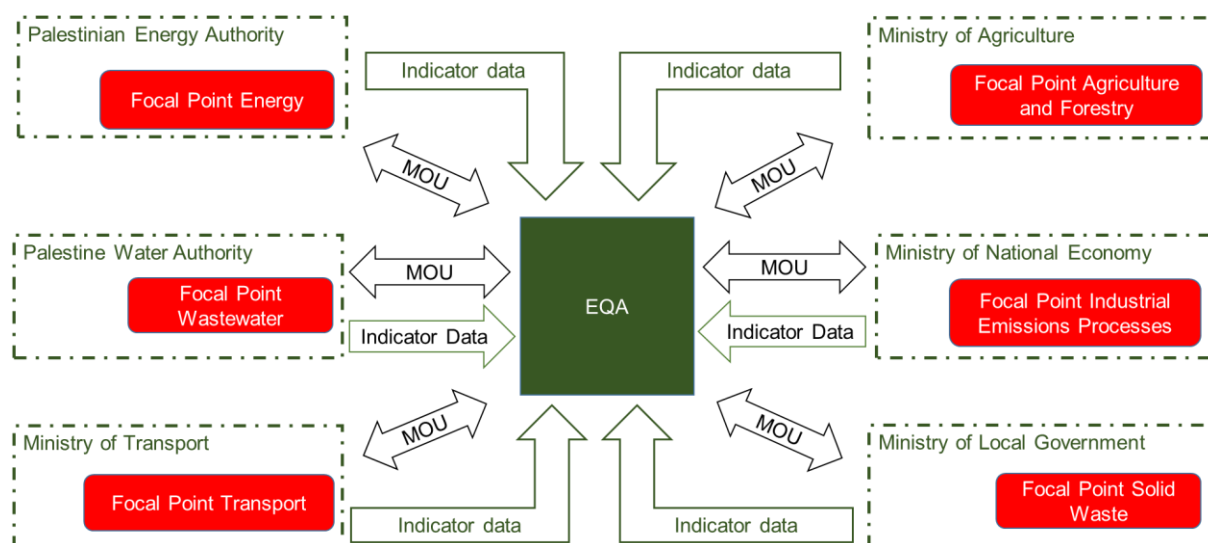


Figure 10 further specifies the above, by naming the ministries and their focal points. In order to ensure regular provision of the relevant data in a timely manner, it is suggested that Memoranda of Understanding (MOU) are set up between EQA and the respective ministries. The MOU could specify that data is exchanged, what type of data is exchanged and at which frequency. The MOU might also specify the focal point(s). Ideally, these MOUs are supplemented by more specific documents (or annexes to the MOU), which specify exactly, which data should be provided, when and how it should be quality checked before submission. Where data exchange approaches have already been set up for the purposes of BUR and National Communication reporting, these could be extended and institutionalised through MOUs as required.

<sup>5</sup>The NCCC is an expert advisory committee, which supports the Palestinian Government in the implementation and evaluation of its climate policies. It advises on where attention is required with regard to risks and on GHG mitigation and adaptation needs. The NCCC, on behalf of the Palestinian Government, is responsible for preparing climate-related policies, and following decisions by the Cabinet, monitoring implementation of these policies. EQA chairs the NCCC.

**Figure 10 Data flows and institutional structures**



Care should be taken to avoid reporting of the same information to the PCBS and EQA. Our suggestion is that the PCBS receives all information relevant to the national GHG inventory and provides the final inventory as well as key indicators taken from the inventory to EQA, while all data related to adaptation, mitigation and support is directly reported to EQA. The data exchange between EQA and the GHG inventory system might also require an MOU.

### A 3.2 MRV of support

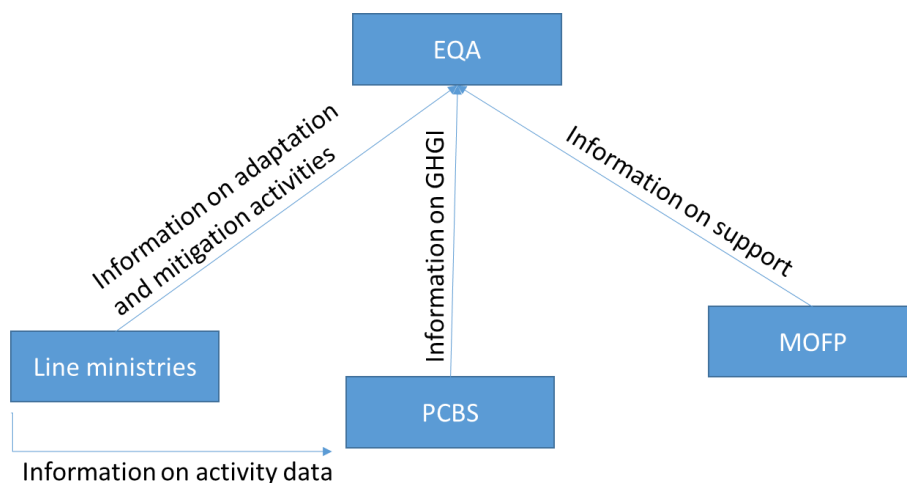
MRV of support aims to track international climate finance, capacity building as well as technology transfer received for adaptation and mitigation activities and any other activities relevant to the implementation of the NDC. Tracking support is crucial to assess the efficiency of use of the support received. As the State of Palestine's mitigation and adaptation targets are conditional upon receipt of international support, tracking such support is a key element of an NDC MRV system for Palestine.

At the moment, the Ministry of Finance and Planning (MOFP) is alerted of all domestically and internationally funded projects; but they have not yet started tagging climate projects as climate finance. It would seem sensible for the MOFP to be a key ministry for the MRV of support.

### A 3.3 Proposed overall MRV institutional set up

Based on the descriptions above – a proposed MRV institutional set up is presented in the figure below.

**Figure 11: Proposed institutional set up for MRV of NDC implementation**



## A 4 Indicators

To facilitate compilation of the NDC implementation report as well as the BUR and National Communication, data collection should be standardized as far as possible. While implementation and impact related indicators will of course have to be adjusted to the actions they relate to, the approaches for selecting these indicators and the formats for reporting the data, should be the same. The WRI Policy and Action Standard<sup>66</sup> provides such processes for the assessment of potential impacts and setting of suitable indicators for implementation and impacts of actions. EQA could provide dedicated guidance on the approach for developing suitable indicators, e.g. starting with a half-day introduction workshop and supporting the Ministries/focal points through phone calls and meetings. Where indicators have already been selected, these can be used as guiding examples, e.g. in concise guidance documents.

Ideally the number of indicators per mitigation and adaptation action is kept to a minimum, with at least:

- One implementation indicator
- One GHG impact indicator
- One indicator for co-benefits, if applicable.

However, indicators have to be chosen to allow steering actions, so the necessary minimum will depend on each specific action. Not all of these indicators might be relevant for the NDC implementation report. Therefore, a Ministry/focal point and EQA might agree that only a subset of the indicators is presented in the report. Table 2 presents an exemplary indicator set for a mitigation

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<sup>66</sup>See <http://www.wri.org/publication/policy-and-action-standard>.

action related to the installation of solar PV under a subsidy programme. Values presented are purely illustrative.

**Table 2 Example indicator set related to the implementation and impacts of a mitigation action**

Area	Indicator	Indicator baseline	Indicator target(s)
<b>Implementation</b>	kW of Solar PV installed	GW of PV installed	20,000 solar panels additionally installed by the end of 2016, 30,000 (cumulated) by the end of 2017, 40,000 (cumulated) by the end of 2018, etc.
<b>GHG impact</b>	t CO <sub>2</sub> -eq reduced	X t CO <sub>2</sub>	Y t CO <sub>2</sub> -eq reduced
<b>Co-benefit impact</b>	To be assessed as a package for all actions impacting solar power services through a study every 5 years.	No indicator	No indicator

At the sectoral level or even across sectors, mitigation actions might impact each other. Several mitigation actions in a sector might overlap, making it difficult to assess their individual contribution to the development of sectoral emissions. In this case, it can be easier to assess impacts for several actions as a package. In this case, indicators for implementation would still be provided for individual actions, but indicators for GHG reduction would relate to the overall impact of all actions.

Standardisation of reporting can be achieved through the use of simple reporting templates, e.g. in MS Excel or Word.

With GHG inventory data potentially available every second year, tracking towards progress will be possible only biannually. For this reason, the State of Palestine might decide that data on impacts are reported only biannually as well. Data related to implementation and climate finance however, might be reported annually to ensure better steering of implementation and to avoid delays in communicating needs for international support.