Consolidation of climate planning processes in the Energy Community Contracting Parties

Energy Community commitments National Energy and Climate Plans (NECP) National Climate Action Plans (CAP) Long-term decarbonisation strategies Nationally Determined Contributions (NDC) National energy sector strategies Horizontally linked and subnational strategies





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Table of Contents

I.	Introduction and objective of guidance document1						
II. Climate and energy planning processes for Energy Community Contracting Parties							
	2.1.	Overview of climate and energy planning and policy processes	3				
III.	Conse	Consolidation of climate planning processes					
	3.1.	Timing and alignment of climate change mitigation outputs	2				
	3.2.	Alignment of the climate planning process	7				
IV.	Count	ry factsheets	3				
Alb	ania		4				
Bos	snia &	Herzegovina1	5				
Ge	orgia		6				
Kos	sovo		7				
No	rth Mad	cedonia1	8				
Мо	ldova .		9				
Мо	nteneg	ro21	0				
Ser	bia		1				
Ukı	aine		2				
V.	23 Summary of recommendations for the EnC Parties						
Ref	erence	24	4				
Anr	nex I -	Guidance for replication of sector-level planning approach	I				

I. Introduction and objective of guidance document

Energy Community Contracting Parties –Albania, Bosnia and Herzegovina, Georgia, Kosovo*, North Macedonia, Moldova, Montenegro, Serbia and Ukraine– have committed to monitoring and reporting in the areas of renewables, energy efficiency, and greenhouse gas emissions as well as other information relevant to climate change. In 2018, the Energy Community adopted a Recommendation (2018/01/MC-EnC) on preparing for the development of National Energy and Climate Plans (NECPs) addressing the five dimensions of the Energy Union¹. The NECPs are tools for the implementation of the Energy Union Strategy and for the development of more strategic energy and climate policy planning.

The Recommendation adopted is not legally binding, therefore does not impose obligations on Contracting Parties and it does not establish any deadline. However, as indicated in Article 5 of the Recommendation, the preparation of national plans should be an iterative and dynamic process starting in 2018. The Policy Guidelines (PG 03/2018) on the development of NECPs state that these integrated national plans should cover the period from 2021 to 2030 and lay down the pathway to achieve targets set for 2030 regarding the increase of renewable energy in overall energy consumption, increased energy efficiency and reduction of greenhouse gas emissions. Further, the NECPs should also include a perspective until 2050 in order to ensure consistency with long-term relevant policy objectives at EU, UNFCCC and Energy Community level. According to the Policy Guidelines, Contracting Parties are requested to submit their final NECPs to the Secretariat by the end of 2020.

Meanwhile, other energy and climate strategy and planning processes are currently ongoing in all of the Contracting Parties. Parties to the United Nations Framework Convention on Climate Change (UNFCCC) are required to prepare and submit updates to their Nationally Determined Contributions (NDCs), communicating their intended efforts towards meeting the long-term objectives of the Paris Agreement, manifested in the form of GHG emission reduction targets for 2030². Additionally, the Paris Agreement, and subsequent decisions of the Conference of Parties to the UNFCCC, requests Parties to prepare and communicate Long-Term Strategies (LTS) for low emission development; most existing submissions are in the form of GHG emission reduction targets for 2050. Parties have different approaches to preparing their NDCs and LTS; many Parties embark on a process for developing a climate change strategy or action plan in parallel to the development of these 2030 and 2050 targets. Further, there are considerable overlaps and synergies between these efforts, and those required for the NECPs.

Aside from international climate-related commitments, many of the Contracting Parties have developed or are in the process of developing national energy sector strategies, often including strategies or action plans for renewable energy and energy efficiency. Similar strategies at the sub-sector and subnational level also exist in many cases. These, also, entail considerable overlaps and synergies with the requirements of the NECPs. The preparation of all these strategy documents and action plans can place a burden on available resources for planning exercises. On the other hand, there are considerable opportunities for exploiting the synergies between these processes and for a more efficient development of cross-sector planning towards commonly agreed objectives for climate and energy.

^{*} This designation is without prejudice to positions on status, and it is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

¹ Security, solidarity and trust; A fully integrated internal energy market; Energy efficiency; Decarbonizing the economy; Research, innovation and competitiveness.

² UNFCCC climate reporting requirements do not apply to Kosovo since it is not a Party to the UNFCCC.

The objective of this guidance document is to provide Contracting Parties of the Energy Community with a concise and simple guidance on how they could consolidate their multiple climate change and energy planning processes and international obligations into one single process, ensuring efficiency and alignment.

Section 2 gives a more thorough overview of the various planning processes that are ongoing in the Contracting Parties. Section 3 investigates in more detail the opportunities for aligning the timing of outputs, and for consolidating them into one single planning process. Section 4 gives a brief insight into the specific individual circumstances of each of the Contracting Parties, intended to serve as a starting point for further analysis and consideration. Section 5 closes the guidance with a summary of recommendations for all Contracting Parties, based on the general guidance and the findings of the country case studies.

II. Climate and energy planning processes for Energy Community Contracting Parties

Countries within the Energy Community are faced with a number of planning processes related to climate change and the energy sector that are either required for domestic planning purposes, stemming from adopted legislation, or explicitly requested by the international community, through the UNFCCC and the Ministerial Council of the Energy Community.

Particularly for the processes that are linked to international commitments, there is a degree of overlap between different terminologies that are used to describe processes which are either very similar or indeed the same. Some processes have become redundant, either due to changes in the international communication and reporting requirements of the Paris Agreement, or due to new planning processes linked to the Energy Community which may build on or supersede previous planning processes.

This section provides a concise overview of some of the main planning processes currently underway in the Energy Community Contracting Parties, indicating where the processes are either closely linked with –or redundant in the face of – other processes.

2.1. Overview of climate and energy planning and policy processes

The following sub-sections provide a concise overview of the main documents and strategies that are underway in all or some of the Energy Community Contracting Parties:

- Nationally Determined Contributions, reported to the UNFCCC
- Long-term strategies for low greenhouse gas emission development, reported to the UNFCCC
- National Energy and Climate Plans, reported to the Energy Community
- Other national climate change-related action plans, for domestic purposes
- Other climate-related communications, reported to the UNFCCC
- **National energy sector strategies**, for domestic purposes and/or to comply with the Energy Community acquis
- Other horizontally and vertically linked strategies, for domestic purposes

Nationally Determined Contributions (NDCs)

Objective: Communicate climate-related targets, typically for 2030 in the current cycle

Audience: Reported to the UNFCCC (required)

In order to achieve the Paris Agreement's long-term temperature goals (UNFCCC, 2016; Article 2, Paragraph 1a), Parties have agreed to "aim to reach global peaking of greenhouse gas emissions as soon as possible [...] and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century" (UNFCCC, 2016; Article 4, Paragraph 1). With this in mind, the Paris Agreement requires each Party "to prepare, communicate and maintain successive nationally determined contributions that it intends to achieve" (UNFCCC, 2016; Article 4, Paragraph 2).

NDCs are post-2020 climate commitments that embody the national efforts of reducing national greenhouse gas (GHG) emissions. This includes economy-wide emission reduction or limitation targets (either relative or absolute) and the mitigation measures to achieve them. NDCs are short documents which summarise the country's targets and plans for the purpose of communicating these to the international community. They should ideally be built on the back of more comprehensive strategy documents and action plans (see Long-Term Strategies and National Energy and Climate Plans).

NDCs are required to be updated by Parties every five years and should progressively reflect the highest possible ambition under each nation's individual circumstance (UNFCCC, 2016; Article 4, Paragraphs 4 and 9). A guidance on NDCs has been negotiated under Ad Hoc Working Group on the Paris Agreement (APA) agenda item 3 (UNFCCC, 2015; Paragraphs 26, 28, and 31). According to Section II of the Katowice texts (Conference of the Parties to the Paris Agreement, 2018; Section II), some of the substantive elements related to greenhouse gas mitigation expected in the 2019/2020 updates include, amongst other reporting requirements:

- an economy-wide GHG emissions reduction or limitation target,
- information on domestic planning processes in relation to the NDC,
- information on how the NDC relates to national development plans and strategies, poverty eradication plans and long-term low GHG emission development strategies, and
- information on fairness and ambition of the NDC target including information about additional conditional targets or actions for this period.

Long-term strategies for low greenhouse gas emission development

Objective: Communicate 2050 vision for climate change mitigation targets

Audience: Reported to the UNFCCC (encouraged) and the Energy Community Secretariat (to become mandatory under the Clean Energy Package)

Under the Paris Agreement *"all Parties should strive to formulate and communicate long-term low greenhouse gas development strategies"* (UNFCCC, 2016; Article 4, Paragraph 19). These strategies – also known as 'Long-term strategies' (LTS), 'Long-term climate strategies', 'Mid-century strategies' or 'Long-term low emission development strategies' (LEDS) – entail a country's forward-looking plan towards 2050, ensuring alignment with the Paris Agreement's goal of holding global average temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C by end of the century (UNFCCC, 2016; Article 2, Paragraph 1a). The Conference of the Parties (COP) invited Parties to communicate their long-term strategies to the UNFCCC registry by 2020 (decision1/CP, paragraph 35).

Although no guidelines for formulation nor communication exist for long-term decarbonisation strategies, to date, most of the submitted strategies to the UNFCCC include:

- a high-level general target for 2050 (e.g. net-zero emissions), and
- sectoral level details for how the country intends to move in this direction.

Long-term strategies for low greenhouse gas emission development provide an opportunity to develop more informed medium-term targets (*e.g.* 2030) that are in line with the longer-term vision. Long-term strategies also provide long-term predictability and certainty for investment and can help ensure greater cooperation and coherence among Contracting Parties' approaches.

The introduction of long-term strategies as an official reporting expectation under the Paris Agreement builds upon the previous voluntary development of LEDS by many countries in the period before the Paris Agreement was adopted in 2015. LEDS have typically included a description of strategic action plans that are consistent with a country's national priorities and their emission reduction targets (UNFCCC, 2012; Section VIII, Paragraph 168). However, there are no formal guidelines for reporting on this and Parties have developed these as they have considered appropriate.

According to the new rules laid out in the Regulation on Governance of the Energy Union, which is expected to become binding for Contracting Parties of the Energy Community by the end of 2019, countries are required to develop national long-term strategies. Consistency between long-term-strategies and NECPs has to be ensured.

National Energy and Climate Plan

Objective: Set out climate and energy related plans, covering the period from 2021 to 2030 and including a perspective until 2050

Audience: Reported to the Ministerial Council of the Energy Community (required)

The Energy Community is an international organization that brings together the European Union and its neighbours to create an integrated pan-European energy market. Its key objective is to extend the European Union internal energy market rules and principles, energy related environmental and climate rules to countries in South East Europe, the Black Sea region and beyond, on the basis of a legally binding framework. The organisation's mission is also to support the countries in the implementation of sustainability policies, comprising climate, energy efficiency, renewables and environment.

By signing the Energy Community Treaty, the nine Contracting Parties (Albania, Bosnia and Herzegovina, Georgia, Kosovo*, North Macedonia, Moldova, Montenegro, Serbia, Ukraine) commit to the implementation of key EU energy and energy related environmental laws, development of an adequate regulatory framework and liberalisation of their energy markets in line with the Treaty *acquis* and in the fixed timeframe. It shall be noted that implementation of the Energy Community Treaty contributes to goals of EU Neighbourhood Policy on the large scale.

In January 2018, the 15th Ministerial Council of the Energy Community adopted Recommendation 2018/01/MC-EnC on preparing for the development of integrated National Energy and Climate Plans (NECPs), which encourages countries to streamline multiple monitoring and reporting obligations on climate and energy, also fostering regional cooperation and enhancing transparency of all energy actors. Policy Guidelines were prepared by the Secretariat in cooperation with the European Commission to offer guidance to the Contracting Parties in the process of developing their NECPs.

The NECPs should cover the period from 2021 to 2030, laying down the pathway to achieve the agreed 2030 targets, build upon what each Contracting Party should deliver in relation to their policies for 2020 (as a baseline), and include a perspective until 2050 in order to ensure consistency with long-term relevant policy objectives at EU, UNFCCC and Energy Community level. The NECPs may be built upon Contracting Parties' existing national energy and climate policy strategies and should take a holistic approach and address the five main dimensions of the Energy Union in an integrated way:

Dimension 1: Energy security, solidarity and trust

• Policy strategies relevant to energy production, diversification of the energy mix and/or energy savings.

Dimension 2: A Fully integral energy market

- Policies and plans related to infrastructure development for connectivity with other Contracting Parties and/or Member States.
- Policies and objectives related to market integration and coupling, deployment of flexibility in the power sector, roll-out of smart technologies, and smart grids.

Dimension 3: Energy efficiency

- Existing and planned policies and measures related to achieving the future energy targets in the Energy Community. These should also include policies, measures and plans to reduce energy consumption in the building sector (*i.e.* building renovation, and investment programmes).
- Development and quantification of a trajectory towards 2030 including planned energy savings and final consumption. The trajectory should specify the national contribution towards the Energy Community efficiency targets.

Dimension 4: Decarbonisation of the economy

- Policies and measures related to the reduction of GHG emissions in all key emitting sectors to meet 2030 targets in the Energy Community (*e.g.* renewable energy targets), and Nationally Determined Contributions (NDCs) under the Paris Agreement.
- These should also contain an outlook towards becoming a low-carbon economy in 2050, including the trajectory for the share of renewables, projected electricity demand, relevant electricity producing technologies and sector coupling (*e.g.* decarbonisation of the transport sector).
- Measures relevant to increasing flexibility in the energy system should also be included.

Dimension 5: Research, innovation and competitiveness

• Policies, measures and plans for accelerating the energy sector transformation, including funding programmes for R&D and subsidy schemes.

The draft NECPs should be submitted to the Secretariat by March 2020, after which the Secretariat will issue opinions on draft national plans in consultation with other Contracting Parties and Member States. Final plans should be submitted to the Secretariat by late 2020, taking into account the feedback received from the Secretariat. Thereafter, progress reports on the implementation of NECP should be submitted to the Secretariat every two years. The Ministerial Council of the Energy Community specifically recommends to align timescales for domestic, EU and international reporting, seeking that the progress reports facilitate monitoring and implementation of NDCs (Ministerial Council of the Energy Community, 2018; Article 4.1).

Other national climate change-related action plans

Climate Action Plans (CAP), National Climate Change Action Plans (NCCAP) or National Climate Change Strategy (NCCS)

Objective: Set out climate related action plans, typically up to 2030

Audience: For domestic planning purposes, not required by international community.

Under the UNFCCC, Parties are encouraged to develop National Climate Action Plans. Although no formal guidelines exist, a National Climate Action Plan (CAP) —also referred to as a National Climate Change Action Plan (NCCAP) or National Climate Change Strategy (NCCS)— typically contains climate change mitigation targets for future goals (*i.e.* 2020, 2030, 2040, 2050, etc.) and a proposed roadmap to achieve them. It may also include an overview of measures, policies, actions and strategies a country will implement to achieve their goals. The plans may contain sectoral-level detail including emission reduction targets and strategies. Plans can cover short-term (*e.g.* one or more administration periods), mid-term and/or long-term periods (*e.g.* until 2050 or 2100) and are regularly updated.

Other reporting to the international community

National Communications to the UNFCCC, National GHG emissions inventories to the UNFCCC, Biennial Transparency Reports or Biennial Update Reports to the UNFCCC, National Progress Reports to the Energy Community

Objective: Communicate climate and energy related information

Audience: International community represented by UNFCCC or the Energy Community (required)

National Communications (NCs)

Under Article 4 of the United Framework Convention on Climate Change (United Nations, 1992), Parties are requested to develop, periodically update, publish and make available to the Conference of the Parties their national inventories of greenhouse gases, and communicate information related to implementation of climate change mitigation and adaptation strategies, policies and measures.

National Communications include information on relevant national circumstances, greenhouse gas inventories, vulnerability and adaptation assessment, mitigation assessment, financial resources and technology transfer, as well as education, training and public awareness on climate change (UNFCCC, no date). National communications shall also include general description of steps taken by the Party to implement the Convention and any other material relevant for calculations of global emission trends (United Nations, 1992; Article 12). Non-Annex I countries are required to submit their first National Communication within three years if entering the Convention, and every four years thereafter.

The Conference of the Parties to the Paris Agreement (2018) decided in COP24 that Parties should also submit information on their involvement in cooperative approaches that support the mitigation of greenhouse gas emissions, co-benefits, and the implementation of their NDC. Parties should also submit information on its long-term strategies for low greenhouse gas development and annual and cumulative emissions and removals in relation to the sectors sources, greenhouse gases and periods covered by its NDC on an annual basis.

National greenhouse gas Inventories

National greenhouse gas inventories should include all anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol (United Nations, 1992; Article 4 and Article 12). Guidelines for reporting include those developed by the Intergovernmental Panel on Climate change (IPCC).

Biennial Transparency Reports (previously Biennial Update Reports, BUR)

The Conference of the Parties to the Paris Agreement (2018; Section IX) decided at COP24 to supersede Biennial Update Reports (BURs) by Biennial Transparency Reports (BTR). Pursuant to Article 13, paragraph 13 of the Paris Agreement, a Party's Biennial Transparency Report shall include (among other):

- a national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases in line with IPCC guidelines,
- information to track progress in implementing and achieving its NDC,
- information of climate change impacts and adaptation under Article 7 of the Paris Agreement, and
- information on financial, technology transfer and capacity-support received under Articles 9, 10 and 11 of the Paris Agreement.

The adaptation component of the Biennial Transparency Report may overlap with some content required for a Party's **National Adaptation Plan (NAP)**.

Previous to the BTRs, Biennial Update Reports by non-Annex I Parties were mandated by decision 1/CP.16 (UNFCCC, 2010; Paragraph 60c). These reports included updates of the national greenhouse gas inventories, information on actions taken for climate change mitigation and adaptation, their effects in the national context, and an outline of their needs and international support received. The first reports were to be submitted by December 2014 with mandated updates every two years (except for least-developed countries).

The decision further specifies that "Parties may submit their National Communication and Biennial Transparency Report as a single report" or as two separate documents (Conference of the Paties to the Paris Agreement, 2018; Section VI Paragraph 43a). The first BTR for the Parties to the Paris Agreement shall be submitted at the latest by end of December 2024.

National energy sector strategies

Objective: Set out energy related targets and action plans, typically up to 2030

Audience: For domestic planning purposes and to comply with the international community

National energy sector strategies are domestic planning documents that outline key directions addressing strategic priorities and development opportunities in a county's energy sector. A national energy sector strategy should strive to guarantee security of energy supply and efficient usage of energy in the years to come. Such a strategy may outline the current status of the energy sector as well as strategic planning on energy supply and energy demand sectors. Further, some of these national strategies are also required by Energy Community, in particular those related to energy efficiency and renewables.

On energy supply, the strategy may focus on national available energy resources, current and needed infrastructure for electricity generation, transmission and distribution, and investment needs. A strategy may include goals for electricity generation from renewable resources, as well as an outline on how to achieve these. On the energy demand side, national energy strategies may include details on the current and future development of each energy demand sector namely buildings, transport, and industry. These may include projections on energy demand, a list of current policies in place and needs for future specific policies, and strategies. Some of these policies may include sector-wide and sectoral targets on energy efficiency.

Given the importance that strategic planning on energy efficiency and the use of renewable energy have on the development of the energy sector, countries generally choose to develop two parallel strategies on these topics.

Energy efficiency strategies

Energy efficiency strategies can be developed either included within or separately from overall national energy strategies. Such strategies usually include specific planning to incorporate energy efficiency in electricity generation and consumption. The plans often give an overview of the current energy sector and mention strategic actions, plans and policies that are in place, and those which are needed to achieve energy efficiency targets. The level of detail in such strategies often includes electricity generation by technology and all energy demand sectors and sub-sectors (*i.e.* including the various modes of transport energy demand, and the different sub-sectors within the building sector).

Contracting Parties of the Energy Community are required to develop National Energy Efficiency Action Plans (NEEAPs) to provide a framework for the development of a national strategy on how best to augment the level of energy efficiency. The NEEAPs, to be submitted to the Secretariat every two years, also provide a platform for the Contracting Parties to evaluate the energy savings resulting from the implementation of these strategies.

All Contracting Parties of the Energy Community have set and reported their 2020 targets in their Annual Reports or their National Energy Efficiency Action Plans. All the submitted strategies cover household, energy, industry and public and commercial service sectors; while some few also refer to energy, buildings and agriculture.

Renewable energy strategies

Like for energy efficiency strategies, renewable energy strategies can be developed either included within or separately from overall national energy strategies. Such strategies usually include specific targets and plans to incorporate an increased share of renewable energy generation in the energy sector. This document often contains an overview of the current status of the energy supply sector, including renewable energy generation capacities, and policies and measures for achieving goals.

In line with Article 4 of Directive 2009/28/EC, the Ministerial Council of the Energy Community requires Contracting Parties to adopt National Renewable Energy Action Plans (NREAPs), setting out national targets for the share of energy from renewable sources consumed in transport, electricity and heating and cooling in 2020 and adequate measures to be taken to achieve those national overall targets.

Currently, all Contracting Parties of the Energy Community have reported the 2020 targets in their National Renewable Energy Action Plans. However, implementation status differs quite substantially across Contracting Parties, with implications on their performance and capacity to reach the set targets.

National Progress Reports to the Energy Community

As a Contracting Party to the Energy Community Treaty, countries have the obligation to implement the energy acquis in force. Particularly the implementation of the renewable energy and energy efficiency acquis is based on comprehensive, multi-annual action plans. As a first step, the Contracting Parties draft and adopt the national plans that set the steps for achieving the negotiated targets. They are subsequently obliged to report about the progress achieved every two years in the form of regular progress reports.

Other horizontally and vertically linked strategies

Objective: Set out energy related targets and action plans, typically up to 2030

Audience: For domestic planning purposes, not required by international community.

In addition to the energy and climate specific strategies, plans and reporting requirements identified above, each country also has various other national and subnational action plans and strategic documents which are tackling issues with broader implications for climate and energy objectives, whilst not necessarily specifically focusing on these topics. These may include national social and economic development strategies, action plans for specific energy sub-sectors, and subnational action plans and strategies. For example, the Sustainable Development Goals (SDGs) defined under the Agenda 2030 include specific targets related to both energy and climate (SDG7 on affordable and clean energy and SDG13 on climate action). When countries develop their national development plans to achieve the goals in Agenda 2030, these documents may contain objectives and targets that have considerable overlap with the other energy and climate related processes previously described. Their content development may also entail considerable overlap, both from a technical and political perspective. Often, such plans contain a greater level of detail and broader plans for a specific subsector or subnational region, which can be aligned with overall national level energy and climate related planning processes, to ensure horizontal and vertical alignment and ownership of national plans.

These various strategies and action plans are not individually discussed in detail here, as the list of such processes is not exhaustive. A selection of the most relevant processes that fall into this category are included in the country-specific fact sheets.

Table 1 presents a summary overview of the climate and energy planning and strategy processes described in this section.

Table 1: Overview of climate and energy planning processes in Energy Community Contracting Parties

	Climate change mitigation focus		Energy sector focus		Sector	Target	Reporting	Audience
Process	Targets (long/medium term)	Implementation Action plans (short term)	Targets (long/medium term)	Implementation Action plans (short term)	coverage	year		
Nationally Determined Contributions (NDC)	~	Some countries may include this in addition or (temporarily) instead of a target			All sectors	2030	By 2020 and every five years thereafter	UNFCCC (mandatory)
Long-term strategies for low greenhouse gas emission development (Previously Low-emission Development Strategies)	~				All sectors	2050	By 2020 (updating cycles not defined)	UNFCCC (mandatory)
National Energy and Climate Plans (NECPs)	~	~	~	~	Energy sectors	2030 and 2050	By 2020 and every two years thereafter	MC of the EnC (mandatory)
National climate action plans and strategies	>	~			All sectors	Typically 2030	No external reporting required	Domestic planning purposes
National energy sector strategies			~	~	Energy sectors	Typically 2030	No external reporting required	Domestic planning purposes
Biennial Transparency Reports Communication only; no strategy or action plan development (Replacing Biennial Update Reports) Communication only; no strategy or action plan development			All sectors		By 2024 and every two years thereafter	UNFCCC (mandatory)		
National Communications	Communic	ation only; no strate	only; no strategy or action plan development				every four years	UNFCCC (mandatory)

III. Consolidation of climate planning processes

This section provides recommendations for how the timelines for climate change and energy related planning documents can be aligned and how the planning processes for their preparation can be consolidated.

3.1. Timing and alignment of climate change mitigation outputs

Figure 1 presents an overview of key climate change related outputs that are required of Parties to the UNFCCC and members of the Energy Community. Two key insights stand out from the overview:

The timing of strategies and action plans can be aligned: A large number of outputs are required in the 2019-2021 period, including the Nationally Determined Contribution (NDC), the long-term strategy and the National Energy and Climate Plans (NECP): *since these outputs all relate to one another, the timing could be aligned so that all outputs are produced efficiently from one process by 2020.* It would be highly beneficial from a planning perspective if the revision cycle for the long-term strategies and NECPs would also be aligned with the revision cycle of the NDC, and if the timing of reporting documents can be planned to inform these update cycles.

Reporting documents can be combined: The number of reporting documents can be reduced by merging these into a single reporting document every two years. The UNFCCC has confirmed that Biennial Transparency Reports (BTRs) may be combined into a single document with National Communications, whilst the Ministerial Council of the Energy Community also recommends that the implementation of Progress Reports for the NECP are linked to the UNFCCC reporting requirements. This could be approached by producing one single document that includes the requirements and serves the purposes of both the UNFCCC and the Ministerial Council, even though the scope of the requirements for each purpose may be beyond the scope required for the other.



Figure 1: Overview of timing for mandatory climate-related outputs between 2020 and 2030

The National Energy and Climate Plan (NECP) may be built upon Contracting Parties' existing national energy and climate policy strategies for the years 2020, 2030 and beyond

National Energy and Climate Plans (NECP) which are due to be developed for implementation of the Energy Community targets <u>can leverage on</u> Climate Action Plans (CAP), National Climate Change Action Plans (NCCAP) or National Climate Change Strategy (NCCS) for those countries that pursue the development of other national climate change-related action plans. In fact, the Policy Guidelines by the Energy Community Secretariat clearly state that the NECPs may be built upon Contracting Parties' existing national energy and climate policy strategies for the years 2020, 2030 and beyond. Thus, these two processes can be merged into one, and the outputs used to develop both the national climate change planning document and the Dimension 4 of the NECP, to ensure alignment and efficiency in their preparation (Figure 2).

Figure 3 shows two alternative ways to ensure the consolidation into a single process:

- 1. A national climate action planning document can be pursued as a separate output but duplicated or referred to in the NECP. In the case that it is desirable to maintain two separate outputs, and if the climate change planning document is developed in a way that also covers requisites of the NECP (e.g. including an emissions reduction target for 2030 and an outlook to 2050), the chapter of the NECP that refers to decarbonisation of the economy does not need to develop new content, but rather refer to the content of the climate action planning document. An example is the case in Sweden, where the Swedish Parliament adopted a proposal on a national climate policy framework that was later simply reflected in their NECP (Government Offices of Sweden, 2018). This situation may arise, for example, due to the need to develop climate action planning documents to inform the NDC update at the end of 2019, although the NECPs are not due to be completed until a year later. For future iterations of this planning cycle, timelines should be aligned to allow for a single process and document that complies with all requirements.
- 2. A single output can be produced in the form of the National Energy and Climate Plan (NECP), without additional climate action planning documents. NECPs can be compiled in a way that they also include all of the information that would be required from other national climate action plan process, according to each country's procedures and preferences for such action plans, even if some of this information goes beyond the requirements of the Energy Community, in order to serve the purpose of having a single action plan document.

NECPs are due to be completed by the end of 2020. Contracting Parties should then provide Progress Reports every two years on the implementation of NECPs, starting in 2022. Updating the NECPs is foreseen once during the period from 2023 to 2030 and additional updates may be considered if necessary. Countries should align timing of the NECP cycle with their planned cycles for updating the Nationally Determined Contributions (NDCs) and associated action plans for implementation of the NDC.



Figure 2: Schematic representation of how different strategies and plans can feed into each other (a)

Current approach 1: Aligning two separate documents





Figure 3: Demonstration of how the NECP can be aligned with other national climate action plans

The updated NDC can be derived directly from the climate action planning document

Nationally Determined Contributions to the UNFCCC should not require a preparation process that is separate from the process for deriving the National Energy and Climate Plan, or other national climate action plans.

If the process for developing the 'decarbonisation of the economy' component of the NECP or a separate CAP is comprehensive and participatory, and if it includes a determination of targets that the country can set as well as consideration of potential options for ambition raising, then this document (NECP or CAP) and the NDC can be considered one and the same process, with the NDC document simply being a summarised version of the full NECP or CAP in a format that is consistent with UNFCCC reporting guidelines.



Figure 4: Schematic representation of how different strategies and plans can feed into each other (b)

To ensure that the NDC preparation does not require a separate process but can rather be a parallel output of the NECP or CAP, the following should be considered in its preparation:

- Identification of an economy-wide GHG emission reduction target for 2030, which would be the
 main target of the NDC. This can be derived through a top down process based on progress
 towards the objectives of the Long-term Strategy; through a bottom up process that aggregates
 the targets that are determined at the sector level; or through an iterative process that combines
 both of these aspects. These targets should also be consistent with the Energy Community
 2030 emission reduction targets and support their achievement.
- Developed in a participatory process and approved at the highest level: this will ensure that the approval process for an NDC based on this document is efficient.
- Focus not only on existing policies and measures but also addressing additional options for further GHG emission reduction ambition, and conditions for their implementation, in order to ensure that the Paris Agreement ambition raising mechanism is active in the climate planning process, and to be able to specify options for conditional ambition increases in the NDC.

Figure 5 shows that the NDC update need only be considered a reporting document, rather than a planning process, extracting the relevant information out of the 'decarbonisation' component of the NECP or other climate action plans developed in the country to report to the UNFCCC.

Two alternative approaches could ensure efficient alignment of these outputs:

- 1. If the timelines can be entirely aligned, the NDC could be published alongside the NECP or the CAP as clearly linked documents, with the NDC acting as the high-level summary of the country's GHG emission reduction target, and the NECP or the CAP providing the implementation plan and further details behind this high-level target.
- 2. If timelines cannot be aligned, the NDC can refer to the most recent iteration of the NECP or the CAP, compiling the necessary information from this strategy to report to the UNFCCC.

Figure 5 also shows the link between the NDC update process, the NECP or CAP and the Long-term Strategy. The high-level identification of long-term goals in the Long-term Strategy can be a marker against which to ensure that the targets and actions for the NECP are aligned with national objectives.



Figure 5: Links between the Long-term Strategy, the NECP and the NDC

3.2. Alignment of the climate planning process

The development of climate change mitigation strategies and plans can be consolidated into a single planning process. Figure 6 presents a flow diagram of how the various strategies, action plans and targets listed in section 0 can be outputs of a single process. This process overview is explored in further detail on the following pages.



Figure 6: Overview of a consolidated climate and energy strategy and action planning process

The updated NDC, the NECP and the Long-Term Strategy can be produced from one single consolidated planning process.

All strategy documents and action plans for climate change mitigation can be addressed through one single consolidated planning process; in other words, a separate planning process is not needed for each individual output.

A possible framework for the flow of the planning process is to consider questions similar to those of the Talanoa Dialogue and the Global Stocktake (for further details, see Annex I):

Where are we? Stock take of the current situation of the sectors including GHG emission trends, existing planned actions and challenges faced.

Where do we want to go? Determination of long-term climate and development goals, considering the Paris Agreement objectives.

How do we get there? Determination of medium-term targets that are in line with the long-term goals, and identification of options in the short and medium term for implementing those targets.

Much of this planning process, but in particular the last question – *How do we get there?* – will be discussed and determined at the sector level. This may require the development of permanent and continuous planning groups at the sector level.

The performance of this single planning cycle, within sector-specific groups as well as at the national level, should fulfil the purposes of all necessary climate change planning and strategy outputs, including the Long-term Strategy, the NECP, the CAP (if applicable) and the NDC. Bringing each of these outputs under a single planning cycle also ensures that the outputs are efficiently aligned with and informing one another: The 'decarbonisation' component of the NECP or the country's CAP can indicate the short-term actions for the implementation of the 2030 NDC target, which in turn is informed by the targets of the Long-term Strategy.





The climate planning process should be aligned with planning cycles for sector-specific strategy documents, and the processes should inform one another

Energy Community Contracting Parties are required by the Ministerial Council to develop subsector strategies like the National Energy Efficiency Action Plans (NEEAPs) and a National Renewable Action Plans (NREAPs). Contracting Parties also have a variety of strategy and action plan documents in other non-energy related sectors, which have considerable overlaps with climate change planning. These processes and their outputs are not always entirely aligned.

Existing sector-specific strategy and action plan documents should be a starting point for the climate change planning process. These documents can inform the question – where are we? – by showing what is currently planned within the sector; the question – where do we want to go? – should be informed not only by long-term climate objectives but also other non-climate related objectives set in these existing sector strategy documents; the question – how do we get there? – can be informed by what actions and measures are currently envisaged through existing sector strategies and what additional efforts could the sectors take on in order to achieve the long-term objectives.

Moving forwards, these sector-specific strategy and planning processes should be completely aligned with national climate planning. An approach to ensure alignment, would be to merge energy sub-sector strategies with the NECP, so that these strategies would no longer be produced as standalone documents, but would rather contribute to different chapters of the NECP, in the same way as the CAP can be merged into 'Dimension 4' of the NECP (see section 3.1).

In the case that the processes informing the development of sector strategy documents and the NECP cannot be joint, the following should be considered as a minimum to ensure improved alignment:

- Align timing of the cycles: Since the cycles of international reporting documents for energy and climate are clear, governments can now align the timing of their national strategies with these so that these strategic documents can be prepared in tandem.
- Long-term visions (where do we want to go?) should be commonly agreed objectives that are reflected in all relevant strategy documents. The discussions to determine these long-term objectives should not be focused on specific issues, but rather all competing (and synergetic) issues and objectives should be discussed by all relevant stakeholders together to lead to a common set of objectives for the sector, which are reflected in all relevant strategy documents and processes.



Figure 8: Overview of a consolidated climate strategy planning process – focused on Planning (b)

A parallel process for maintaining data and information can provide inputs to the planning process

The planning process for climate change mitigation strategy and action requires various technical inputs, including but not limited to the following:

- GHG emission historical inventories and future projections
- Modelling tools for simulating the impacts of policy options for GHG emission projections
- Monitoring indicators on the status of implementation of planned policies and measures (e.g. from previous action plans)

Without a centralised data and information process, access to information and data can be disjointed, and technical analysis can be unknowingly duplicated for different purposes or even not conducted due to limited available resources. Centralising all these processes for climate-related data, information and modelling tools under the responsibility of one coordinating institution, can ensure that different stages of the planning process have access to the most up-to-date information available, as well as ensuring that resources are pooled in an optimal manner to develop this information in the most efficient way.

A centralised data and information process can also be the source of information for other reporting documents such as the national inventories, the Biennial Update Reports (and Biennial Transparency Reports) and the national communications. For maximum efficiency, the regular production of these reporting documents can be timed to feed into the beginning of each new cycle of the planning process, to ensure that the process begins with the most current information available.



Figure 9: Overview of a consolidated climate and energy strategy and action planning process – focused on Data and Information

A continuous and formally established high-level political process can provide a mandate for the performance of the planning process and efficiently inform and review proposals for action

Political oversight of the climate change mitigation planning process is needed for various functions, including the following, amongst others:

- Provide a mandate for the establishment of working groups for the planning process and the data and information process.
- Provide input to the planning process question *Where do we want to go?* as guided by national objectives and commitments to the international community (e.g. through the Paris Agreement and the Energy Community).
- Review and approve targets and action plans proposed by the planning process.

For efficiency, this process can be performed continuously by a permanent designated body for climate change strategy. Such a body should be cross-ministerial to ensure representation of all relevant sectors and should be headed by political actors at the highest level in order to facilitate decision making for issues that affect all areas of the economy. Several countries have established a climate change committee for this purpose: North Macedonia and Serbia have established National Climate Change Committees with relevant stakeholders that provides high-level support and guidance to the processes. Also, the preparatory national political process and governance work on NECP started in 2018, with the formal establishment of National Working Groups and thematic sub-group on NECPs in a number of Contracting Parties (Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia), including representatives from all relevant institutions. Coordination of national energy and climate objectives (Government of North Macedonia, 2014; USAID, 2017; Clean Energy Wire, 2019).



Figure 10: Overview of a consolidated climate and energy strategy and action planning process – focused on the High-level Strategy

The processes for climate change planning should be continuous cycles, to ensure that shortterm action plans, mid-term targets and other outputs can be updated at regular intervals

While many countries currently focus on the planning processes to produce the multiple outputs that are required by the international community in the 2019-2021 period, Figure 1 in section 3 shows that the preparation of targets and action plans still continues on a cyclical basis in the following years:

- NDC updates will be required every 5 years, including by the end of 2024 and 2029.
- NECPs are to be submitted to the Secretariat by the end of 2020. Contracting Parties should then provide Progress Reports every two years on the implementation of NECPs, starting in 2022. Updating the NECPs is foreseen once during the period from 2023 to 2030.
- The timing of the cycle the Long-term Strategy has not yet been determined, but it is reasonable to expect that these cycles will be aligned with the updates of the NDC.
- Other requirements for reporting to the UNFCCC continue on a biennial basis.

For efficiency purposes, and to ensure the continued development of capacity to address the issues and exploit the opportunities associated with climate change mitigation planning, the *planning*, *data and information* and *high-level strategy* processes should not close after the publication of an output. Rather, these processes should be permanent, continuous cycles: at the end of one cycle, preparations can begin to restart the first steps of the planning cycle again. This implies that institutions and personnel responsible for the performance of the processes are not temporary responsibilities; governments should have dedicated, permanent resources put in place to facilitate the continuity of these processes.



Figure 11: Overview of a consolidated climate and energy strategy and action planning process – focused on the continuity of the process

IV. **Country factsheets**

Table 2 presents an overview of the current situation in each of the Contracting Parties of the Energy Community, regarding the existing climate planning and strategy processes that are in place or expected to happen in the short term. This allows for an easy overview of potential for opportunities for consolidating those processes.

The following pages include a 1-page country summary to show the existing and planned climate policies and process in place, as well as further details on the timeframe to be covered and the leading institution for their respective implementation. These country factsheets are not to be considered an exhaustive list of the policies in place in the country but rather an indicative overview of the most relevant climate related processes for the recent years and the short-term future. For some countries, the overview presented is restricted by the information available on the current status and coverage of the processes.

Table 2: Overview of climate-related commitments and planning processes currently under preparation in the Energy Community Contracting Parties



or adopted

Document submitted

Document will exist, and process has started

Document will exist, but process has not been started

Document does not exist / no process in place

	International commit		National plans and strategies					
	NDC update	NECP	CAP & other plans	LEDS	LTS	NREAP	NEEAP	
Albania								
Bosnia and Herzegovina								
Georgia								
Kosovo								
North Macedonia								
Moldova								
Montenegro								
Serbia								
Ukraine								
Consolidated approach		-	P/CAP output Yr: 2030	Single Target N				

Albania



Albania submitted its INDC and ratified the Paris Agreement in 2016. The Ministry of Environment and Tourism is the highest governmental body responsible for formulation of environmental policy and legislation in the country. The Inter-ministerial Working Group on Climate Change (IMWGCC) is set to coordinate climate change issues. The ongoing processes give an opportunity for data and information sharing of upcoming NECP.



Bosnia & Herzegovina



Bosnia & Herzegovina ratified the Paris Agreement in 2017. The environmental issues fall under the jurisdiction of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MOFTER). Main duties related to the energy sector is performed within the Department of Primary Energy and Policy under the MOFTER. While the UNFCCC focal point is the Ministry of Planning, Civil Engineering and Ecology. The upcoming NDC update and the NECP development process can be a momentum for combining the envisaged steps into a single process.



Georgia



Georgia submitted its INDC in 2015. The Ministry of Environmental Protection and Agriculture (MEPA) has the responsibility to lead the processes and implement measures laid out in the UNFCCC and the Paris Agreement in collaboration with the line ministries and agencies. The timeline established for the processes in Georgia allow for the CAP process to inform the NDC update as well as the NECP, ensuring that resources are pooled in an optimal manner to develop these documents in the most efficient way.



Kosovo



Kosovo is not a member of the UNFCCC and it has not ratified the Paris Agreement and does not have a NDC. Many of the policies by the Environmental Protection Agency (EPA) and the Ministry of Environment and Spatial Planning are based on the Law on Environmental Protection. NECP development could potentially be built on the existing Climate Change Strategy and Action Plan by, for example, taking the list of prioritised actions and turning them into concrete emissions reduction targets.



North Macedonia



North Macedonia ratified the Paris Agreement in 2018. The Ministry of Environment and Physical Planning (MoEPP) is the key governmental body responsible for development of climate change policies while a National Climate Change Committee consisting of all relevant stakeholders provides high-level support and guidance. The upcoming processes in 2020 provide the opportunity of being able to derive both the NDC update and the NECP from a single planning process, in line with the Law and LTS on climate change.



Moldova



Moldova ratified the Paris Agreement in 2017. The Climate Change Office, housed within the Ministry of Agriculture, Regional Development and Environment (MoARDE), is responsible for implementing climate change related projects and programs. The high-level political momentum after the finalization of National Development Strategy, which identifies climate and energy efficiency as national priorities, can be used as a great mandate for the upcoming preparation of the NECP. This, in turn, can benefit from the resources gathered during the NEEAP development in 2019.

Expected year of submission						
	Energy Efficiency Programme	BUR	BUR and National Communications (NC) to the UNFCCC			
	A ten- year plan programme ensured by the National Energy Efficiency Action Plans, updated every 3 years	Third of 20	Third GHG Inventory submitted by end of 2017; fourth NC and second BUR in 2018.			
	For period: 2012-2021		For period: 2018-2022			
Submitted	Lead: MoEl		Lead: MoARDE			
before 2019	Low Emissions Development Strate	egy (LEDS)				
	The LEDS and Action Plan for its implementation were approved in 201 target of the LEDS is in line with the I		In 2016 Moldova overshot its renewables target of 17%. In 2018, the Government revised the NREAP target for the electricity sector.			
	For period: 2016-2030		For period: 2018-2020			
	Lead: MoARDE		Lead: MoEl			
	National Energy Efficiency Action Plan (NEEAP)	Natio	nal Development Strategy "Moldova 2030"			
2019	The 3rd NEEAP and the 2020 target were adopted in 2018, in line with the Energy Efficiency Directive	and inclu social ca	rategy has four pillars: sustainable clusive economy, robust human capital, honest and efficient ions, healthy environment.			
	For period: 2019-2021	I	For period: 2020-2030			
	Lead: MoEl	I	Lead: State Chancellery			
	National Energy and Climate Plan (NECP)	Updated NDC to the UNFCCC			
2020	A process for development of the NE not yet in place. A National Commiss Climate Change might be created.		No process in place for an update of the NDC.			
	For period: 2021-2030		For period: N/A			
	(outlookto 2050) Lead: MoARDE		Lead: MoARDE			
	Loud. WorkDE					
2021						
Submission expected after 2021	-		ny and Infrastructure riculture, Regional Development and Environmen			

Montenegro



Montenegro submitted its INDC in 2015 and ratified the Paris Agreement in 2017. The Ministry of Sustainable Development and Tourism (MSDT) is responsible for the area of climate change, while the Environment Protection Agency plays an important role in policy implementation. Given that the NDC update is dependent on data available, the NECP process can be a good window of opportunity to obtain that data and use the established working groups to provide the inputs needed for both the NDC update and NECP processes, NDC update and the NECP.



Serbia



Serbia ratified the Paris Agreement in 2017. The main responsible entity for climate change on a national level is the Ministry of Environment Protection (MoEP), while the National Climate Change Committee is facilitating the effective coordination with a multidisciplinary approach. The development of the Climate Change Strategy with emissions reduction targets for the medium and long-term is already informing the NDC update and it is expected to also be the basis for the NECP; thus, aligning their main climate outputs.



Ukraine



Ukraine is an Annex I party to the UNFCCC since 1997 and ratified the Paris Agreement in 2016. The Ministry of Ecology and Natural Resources is the main authority on environmental protection and climate change while the National Centre for Greenhouse Gas Emissions oversees the National Inventory preparation process. As initial discussions and working groups are being set up for both the NDC and NECP processes, Ukraine has a good opportunity to bring the processes together to use time and resources efficiently for the development of two aligned outputs by 2020.



V. Summary of recommendations for the EnC Parties

Analysing the country factsheets in section IV, we conclude there is an overlap between many climate related processes in all Contracting Parties, offering opportunities for consolidation:

In some countries, medium-term climate-related strategies need not to be developed in separate processes

Data collection, sector stakeholder engagement, mitigation analysis, and strategy formulation in core medium-term strategies like the NECP or other climate-related action plans, should be undertaken within the same process, to the extent possible, due to overlapping content, objectives, workstreams and time period covered.

The content of the climate-related action plans can be a direct input to the 'decarbonisation of the economy' chapter of the NECP. Other sectoral medium-term strategies like the NREAPs, NEEAPs, and LEDS can also be direct inputs to the energy-related chapters of the NECP or included in the NECP process, given significant content and objective overlaps.

NDC updates can be international reporting documents based on the latest NECP or other national Climate Action Plans or Strategies

NDC updates can synthesise the plans and targets from the latest iteration of the NECP or other climaterelated action plans, in line with the information requirements of the international community, so that these outputs can be considered synthesis reporting documents only, without additional planning processes required. Similarly, longer-term strategies should also build on the latest iterations of the NECP or other climate-related action plans in place.

Contracting Parties should clearly defined roles and mandates for cross-ministerial coordinating bodies, working groups, and data collection teams

For most Contracting Parties, having overarching legislation which defines procedures and responsibilities for climate processes can accelerate action and facilitate implementation. This includes the establishment of a cross-ministerial body that has full overview of all national climate-related processes and permanent technical working groups for each relevant mitigation sector. A centralised responsible body for data and information management should also be put in place to establish and maintain the most optimal timings and standards to collect data, produce GHG inventories and synthesise progress reports.

Make use of Progress Reports when writing National Communications (NC) to the UNFCCC and vice versa

Both the National Communications to the UNFCCC (NCs) and the Progress Reports to the Energy Community should include information on steps taken to increase the use of renewable energy, increase energy efficiency and reduce GHG emissions. The timelines of these documents should therefore be aligned as much as possible to allow for Progress Reports to be based on information prepared for the preceding NC and vice versa. Like with the alignment of NDC and NECP processes, one agency should be responsible for both processes to ensure efficient use of resources and access to the same and most up-to-date data.

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Annex I - Guidance for replication of sector-level planning approach

This guidance contains direction for how the sector planning process can be conducted for the purpose of the compilation of a climate action plan or the National Energy and Climate Action Plan. The figure below provides an overview of the sector planning approach that can be pursued for the preparation of a climate action plan in each sector, as reference.

	Sector approaches to climate planning processes								
Sector-level p	om the national level to proceed with sector level climate planning lanning should be mandated from the national level (e.g. by the head of state or a cross-ministerial body with an ndate), in line with a specific national legislative or planning process.								
	Start of sector-led process								
0	Initial sector scoping study A scoping study can enable the process by pre-identifying key actors, potential climate action measures, available modelling frameworks and entry points for sector-specific strategy								
1 Establ	Establishment of permanent sector planning groups for climate action								
stakeho	ent sector planning groups should oversee the repeating cycle of steps 2 to 4. Groups should comprise of Iders most relevant for the implementation of actions in the sector, including key government departments, anal governance, and potentially non-state actors, where relevant.								
→ 2 Sector	stakeholder consultations								
Consulta Where a	ations within the sector planning group and with broader stakeholders should reach a consensus on the questions: are we? Where do we want to go? How do we get there?								
ີ Where a	are we?								
What is	the sector's current situation, including GHG emissions pathway and key development issues?								
	nsus should be reached on the long term vision: what would be required to bring the development of the sector in								
pue develop	a Paris Agreement compatible trajectory?, and what would be the benefits of such a pathway for other sustainable ment goals? (economic growth, health, etc.)								
B How do	we get there?								
timate	Iders should take stock of the most relevant existing planned policies and measures that should be reflected in the planning process, and discuss the costs and broader benefits associated with potential additional measures. What be next steps would be required to move towards securing financing and implementing attractive additional es?								
	e modelling framework for emissions pathways								
	actions from the sector consultations should be quantified to determine the potential emission reduction impact and further action is necessary/possible to meet the desired trajectories.								
4 Secto	r-level sign-off of climate-related action plans / strategy								
A final of	document or list of actions should be developed and approved by all implementing institutions.								
	Alignment of new sector-approved plans with existing and future iterations of other sector strategy documents and action plans.								
	Resume of national-level process								
	nto national-level climate planning process m the sector-led approach is fed back into the process at the national level								





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