ICAT Messaging at COP 31

Main message:

Enhanced transparency enables effective NDC financing and implementation.

Submessages:

1. Transparency, through the data and information it provides, is a **foundation for effective NDC implementation**.

- Transparency helps countries identify and address gaps between NDC commitments, policy implementation, available finance and results on the ground. By identifying barriers and tracking progress, countries can adjust policies and direct and mobilize support where it is most needed.
- Transparency supports countries in defining the actions needed to implement targets, estimating their cost and the financing needs, and feeding this into planning and budgeting processes.
- Transparency enables evidence-based policymaking by helping countries assess the impacts of climate policies, identifying gaps, barriers and opportunities and guiding policy refinement to ensure measurable results that advance NDC targets.
- Transparency strengthens institutions and enables coordinated action by clarifying roles and responsibilities, improving collaboration across ministries and stakeholders, and aligning policies and resources around shared goals.

2. **ICAT support** has helped countries engage and strengthen institutions to advance implementation.

- Since its creation in 2015, ICAT has supported the implementation of the Paris Agreement by helping countries advance ambitious and evidence-based climate action aligned with sustainable development goals.
- ICAT has supported more than 80 developing countries across the world to enhance their transparency frameworks and build national capacity. The ICAT toolbox includes more than 40 tools and methodological guides, used by countries, subnational entities, and non-state actors, and widely valued by stakeholders.

- ICAT's support is country-driven, built around tailored national projects and locally managed regional hubs, with a strong focus on building lasting capacity and national ownership.
- At this stage of global climate action, ICAT supports countries in advancing NDC implementation by using transparency to improve policies, mobilize finance, strengthen institutional mechanisms, and enhance stakeholder engagement and human capacity.

3. **Climate finance transparency** is an important enabler of implementation.

- As countries seek to scale up climate finance, transparency can serve as an essential source of information on countries' needs, actual finance flows, and funding gaps to mobilize resources from diverse sources and connect global finance commitments with national implementation requirements.
- Countries are advancing frameworks and systems for climate finance transparency. According to the Seventh Biennial Assessment and Overview of Climate Finance Flows, the quality and coverage of data and information on financial support provided and mobilized has improved, while there is also an increase in domestic climate finance tracking systems being rolled out worldwide, and green and sustainable finance taxonomies and frameworks in support of climate action.
- National climate finance transparency frameworks generate information that supports public decision-making, enables the engagement of public and private stakeholders in climate action and provides a basis for national and international reporting.
- Climate finance transparency strengthens country-led efforts to climate finance management and mobilization, helping accurately define NDC financing needs, track flows and estimate funding gaps. This helps make finance strategies more targeted and supportive of country needs.
- Climate finance transparency strengthens credibility and accountability, enhancing countries' ability to mobilize international and private finance for NDC implementation.
- By demonstrating the impact of climate finance on the ground, climate finance transparency supports engagement with donors and investors, as well as among ministries of environment, ministries of finance and planning, sectoral ministries, and other decision-makers.

- Credible information on the implementation costs of climate policies and measures strengthens investment cases and helps direct finance toward high-impact actions that strengthen resilience for the most vulnerable and effectively reduce emissions.
- The ICAT Finance Transparency Guide provides an adaptable framework for establishing and implementing national climate finance transparency frameworks. It has already been applied or is being applied in several countries, including Belize, Côte d'Ivoire, the Dominican Republic, Fiji, Morocco, Senegal, Uruguay and Zimbabwe.

4. Transparency is a **foundation for Article 6 engagements** that reduces risks to environmental integrity.

- Transparency strengthens country readiness for Article 6 engagement, safeguards against risks to environmental integrity, ensures alignment with NDC targets and strengthens trust among partners.
- Transparency is fundamental to protecting environmental integrity under Article 6. The quality of greenhouse gas inventories and the robustness of NDC accounting and reporting help ensure that international cooperation supports genuine mitigation outcomes and does not undermine global climate goals.
- Article 6 activities need to be anchored in solid NDC implementation plans, national greenhouse gas inventories and tracking systems.
- Robust accounting and reporting help prevent double counting and protect environmental integrity. Clear procedures for tracking internationally transferred mitigation outcomes (ITMOs), applying corresponding adjustments where required and reporting mitigation outcomes require a solid transparency framework to be in place, which is essential to credible cooperation.

5. Transparency helps **ensure a just transition** by monitoring socioeconomic and environmental impacts, thus building trust in climate action.

- As countries implement their NDCs, embedding equity and justice is critical to sustaining public support for achieving ambitious climate actions.
- Transparency is critical to a just transition. Monitoring social, economic and environmental impacts helps countries assess whether climate action is fair and inclusive, and whether anyone is being left behind. Backing a just transition strategy by a monitoring framework to accompany implementation plans is key to securing wide support among the stakeholders that might worry about negative impacts of measures planned.

- Reliable data helps identify who benefits and who bears the costs of climate action. Disaggregated indicators reveal how the transition affects different groups, including workers, communities, vulnerable populations and businesses.
- Transparency helps identify and address inequalities. Tracking distributive, procedural and restorative justice can help countries share the benefits of the transition more equitably and promote inclusive decision-making
- The ICAT Just Transition Monitoring Guide helps design robust frameworks for monitoring just transitions by providing a structured, step-by-step approach for identifying goals and priorities, formulating targets and indicators, collecting and analyzing data, and communicating findings.

6. Transparency **strengthens adaptation and responses to loss and damage** by informing decisions, tracking results and guiding finance.

- National adaptation monitoring systems can help countries track progress towards adaptation goals, evaluate the effectiveness of measures, and identify adaptation gaps, thus informing national planning and also contributing to global efforts to assess adaptation progress.
- Locally tailored adaptation monitoring and evaluation systems help ensure adaptation efforts reflect local climate risks, priorities and capacities. By incorporating local knowledge and context-specific indicators, they support more relevant assessments of adaptation progress and effectiveness.
- Transparency helps ensure adaptation finance delivers meaningful results. Assessing project proposals against climate risks, feasibility, effectiveness and the needs of affected communities can help mobilize and allocate resources more effectively and reduce the risk of maladaptation.
- Assessing economic and non-economic losses makes impacts visible, from damage to infrastructure and livelihoods to losses of lives, health, cultural heritage and ecosystems. This evidence can guide recovery planning, national responses and loss-and-damage finance.

7. Transparency helps countries identify and **advance pathways to low-carbon, climate-resilient sustainable development**.

- Transparency helps countries maximize the economic and social development opportunities and benefits of climate action, from creating jobs and strengthening local economies to improving public health and access to affordable, clean energy. It

provides the frameworks to consistently evaluate these opportunities and monitor progress in achieving them.

- Transparency provides evidence of the wider benefits of climate action, which helps demonstrate its value to national development and strengthen public support and stakeholder engagement. It is the basis for mainstreaming climate action into national development.
- Assessing the climate and development impacts of policies and measures helps countries build stronger investment cases by showing how climate policies contribute to climate objectives, national development priorities, and the Sustainable Development Goals (SDGs).