





# **Initiative for Climate Action Transparency**

# Report presenting the overarching institutional arrangements and recommendation for national reporting

#### St. Kitts & Nevis

21st January, 2025

Submitted to:

The Government of St. Kitts and Nevis' Ministry of Sustainable Development, Environment, Climate Action, and Constituency Empowerment

Prepared by:

Caribbean Cooperative Measurement, Reporting & Verification Hub







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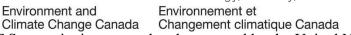




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# Institutional Arrangements for the Electricity Generation and Transport Sectors Initiative for Climate Action Transparency – ICAT

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#### **ACRONYMS**

BUR Biennial Update Report

BUR1 First Biennial Update Report

CCMRVH Caribbean Cooperative Measurement, Reporting and Verification Hub

CO2 Carbon Dioxide

CSI Climate Smart Initiative
DSA Data Sharing Agreement

EV Electric Vehicle

GCF Green Climate Fund

GEF Global Environment Facility

GWP Global Warming Potential

ICAT Initiative for Climate Action Transparency

LEAP The Low Emissions Analysis Platform

MOU Memorandum of Understanding

MRV Measurement, Reporting and Verification

NC National Communication

NDC Nationally Determined Contribution

NEVLEC Nevis Electricity Company

QA Quality Assurance

QC Quality Control

RE Renewable Energy

SIDS Small Island Developing State

SKELEC St. Kitts Electricity Company

SKN St. Kitts and Nevis

SNC Second National Communication

SOW Scope of Work

TOR Terms of Reference

TraCAD The Transport Climate Action Data Tool







#### 1 Introduction

#### 1.1 Project Background

The Twin Island Federation of St. Kitts and Nevis (SKN) is a sovereign Small Island Developing State (SIDS) in the Eastern Caribbean. The island is committed to implementing measures to combat the negative impacts of climate change through the implementation of its Nationally Determined Contributions (NDCs). SKN has identified the following key areas as major interventions which contribute to their overall economy-wide emissions reduction strategies in their updated 2021 NDCs:

- Transition to 100% renewable energy in power generation
- Improve efficiency in the transmission and distribution of electricity
- Electrification of 2% of the total vehicle fleet
- Development of EV infrastructure

To support the implementation of their NDCs, the country is participating in the Initiative for Climate Action Transparency (ICAT) project. The Initiative for Climate Action Transparency (ICAT) aims to help countries better assess the impacts of their climate policies and actions and fulfil their transparency commitments. This is executed by increasing the overall transparency capacities of countries, including the capacity to assess the contribution of climate policies and actions on countries' development objectives and providing appropriate methodological information and tools to support evidence-based policymaking. ICAT capacity development efforts are established to reinforce existing climate measurement, reporting, and verification (MRV) systems and knowledge within countries and complement previous or ongoing activities by other initiatives.

The Government of SKN has undertaken this ICAT project, to design an MRV and NDC Tracking Framework and to establish the sustainable capacity to conduct projections and mitigation of GHG emissions and removals, and assessments of the impact of key policies and measures for the electricity generation and transport subsectors.

The project involved the following:

- The review of modelling tools available for the Energy Sector and the selection of appropriate modelling tools for the greenhouse gas (GHG) analysis of the Energy Sector. The process of this selection was highlighted in the <a href="SKN Modelling Tool Workshop Report">SKN Modelling Tool Justification Report</a> also contained in **Annex 1** of this report.
- Training workshops virtual and in-person on the modelling tools selected for analysis: The Transport Climate Action Data Tool (TraCAD) developed by the Climate Smart Initiative (CSI) (virtual training) and the Low Emissions Analysis Platform (LEAP) developed by the Stockholm Environment Institute (SEI) (in-person training). This process is highlighted







- in the <u>TraCAD Training Report</u> and the <u>LEAP Training Report</u>, also contained in **Annex** 2 of this report.
- ➤ Data collection management and data gap assessment for the energy sector. This process is highlighted in the <u>Data collection and management and data gap assessment report</u>, also contained in **Annex 3** of this report.
- ➤ The development of fully elaborated models for the electricity generation and transport subsectors using the selected modelling tools TraCAD and LEAP with the datasets obtained and methodology for projections report.
- ➤ Validation workshop for the methodology for the projections where the data used for the projections and the methods were presented to stakeholders for validation and verification.
- ➤ Development of NDC Tracking training, including a report on NDC tracking tool and development of NDC Indicators, including data gaps. These reports can be found in Annex 4 of this report.

#### 1.2 Purpose of the report

The purpose of this report is to outline adjustments which need to be made to the national MRV framework, present the updated MRV framework and provide recommendations for enhancing the national MRV framework to ensure SKN is able to meet reporting requirements outlined in Decision 18/CMA.1.

This report on the Institutional Arrangements for the electricity generation and transport subsector is presented in the following sections:

Section 2 – Overview of Current Institutional Arrangements and MRV Framework

Section 3 – Relationship between MRV Framework and ETF

Section 4 – SKN MRV Framework and NDC Tracking

Section 5 – Recommendations for Institutional Arrangements and MRV Framework

Section 6 - Conclusion







#### 2 Overview of National MRV Framework

SKN adopted a decentralised project-based MRV system to fulfil its international climate change reporting requirements, namely this approach was taken for the NC1, NC2, and NDC reports. This MRV system relied on regional and international consultants for planning and implementing reporting activities, resulting in challenges in maintaining institutional knowledge of the methodologies, data, and expert judgments used in the submitted reports. Due to these disadvantages, a centralised project-based MRV system was implemented for the preparation of subsequent national GHG inventory reports.

The institutional arrangements of the centralised project-based MRV system outline roles distributed across several key phases: planning, data collection, preparation, quality control, quality assurance, validation, and management, as shown in Figure 2. Here, the Ministry of Environment and Cooperatives, now called the Ministry of Climate Action, Environment, and Constituency Empowerment, plays a central coordinating role, overseeing the entire inventory process from the early stages of data collection to the final reporting. Sectoral institutions, such as the Department of Statistics and the energy utilities Nevis Electricity Company (NEVLEC) and St. Kitts Electricity Company (SKELEC), are responsible for collecting and providing GHG inventory-related data.

The preparation phase relies heavily on capacity-building and technical support to ensure that national sectoral experts are equipped with the necessary tools to estimate GHG emissions and assess mitigation options effectively. In this phase, external consultants provide capacity-building and technical expertise to help national experts and stakeholders improve their technical skills and understanding of climate-related data and methodologies.

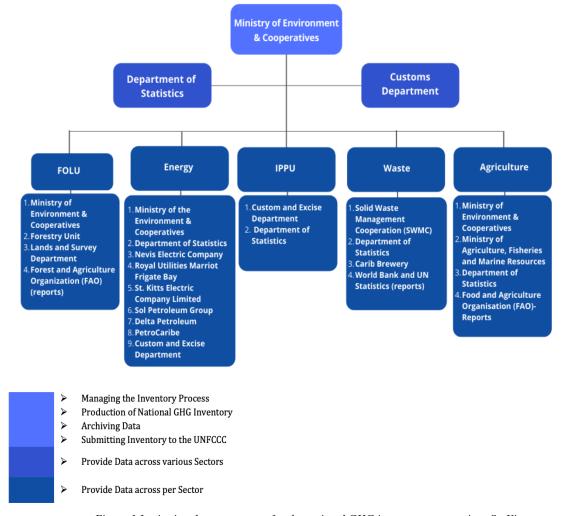
During the quality control and quality assurance phases, sectoral experts and external reviewers independently assess the accuracy and reliability of the data and emissions estimates. The validation phase involves a final review by high-level institutions like the Cabinet and the Ministry of Environment, ensuring that the NIR is comprehensive and aligned with national circumstances before being submitted to the UNFCCC.

The institutional arrangements shown in Error! Reference source not found. highlights the interactions between regional/international consultants and the domestic team during the preparation of the SKN National Inventory Report (NIR) and mitigation chapters.









 $Figure\ 1\ Institutional\ arrangements\ for\ the\ national\ GHG\ inventory\ preparation-\ St.\ Kitts$ 

Both **Figure 1** and **Figure 3** show the SKN institutional arrangements as designed for the TNC and BUR1 reports. As the coordinating entity of the climate change-related reports, the Ministry of Environment and Cooperatives hired consultants to identify key stakeholders in GHG data collection, compile the GHG inventory data, validate, conduct capacity-building activities and produce the various components of the reports. This arrangement was applied across sectors and for each reporting theme/chapter of the TNC and BUR1 reports, which included the GHG inventory and NIR, Mitigation Assessment and Chapter, Adaptation, Climate Finance, Technology Transfer and Capacity-building, and National Circumstances and Gender.







Planning Phase **Coordination:** The Ministry of Environment and Cooperatives takes the lead in coordinating the overall national inventory process and liaising with data providers and experts.

Data Collection Phase: **Sector-Specific Roles:** Detailed roles for each sector (energy, agriculture, forestry, waste, and industrial processes) with various institutions contributing data for the GHG inventory and providing information for mitigation actions.

Preparation Phase **Expert Support:** Consultants lead technically in preparation of report, collaborate with national experts to compile data and provide capacity building for national experts.

Quality Control Phase **Independent Review:** Experts not involved in data compilation review estimations and expert judgment to ensure quality and accuracy.

Quality Assurance Phase **External Reviews:** The external MRV Hub and GHGMI experts conduct reviews of the national circumstances, methods, and assumptions, ensuring transparency and accuracy in the inventory report.

Validation Phase **Final Oversight and Approval:** The final validation of the report occurs through the Department of Environment, sectoral experts, and high-level government entities, ensuring that the report reflects national circumstances before submission to the Cabinet and ultimately the UNFCCC.

Management Phase **Final Documentation and Submission:** The Ministry of Sustainable Development, Climate Action, Environment, and Constituency Empowerment and Department of Environment ensure proper documentation, archiving, and final submission of the report to the UNFCCC.

Figure 2 Key phases of centralized project-based MRV system







Table 1 Institutions and roles of stakeholders involved in the preparation of St. Kitts and Nevis NIR and Mitigation Assessment for TNC and RI/R1

TNC and BUR1			
Phase	Sector/ Component	Institution(s) and Contacts	Roles and Responsibilities
Planning	Crosscutting	Ministry of Environment and Cooperatives	Coordinating and policymaking authority for environment and climate change in SKN. Overseeing the entire national inventory process, from data collection through processing and reporting. Liaising with data providers and identifying national sectoral experts for capacity building.
Data Collection	Energy	<ul> <li>Custom and Excise Department</li> <li>Delta Petroleum</li> <li>Ministry with responsibility for Environment, Department of Statistics</li> <li>NEVLEC</li> <li>PetroCaribe</li> <li>Royal Utilities Marriot Frigate Bay</li> <li>SKELEC</li> <li>Sol Petroleum Group</li> </ul>	Provide information related to GHG emissions from electricity generation, national fuel consumption data, energy balance, and vehicle registration. Provide information on energy sector projects and future plans for potential mitigation actions.
	Agriculture	<ul> <li>Ministry of Environment and Cooperatives</li> <li>Ministry of Agriculture, Fisheries and Marine Resources</li> <li>Department of Statistics</li> <li>FAO (Reports)</li> </ul>	Provide data and technical support when compiling GHG emissions for agriculture. Provide information on projects and future plans for the sector to inform mitigation actions.
	Forestry	<ul> <li>Forestry Unit</li> <li>Lands and Survey Department</li> <li>Ministry of Environment and Cooperatives</li> <li>FAO (Reports)</li> </ul>	Provide technical support for compiling GHG emissions for land-use sectors. Provide maps for the land sector and information on projects and future plans to inform mitigation actions.
	Waste	<ul> <li>Carib Brewery</li> <li>Department of Statistics</li> <li>SWMC</li> <li>UN Statistics (Reports)</li> <li>World Bank (Reports)</li> </ul>	Provide information on the waste sector. Provide statistical parameters for estimating GHG emissions from waste. Provide information on the country's wastewater treatment works (domestic and industrial).
	IPPU	<ul> <li>Custom and Excise Department</li> <li>Department of Statistics</li> <li>Ozone Unit</li> </ul>	Provide GHG information for the IPPU sector, particularly regarding refrigerants. Provide information on projects and future plans for the sector to inform potential mitigation actions.







Preparation	Crosscutting	<ul> <li>CCMRVH</li> <li>GHGMI</li> <li>National Experts and Data Providers</li> </ul>	Support capacity building for national sectoral experts in the preparation of the National Greenhouse Gas Inventory. Assist in collecting and evaluating data, selecting methodological approaches, expert judgment, estimation of GHG emissions, assessment of uncertainty, and preparation of the inventory report.
Quality Control	Crosscutting	<ul> <li>Carib Brewery</li> <li>Custom and Excise Department</li> <li>Delta Petroleum</li> <li>Department of Statistics</li> <li>Forestry Unit</li> <li>Lands and Survey Department</li> <li>Ministry of Agriculture, Fisheries and Marine Resources</li> <li>Ministry of Environment and Cooperatives</li> <li>NEVLEC</li> <li>Ozone Unit</li> <li>PetroCaribe</li> <li>Royal Utilities Marriot Frigate Bay,</li> <li>Sectoral Experts and Data Providers</li> <li>SKELEC</li> <li>Sol Petroleum Group</li> <li>SWMC</li> </ul>	Review estimations and expert judgment by experts not involved in compiling GHG emissions. Review of data and projections and expert judgment by the mitigation team not involved in the modelling process.
Quality Assurance / Review	All Sectors	External MRV Hub and GHGMI Experts	Review national circumstances of methods, approaches, and assumptions. Conduct formal and informal technical reviews of the National Inventory Report (NIR). Organize validation workshops for mitigation actions and modeling with stakeholders.
Validation	Crosscutting	<ul> <li>Cabinet</li> <li>Identified Sectoral Experts</li> <li>Ministry of Environment and Cooperatives</li> <li>Relevant Government Officials</li> <li>St. Kitts and Nevis Bureau of Standards</li> <li>St. Kitts and Nevis Met Office</li> </ul>	Provide oversight on the compilation of reports, reviewing activity data, emission factors, and expert judgment. Ensure reports and GHG emission estimates reflect national circumstances. Validate the final NIR before submission to the Cabinet for final approval before submission to the UNFCCC.







Management	Crosscutting	<ul> <li>Department of Environment</li> <li>Ministry of Environment and Cooperatives</li> </ul>	Oversee data collection procedures, documentation, archiving, reviewing, checking, and evaluation of data gaps. Submit the final NIR to the UNFCCC. Review necessary inventory improvements and data archiving procedures.
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The consultants led the technical aspects of the TNC and BUR1 reports. However, a collaborative working environment was maintained with national experts in order to provide targeted training and guidance throughout project implementation. Capacity-building of the domestic team based on their role in the MRV system was highlighted as a major component of the overall process. Capacity-building and sensitisation are essential for ensuring that stakeholders fully understand their roles and responsibilities throughout the process. These efforts improve the technical competence of data providers and sectoral experts, allowing them to contribute effectively to the NIR and accompanying reports. Sensitisation also ensures that all involved parties recognise the importance of their work and how it contributes to the broader national and global climate goals. By building capacity and raising awareness, stakeholders can carry out their duties more efficiently and accurately, which leads to a higher-quality inventory and more informed decision-making.

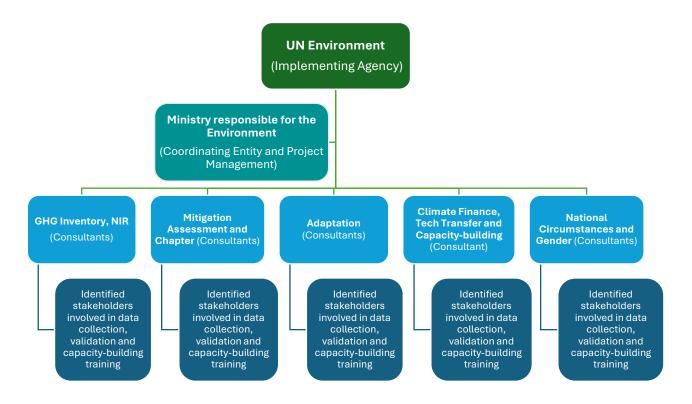


Figure 3 Institutional arrangements for the Third National Communication and First Biennial Update Report







# 3 Summary of Energy Sectoral MRV Framework

The recommended MRV framework for SKN involves three key components: measurement/monitoring, reporting, and verification. Measurement and monitoring focus on data collection for national GHG inventories, emissions projections, and NDC tracking, especially in the electricity and transport subsectors. The use of detailed data templates and addressing identified data gaps through capacity building and collaborations is essential to improve data consistency and quality.

Reporting is conducted by the Climate Action Unit, with GHG inventories, emissions projections, and NDC tracking submitted through BTR, NC and NDC updates. Reporting must adhere to the principles of transparency, accuracy, completeness, comparability, and consistency (TACCC) and follow IPCC and UNFCCC guidelines. Verification occurs through both internal and external processes. Internal verification follows QA/QC procedures, while external verification involves independent third-party audits, improving credibility and transparency. Both verification processes ensure accurate, reliable data to support informed policy-making and international reporting requirements.

The main recommendations for the MRV framework are as follows:

- **Data Validation:** It is recommended that data validation procedures take place at the Data Collection and Data Compiler level of the institutional arrangements. That is data submitted by data providers to the Department of Public Transport and to the Department of Energy should be validated by those departments prior to the onward movement of data to the Statistics Department.
- QA/QC Procedures: It is recommended that the Climate Action Unit develops and manages QA/QC procedures which are implemented throughout the data collection process.
- Data management systems (DMS): It is recommended to adopt a national DMS which involves procedures for data collection, storage, access, security and processing and reporting in an organised manner. It is recommended to use one dedicated DMS for all climate change data within the Federation, noting that SKN is a SIDS and may not possess the funding of human resource for separate sector-specific DMS.
- Consultancies: To fill human resource and technical capacity gaps, it is recommended to
  use a consultant or project-based approach to complete components of the NDC, BTR and
  NC reports and as needed to fill other roles within the Ministry of Climate Action,
  Environment, and Constituency Empowerment and Climate Action Unit such as Energy
  Sector Lead.
- Capacity-building: It is recommended to conduct comprehensive trainings on data
  collection and requirements to improve data quality, specialized training on GHG
  inventory development, emissions projections, and trainings to building expertise in NDC
  tracking and reporting. Additional capacity-building efforts should focus on using data
  management systems and standardized templates. Continued technical assistance and
  partnerships with regional and international organizations will further enhance the capacity







of SKN ensuring access to the latest tools and methodologies. Capacity-building will also move SKN closer to using more local experts and less external consultants to support the GHG MRV and reporting processes.

The recommended institutional arrangements for the energy sector are shown below:

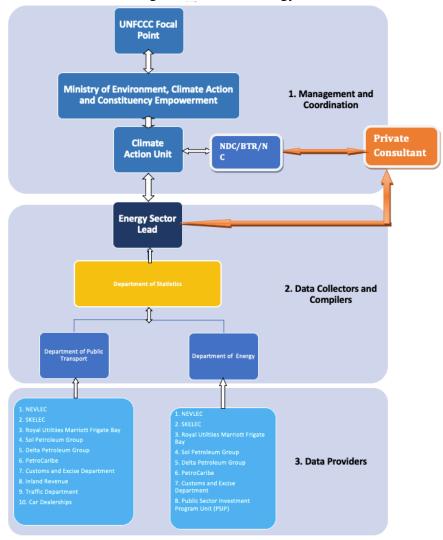


Figure 4 Recommended Institutional Arrangements for the Energy Sector

# 3.1 How the MRV System will support NDC Tracking

In the latest inventory completed in 2018, the energy sector, particularly the electricity generation and transport subsectors, were identified as the largest contributor to the total national emissions, with as much as 81.7% of the total emissions. As a result of this, SKN has identified the following key areas as major interventions which contribute to their overall 61% economy-wide reduction







**of greenhouse gas (GHG) emissions compared to 2010 by 2030** in their updated 2021 Nationally Determined Contribution (NDC):

- Transition to 100% renewable energy in power generation
- Improve efficiency in the transmission and distribution of electricity
- Electrification of 2% of the total vehicle fleet
- Development of electric vehicle (EV) infrastructure

The tracking of the actions associated with these emissions' reduction goals requires the collection of data which will enable analysis of the identified progress indicators. Enhancement of the existing institutional arrangements and the MRV framework for the electricity generation and transport subsectors provides an opportunity for integration of more transparent, accurate, consistent, complete and comparable reporting processes.

The institutional arrangements and MRV framework provide a clear understanding of the data flows and the various roles and responsibilities regarding the maintenance of accurate, current, accessible GHG data which will inform SKN's progress in implementing its NDC and achieving its GHG mitigation goals.

Table 2 below, provides an understanding of the key institutions involved in data collection for tracking SKN's NDC indicators.

Table 2 SKN NDC Indicators and Corresponding Data Providers, Compilers, Collectors and Validators

Area	Sector	Key Indicators	Data Provider	Data Compiler, Collector and Validator
Projection of GHG emissions NDC Tracking	General	Population Data	Department of Statistics through Census Data and surveys	Department of Statistics
		Economic Data	Department of Statistics	Department of Statistics
GHG Inventories Projection of GHG emissions NDC Tracking	Electricity Generation	Fuel imports for electricity generation (fossil fuel/ renewables)	Fuel Companies Utility Companies	Department of Statistics Department of Energy
GHG Inventories Projection of GHG emissions NDC Tracking		Fuel Types and quantities consumed	Utility Companies Fuel Companies Energy balances	Department of Statistics Department of Energy
GHG Inventories Projection of GHG emissions NDC Tracking		Emission Factors for each Fuel	IPCC Guidelines or country specific emissions reports	Climate Action Unit Department of Statistics







Area	Sector	Key Indicators	Data Provider	Data
				Compiler,
				Collector and
				Validator
<b>GHG Inventories</b>		Transmission and	Utility Companies	Department of
<b>Projection of GHG</b>		Distribution Losses		Statistics
emissions				Department of
NDC Tracking			**	Energy
NDC tracking		Installed Renewable	Utility Companies	Department of
Projection of GHG		systems	Residential and	Statistics
emissions			commercial owners	Department of
Descionation of CHIC		December 1.1.	Danastaassa	Energy
Projection of GHG emissions		Renewable Energy	Department of Energy	Department of
emissions		Projects	Utility Companies	Energy
			PSIP	
GHG Inventories		Number of vehicles	Traffic Department	Department of
Projection of GHG		(type)	Inland Revenue	Public
emissions		(type)	Department	Transport
NDC Tracking			Customs	Department of
Tibe Hucking			Department	Statistics
			Department	Statistics
<b>GHG Inventories</b>		Total fuel	Fuel providers	Department of
<b>Projection of GHG</b>		consumption by type	Gas Stations	Public
emissions		1 3 31		Transport
NDC Tracking				Department of
				Statistics
<b>GHG Inventories</b>		Annual vehicle	Traffic Department	Department of
<b>Projection of GHG</b>	Transport	mileage and fuel	Inland Revenue	Public
emissions	Transport	economy	Department	Transport
NDC Tracking				Department of
				Statistics
CHCL		Enterior C / 1	IDCC C : 1 1	Climata A 4
GHG Inventories		Emission factors by		Climate Action
Projection of GHG emissions		vehicle category and	and country	Unit
NDC Tracking		fuel type	Specific reports	Department of Statistics
Projection of GHG		Number of electric	Traffic Department	
emissions		and hybrid vehicles	Inland Revenue	Department of Public
NDC Tracking		and hybrid vehicles	Department Revenue	Transport
TIDE Tracking			Customs	Department of
			Department	Statistics
			Department	Statistics







# 4 Recommendations to Improve SKN's National MRV Framework

#### 4.1.1 Summary of revised Institutional Arrangements

The Ministry of Environment, Climate Action and Constituency Empowerment is the overall manager of the MRV system as relates to NDC tracking and the NIR. This includes hiring consultants to fill technical capacity and human resource gaps and ensuring the allocation of funds for the development of the national reports. Within this ministry, the Climate Action Unit is responsible for coordinating the NDC, BTR and NC reports, establishing the report preparation timelines, calculating the budget, managing consultants hired, reviewing the consultants' deliverables, collating the reports and submitting them to the UNFCCC Focal point for onward and final submission to the UNFCCC Secretariat.

The main adjustments recommended are as follows:

- **Responsible Ministry**: In the national MRV Framework, there is a need to ensure that the overall ministry responsible for management of the reporting to the UNFCCC are updated to reflect the current situation in St. Kitts and Nevis.
- NDC/BTR/NC Coordinator: Establish the role of NDC/BTR/NC Coordinator. The report coordinator will focus primarily on working with the sector leads, inventory compilers and data collectors to ensure that up-to-date GHG data is available and communicated in a timely manner for inclusion in the report and ensuring QA/QC checks and verification of GHG data take place. This role can be filled internally or by a private consultant with the goal to build this human resource and technical capacity within the Climate Action Unit.
- Sector Leads: Establish the role of Energy Sector Lead for the reporting sector. The Energy sector lead will conduct GHG data compilation and calculate the GHG emissions estimates; in particular, estimates for the energy generation and transport subsectors which are focal for the mitigation actions outlined in SKN's NDC. In addition, the Energy sector lead will also compile data for the NDC Tracking system. This role can be filled internally or by a private consultant with the goal to build this human resource and technical capacity within the Ministry of Climate Action, Environment, and Constituency Empowerment. This role can be replicated for the sectors that are part of the key categories from SKN NIR.
- **Department of Statistics:** It is recommended to establish the Department of Statistics as the centre for national data collection and compilation. In accordance with the provision of the SKN Statistics Act<sup>1</sup>, the Department of Statistics is responsible for: (a) Gathering, compiling, analyzing, summarizing, and publishing statistical data related to the commercial, industrial, social, economic, and general activities of the state's inhabitants. (b) Working with other government departments and local authorities to collect, calculate, and publish administrative statistics. (c) Conducting any necessary census within the state. (d) Organizing a coordinated system of social and economic statistics and intelligence

<sup>1</sup> St. Christopher and Nevis, Chapter 23.32 Statistics Act and Subsidiary Legislation, Revised Edition showing the Law as at December 31 December 2017. <a href="https://lawcommission.gov.kn/wp-content/documents/Revised-Acts-of-St-Kitts-and-Nevis-2017/Ch-23">https://lawcommission.gov.kn/wp-content/documents/Revised-Acts-of-St-Kitts-and-Nevis-2017/Ch-23</a> 31-Statistics-Act.pdf

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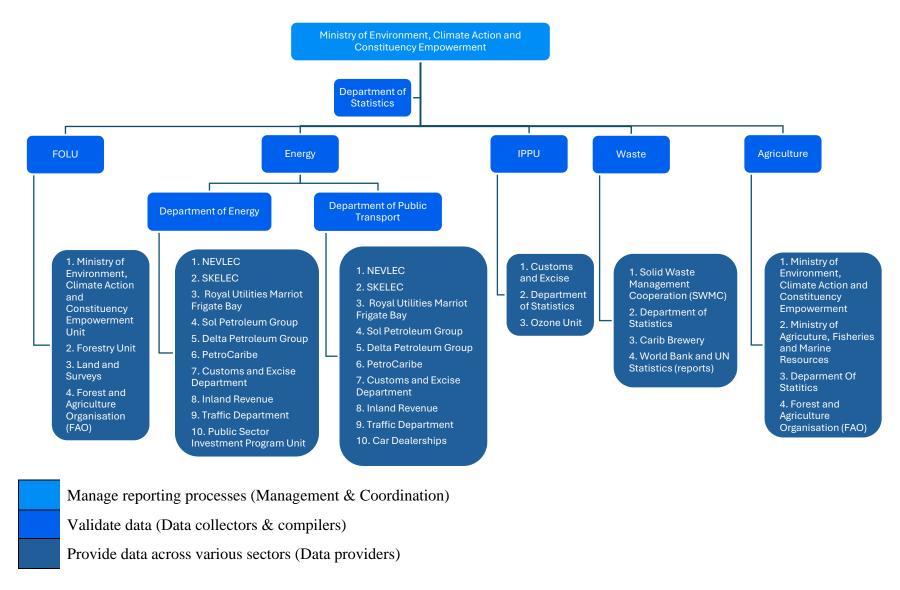


relevant to the state. These mandates in addition to existing interagency relationships position the Statistics Department well to be the main national GHG data collector and compiler. It is also recommended that the Statistics Department conduct verification of the data in addition to maintaining internal QA/QC processes.

- **Department of Public Transport:** It is recommended that the Department of Public Transport be established as a lead Transport subsector data collector and compiler.
- **Department of Energy:** It is recommended that the Department Energy be establish as a lead Energy sector data collector and compiler relevant to the energy generation subsector. The responsibilities also include the preparation of energy balances, using data collected as part of this process.













### 5 Relationship between MRV Framework and ETF

The transition from the traditional MRV framework to the Enhanced Transparency Framework (ETF) of the Paris Agreement marks a significant shift in the scope, depth, and rigour of climate reporting. For SIDS like SKN, this transition involves adopting more robust institutional arrangements and ensuring compliance with the ETF's comprehensive reporting requirements.

The ETF requires enhanced institutional capacity to support the preparation of Biennial Transparency Reports (BTRs), which demand more frequent, detailed, and reliable updates than the previous MRV system. The process of transitioning entails the following:

- ➤ Increased Reporting Scope: the ETF requires tracking progress on NDCs, including detailed projections, mitigation actions, and adaptation efforts.
- Stronger Institutional Structures: Effective institutional arrangements must enable smooth data collection, analysis, reporting, and review processes. This requires integrating diverse organisations, establishing cross-sectoral teams, and ensuring cooperation between public and private entities.
- ➤ Formalizing Roles and Responsibilities: SKN needs to update or create legal frameworks, directives, and terms of reference to assign clear roles for data providers, compilers, and decision-makers, ensuring sustainable operations.
- > Stakeholder Engagement: Early and sustained involvement of stakeholders across all relevant sectors is vital. This approach fosters ownership, facilitates data sharing, and encourages collaboration.
- Sustainable Capacity Building: Long-term investments in human and technical capacity are critical to ensure the continuity and effectiveness of the MRV system under ETF requirements.

Although the ETF introduces new requirements, countries continue to refer to the process as MRV, emphasising its foundational role in ensuring transparency. SKN's focus is to align its institutional arrangements and MRV framework with ETF requirements while building sustainable capacity for climate action reporting.

The UNFCCC recommends that countries revisit their current systems to integrate diverse organisations, establish cross-sectoral teams across government and between public and private sectors, and involve new stakeholders. This may require creating or updating legal frameworks, directives, and terms of reference to formalise new roles and responsibilities.

SKN, through this ICAT project, is currently engaged in the design of an MRV and NDC Tracking Framework, the establishment of sustainable capacity to conduct projections and mitigation of GHG emissions and removals, and assessments of the impact of key policies and measures which focus primarily on the electricity generation and transport subsectors. This includes enhancing institutional arrangements, structuring roles and responsibilities among organisations, establishing







legal frameworks, securing human and financial resources, and implementing the necessary systems and tools to meet the ETF/MRV reporting requirements.

A key element of strengthening institutional arrangements is formalising roles for data collection, reporting, and review. This includes ensuring access to data and fostering closer cooperation between national institutions. Institutional arrangements will evolve over time, with a focus on continuous improvement through learning, sharing knowledge, and adapting to new challenges. Ultimately, building robust institutional and technical capacity is vital for sustaining the MRV /ETF framework.

The modalities, procedures and guidelines (MPGs) provide clear instructions for fulfilling the ETF's reporting requirements under the Paris Agreement. The MPGs focus on enhancing transparency and accountability in GHG inventories, mitigation actions, adaptation and financial flows and the strengthened mechanisms for reviewing and submitting reports.







#### 6 Conclusion

The reports provided through this project—covering GHG inventories, emissions projections, and NDC tracking for the electricity and transport sectors—are critical to establishing strong institutional arrangements and more robust reporting in SKN. The Data Gap Assessment (**Annex 2**), methodology for GHG emissions projections (**Annex 3**), and NDC indicators and gap assessment report (**Annex 4**) offer detailed guidance on the data needs, methodologies, and indicators necessary for effective MRV processes. By addressing data gaps and improving data quality, these reports support a coordinated approach to monitoring and reporting.

The development of annual data collection systems, sector-specific data templates, and cross-departmental coordination will ensure that data is consistently collected, compiled, and verified. These systems, alongside the capacity-building efforts in training and technical assistance, will lead to better data management, more reliable GHG inventories, and accurate tracking of progress toward NDC targets. Collectively, these recommendations will enhance national institutional capacity, enabling SKN to meet international climate reporting standards while fostering a sustainable and transparent MRV framework.







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#### **ANNEXES**

#### Annex 1

**Tool Selection Process** 

- SKN Modelling Tool Workshop Report
- SKN Modelling Tool Justification Report

#### Annex 2

#### **Projections**

- TraCAD Training Report
- LEAP Training Report
- Methodologies for Projections

#### Annex 3

#### **Data Collection**

- Data collection and management and data gap assessment report

#### Annex 4

#### NDC Tracking

- NDC Tracking Indicators Report
- Documentation on NDC Tracking Tool
- NDC Tracking Indicators and Data Gaps
- NDC Tracking Training

#### Annex 5

MRV Framework