

VALIDATION WORKSHOP REPORT

For

The Preparation of a Draft Legal Agreement for Institutionalizing the MRV Framework

as part of

St. Kitts and Nevis Initiative for Climate Action Transparency (ICAT)’s Project: *“Development and Institutionalization of a Framework to Track NDC Action and Build Capacity in Relevant Areas”*

by

Nelly Cuello

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PREPARED UNDER

The Initiative for Climate Action Transparency (ICAT), supported by Austria, Canada, Germany, Italy, and the Children's Investment Fund Foundation.



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Background

The Government of St. Kitts and Nevis through the Ministry of Sustainable Development, Environment, Climate Action and Constituency Empowerment with support from the Initiative for Climate Action Transparency (ICAT) is developing and institutionalising a framework to track St. Kitts and Nevis' Nationally Determined Contribution (NDC) actions and build capacity in relevant areas to conduct projections of greenhouse gas (GHG) emissions. It aims to support sustainable NDC tracking and reporting for the electricity generation and transport subsectors. As part of this project, a consultant was contract to prepare a draft Legal Agreement for Institutionalizing the MRV Framework. A Validation Meeting to support the work of the consultant took place virtually on December 12, 2024. The meeting took place from 9:30 am – 10:45 am

Workshop Objective:

- Present the content and structure of the draft legal agreement.
- Facilitate an inter-institutional dialogue to validate and refine the content based on stakeholder needs and expectations.

Workshop Agenda:

The event followed a structured agenda to ensure productive discussions The agenda is attached to this report.

Workshop Structure and Highlights:

1. Introduction

The workshop commenced with a warm welcome and a brief introduction by the facilitator, who outlined the purpose of the session and emphasized the significance of validating the Draft Legal Agreement (DLA). The facilitator provided an overview of the context, explaining the importance of this process, and offered a summary of how the DLA was developed, highlighting the active involvement of key stakeholders throughout its creation.

2. Presentation of the DLA

The presentation of the Draft Legal Agreement (DLA) offered a comprehensive overview of its structure and main sections. Key provisions were highlighted, including the roles and responsibilities of the involved institutions, the mechanisms for implementation and governance, and the legal framework supporting the MRV system for the energy sector. This summary provided a clear understanding of the agreement's foundational elements and its relevance to institutional collaboration.

Key aspects presented:

The discussion began by defining NDCs, MRV, and the importance of climate action transparency, emphasizing their role in fostering accountability and credibility in climate mitigation efforts. These elements enhance transparency, track progress, attract investments, raise public awareness about climate change, and build stakeholder trust to achieve shared climate goals.

The need for establishing a formal institutional arrangements for reporting in Saint Kitts and Nevis was highlighted as a means to improve reporting efficiency, address fragmented responsibilities, clarify institutional roles, and strengthen inter-agency collaboration. A robust MRV system is essential for presenting the country's national circumstances and ensuring compliance with international obligations.

The process for drafting a legal agreement to support the MRV system was detailed, including an analysis of the legal and institutional framework of Saint Kitts and Nevis, the legal hierarchy, and the design of the Draft Legal Agreement (DLA). Provisions for MRV functioning and data flow were proposed, along with governance strategies, role definitions, risk analysis, and mechanisms to ensure effectiveness.

Various legal formats for establishing institutional relationships were compared, including memorandums of understanding, administrative agreements, contracts, government regulations, and legislation, highlighting their differences and applicability.

The review of the legal and regulatory framework of Saint Kitts and Nevis included laws such as the Data Protection Act and Electricity Supply regulations. Their implications for the MRV system were analyzed, and potential risks were identified alongside proposed mitigation measures.

Guiding principles for drafting the legal agreement were discussed, emphasizing the need to define responsible parties for risk mitigation. The structure of the draft legal agreement was outlined, including its title, purpose, effective date, and end date, ensuring clarity and alignment with its objectives.

The purpose and scope of information sharing in the NDC process were presented, stressing the importance of confidentiality protocols, data handling measures, and access control mechanisms. Annual reviews of the technical annex were proposed to allow updates without altering the main





agreement. Dispute resolution mechanisms, a glossary of terms, and signature lines for authorized representatives were identified as integral components of the draft agreement. Evaluating the effectiveness of the DLA was also seen as vital for guiding future actions.

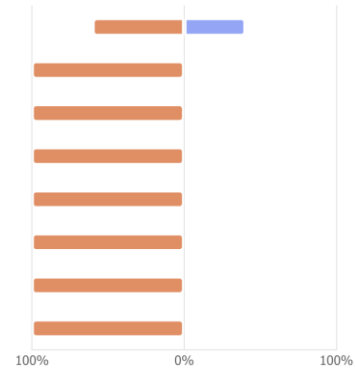

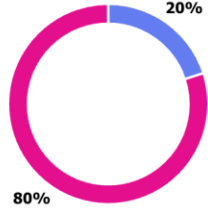
The discussion on management instrument effectiveness underscored its role in organizing responsibilities and data flow. Evaluation criteria such as alignment with strategic goals, governance, stakeholder collaboration, operational efficiency, and adaptability were proposed. Standardization, secure data collection mechanisms, and conflict resolution protocols were identified as critical to ensuring reliability and transparency. Tracking data from its source to the final report was also emphasized as essential.

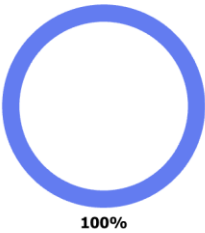
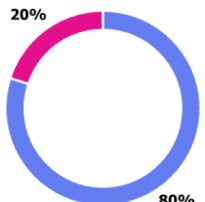


During the validation of the draft legal agreement, team feedback and suggestions were gathered to refine the document. The next steps include finalizing the draft, reviewing deliverables from the MRV Hub that supports the drafting of the DLA, and conducting a validation workshop to finalize and share all project inputs.

3. Stakeholder Feedback

Several questions were posed to the audience to gather feedback. The responses are summarized below.

Numbers of forms received	<div> <div>Respuestas</div> <div>5</div> <div></div> </div> <div> <div>Tiempo promedio</div> <div>08:43</div> <div></div> </div>
1. Is there any missing relevant legal and regulatory framework?	<div>1. Is there any missing relevant legal and regulatory framework?</div> <div> <div> <div>● Yes</div> <div>0</div> </div> <div> <div>● No</div> <div>5</div> </div> </div> <div>  <div>100%</div> </div>
2. Which relevant legal and regulatory framework is missing?	<div>2. Which relevant legal and regulatory framework is missing?</div> <div> <div>0</div> <div>Respuestas</div> </div> <div> <div>0 respuestas enviada</div>  <div>...</div> </div>
3. Preferred Guiding Principles for the Draft Legal Agreement?	<div>3. Preferred Guiding Principles for the Draft Legal Agreement?</div> <div> <div>● Yes</div> <div>● No</div> </div> <div> Más detalles </div>

	<p>Good Faith</p> <p>Mutual Respect and Sovereignty</p> <p>Commitment and Responsibility</p> <p>Transparency</p> <p>Confidentiality</p> <p>Efficiency and Resource Optimization</p> <p>Sustainability</p> <p>Conflict Resolution:</p> 
4. Help us to prioritize the Legal and Regulatory Risks with Mitigation?	<p>4. Help us to prioritize the Legal and Regulatory Risks with Mitigation? Más detalles</p> 
5. Do you think is there any missing element in the DLA structure?	<p>5. Do you think is there any missing element in the DLA structure?</p> <p> ● Yes 1 ● No 4 </p> 
6. Any missing element in the DLA structure	<p>6. Any missing element in the DLA structure</p> <p>1 Respuestas</p> <p>Respuestas más recientes "No"</p>

<p>7. Do you think that the approach proposed to evaluate the DLA effectiveness is enough?</p>	<p>7. Do you think that the approach proposed to evaluate the MoU effectiveness is enough?</p> <div> ● yes 5 ● No 0 ● Otras 0 </div>  <p>100%</p>
<p>8. Do you think that the Criteria and Indicators proposed are enough?</p>	<p>8. Do you think that the Criteria and Indicators proposed are enough?</p> <div> ● Yes 4 ● No 1 </div>  <p>20% 80%</p>
<p>9. Is there any alternative mechanism that is missing?</p>	<p>9. Is there any alternative mechanisms that is missing?</p> <div> ● Yes 0 ● No 5 </div>  <p>100%</p>
<p>10. If yes, which one?</p>	<p>10. If yes, which one?</p> <p>0 respuestas enviada</p> <p>0 Respuestas</p> 

4. Results

Feedback from Participants:

The workshop included a feedback session where attendees provided their insights on the draft legal agreement. Below is a summary of the key feedback:

Missing Legal and Regulatory Frameworks:

Participants indicated that no relevant legal or regulatory framework was missing. However, some emphasized the need to prioritize frameworks related to data protection and privacy.

Prioritization of Legal and Regulatory Risks:

Key risks identified include:

- Data Protection and Privacy
- Environmental Compliance
- Licensing and Operational Standards

Evaluation of the DLA Effectiveness:

- All participants agreed that the approach proposed for evaluating the legislative framework's effectiveness was sufficient.

Criteria and Indicators for Evaluation:

- Some participants found the proposed criteria and indicators adequate and others suggested further refinement to ensure comprehensive coverage.

Missing Elements in the DLA Structure:

- One participant suggested improvements to the DLA structure but did not specify additional elements.

Alternative Mechanisms:

- No alternative mechanisms were identified by participants.

This feedback will be instrumental in refining the DLA and aligning it with stakeholder expectations.

5. Key Discussions:

MRV Framework Legal Agreement:

The session introduced the purpose of the draft legal agreement. Representatives from multiple institutions, including the Climate Action Unit and the Caribbean Cooperative Measurement and Reporting Verification Hub, participated.

Discussions emphasized the importance of transparency, accountability, and credibility in climate mitigation actions, and the integration of the MRV framework within legal and institutional structures.

Nationally Determined Contributions and Climate Transparency:

The role of Nationally Determined Contributions (NDCs) and the Measurement, Reporting and Verification (MRV) process in enhancing transparency and tracking progress was explained. St.

Kitts and Nevis' ambitious targets for reducing greenhouse gas emissions by 61% relative to 2010 levels by 2030 were highlighted.

Draft Legal Agreement Development:

The legal drafting process was elaborated, including the analysis of the legal hierarchy, governance strategies, roles, and data flow mechanisms.

The draft's structure included elements such as confidentiality protocols, roles and responsibilities, annual reviews, and dispute resolution mechanisms.

Legal and Regulatory Framework:

Discussions covered the implications of local regulations, such as data protection and electricity supply laws, on the MRV system. The need for clear governance and risk mitigation strategies within the agreement was emphasized.

6. Next Steps:

1. Incorporate stakeholder feedback and complete the draft legal arrangements for the MRV framework.
2. The Climate Action Unit to send the completed draft to stakeholders for review and comments.
3. Finalize Legal Arrangements document

Validation of the Draft Legal Agreement

To Institutionalize the MRV Framework for the electricity generation and transport subsector to support the Government of SKN including for compilation of the emission estimates and NDC tracking.

Nelly Cuello, M. Sc.

EXPECTED TIME	ACTIVITY
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9:30 am	Registration
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9:35 am	Virtual Meeting Etiquette Rules
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9:40 am	Introductory words
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9:45 am	Workshop purpose
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9:50 am	Process overview
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9:55 am	Presentation of the DLA
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10:10 am	Q / A
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10:15 am	Interactive Feedback with Mentimeter (20 minutes)
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10:35 am	Wrap-up stakeholders feedback
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10:45 am	Conclusions and Next Steps
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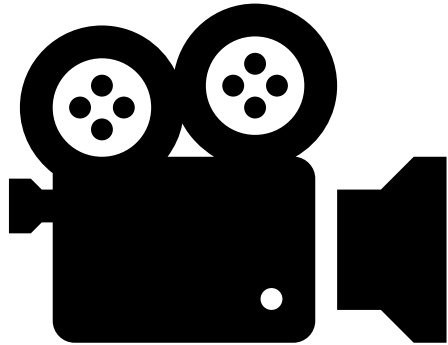


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Recording

- Welcome! Please note that this presentation is being recorded to ensure a record of our discussions.

WEB etiquette



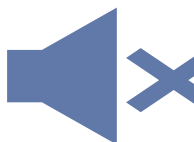
Minimize Distractions: Turn off phone notifications and close unnecessary tabs on your computer.

Respect Privacy: Avoid recording the meeting or sharing information without consent.



Be Patient: Technical issues can arise; be understanding if someone has connectivity problems.

Mute When Not Speaking: Keep your microphone muted to minimize background noise unless it's your turn to speak.



Introduce Yourself: If not everyone knows you, introduce yourself briefly when you first speak.



Use Video Thoughtfully: Turn on your video to engage fully unless there's a reason not to.

Avoid Multitasking: Focus on the meeting and avoid checking emails or working on unrelated tasks.



Wait Your Turn: Avoid interrupting others; use hand-raise features or chat tools if necessary.

Be Concise: Keep your points clear and to the point to respect everyone's time.



Stay on Topic: Contribute to the discussion without veering off into unrelated matters.

Use Chat Appropriately: Use the chat function for relevant comments or questions without disrupting the flow.





Monitoring, Reporting, Verification

What is MRV?

MRV is an acronym for **Monitoring, Reporting, and Verification**. This process ensures the accurate tracking, recording, and validation of data related to greenhouse gas (GHG) emission reduction targets and objectives. It involves: **Monitoring as** continuously tracking GHG emissions and relevant activities. **Reporting as a** periodically documenting and submitting detailed reports on emissions, reduction efforts, and progress towards targets. And **verification: as an** independent assessment of the accuracy and completeness of reported data and claims.

Why a Robust MRV is important?

By implementing a robust MRV system, parties and organizations **can enhance transparency, accountability, and credibility** in their climate change mitigation efforts.

Track progress: Assess advancements towards established objectives.

Ensure compliance: Guarantee timely adherence to set targets.

What benefits can be gained by implementing a rigorous and transparent MRV system?

Enhance integrity: Foster trust and credibility.

Promote accountability: Hold themselves responsible for their climate commitments.

Monitoring progress: Tracking advancements against pledged actions.



Nationally Determined Contributions

What is NDC?

Nationally Determined Contributions (NDCs) are climate action plans that each country submits to the United Nations Framework Convention on Climate Change (UNFCCC). In these plans, countries outline their ambitious targets for reducing greenhouse gas emissions and adapting to the impacts of climate change.

What is the importance of the NDC?

Reflect national circumstances: They consider each country's unique situation, such as its level of development, resources, and vulnerability to climate change.

Demonstrate leadership: They show a country's commitment to global climate action, even with limited resources.

Attract investment: They can unlock international finance to support the implementation of climate actions.

Help countries adapt to the impacts of climate change, such as droughts, floods, and extreme weather events.

Benefits of ambitious NDCs for dev. countries and SIDS?

Ambitious NDCs can elevate a country's global standing and attract greater international attention and support, including financial and technological assistance.

Increase investment in low-carbon and climate-resilient development, blue carbon economy countries can create new green jobs, attract sustainable investments, stimulate economic growth and diversification

Implementing ambitious climate actions, like transitioning to clean energy sources, can lead to significant improvements in air quality and public health.

NDCs can drive innovation and the development of new technologies, particularly in renewable energy, energy efficiency, and climate-smart agriculture.

Ambitious NDCs can strengthen a country's negotiating position in international climate talks, allowing them to advocate for their priorities and secure favorable outcomes.

Strong NDCs can increase a SIDS' eligibility for climate finance, helping them implement adaptation and mitigation measures.

NDCs can foster international cooperation and partnerships, enabling SIDS to share experiences and knowledge with other vulnerable countries.



Nationally Determined Contributions

In adherence to its international commitments, as a party to the United Nations Framework Convention on Climate Change (UNFCCC), St. Kitts and Nevis submitted its first NDC in 2015 and its updated NDC in 2021.

In its updated NDC, the nation communicated its ambition to reduce economy-wide carbon dioxide emissions by 61% relative to 2010 levels by 2030. This target is conditionally dependent on adequate international financial and capacity-building support.

Multiple interventions were also identified to achieve the target:

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

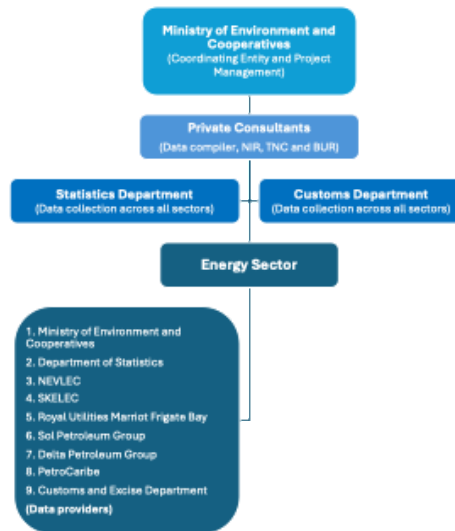
In addition, SKN identified several mitigation measures which could be implemented to achieve the overall target:

- 35.7 MW of utility-scale solar photovoltaic (PV) capacity for SKN
- 6.6 MW of wind power capacity in SKN
- 25 MW of geothermal power capacity (10 MW in Nevis and 15 MW in SKN)
- Improvement in transmission and distribution lines to reduce losses on both islands
- Two solar PV plants of 0.75 MW each to supply two desalination plants
- 5% reduction in the power demand by introducing Solar Water Heaters
- Penetration of EVs reaching 2% of the vehicle fleet

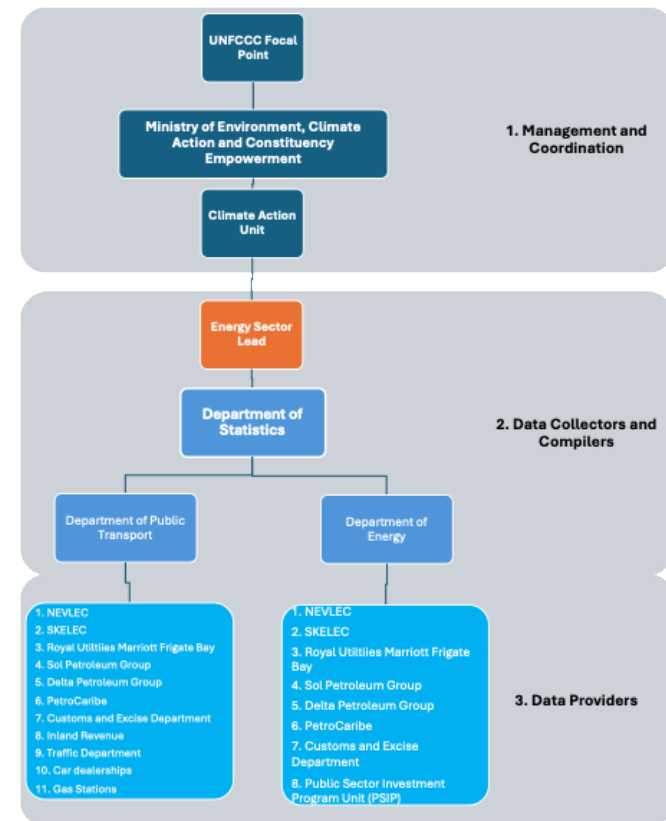


Institutional Arrangement

Historically



Proposed



Why a Legal Agreement?

To establish a robust and transparent system for Measurement, Reporting, and Verification (MRV) its necessary:

To address challenges like fragmented responsibilities and lack of role clarity.

To improve efficiency, inter-institutional collaboration, and compliance.

Purpose of this workshop



Validate the structure and key elements of the Draft Legal Agreement (DLA).

Gather specific feedback for refinement.



Align expectations among participating institutions.

DLA Processes

Literature review:

- Saint Kitts and Nevis NDC – SKN official document submitted to UNFCCC.
- Measurement, Reporting and Verification Framework for the Electricity Generation and Transport Sectors – ICAT Document.
- Report on NDC tracking indicators and data gaps – ICAT Document.
- Report presenting the overarching institutional arrangements and recommendation for national reporting for the Electricity Generation and Transport Sectors – ICAT Document.
- Among others related topics.

Legal and Institutional framework analysis

- SKN Acts and Laws and Institutional framework
- Legal Hierarchy in Saint Kitts and Nevis
- Commonly used formal Instruments for Institutional Arrangements

DLA Design

- Guiding Principles for DLA
- Legal and regulatory risks and proposed mitigation actions
- Provisions to be considered according to MRV Functioning and Data Flow.

Governance Strategy, and Implementation Framework

- Recommendation for Governance strategy
- Responsible, Accountable Consulted and Informed (RACI) Framework
- Risk analysis to be addressed within the DLA
- Proposed DLA structure
- Evaluating DLA Effectiveness and next steps.

Commonly used formal Instruments for Institutional Arrangements

Instrument	Rationale	Pros	Cons
Memorandum of Understanding (MoU)	Used to formalize a mutual understanding or collaboration without creating a binding obligation.	<ul style="list-style-type: none"> - Flexible and quick to implement, as it usually does not require legislative approval. - Encourages collaboration and coordination without creating enforceable obligations. 	<ul style="list-style-type: none"> - Provide limited legal enforceability. - May not be suitable for commitments requiring accountability.
Administrative Agreement	Typically used between government agencies to establish cooperation on specific tasks or projects.	<ul style="list-style-type: none"> - Formal but less complex than a contract. - Provides a clear framework for responsibilities while allowing flexibility. 	<ul style="list-style-type: none"> - May lack enforceability if not backed by legislative or executive authority. - Less comprehensive than a contract.
Contract	Creates a legally binding agreement with specific rights, obligations, and remedies.	<ul style="list-style-type: none"> - Legally enforceable, providing accountability and a basis for legal recourse in case of breach. - Defines detailed terms, reducing ambiguities. 	<ul style="list-style-type: none"> - Requires thorough review and can be time-consuming and costly to draft. - May require approval from higher or external authorities.
Government Regulation	Establishes a framework for specific institutional operations or partnerships under executive authority.	<ul style="list-style-type: none"> - Provides clear rules and guidelines within the scope of existing laws. - Can be enforced without the need for legislative change. 	<ul style="list-style-type: none"> - Requires compliance with the overarching legal framework, limiting flexibility. - May still require a lengthy approval process within the executive branch.
Legislation (Law / Act)	Formalizes institutional relationships or mandates under national law, with approval from a legislative body.	<ul style="list-style-type: none"> - Offers the highest level of legal enforceability. - Provides a clear mandate, increasing legitimacy and stability of the institution. 	<ul style="list-style-type: none"> - Often requires extensive debate, approval, and time to pass through legislative channels. - Harder to amend or adapt compared to more flexible instruments.
Executive Order (Presidential Decree)	Issued by the executive branch to direct government agencies to collaborate or establish institutions.	<ul style="list-style-type: none"> - Quick to implement without legislative approval. - Provides a binding directive for agencies within the executive branch. 	<ul style="list-style-type: none"> - Can be more easily overturned by a new administration. - May lack the same long-term stability as legislation.

Relevant legal and regulatory framework

Relevant Law/Policy	Description & Relevant Sections	Implications for the MOU
Saint Kitts and Nevis Data Protection Act	<p>Description: Governs the collection, processing, and management of personal data.</p> <p>Relevant Sections: Regulations for data collection, storage, and management; Data security and protection protocols.</p> <p>Section(s): Data protection principles (Section 4); Data subject rights (Sections 7-9); Data security provisions (Section 12).</p>	The MOU should ensure compliance with privacy and data protection laws, especially for sensitive environmental data.
Electricity Supply Act	<p>Description: Governs the licensing, operation, and regulation of electricity generation and distribution systems.</p> <p>Licensing Requirements and Permissions for Electricity Supply (often in the early sections of the Act, such as Sections 5-10 in many electricity-related laws). Typically requires all entities involved in generating or distributing electricity to obtain a valid license. The license often stipulates obligations such as compliance with operational standards, data reporting, and cooperation with regulators. Sharing data outside the scope of licensing conditions may breach legal obligations.</p> <p>Operational and Safety Standards for Electricity Generation and Supply (e.g., Sections 12-20 in such Acts) mandates compliance with predefined operational standards, including data accuracy in reports related to electricity supply, efficiency metrics, and environmental impacts. These requirements directly affect what and how data must be reported and shared.</p> <p>Regulatory Oversight, role, and powers of the Public Utilities Commission Sections 20-25, regulatory authorities are empowered to oversee data-sharing practices to ensure compliance with operational, financial, and environmental regulations. Entities may be required to submit reports for audits or regulatory reviews.</p> <p>Data Accuracy and Reporting Obligations, Records and Reporting Sections 15-30) requires entities to maintain and submit accurate records of operations, energy generation, emissions, and other performance metrics. This ensures that data shared aligns with regulatory expectations and supports compliance with broader frameworks like climate commitments.</p> <p>Confidentiality and Data Security and Data Protection (in Sections 35-40), protects proprietary or sensitive information. Sharing such data must align with confidentiality clauses, ensuring it is not misused or disclosed without authorization.</p>	The MOU should ensure compliance with licensing and operational standards while addressing safety and data-sharing regulations for energy monitoring.
Public Utilities Act and Utilities Regulatory Commission and Associated Regulations	<p>Description: Governs utilities such as electricity, water, and telecommunications.</p> <p>Relevant Sections: Regulations on utility service standards, including energy emissions and sustainability; Data reporting requirements for utilities.</p> <p>Section(s): Utility emissions and data reporting obligations (Section 8); Sustainability and energy regulation (Section 14).</p>	The MOU should ensure that energy and utility-related data sharing is aligned with regulatory standards and frameworks for those sectors.

Relevant legal and regulatory framework

Relevant Law/Policy	Description & Relevant Sections	Implications for the MOU
Roads Act and Vehicles and Road Traffic Act	<p>Description: Regulates road infrastructure and traffic, including vehicle emissions.</p> <p>Relevant Sections: Emissions standards for vehicles; Traffic and transportation data reporting guidelines.</p> <p>Article(s): Vehicle emissions standards (Section 10); Traffic-related environmental data reporting (Section 12).</p>	The MOU should include provisions for sharing transportation-related data, especially regarding emissions and carbon footprint reduction efforts.
Statistical Act	<p>Description: Establishes a framework for the collection, management, and dissemination of statistical data.</p> <p>Relevant Sections:</p> <p>Authority to Collect and Use Data</p> <p>Section 3: This section outlines the powers of the Chief Statistician to collect, compile, analyze, and disseminate data. For an MRV system, this authority ensures the inclusion of electricity and transport data as part of national statistics.</p> <p>Section 4: This section details the power to request data from public and private entities, essential for obtaining sectoral data (e.g., electricity generation, fuel consumption in transport).</p> <p>Confidentiality and Data Sharing</p> <p>Section 10: Emphasizes the confidentiality of data collected, a critical aspect to include in the MoU to ensure that stakeholders in the electricity and transport sectors feel secure in sharing data.</p> <p>Section 12: Governs the conditions under which data can be disclosed, making it relevant to defining terms in the MoU about data sharing for MRV purposes while maintaining compliance with legal protections.</p> <p>Scope of Statistical Data</p> <p>Section 6: Specifies the types of statistics that can be collected, which could include energy production, emissions data, and vehicle usage patterns. This section supports the inclusion of specific electricity and transport indicators in the MRV system.</p> <p>Collaboration with Other Entities</p> <p>Section 8: Highlights the role of the Statistics Department in cooperating with other public agencies. This section is foundational for formalizing collaboration in the MoU, ensuring roles and responsibilities are clearly defined for electricity and transport stakeholders.</p> <p>Reporting Requirements</p> <p>Section 5: Mandates the preparation of regular statistical reports, which align with MRV reporting obligations. The MoU can specify timelines and formats for progress reports in these sectors.</p>	<p>The MOU should include provisions for:</p> <p>Define Key Indicators: Use the Act's provisions to establish which electricity and transport metrics will be tracked (e.g., renewable energy penetration, fleet emissions).</p> <p>Specify Roles: Clarify roles of the Statistics Department and sector-specific agencies under the collaboration mandate (Section 8).</p> <p>Ensure Data Sharing Protocols: Include clauses informed by Sections 10 and 12 to guarantee secure and lawful data exchange.</p> <p>Set Reporting Mechanisms: Leverage Section 5 to define how and when progress data will be submitted and analyzed.</p>
National Conservation and Environmental Protection Act (NCEPA)	<p>Description: Establishes the legal framework for environmental conservation and protection.</p> <p>Relevant Sections: Provisions for environmental protection; Requirements for data reporting and environmental monitoring.</p> <p>Section(s): Environmental protection provisions (Section 3); Monitoring and reporting of environmental data (Section 6).</p>	The MOU must align with environmental protection principles, ensuring that shared data complies with conservation and protection standards.

Relevant legal and regulatory framework

Relevant Law/Policy	Description & Relevant Sections	Implications for the MOU
Procurement and Contract Act	<p>Description: Regulates government procurement processes, including contracts for services and goods.</p> <p>Relevant Sections: Legal requirements for public procurement and contracting; Data-sharing provisions in government contracts.</p> <p>Section(s): Procurement regulations and contract clauses (Sections 5-9); Data-sharing terms in contracts (Section 11).</p>	If data-sharing involves services related to monitoring or data analysis, the MOU should comply with legal provisions for government contracts and procurement.
Telecommunications and Information Security Act	<p>Description: Regulates information security in telecommunications and other information exchanges.</p> <p>Relevant Sections: Information security protocols; Guidelines for secure data transfer and storage.</p> <p>Article(s): Security requirements for data transmission (Section 7); Encryption and protection of communications (Section 9).</p>	The MOU should address data security measures for safe exchange and storage of data, ensuring compliance with information security standards.
National Climate Change Policy	<p>Description: Defines national climate change objectives and strategies.</p> <p>Relevant Sections: Goals for climate change mitigation and adaptation; Guidelines for national MRV (Monitoring, Reporting, and Verification) systems.</p> <p>Section(s): Climate change mitigation and adaptation goals (Section 3); National MRV guidelines (Section 6).</p>	The MOU should align with national climate change priorities, ensuring that MRV actions support national objectives.
Paris Agreement and UNFCCC (United Nations Framework Convention on Climate Change)	<p>Description: Global framework for climate change action, including emissions monitoring and reporting.</p> <p>Relevant Sections: Commitments to transparency, monitoring, and reporting of emissions and mitigation efforts; International cooperation on climate change data exchange.</p> <p>Article(s): Transparency and accountability (Article 13 of the Paris Agreement); Monitoring and reporting guidelines (Article 4 of the UNFCCC).</p>	The MOU must align with international commitments to transparency and accountability in national emissions reporting and climate change mitigation measures.
Conventions and Guidelines of CARICOM and OECS	<p>Description: Regional frameworks and guidelines for climate change action and data-sharing.</p> <p>Relevant Sections: Agreements on regional climate change cooperation; Data-sharing standards for climate action in the Caribbean.</p> <p>Article(s): CARICOM climate change cooperation agreements (Article 10); OECS guidelines on data-sharing for climate action (Article 8).</p>	The MOU should be consistent with CARICOM and OECS guidelines, ensuring alignment with regional climate change cooperation efforts.

Guiding Principles for the Draft Legal Agreement



Good Faith: Both parties commit to acting honestly, transparently, and for mutual benefit, respecting shared objectives.



Mutual Respect and Sovereignty: Each party respects the independence and authority of the other.



Commitment and Responsibility: Each party assumes its role and the responsibilities outlined in the MOU, seeking to fulfill the agreed objectives, and taking responsibility for their actions and omissions.



Transparency: Maintain clear and open communication between both parties regarding decisions, progress, and potential issues that may impact the MOU's development.



Confidentiality: The parties agree to protect any confidential information shared during the collaboration, committing not to disclose it without prior consent.



Efficiency and Resource Optimization: The parties strive to maximize the use of available resources, avoiding duplications and using resources efficiently for mutual benefit.



Sustainability: Ensure that joint activities are carried out sustainably, minimizing environmental impact and seeking long-term benefits.



Conflict Resolution: In case of disagreements, the parties commit to resolving any conflicts through dialogue and negotiation, avoiding legal measures when possible.



Legal and Regulatory Risks with Mitigation

Risk Aspect	Risk Description	Legal/Regulatory Requirements	Mitigation Options	Responsible Party
Data Protection and Privacy	Risk of non-compliance with privacy regulations, leading to penalties or loss of sensitive data	Compliance with the Telecommunications Act (Chapter 16.05) and potential future data protection laws.	Include a confidentiality clause Implement data security measures (encryption, limited access)	Legal and Data Security Team
Environmental Compliance	Possible penalties for failing to meet emissions standards and environmental requirements	Compliance with the “National Conservation and Environmental Protection Act (Chapter 11.02), including Section 18.	Conduct periodic compliance reviews; Integrate emission standards in the MRV and align them with environmental legislation	Environmental and Compliance Team
Licensing and Operational Compliance	Risk of operating without the required licenses, which not provide the data, or inaccuracy cause technical specification for the data collection has not been follow, therefore the MRV system would have data gaps and be incomplete.	“Electricity Supply Act (Chapter 16.03)” and “Utilities Regulatory Commission Act (Chapter 16.09)”	Specify roles and responsibilities in the MoU; Ensure all participants have the necessary licenses to operate	Licensing and Operations Team
Data Inaccuracies and Liability	Risk of reporting incorrect data, leading to non-compliance and reputational damage	Compliance with standards and NDC reporting requirements under the “Paris Agreement”	Establish a data review team; Conduct internal or third-party audits to ensure data accuracy	Data Verification Team
Contractual Ambiguities	Risk of ambiguous interpretation of responsibilities and terms in the MoU due to lack of specificity	Compliance with the “Contract Act (Chapter 4.05)”	Include a glossary of terms in the MoU; Clearly define roles and responsibilities in the agreement and in technical annexes	Legal Team
Compliance with International Commitments	Risk of non-compliance with commitments under the “Paris Agreement” and “UNFCCC (United Nations Framework Convention on Climate Change)”	Alignment with international emissions and NDC tracking standards	Ensure the MRV is aligned with St. Kitts and Nevis’s commitments under the Paris Agreement; Include ongoing monitoring of NDC compliance.	International Policy Team
Legislative Changes Risk	Possible legislative changes affecting future compliance with the MoU	Continuous review of relevant laws, such as the “Contract Act” and energy and telecommunications regulations	Include a modification clause in the MoU to allow for annual updates. Create a team responsible for monitoring regulatory changes	Legal and Compliance Team
Dispute Escalation and Resolution Mechanism	Lack of a resolution mechanism in case of disputes over MoU compliance, leading to unresolved conflicts	Nonspecific, but recommended under good contract practices	Establish a dispute resolution process, including mediation or arbitration, in the MoU to address any issues of interpretation or compliance	Legal Team
Technical and Regulatory Adaptability	Risk that MRV technical parameters become outdated with changes in regulatory standards	Nonspecific, but continuous review is recommended to adapt to national and international standards	Create a technical annex in the MoU that is reviewable and modifiable annually by both parties; Ensure flexibility for adjustments to new regulations	Technical Team

DLA structure

The title explicitly indicates the purpose of the MoU (Information Exchange of relevant data and Indicators from the Energy Sector), it specifies the participating parties: Organization A (Data Provider) and Organization B (Coordinating entity), with standard references used

Effective Date:

This section defines the start date for the MoU, establishing its initial period of effect.

Purpose and Scope: This section outlines the MoU's purpose, which is to create a cooperative framework for monitoring Nationally Determined Contributions (NDCs) within St. Kitts and Nevis. It highlights alignment with the Paris Agreement and local laws.

Scope of Application: Specifies the types of data covered by the MoU (e.g., emissions, energy consumption) and establishes protocols for confidentiality, data integrity, and regulatory compliance.

Roles and Responsibilities: Details the obligations of each organization: *Organization A* (Power Generation or Transport sector data provider) provides energy-related data and upholds security protocols. *Organization B* (Coordinating entity) to ensure process data into useful information for monitoring climate commitments, implementing security measures and supporting NDC tracking. This section ensures both parties contribute actively to monitoring and reporting NDC-related data. As described in RACI matrix.

Information Exchange and Confidentiality: Outlines confidentiality agreements, data usage terms (in Annex A), and restrictions on third-party sharing. Each party is responsible for maintaining data security to prevent unauthorized access.

Intellectual Property: Specifies that exchanged data remains the property of the originating party. It allows the receiving party limited usage rights and details the handling of intellectual property rights for joint reports or products.

Compliance with National and International Standards: Both parties commit to adhering to relevant national and international laws, particularly environmental and data protection laws, and adapting to evolving standards.

DLA structure

Annual Review and Technical Annex Modifications: Provides a schedule for reviewing technical specifications (in Annex A) and enables periodic updates to reflect changing needs, with formal approval from both parties.

Dispute Resolution: Specifies processes for resolving disputes through negotiation, mediation, or arbitration as outlined in Annex A. A mutually acceptable jurisdiction will govern any legal actions.

Duration and Termination: Defines the duration of the MoU and conditions for automatic renewal, as well as requirements for termination (e.g., a 60-day notice or breach of agreement).

General Provisions: States the MoU's non-binding nature while affirming the commitment of both parties. Any amendments require written approval from both organizations.

Annex A: Technical Specifications for Information Exchange: Provides detailed technical requirements for data exchange, covering types of data, security protocols, storage practices, reporting frequency, and review mechanisms. This annex can be reviewed and updated annually.

Annex B: Glossary of Terms: Defines key terms (e.g., NDC, confidentiality, data integrity, encryption) to prevent misunderstandings. The glossary may be expanded as needed to maintain consistency.

Signature lines for authorized representatives from each organization formalize the agreement, including fields for names, positions, and dates.

Evaluating MoU Effectiveness and Next Steps

The purposed of the evaluation can be focus on these objectives:

- Measuring the MoU's alignment with strategic goals, particularly its contribution to NDC-related initiatives.
- Assessing its effectiveness in fostering collaboration among stakeholders, including data exchange and compliance with legal and regulatory standards.
- Identifying the impact of the MoU in addressing challenges such as institutional coordination, technical implementation, and risk management.
- Evaluating the adequacy of governance, accountability mechanisms, and operational processes established under the MoU.

Structured Approach to Assessment

- The evaluation involves establishing a baseline methodology that integrates performance indicators and stakeholder feedback. This approach is designed to assess the effectiveness of a Memorandum of Understanding (MoU) within the MRV system. By combining performance indicators with stakeholder feedback ensures that the evaluation is both data-driven and context-aware, critical for the success of MRV systems in tracking NDCs.
 - **Transparency:** Ensures stakeholders understand how progress is measured.
 - **Evidence-Based Decision-Making:** Provides clear data to guide actions and improve systems.
 - **Accountability:** Holds implementers accountable by tracking measurable outcomes.
 - **Continuous Improvement:** Enables iterative refinements to systems and strategies.

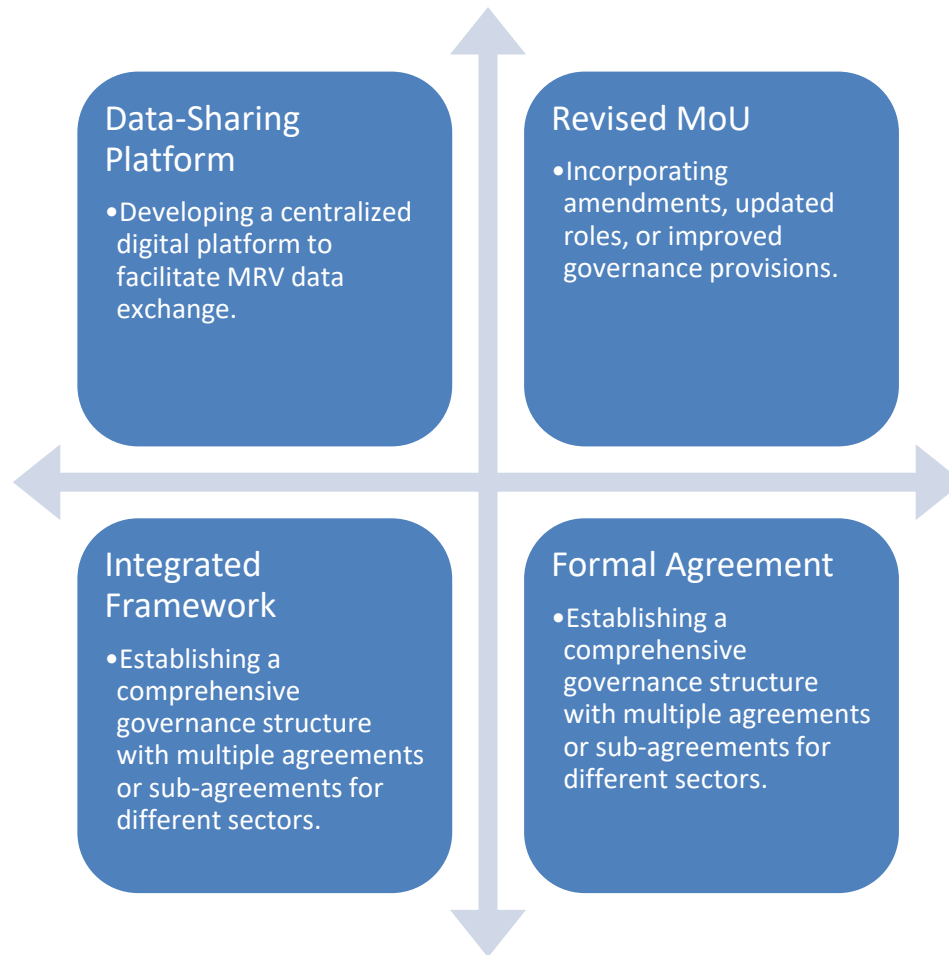
Assessment Criteria

Assessment criteria	Key aspect	Objective and Scope
Effectiveness:	Goals and Objectives: Achievement of stated objectives. Contribution to NDC tracking and data transparency	Examining the alignment of the MoU with its original goals and its contribution to achieving NDC priorities
Governance	Governance and Roles: Clarity of roles and responsibilities. Accountability mechanisms and dispute resolution processes.	Evaluating how well the MoU defines and enforces roles, responsibilities, and accountability mechanisms.
Stakeholder Collaboration	Stakeholder Collaboration: Level of participation and engagement from key stakeholders. Effectiveness of coordination and information sharing.	Assessing the level and quality of coordination among key stakeholders.
Operational Effectiveness	Risk Mitigation and Sustainability Success in identifying and addressing risks related to compliance, data accuracy, and operational challenges. Ability of the MoU to facilitate long-term progress without significant revisions. Scalability to accommodate future needs or challenges.	Measuring how the MoU has facilitated data exchange, compliance monitoring, and risk mitigation
Adaptability	Gaps and Challenges Responsiveness to regulatory, technical, or institutional changes. Inclusion of mechanisms for regular reviews and updates.	Identifying areas where the MoU has fallen short in meeting its objectives or adapting to new developments.

Criteria and Indicators proposed.

Criteria	Aspect	Indicator proposed
Governance Effectiveness Indicators	Role Clarity:	Percentage of stakeholders with clearly defined roles and responsibilities in the MoU. Instances of role-related disputes or ambiguities reported.
	Decision-Making Efficiency:	Time taken to make and implement key decisions. Percentage of decisions made within predefined timelines
	Accountability Mechanisms	Number of compliance reviews or audits conducted as per the governance framework. Percentage of corrective actions implemented after governance reviews.
	Dispute Resolution	Number of disputes resolved through established mechanisms (e.g., mediation or arbitration). Average time taken to resolve disputes.
	Transparency:	Frequency and quality of governance-related reports shared with stakeholders. Stakeholder satisfaction with governance-related communication.
Stakeholder Adherence Indicators	Commitment Fulfillment	Percentage of stakeholders meeting their deliverables within agreed timelines. Instances of non-compliance with roles and responsibilities outlined in the MoU.
	Engagement Levels:	Attendance and active participation rates in scheduled meetings or working groups. Number of collaborative initiatives successfully completed.
	Data Sharing and Reporting:	Percentage of stakeholders submitting data reports as required. Percentage of submitted data verified for accuracy and completeness.
	Compliance with Legal and Regulatory Requirements:	Percentage of stakeholders adhering to applicable legal and regulatory standards. Instances of legal or regulatory breaches reported among stakeholders.
	Capacity Building Participation:	Percentage of stakeholders participating in training or capacity-building activities. Feedback on the effectiveness of these activities in improving adherence and performance.
System-Wide Indicators	Progress on Objectives:	Percentage of MoU objectives achieved (e.g., NDC tracking, data exchange). Alignment of MoU outcomes with overarching governance goals.
	Adaptability:	Frequency of updates or amendments made to the MoU to reflect changes in regulations or circumstances. Stakeholder satisfaction with the governance system's responsiveness to new challenges.
	Risk Management:	Number of risks identified and mitigated through governance mechanisms. Percentage of unresolved risks impacting governance effectiveness.

Alternatives mechanisms as Next Steps



Establishing a comprehensive formal governance structure

Proven Effectiveness and Impact of the MoU Initiatives:



Performance Metrics: Track measurable outcomes, such as the achievement of key objectives, increased efficiency, or improved coordination between institutions. When MoU-driven initiatives consistently show positive impact and can be scaled, it may indicate the need for a legal framework to formalize and sustain these results.



Success in Pilot Testing: If MoU-based programs or pilots successfully address the issue they were created for, it's a sign that formalizing them into law could expand their reach and legitimacy.

Need for Standardization and Long-Term Sustainability:

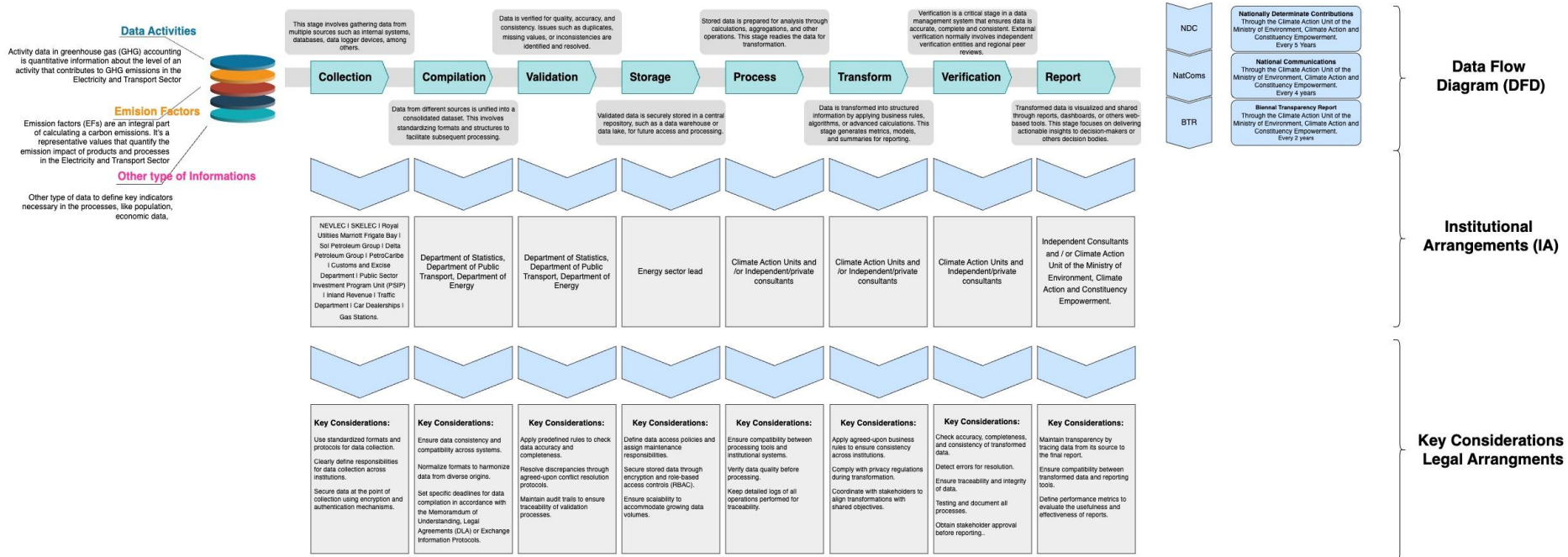


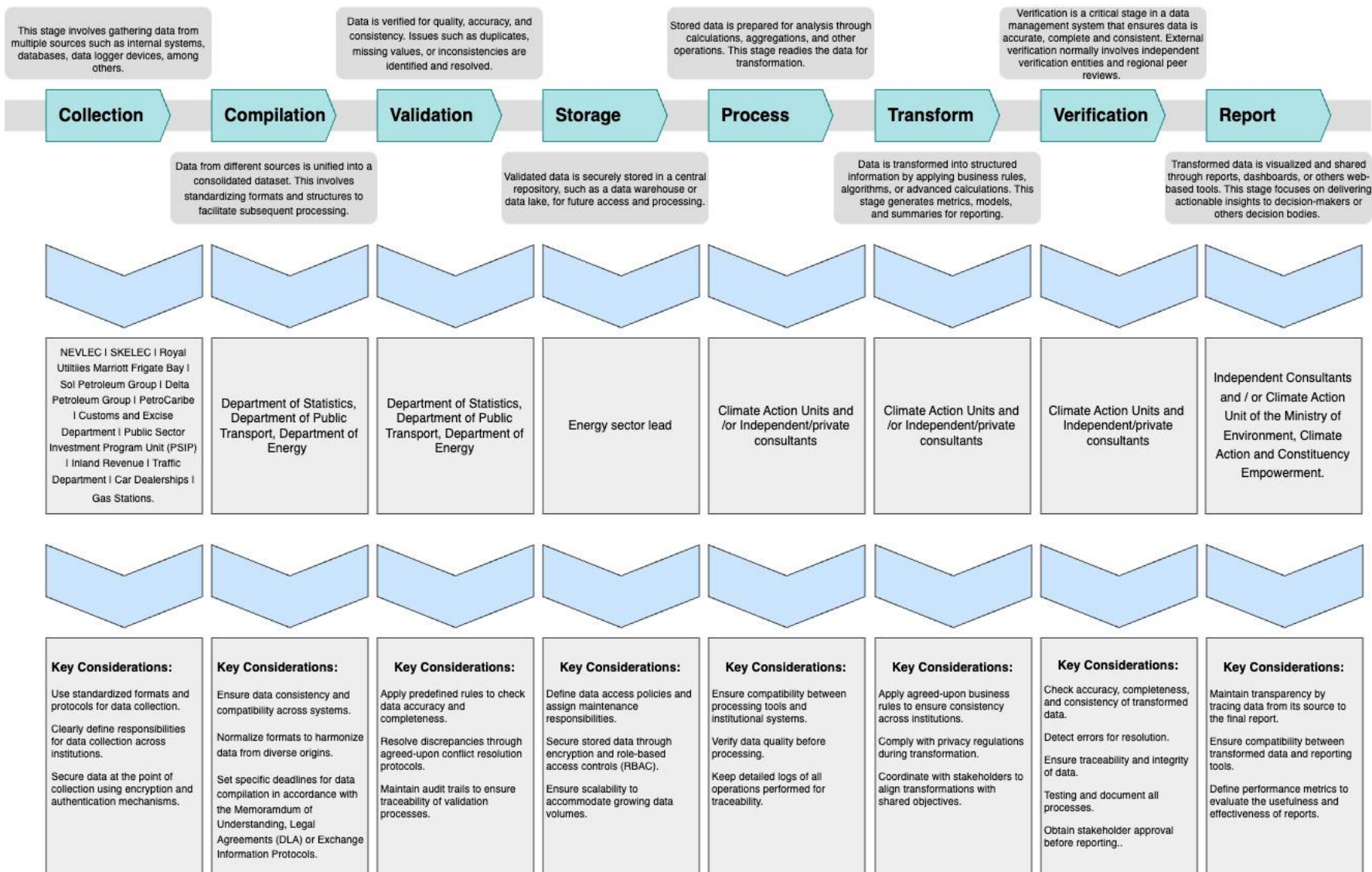
Inconsistencies or Duplication: When gaps or inconsistencies arise between institutions operating under separate MoUs, a unified legal act can help create standardized procedures and eliminate duplications.



Sustainability Demands: If the goals or effects of the MoU require continuity beyond the current political term or leadership, a legal act provides long-term stability and accountability that outlasts changes in institutional leadership or policy focus.

Institutional Arrangement and Legal Key Consideration





- <https://forms.office.com/r/RirLkasBih>

Validation of the Draft Legal Agreement

