

# Non-State and Subnational Action Guidance

## *Guidance for integrating the impact of non-state and subnational mitigation actions into national greenhouse gas projections, targets and planning*

*July 2018*

### Why integrate the impact of non-state and subnational actions into national projections, targets and planning?

---

#### 1. INTRODUCTION

*The challenge of climate change requires a concerted effort by national governments and a diverse range of non-state and subnational actors, such as states and cities, businesses and civil society. Non-state and subnational climate action is needed to achieve national mitigation targets but can also go beyond them to further raise the ambition. It is therefore necessary that non-state and subnational actors are fully integrated into the national vision to ensure buy-in and to fully realise the mitigation potential of a country.*

#### Context for non-state and subnational action

The Paris Agreement recognises the importance of non-state and subnational actions and explicitly encourages non-state and subnational actors to scale up their climate actions.<sup>1</sup> Globally, there is an acceleration of non-state and subnational action with a growing number of commitments and initiatives being announced and implemented, which can have a direct impact on national emissions trajectories, national policy implementation and the achievement of national targets. At the same time, national governments often do not yet fully consider the impacts of mitigation activities of these actors when determining national climate policies and implementing nationally determined contributions (NDCs).<sup>2</sup> A better understanding of climate actions at different scales and by different actors in a country can help develop realistic and comprehensive targets, and effective policy planning to achieve these targets.

National governments may be unaware of the various mitigation actions undertaken by companies, investors, cities, states and regions; unsure about the extent to which those actions help achieve national targets or go beyond them; or unable to reflect the impact of those actions in national greenhouse gas

---

<sup>1</sup> UNFCCC 2015, par. 135

<sup>2</sup> Some national governments include state-level action in their national projections, for example, Canada and the United States.

(GHG) projections, target setting and planning. Monitoring of historic GHG emissions automatically, though implicitly, reflects all emissions reductions efforts undertaken within a country, including those not driven by national governments.<sup>3</sup> But, explicit consideration of non-state and subnational mitigation actions can lead to accurate and comprehensive projections, and inform effective planning and policies. It can also help countries identify promising subnational and non-state approaches that can be scaled up or supported by the national government or other partners.

Further, climate mitigation projections play an important role in identifying national and sectoral pathways and devising policies, and understanding whether countries will be able to reach their NDC targets. However, current policy projections that help estimate future emission pathways often focus on national policies and do not explicitly account for other actions.

National government, subnational and non-state action together can lead to ambitious emission reductions above and beyond those achieved by national policies alone, and mutually reinforce each other.<sup>4</sup> There is thus a compelling rationale for including the impact of non-state and subnational actions in national climate analysis to increase the accuracy of projections and enhance ambition. Additionally, a comprehensive understanding of how non-state and subnational actions fit within overall national targets and policies can help build realistic emission projections that consider the potential impact of intended national actions along with those of non-state and subnational actions.

However, policy makers face many challenges when attempting to identify, quantify and integrate the impact of non-state and subnational action into their own models and GHG emission projections and planning. These include data availability and data gaps, lack of harmonised data and common indicators, uncertainty about the attainment of targets, and converting non-state and subnational actions and national policies into common metrics, among others. This document aims to offer solutions to these challenges by providing guidance to policymakers and other stakeholders to carry out assessments of the impact of non-state and subnational climate action.

## Purpose of the guidance

The purpose of the guidance is to assist national policymakers and analysts in determining the impact of non-state and subnational actions and commitments. This knowledge can inform and improve the development of future national GHG trajectories. The guidance provides steps for users to identify, quantify, aggregate, and integrate the impact of non-state and subnational mitigation action into mitigation assessments, projections and scenarios which may support policy development, policy evaluation and target setting.

Application of the guidance may provide additional benefits. Improving awareness and understanding of the emission reduction potential from non-state and subnational action and commitments may boost national governments' confidence that current targets can be met, and may support development of more ambitious climate mitigation targets. The guidance may also improve coordination and communication between national, non-state and subnational actors for efficient implementation and aligned decision-making. This will help national governments set informed targets and put in place the right policies to enable action and ambition by non-state and subnational actors.

---

<sup>3</sup> Although not attributing changes in emissions to individual actions.

<sup>4</sup> UNEP 2016a

This forward-looking guidance is fundamentally different from existing national GHG accounting guidance which covers past/current emissions by all actors within a country's jurisdiction including non-state and subnational actors. It is not intended as a means to attribute achieved emissions reductions to specific non-state or subnational actors.

By applying the guidance to the national or sectoral context, it can help policymakers answer the following questions, among others:

- What non-state and subnational climate actions are occurring in the country?
- Which of those actions will have a climate mitigation impact in the country or a specific sector?
- How big is their impact for a national or sectoral mitigation pathway?
- Which of these actions reinforce existing national and sectoral policies, which go beyond, and by how much?
- How can non-state and subnational action contribute to meeting or overachieving NDC mitigation targets?
- How can non-state and subnational action enable setting new, more ambitious NDC targets?
- What insights can an analysis of potential impacts from non-state and subnational action provide for future national and international policies?

### Intended users

This guidance is intended primarily for national government agencies, research institutions and non-governmental organisations (NGOs), but it can also be used by non-state and subnational actors to inform their own actions and understand the relationship with national action. Throughout this guidance, the term “user” refers to the person implementing the guidance.

The following examples demonstrate how different types of users can apply the guidance:

- **National government agencies:** Identify, quantify and integrate the impact of non-state and subnational mitigation action into national and/or sectoral mitigation assessments and scenarios, policy development, and target setting.
- **Research institutions and NGOs:** Identify and assess the mitigation potential of non-state and subnational mitigation action in comparison to national policies or the NDC, and provide support to decision makers.
- **Non-state and subnational actors:** Identify and assess the mitigation potential of non-state and subnational mitigation action towards meeting and/or supplementing sectoral, national and international targets.

This guidance can accommodate a variety of objectives from a range of users (see Chapter 2). For example, a national government may want to apply the guidance to improve their understanding of actions being taken by non-state and subnational actors, and identify sectors where more action is occurring. A university undertaking national emissions projections may want to apply the guidance to improve emission scenarios by incorporating the impact of subnational and non-state actions.

## Scope and applicability of the guidance

The following topics are discussed in the guidance:

- Objectives for conducting an assessment of non-state and subnational action impacts
- Key concepts and principles underlying the assessment of non-state and subnational action impacts
- Assessment steps to identify, quantify and integrate the impact of non-state and subnational action into national/sectoral greenhouse gas projections, targets and planning
- Reporting results

The guidance provides principles, concepts and procedures applicable to all types of non-state and subnational climate mitigation actions. It details a general process for users to follow when conducting an assessment, but it does not prescribe specific calculation methodologies, tools or data sources. Chapter 8 provides more information on possible methods that can be used to determine emission reduction potentials for specific non-state and subnational actions.

In order to respond to various user objectives, the guidance provides tailored options outlined in a stepwise approach. This allows users to skip through parts that are less relevant for their analysis. The guidance also contains examples and case studies (to be developed) that illustrate its applicability.

While this guidance suggests a specific methodology for conducting the assessment, users may consider an alternative order of steps. For example, users can apply Chapters 5 and 7 in any order. Changing the order of steps should only be considered on a case-by-case basis depending on the objective of the assessment.

The guidance focuses on subnational and non-state activities that mitigate climate change, such as increasing renewable energy generation or improving energy efficiency. These could be activities with an explicit mitigation objective or those with broader sustainable development benefits including emissions reduction. For example, collaborative international initiatives to improve air quality also reduce GHG emissions (see Box 1.1 for further discussion). Adaptation is recognised as equally important, however due to significant differences in metrics and approaches, and since it is not currently considered in GHG emission projections, the guidance does not consider specific adaptation-related impacts of actions. These could potentially be explored in the future.

### *Box 1.1: Sustainable development impacts of non-state and subnational actions*

Sustainable development impacts describe wider economic, social and environmental national development impacts or outcomes, beyond climate change mitigation. For example, a state government initiative targeting emissions reductions or energy savings, may have multiple benefits including climate change mitigation, improved air quality, positive impacts on health, and increased crop yields. These in turn can lead to reduced public spending for health, or rural job creation and enhanced agriculture exports, which can further help with poverty reduction. For more information on how to assess these broader impacts, refer to the ICAT *Sustainable Development Guidance*.

The guidance is intended for ex-ante (forward-looking) assessments to understand the expected future impacts of non-state and subnational action. Ex-post assessments are not included in this guidance, although they can also be helpful for guiding future climate plans. The forward-looking approach means that the guidance can be applied on an ongoing basis as new non-state and subnational actions are implemented, and more information becomes available.

The guidance is framed by the global context that increasingly recognises and promotes interaction between national governments and non-state and subnational actors. For example, the Paris Agreement explicitly encourages governments to work more closely with these actors.<sup>5</sup> The guidance aims to support and inform these discussions without specifically addressing them. The following topics are therefore not included in the scope of this guidance:

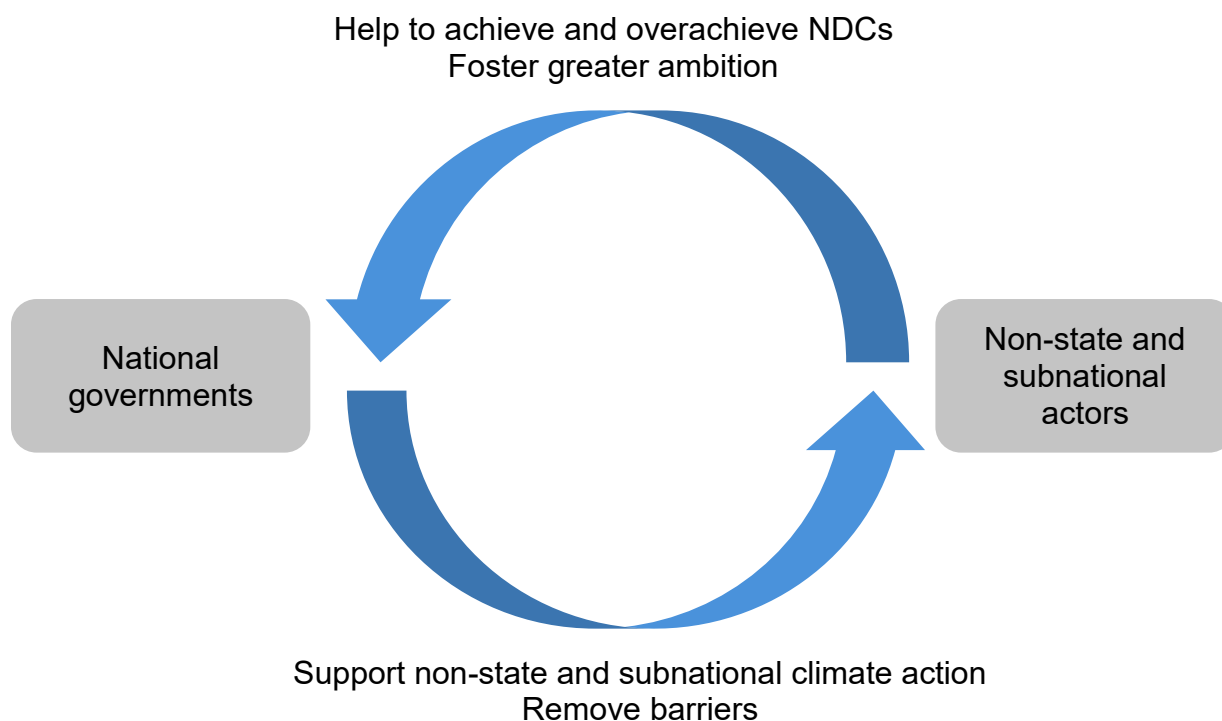
- What can governments do to promote (voluntary) non-state action within their country?
- Which options exist to engage non-state and subnational actors in the country?
- How can national governments and non-state and subnational actors work together more effectively?
- How can policies related to non-state and subnational action be better integrated into national policies and vice-versa?
- How can national governments and non-state and subnational actors work towards using comparable GHG accounting methodologies, assumptions, reporting formats and target metrics?

When applying the guidance, users should bear in mind that national government and non-state and subnational action can mutually reinforce each other, as shown in Figure 1.1. However, in many cases it is impossible or unnecessary to determine which comes first. In fact, non-state and subnational actors and national governments operate in a single system, where governments set the rules and regulations of the economic activity within their jurisdiction. When national governments set climate targets or adopt new policies, they send signals to, and influence, non-state and subnational action. At the same time, when non-state and subnational actors take action, they contribute to meeting national goals.

---

<sup>5</sup> UNFCCC 2015, par. 119

Figure 1.1: Relationship between national and non-state and subnational climate action



### Key recommendations

This guidance includes *key recommendations* that represent recommended steps to follow when assessing and reporting impacts. Key recommendations are intended to assist users in producing credible impact assessments that pursue high quality and are based on the principles of relevance, completeness, consistency, transparency, comparability and accuracy.

Key recommendations are indicated in subsequent chapters by the phrase “It is a *key recommendation* to...” They are also compiled in a checklist at the beginning of each chapter.

Users that want to follow a more flexible approach may choose to use the guidance without adhering to the key recommendations. The ICAT *Introductory Guide* provides further description of how and why key recommendations are used within the ICAT guidance documents, as well as more information about following either the “key recommendations” or “flexible approach” when using the guidance. Refer to the *Introductory Guide* before deciding on which approach to follow.

### Relationship to other guidance

This guidance is part of the Initiative for Climate Action Transparency (ICAT) series of guidance for assessing impacts of policies and actions. It is intended to be used in parallel with any other ICAT guidance documents that users choose to apply, including:

- Sector-level guidance for assessing greenhouse gas impacts of policies and actions in the energy, transport, agriculture and forestry sectors
- Sustainable development guidance on how to assess the environmental, social and economic impacts of policies and actions

- Transformational change guidance on how to assess the transformational impacts of policies and actions
- Stakeholder participation guidance on how to carry out effective stakeholder participation when designing and assessing policies and actions, as well as non-state and subnational action
- Technical review guidance on how to review assessment reports, covering the impact of non-state and subnational actions, and greenhouse gas, sustainable development and transformational impacts

The series of ICAT guidance is intended to enable users that choose to assess the greenhouse gas impacts, sustainable development impacts and transformational impacts of a policy or action to do so in an integrated and consistent way within a single impact assessment process. Users should refer to the ICAT *Introductory Guide* for a more detailed description of how to apply the ICAT guidance documents in combination.

### Process for developing the guidance

The guidance was developed through an inclusive, multi-stakeholder process convened by the Initiative for Climate Action Transparency. The development of this document is led by a project team composed of NewClimate Institute (lead), World Resources Institute, The Climate Group and CDP. One of the appendices (Appendix C) was led by CDP with contributions from World Resources Institute, NewClimate Institute, and The Climate Group.

The first draft was developed by the project team with inputs from a Technical Working Group. The Technical Working Group consisted of experts and stakeholders<sup>6</sup> from a range of countries identified through a public call for expressions of interest. The Technical Working Group contributed to the development of the technical content for the guidance through participation in regular meetings and written comments. A Review Group provided written feedback on the first draft.

This version of the guidance will be applied with ICAT participating countries on demand to gather feedback for its improvement and provide case studies for the final publication.

ICAT's Advisory Committee provides strategic advice to the initiative. More information about the guidance development process, including governance of the initiative and the participating countries, is available on the ICAT website.

All contributors are listed in the "Contributors" section.

---

<sup>6</sup> Listed at [www.climateactiontransparency.org](http://www.climateactiontransparency.org)

## 2. OBJECTIVES OF ASSESSING THE IMPACT OF NON-STATE AND SUB-NATIONAL ACTION

*This chapter provides an overview of objectives users may have in assessing the impacts of non-state and subnational climate actions. Determining the assessment objectives is an important first step because decisions made in later chapters are guided by the stated objectives.*

### Checklist of key recommendations

- Determine the objectives of the assessment at the beginning of the impact assessment process

Recognising that governments have limited resources and that these can vary significantly across countries, this guidance offers a tailored approach based on users' objectives for undertaking the assessment. It is a *key recommendation* to determine the objectives of the assessment at the beginning of the impact assessment process. Examples of objectives for assessing the impacts of non-state and subnational actions are discussed below. The chosen objective(s) will inform how the user applies various steps within the guidance. Some objectives may only require aggregation while others may require further integration into national emissions trajectories such as projection models or scenarios.

### Aggregating the impact of non-state and subnational action

Bottom-up aggregation refers to adding the individual impacts of non-state and subnational actions to determine the total potential impact of all the actions considered in the assessment (see Chapter 3).

Users can aggregate the impact, for example, to:

- Understand the landscape of non-state and subnational effort, e.g., the types of actions being undertaken and the type of actors that are involved (see Sections 4.1 and 4.3). This information can be utilised in a variety of ways, such as to determine opportunities for engagement with non-state and/or subnational actors and to promote new action.
- Determine the combined expected impact of all non-state and subnational actions in a country/sector. Although aggregation alone does not evaluate how this impact contributes to the national level. This can, for example, inform efforts to further encourage or strengthen such actions. Users can also tailor their assessments to focus on collective impact of specific types of actions or actors. For example, the guidance can be used to learn about the collective impact of actions by local governments in the transport sector.

### Integrating the impact in emissions projections or targets and policy planning

Top-down integration is the process of incorporating the impact of non-state and subnational actions into national/sectoral projections and scenarios (see Chapters 3 and 9). Users can apply the guidance, for example, to:

- Determine the contribution of non-state and subnational action towards achieving the national/sectoral climate change target or NDC targets. Economy-wide or sectoral targets are achieved through policies and actions at multiple levels and through involvement from multiple actors. Users may want to assess the specific contribution of non-state and subnational actions in realising the national target.



- Determine the level of national action needed to achieve the NDC target while taking into account the contribution of subnational and non-state action. Users can assess the gap between the impact of subnational and non-state action and the national targets. Policymakers and others can use this understanding to inform strategies and initiatives to bridge the gap.
- Understand the potential of non-state and subnational action to enable the country or sector to achieve a more ambitious target. For instance, users can assess the mitigation potential of non-state and subnational actions to raise ambition and adjust the national or sectoral targets upwards.
- Improve emissions projections or inform realistic economy/sector-wide emissions reduction target(s). Users for example may want to incorporate the impact of subnational renewable energy (RE) goals as they revise the national RE target. Others may be interested in determining how public-private partnerships to promote electric mobility affect the transport sector emissions pathway.
- Determine how non-state and subnational action impacts the ambition set out in specific policies, for example, users can assess the extent to which non-state and subnational action contribute to a national policy to phase out HFCs.

Depending on the selected assessment objective, users may skip through parts of the guidance that are less relevant for their assessment. In some cases, alternative methods not discussed in the guidance may also be applicable. For example, if a user would like to focus on aggregating the impact of city-level targets and has access to city inventory data, they may instead consider applying the methodological approach used by the Global Covenant of Mayors in their annual aggregation assessment.<sup>7</sup> The results of that assessment, however, may be incompatible with the additional steps in this guidance on integration into national projections and scenarios.

Users should also identify the intended audience(s) of their assessment. Possible audiences include policymakers, funders, non-state and subnational actors, analysts, research institutions, or others.

---

<sup>7</sup> See Kovac, A. and W. K. Fong. 2015. "Compact of Mayors Emissions Scenario Model." Technical Note.