ICLEI's Climate Neutrality Framework

Accelerating integrated climate action for sustainable urban development

CONTENTS

0. EXECUTIVE SUMMARY

Facing the climate crisis requires the concerted efforts of all actors. Here, the role of local and regional governments in tackling climate change is key, as the level of government closest to the community, already dealing with the impacts of climate change.
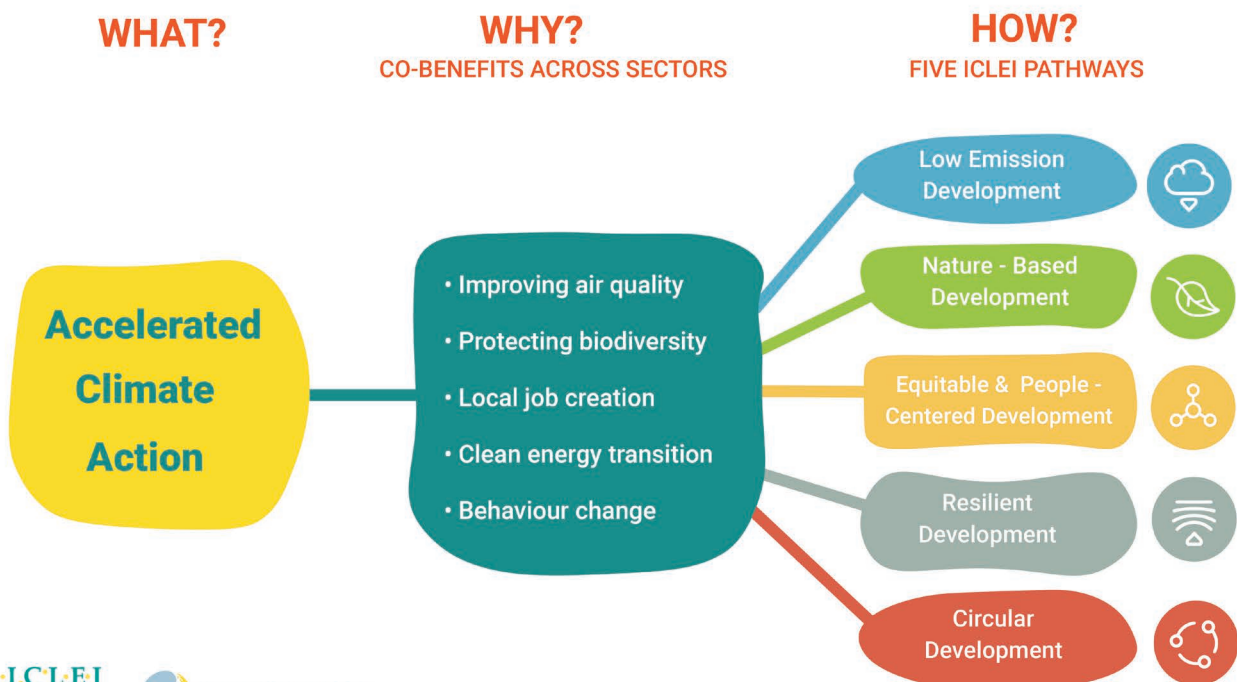
Subnational governments are well placed to define coherent and inclusive plans that address integrated climate action - climate change adaptation, resilience and mitigation. Existing targets and plans need to be reviewed to bring in the necessary level of ambition and outline how to achieve net zero emissions by 2050 at the latest. Creating roadmaps for climate neutrality will include the establishment of an organization framework and identify priority sectors for action, while considering essential elements such as climate justice, inclusiveness, local job creation and many other impacts that can also deliver on sustainable development.

However, local and regional governments are not alone in dealing with this global challenge. National governments are called on to actively create enabling frameworks, ensure access to finance and all possible support to accelerate climate action immediately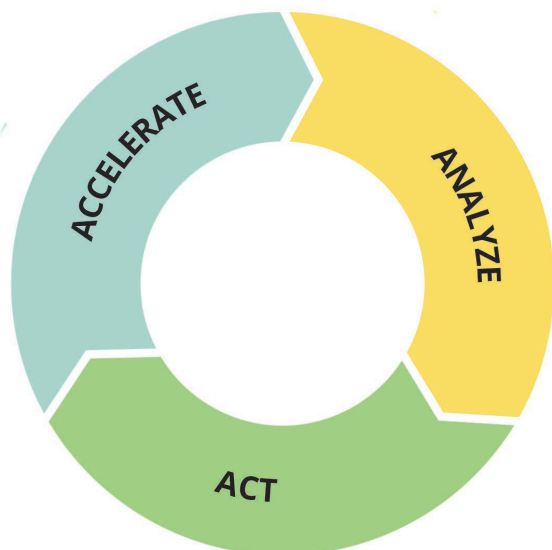. Citizens, non-governmental organizations (NGOs), business and industry, as well as academia are called on to take responsibility for their own emissions and contribution to global warming. Dealing with this global challenge effectively all hands need to be on deck, all actors committed and engaged.

To guide ICLEI's network of cities, towns and regions, climate neutrality is defined as follows:

Climate neutrality in the context of local and regional governments is defined as the targeted reduction of greenhouse gas (GHG) emissions and GHG avoidance in own operations and across the community in all sectors to an absolute net-zero emission level at the latest by 2050. In parallel to this, it is critical to adapt to climate change and enhance climate resilience across all sectors, in all systems and processes. To achieve climate neutrality local and regional governments should set a clear goal and advance rapidly following a holistic and integrated approach that leads to a wide range of co-benefits for sustainable development, such as creating socio-economic opportunities, reducing poverty and inequality, and improving the health of people and nature.

WHAT?

WHY?
CO-BENEFITS ACROSS SECTORS

HOW?
FIVE ICLEI PATHWAYS

Accelerated Climate Action

- Improving air quality
- Protecting biodiversity
- Local job creation
- Clean energy transition
- Behaviour change

Low Emission Development

Nature - Based Development

Equitable & People - Centered Development

Resilient Development

Circular Development

ICLEI recommends a holistic and integrated approach to tackling climate change which can also support achievement of sustainable development. The GreenClimateCities (GCC) Program is ICLEI's climate action program, through which global support is offered to the ICLEI network, reporting is enabled, and progress is tracked over time.
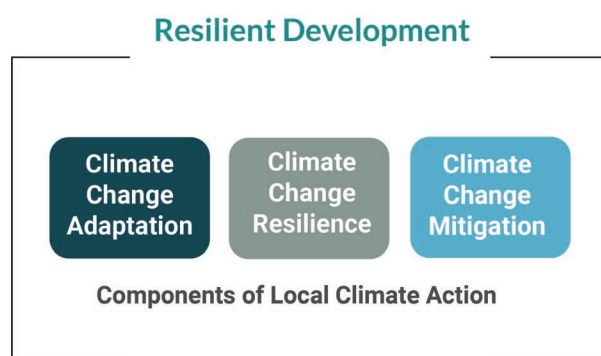

Immediately reducing GHG and other harmful emissions is the main pillar and priority from a climate change mitigation standpoint. Change from polluting fossil fuels and other harmful sources, to clean, sustainable renewable energy. Value resources, stop wasting resources, reuse and optimize efficiency in processes and through efficient technologies, to mention but a few action options. As a second pillar, divest, repurpose and reinvest in clean, sustainable solutions - energy efficiency, renewable energy, carbon sequestration, and resilience projects. As a last resort carbon

off-setting and compensation is needed. This cannot be achieved by local and regional governments alone for their whole territories and communities. All actors are called on to use mechanisms to offset emissions they contribute to, for emissions that cannot immediately be removed, reduced or avoided. ICLEI strongly recommends setting science-based targets when striving to achieve net zero emissions, and using a consumption based approach in order to address scope 3 emissions.

Resilient Development

Climate Change Adaptation — Climate Change Resilience — Climate Change Mitigation

Components of Local Climate Action

ICLEI's GreenClimateCities (GCC) Program offers support to subnational governments. The GCC methodology includes Measuring/ Monitoring, Reporting and Verification (MRV) for GHG emissions reduction and Monitoring & Evaluation (M&E) for climate change adaptation and resilience. This is embedded in ICLEI's global reporting platform - the carbonn Climate Registry (cCR). The cCR is used by ICLEI to track local climate action, ensuring transparency, accountability and credibility of the ICLEI network and its collective (aggregated) impact on climate change and sustainable development.

1. THE CLIMATE CRISIS

In the current global climate crisis, urgent efforts are required to scale up climate action, dealing with climate change mitigation, adaptation and resilience. The scale of the task at hand is daunting, and calls for united and accelerated efforts across all sectors and by all actors.

Local and regional governments around the globe are at the frontline of dealing with the climate emergency through local climate action. They engage as they are at the forefront of dealing with the impacts of climate change, which they already experience. They are increasingly committed to scale-up planning, implementation and monitoring efforts to reduce greenhouse gas emissions (GHGs),

increase carbon sequestration, adapt to climate change and enhance climate resilience in their own government operations, but also at community level.

Increasingly subnational (local and regional) governments are also committing to the necessary ambitious targets (climate neutrality, net zero GHG emissions, 100% renewables, a variety of sectoral and thematic targets, including green fleets, green public procurement etc). Many subnational governments are also declaring a climate emergency, as a political declaration to address a situation in which urgent action is required. This enables a review and reallocation of the governmental budget and action plan(s), to scale up climate action.

Developing climate-resilient pathways are central to the recommended approach. The Intergovernmental Panel on Climate Change (IPCC)[1] refers to these as "development trajectories that combine adaptation and mitigation to realize the goal of sustainable development. They can be seen as iterative, continually evolving processes for managing change within complex systems." This approach is recommended by ICLEI, through the GreenClimateCities (GCC) Program, a tailor-made global climate support/response program for local and regional governments in the ICLEI network (refer to Chapter 2).

Additional support from national governments and the international community is needed to guide, inspire, and fund the urgent necessary local climate action. Although progress is being made, the speed and scale of implementation is insufficient. Here improved multilevel governance, coordination, communication, and integrated reporting systems are key.

2. OUR CLIMATE NEUTRALITY FRAMEWORK

2.1 Setting the scene for an holistic approach

Serving cities, towns and regions, ICLEI drives sustainable urban development along five interconnected pathways that cut across sectors and jurisdictional boundaries, namely: low-emission, circular, resilient, nature-based and people-centered development.

Addressing climate change, the new generation of ICLEI's GreenClimateCities (GCC) Program supports subnational governments in raising the level of ambition to achieve climate neutrality, and embedding this aspect in **integrated climate action**. This approach

enables local and regional governments to design climate solutions in an holistic and integrated way, realizing a diversity of co-benefits, and creating change across their entire urban system, as well as considering the urban-rural / urban-regional context for partnership and cooperation.

Each pathway guides local action, enabling climate action and contributing to the overall goal of climate neutrality (refer to Annex 2 for examples of recommended actions).

LOW EMISSION DEVELOPMENT   **NATURE-BASED DEVELOPMENT**   **EQUITABLE AND PEOPLE-CENTERED DEVELOPMENT**   **RESILIENT DEVELOPMENT**   **CIRCULAR DEVELOPMENT**

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1   See: https://www.ipcc.ch/site/assets/uploads/2018/02/WGIIAR5-Chap20_FINAL.pdf

In 2018, through the **ICLEI Montréal Commitment and Strategy**, the ICLEI network of local and regional governments were called on to commit to climate neutrality in governmental operations, and achieve this at the latest by 2050. Further, these subnational governments were encouraged to tackle climate change through a systems approach, by following the five interconnected pathways towards low emission, nature-based, resilient, circular and equitable development - embedding sustainable development in their strategic approach.

Scaling this up, **ICLEI calls for and also supports local and regional governments around the globe to commit to climate neutrality in governmental operations and community-wide, at the latest by 2050.**

FIVE ICLEI PATHWAYS

ICLEI Montréal Commitment and Strategic Vision 2018-2024

- **Low emission development pathway:** Curbing climate change, creating new economic opportunities and improving the health of human and natural systems.

- **Nature-based development pathway:** Protecting and enhancing biodiversity and urban ecosystems, which underpin key aspects of local economies and the well-being and resilience of our communities.

- **Circular development pathway:** Inspiring, guiding, co-creating and scaling up the services and policies of regional and local governments to create better living conditions for their residents, using redesign, reload, reuse, reduce and recover strategies. These strategies can address the untapped hidden emissions in products and services.

- **Resilient development pathway:** Anticipating, preventing, absorbing and recovering from shocks and stresses, especially those brought about by rapid environmental technological, social and demographic change.

- **Equitable and people-centered development pathway:** Equitable and people-centered development building more just, livable and inclusive urban communities and addressing poverty.

2.2 ICLEI's definition of climate neutrality

ICLEI is defining climate neutrality to scale up climate action across territories in its network, building on existing developments that either inform this definition and approach or are complementary to the approach.

Climate neutrality in the context of local and regional governments is defined as the targeted reduction of greenhouse gas (GHG) emissions and GHG avoidance in own operations and across the community in all sectors to an absolute net-zero emission level at the latest by 2050. In parallel to this, it is critical to adapt to climate change and enhance climate resilience across all sectors, in all systems and processes. To achieve climate neutrality local and regional governments should set a clear goal and advance rapidly following a holistic and integrated approach that leads to a wide range of co-benefits for sustainable development, such as creating socio-economic opportunities, reducing poverty and inequality, and improving the health of people and nature.

The aim is to pursue all efforts to limit global temperature increase to 1.5 degrees Celsius (°C) above pre-industrial levels, in line with the Paris Agreement goals, which recognized the need for all actors to engage, including subnational governments.

To achieve these goals, both internationally and at local level, essential areas for action are:

- adapting to current and inevitable climate change,
- improving climate change resilience across all sectors, systems and processes,
- reducing greenhouse gas emissions (GHGs) to net zero, ideally also including short-lived climate pollutants (SLCPs) to address air pollution and Hydrofluorocarbons (HFC).
- accessing finance,
- building the necessary capacity to deal with the climate emergency, and
- drastically accelerating climate action efforts across all sectors, working with all stakeholders:

  - all levels of government
  - civil society and NGOs
  - locally based business and industry
  - research and academic community

This is a partnership effort!

Consistently tracking community-scale GHGs

Understanding the GHGs released in a specific territory can support defining a clear reduction target - net zero / climate neutrality - and clarify how the teams within the government departments can cooperate to define plans to achieve these goals.

The Global Protocol for Community-scale GHG Emission inventories (GPC) - https://ghgprotocol.org/greenhouse-gas-protocol-accounting-reporting-standard-cities - was co-developed by the World Resources Institute (WRI), C40 and ICLEI, and released in 2014. An updated version is under development, to more accurately address the allocation of GHG emissions mirroring the Global Covenant of Mayors (GCoM) Common Reporting Framework (CRF).

Using this protocol will support local / regional governments when reporting GHGs, by streamlining and harmonizing data consolidation. This in turn will improve the accuracy of model scenarios showing emissions trends. Further, it will ease sector-specific climate action planning by providing a more accurate depiction of GHGs, which can help early planning and identifying required resources (technical, financial, human).

2.3 GreenClimateCities™ (GCC) Program - support for subnational governments

The GreenClimateCities™ (GCC) Program[2] is ICLEI's climate action initiative that offers cities, towns and regions in the ICLEI network with guidance and tools following three phases: Analyze, Act, Accelerate which unfold into nine steps.
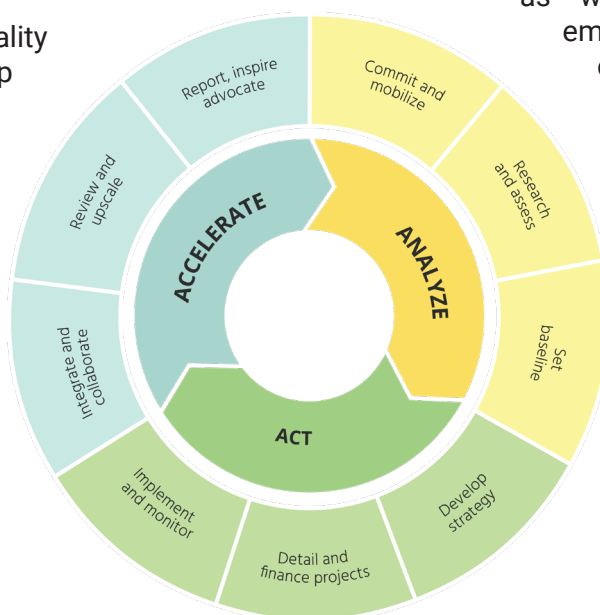
The GCC Program is tailor-made to support local and regional governments to set and achieve climate and energy targets, whether they start or are advanced. The proven process methodology guides local and regional governments step-by-step through tackling climate change which focus on integrated climate action - climate change mitigation, adaptation and resilience.

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2   ICLEI GreenClimateCitiesTM (GCC) program: https://iclei.org/en/GreenClimateCities.html

ICLEI's *Bonn Center for Local Climate Action and Reporting* (carbon*n*® Climate Center)[3] manages the GreenClimateCities™ (GCC) Program, working with all ICLEI offices through the Low Emission Development and Resilient Development pathways, which form the core of ICLEI's climate work. However, climate action can also unfold through the other pathways, addressing key issues such as a just and inclusive transition, how to use nature-based approaches (e.g. carbon sinks, green space to reduce heat island effect), green growth and job creation, etc.

The GCC methodology has an associated Measuring/Monitoring, Reporting and Verification (MRV) approach for GHG emission reduction and Monitoring & Evaluation (M&E) for climate change adaptation and resilience, which is embedded in ICLEI's global reporting platform - the carbonn Climate Registry (cCR). The cCR is used by ICLEI to track local climate action, ensuring transparency, accountability and credibility of the ICLEI network and its collective (aggregated) impact on climate change and sustainable development. The CDP-ICLEI Unified Reporting System is the entry point for reporting, with all ICLEI network data provided to the carbonn Climate Center team for review.

The call for climate neutrality is aimed to step up efforts through more ambitious targets, including intermittent targets for 2030, 2040, etc.. and thematic or sectoral targets, such as carbon neutrality in all government

To participate in ICLEI's GCC Program, open to the ICLEI network, the minimum criteria are:

- **Commit:** set own targets and outline commitments
- **Plan:** define a coherent, inclusive action plan with a clear timeline
- **Act:** implement the plan using own funds and seeking finance (grants, contributions from partners and financial investment)
- **Report:** annually report on progress made

operations by 2025, zero carbon fleets, 100% renewables for electricity and cooling/heating, etc.

The basic GCC approach is non-linear. Any number of steps can be implemented simultaneously and/ or in the order preferred by the specific community, also based on the capacity of the local team.

Climate risks and vulnerabilities as well as greenhouse gas emissions released in the community are identified, with options defined to achieve zero emissions and climate adaptive development. The solutions decided on are then integrated into urban development policies, plans, and processes.

GreenClimateCities Program with its process methodology - three phases, 9 steps

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3   carbon*n*® Climate Center: https://carbonn.org/

2.4 Three pillars of ICLEI's climate neutrality framework

To achieve climate neutrality, local and regional governments in the ICLEI network are called on to lead the way, commit and follow ICLEI's GCC process guidance adding the climate neutrality framework **(three pillars)** to raise the level of ambition - as outlined below. Further, by exploring how each of the five pathways can contribute to climate action, a holistic and integrated climate action approach is followed that also informs sustainable development.

From commitment to impact: Commitment, as a starting point, followed by planning and action, measuring/monitoring plus reporting and verification (MRV) for mitigation, and monitoring & evaluation (M&E) for adaptation.

Three pillars outlined below impact on subnational governments' commitments (unpacking these in more detail), actions (as part of the action plan(s) and the internal processes, as well as the monitoring and reporting to track progress over time.

Three pillars of climate neutrality to achieve this goal:

1. Drastically reduce and sequester greenhouse gas (GHG) emissions accounted for by source and removals in all sectors, both in governmental operations and across their whole territory (city/region-wide). It is recommended to set science-based targets, strive for net zero emissions, and follow a consumption based approach.

2. Divest, repurpose and reinvest: Identify where investments have been made and divest or mobilize divestment from fossil fuels and other polluting fuels. Identify repurposing priorities and the range of co-benefits from different reinvestment plans. Re-invest these funds in climate and sustainable energy action (e.g. improved resilience, energy efficiency, renewable energy, carbon sequestration projects) using approaches, technology and innovation, with measurable impact (e.g. transforming towards 100% renewable energy supply, supporting a just transition).

3. Offset and compensate any GHG emissions that cannot immediately be removed, reduced or avoided, through carbon off-setting mechanisms (UN recognized and/or voluntary) and/or donations to climate funds. Start with governmental operations, and upscale to progressively reduce 100% of community emissions.[4,5] For the latter, explore offsetting/compensation mechanisms that can be used by citizens, businesses and other target groups, as voluntary mechanisms to support the achieving the local Climate Action Plan and community-wide targets - also addressing scope 3 when using a consumption-based approach.

2.5 How to apply the climate neutrality framework

The climate neutrality framework is implemented by local and regional governments by following the process methodology of ICLEI's GreenClimateCities Program.

RECOMMENDATION

As a **cross-cutting guiding principle**, when considering potential trade-offs between climate change mitigation and adaptation actions, it is recommended that enhanced resilience and adapting to a changing climate is addressed as a priority, ensuring climate resilience across all sectors, systems and procedures to protect the community and environment.

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4   Until national governments create fully enabling frameworks and switch to clear sustainable energy, subnational governments are called on to include offsetting and compensation

5   The Oxford Principles for Net Zero Aligned Carbon Offsetting - https://www.smithschool.ox.ac.uk/publications/reports/Oxford-Offsetting-Principles-2020.pdf

To address each of these pillars the GreenClimateCities Global Support Package outlines guidance and tools on the elements raised below. This is available for use by the ICLEI Network, offering free support through ICLEI's carbonn Climate Center.

The support offer may be expanded, enhanced or tailor-made for a particular country or region and offered by the relevant ICLEI office. **Technical assistance and capacity building offers include:**

- Conducting relevant assessments: greenhouse gas emissions (GHG), climate risks and vulnerabilities (CRVA), energy (incl. energy access, local RE potential)
- Governmental processes, structures, and procedures - good governance
- Policies and strategies for integrated climate action
- Guiding principles for climate action planning
- Scaling up action: sectoral, procurement
- Communicating the climate crisis addressing different target groups
- Stakeholder engagement
- Multilevel governance and coordination across all levels of government
- Integrated MRV (Measuring, Reporting, Verifying) and reporting to track progress
- Integrated M&E (Monitoring and Evaluation) for adaptation actions
- Implementing the Integrated Climate Action Plan
- Accessing finance and selecting appropriate financing models