

CFMCA Asian Regional Meeting

August 27-28, 2024 | ADB Offices, Manila, Philippines

National Transition Planning – detailed session note

Day 2, Wednesday, August 28, 9:25pm – 12:25pm (2 hours)

I. AGENDA

Part 1: High-level Panel Discussion (25 min)

- Noor Syaifudin, Fiscal Policy Institute, Ministry of Finance Indonesia
- Tsuyoshi Hyokai, Ministry of Finance, Japan (tbc)
- Sue Qin Lim, Monetary Authority Singapore (tbc)
- Uzbekistan (tbc)

Guiding questions to the panel:

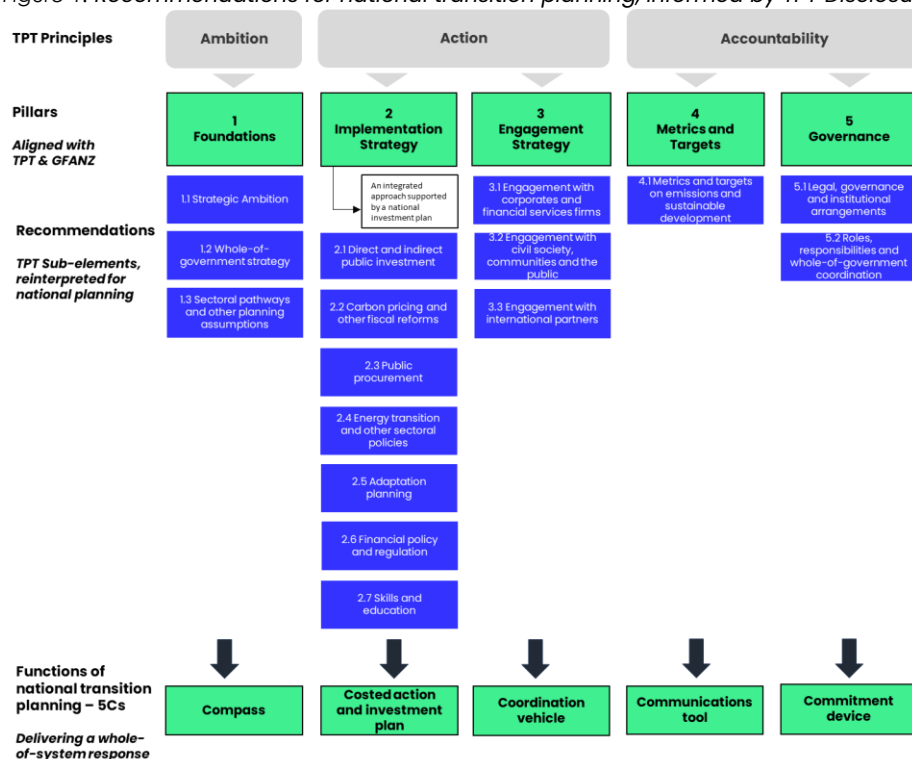
1. How do panellists see the role of government in leading, incentivising, equipping and coordinating private sector action in support of green and just transition?
2. How well are governments playing this role today? What are the gaps? And how is this impacting private sector climate action?
3. How are countries in the region viewing/pursuing climate transition objectives vis-à-vis other sustainable development and growth priorities?
4. Which ministries have a role to play in supporting the green and just transition? How do ministries come together to consider synergies, co-benefits, trade-offs, conflicts between policies and actions? How could coordination be improved?
5. How important is whole-of-economy coordination in driving progress towards transition goals? How advanced are private sector actors (in the corporate and financial sectors) in developing transition plans? How do private actors view dependencies on government action in the form of national transition planning?
6. How can existing international cooperation efforts (multilateral climate funds, just energy transition partnerships) inform – and, in future, be informed by – national transition planning?

Part 2: Setting the stage for breakout session: The case for national transition planning (NTP) and key considerations and action areas (20 min)

Mark Manning, LSE

1. Context and motivation – the concept of an «integrated transition planning ecosystem» and the theory of change
2. Introducing the national transition planning framework – key considerations/action areas – and how these have been informed by TPT and GFANZ, reinterpreted for the national context (Figure 1)
3. Overview of how national transition planning builds on NDCs/LT-LEDS/Energy Transition Mechanisms (implemented within country platforms) and other existing plans and strategies – including the gaps it fills (as represented by the 5 functions (5 Cs) of national transition planning (Figure 2))
4. Update on relevant debates in international policy fora

Figure 1. Recommendations for national transition planning, informed by TPT Disclosure Framework



Source: Mark Manning, Riona Bowhay, Megan Bowman, Peter Knaack, Lisa Sachs, Agnieszka Smolenska, Fiona Stewart, Thomas Tayler, Perrine Toledano. Taking the lead on climate action: Recommendations for strategic national transition planning at the centre of a whole-of-system climate response. July 2024. Informed by TPT 2023.

Figure 2. Five functions of national transition planning



compass for strategic direction – set a strategic direction for the whole of government and actors across the wider economy



costed action and investment plan – elaborate concrete, costed actions that provide incentives, finance, and support for actors across the economy, attracting investment aligned with the Strategic Ambition



coordination vehicle – coordinate and partner with private sector actors, the public and other stakeholders to drive action in line with the Strategic Ambition



communications tool – communicate in a clear, decision-useful and accessible way, across the five pillars of our framework, with at least annual reporting



commitment device – demonstrate commitment and accountability, and submit to regular review, scrutiny and oversight

Break (10.20am – 10.30am)

Part 3: Roundtable discussion 1: The functions, key considerations and action areas for national transition planning (25 min)

Facilitators: World Bank, ADB, UNDP, NDCP, Indonesia MoF

Objective: This session will provide an opportunity for participants to consider the recommendations in the national transition planning framework – the 5 functions of national transition planning, and the key considerations and action areas introduced in Part 2. Participants will be invited to share their views on the measures proposed under each “pillar” (e.g., relevance of each, and existing experience in their respective jurisdictions).

Guiding questions:

1. In light of the dependencies between national and private sector transition planning, and the importance of building connectivity between national and private sector transition planning, how helpful is it that the framework aligns with the 5 pillars of private sector transition planning/plans (under the TPT/GFANZ frameworks)?
2. Do you agree that fulfilling the 5 functions of national transition planning introduced in Part 2 will help to steer, accelerate and coordinate a whole-of-economy transition? How important are each of these functions likely to be in your jurisdiction?
3. Do our recommendations cover all of the relevant key considerations and action areas for national transition planning? Which action areas are most relevant and would add most value in your jurisdiction?

Part 4: Roundtable discussion 2: The implementation of national transition planning (25 min)

Facilitators: World Bank, ADB, UNDP, NDCP, Indonesia MoF

Objective: This section will provide an opportunity for participants to consider implementation considerations for national transition planning – what plans and strategies are already in place, what gaps remain, and how these can be filled

Guiding questions:

1. What «building blocks» for national transition planning - i.e., existing plans and strategies – do you currently have in place in your jurisdiction? (Figure 3).
2. What are the main gaps and planning challenges you currently face in your jurisdiction, and how difficult would it be to overcome these when building from existing plans and strategies to align with the recommendations of the national transition planning framework (presented in Part 2)?
3. Which activities would you prioritise in a «phased implementation approach» to national transition planning? (Figure 4)

Figure 3. Building from NDCs and other existing initiatives

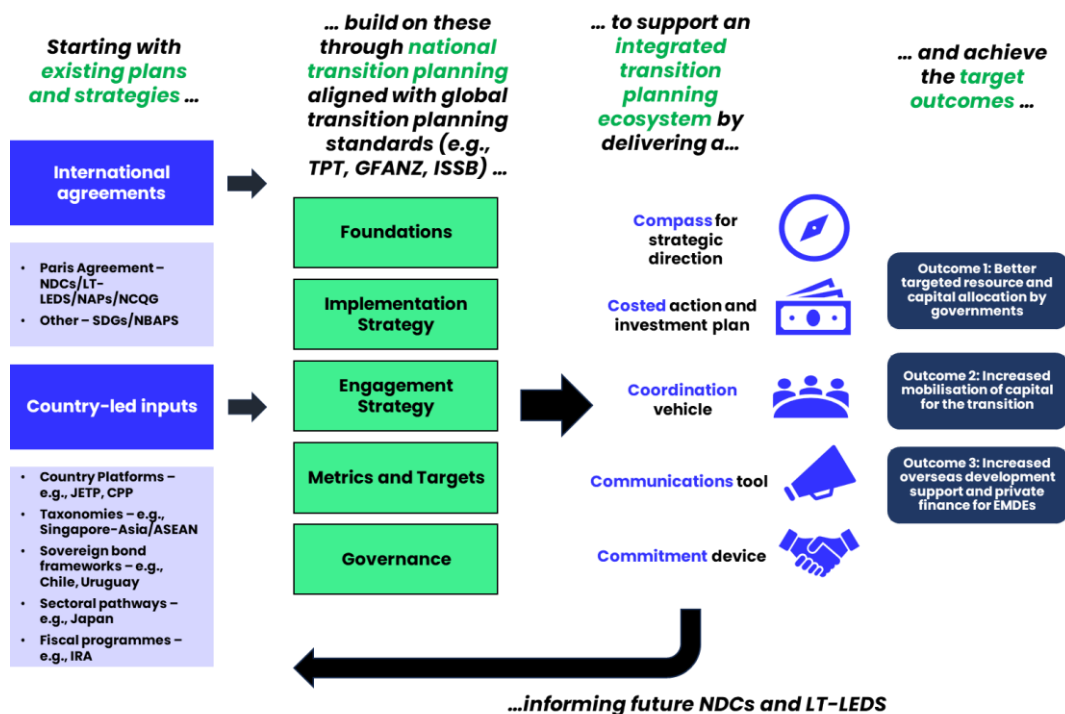
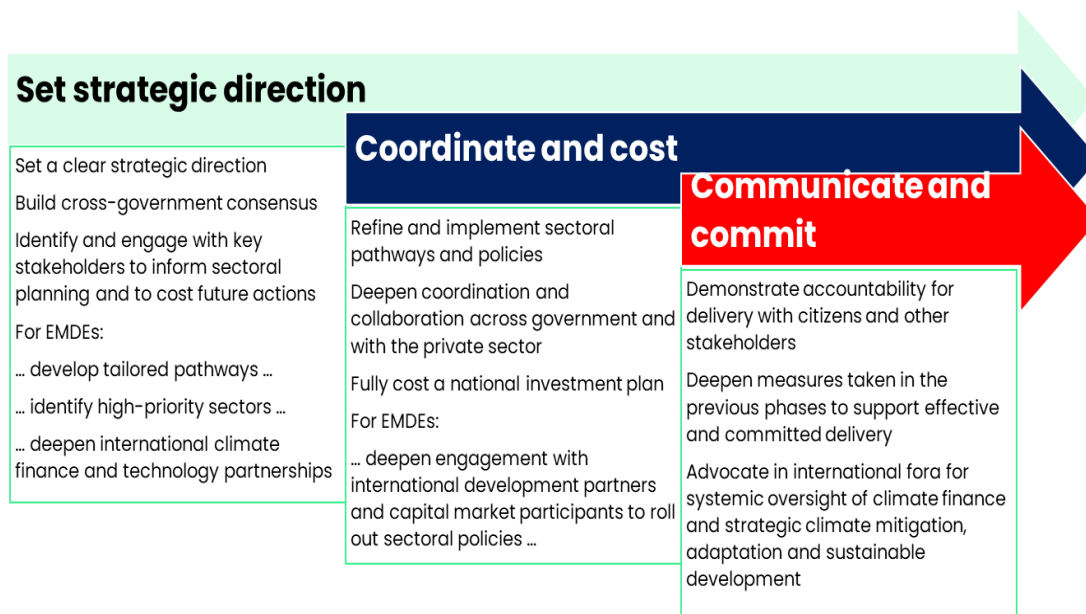


Figure 4. Phased implementation of national transition planning



Part 5: Summary (reporting back) from roudtable discussions and next steps (30min)

II. WORKSHOP BACKGROUND AND READING REQUIREMENTS

Objective

This in-person workshop is part of the broader Coalition's output on Green and Just Transition, Private sector mobilization, and NDCs. It is a follow-up to a virtual introductory workshop (May 22) and part of a series of regional workshops (other regions are being defined), with the objective to introduce key elements of national transition planning (NTP) and to provide hands-on experience in preparing for the planning process.

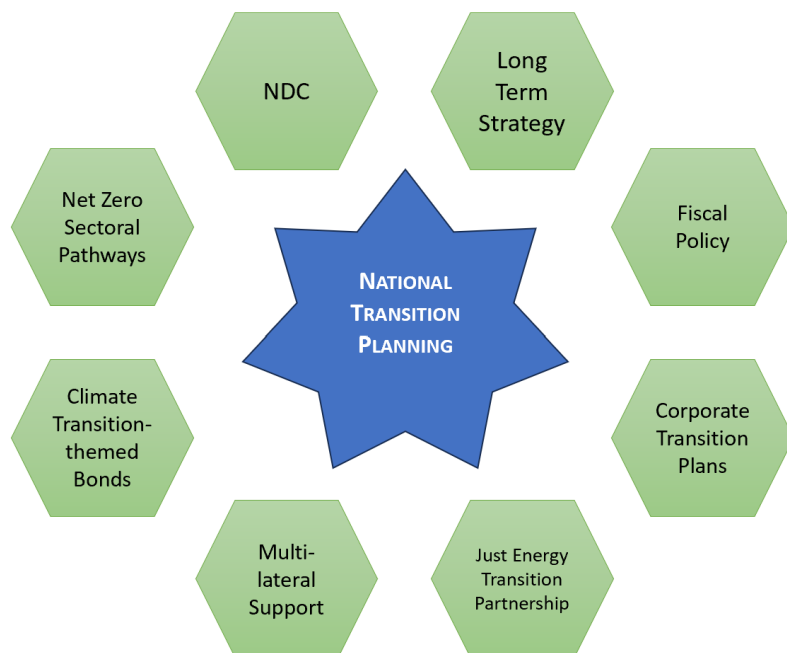
In this series of in-person workshops, participants will have the opportunity to identify the necessary building blocks that can be leveraged in national transition planning in their respective jurisdictions. Finance Ministry officials first learn about the transition planning landscape for the private sector, key players and frameworks that can inform national transition planning. Participants then identify the key pieces of their own transition puzzle: NDCs, long-term strategies, sectoral pathways, private sector transition plans, bilateral climate cooperation agreements, regional transition platforms, and others. Building on these pieces, the participants identify opportunities to synthesize and combine existing efforts and needs for engagement with stakeholders inside of government, the private sector, and foreign entities. They also identify obstacles to integration and challenges in undertaking national transition planning.

Background

Comprehensive transition planning across the economy is essential for achieving the ambition of the Paris Agreement. Given the scale of transformation required, climate action will need to be embedded into almost every aspect of government strategy at national, sub-national and local levels, and into corporate and financial decisions across the private sector. And given important dependencies between national and private sector transition planning, it is important that they are integrated processes: clear, coherent, and coordinated government policy will provide companies with direction and give capital providers the confidence and incentives to invest in the transition.

Rather than being seen as "another administrative exercise", national transition planning is meant to serve as the centerpiece that integrates transition efforts by different parts of government, corporations, financial institutions, domestic and overseas investors, and multilateral development partners (see Figure 5).

Figure 5: Integrating transition guidance, policies, and finance.

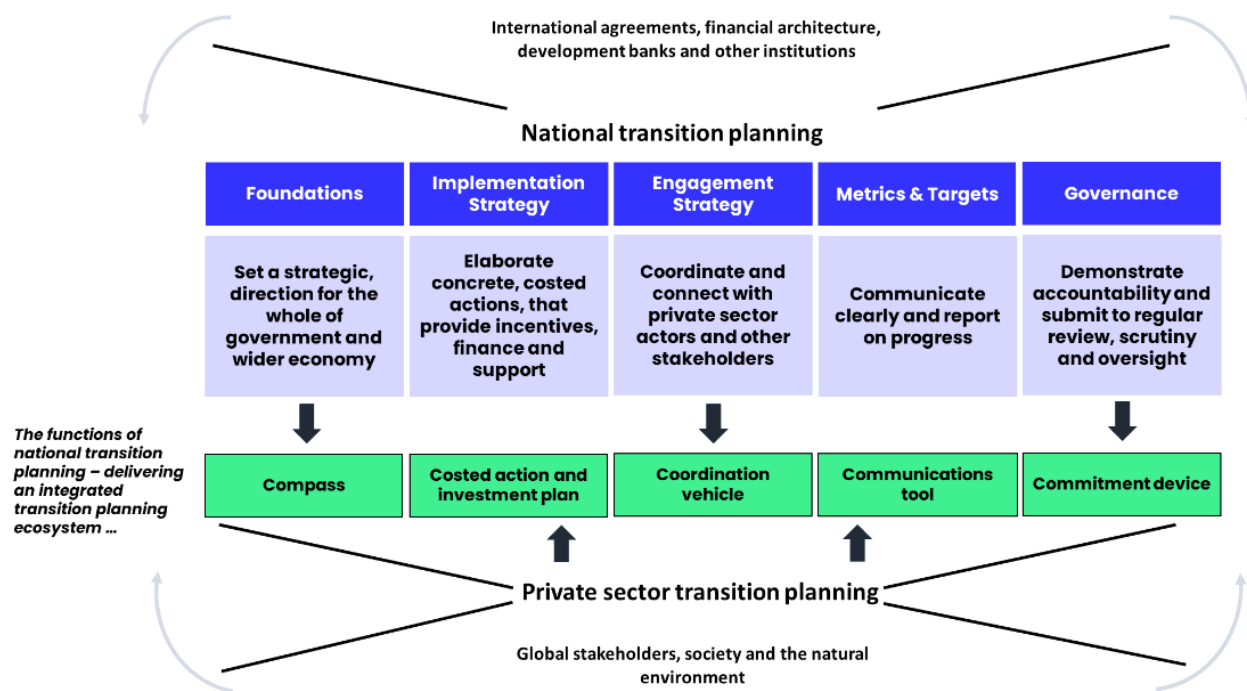


National transition planning can put flesh on the bones of the next generation of Nationally Determined Contributions (NDC 3.0), giving them stronger strategic orientation; a deeper focus on whole-of-government planning; and coherent policies, pathways and investment plans that target a just and equitable transition to a low emissions, climate resilient and nature positive future. National transition planning also guides private sector action, serving as a benchmark and orientation for transition planning by corporations and financial institutions in each country. Moreover, national transition planning presents a list of transition actions at the national level, their corresponding costs, and identifies ways to fund them either domestically or internationally. Such an integrated approach will reduce uncertainty, help to allocate resources and capital more effectively, and build trust, scaling private finance to accelerate the transition.

Governments, in particular Ministries of Finance, have an opportunity to improve their internal coordination, strengthen policy guidance and incentives for the private sector, and attract climate finance by carrying out national transition planning. The proposed national transition planning blueprint is grounded in existing guidance for private sector transition plans, namely the Glasgow Financial Alliance for Net Zero (GFANZ) and Transition Plan Taskforce (TPT). See figure 6 below.

Note: The TPT Disclosure Framework now has international status, with the IFRS Foundation announcing in June 2024 that it will assume responsibility for the TPT's disclosure-specific materials, and use these to develop education materials to support implementation of the transition plan relevant provisions of the International Sustainability Standards Board (ISSB) climate-related disclosure standard, IFRS S2.

Figure 6: An integrated transition planning ecosystem (based on TPT Disclosure Framework)



Source: Mark Manning, Riona Bowhay, Megan Bowman, Peter Knaack, Lisa Sachs, Agnieszka Smolenska, Fiona Stewart, Thomas Tayler, Perrine Toledano. Taking the lead on climate action: Strategic national transition planning at the centre of a whole-of-system climate response. June 2024. Informed by TPT 2023.

IMPORTANT: As participants will be able to assess the existing elements of national transition planning in place in their own jurisdictions, based on existing documents such as Net Zero Strategies, NDCs, LT-LEDs, Energy Transition Mechanisms implemented within country platforms, and other relevant strategies and initiatives, we kindly ask participants to bring those documents to the workshop.

Reading requirements: Background materials will be distributed closer to the event.