ICAT'S WORK IN SRI LANKA

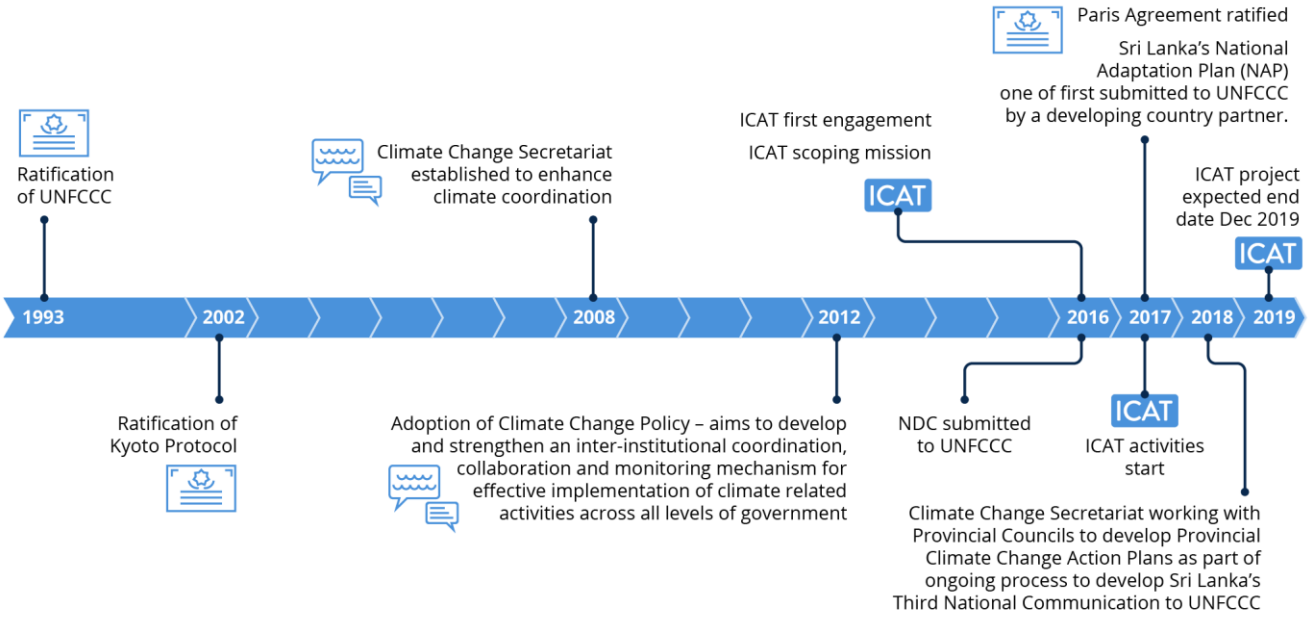
Sri Lanka is highly vulnerable to the impacts of climate change, including sea-level rise, flooding and drought. It ratified the UNFCCC in March 1993 and the Kyoto Protocol in 2002. Since submitting its Initial National Communication (INC) to the UNFCCC in 2000, Sri Lanka has focused on creating an institutional basis for mainstreaming climate change into its national legal framework.

In 2008, Sri Lanka established a Climate Change Secretariat (CCS), resulting in a series of policy actions and improved institutional capacity for climate change. In 2012, the CCS developed the National Climate Change Policy (NCCP), which highlights adaptation as a national priority. Sri Lanka submitted its Intended Nationally Determined Contribution (INDC) to the UNFCCC in 2015, with resubmission in 2016. It ratified the Paris Agreement in 2016.

Headline NDC commitments (2016):[1]

Mitigation commitments: Sri Lanka intends to reduce GHG emissions against a business-as-usual (BAU) scenario by 20% in the energy sector (4% unconditionally and 16% conditionally) and by 10% in other sectors (3% unconditionally and 7% conditionally) by 2030. Other sectors include transport, industry, forests and waste.

Adaptation commitments: Sri Lanka's overarching adaptation goal is to build resilience in the communities, sectors and areas most vulnerable to the adverse effects of climate change. It includes five main targets focused on mainstreaming adaptation, enabling climate resilient settlements, minimizing impacts on food security, improving climate resilience of key economic drivers and safeguarding natural resources and biodiversity.



[1] Ministry of Mahaweli Development and Environment, Sri Lanka (2016) Nationally Determined Contributions, link.

In Sri Lanka, ICAT is helping to strengthen the national Monitoring, Reporting and Verification (MRV) system for the transport sector, with a focus on developing the legal framework and institutional arrangements for MRV.

The initiative for Climate Action Transparency (ICAT) supports improved transparency and capacity building under the Paris Agreement. ICAT integrates guidance, capacity building and knowledge sharing to engage countries in the use of a common framework to assess the impacts of their policies and actions and report progress, fostering greater transparency, effectiveness and ambition. The initiative will improve the availability and quality of climate related data and enable countries to promote efficient, cost-effective policies. ICAT's approach is country led.

"International ICAT representatives were very helpful and cooperative throughout the assignment. Their knowledge and experience of handling such projects were excellent"

Buddika Hemashantha, CEO Climate Smart Initiatives.

ICAT began working with Sri Lanka in 2018, following discussions with national stakeholders to identify the country's climate action transparency priorities. These discussions highlighted strong progress on tracking and reporting climate action in the energy sector, but identified the transport sector as an area for further support. The Transport sector is the second highest greenhouse gas (GHG) emitter in Sri Lanka after the power generation sector.2 This includes emissions from road, rail, air and sea transportation. Prior to ICAT support, the transport sector was collecting data for individual organizational requirements and within organizational boundaries. To better understand the emissions impacts of policies, however, a centralized data repository with free transfer of data across institutions was needed.

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The ICAT project partners with the Climate Change Secretariat of the Ministry of Mahaweli Development and Environment, in collaboration with the Ministry of Transport and Civil Aviation. The purpose of the project is to help Sri Lank fill the institutional gaps required to strengthen MRV in support of the country's NDCs, with a focus on the transport sector. To date, ICAT has supported a review of existing MRV and institutional arrangements within the transport sector, helped to identify appropriate methodologies for measuring GHG impacts of prioritized NDCs, and supported design of a centralized MRV system for the transport sector. This work has helped to establish the institutional arrangements required for more robust MRV, with a focus on roles, responsibilities and reporting channels. It has also supported design of a data management system and reporting templates.

"ICAT Transport Pricing Methodology was very useful while quantifying the GHG effects of transport policies such as tax rebates for electric and hybrid vehicles and carbon tax on vehicles"

Buddika Hemashantha, CEO Climate Smart Initiatives.

[2] Sri Lanka Second National Communication to UNFCCC (2012), link.

[3] Image by Jaromír Kavan, link.

To deepen ICAT's impact in Sri Lanka, the project has also focused on awareness creation and capacity building. Three consultation workshops were organized to support development of the national MRV system for the transport sector. Workshops provided an opportunity for national and subnational stakeholders to share information on data availability and collection, discuss revised transport NDCs and indicators and validate institutional relationships for MRV. ICAT has also provided valuable support to national stakeholders in the form of training, on-going mentorship, and technical expertise and feedback on project deliverables. Training was provided on the use and application of ICAT's Transport Pricing Methodology, as well as on the Greenhouse Gas Abatement Cost Model (GACMO). These tools were used to prepare an emissions baseline for the transport sector, support estimates for mitigation options and facilitate an ex-ante assessment of priority NDCs.

Applying ICAT's Transport Pricing Methodology in Sri Lanka:

Sri Lanka's NDC can be readily translated into a series of projects and policies, with a number of methodologies identified for assessing these. At the project level, methodologies developed during the Clean Development Mechanism (CDM) era were found to be relevant, including the IPCC Methodology on Inventories and different UNFCCC methodologies. Application of these methodologies supported assessment of the passenger shift from private to public transport, freight shift from road to rail, railway electrification, the introduction of electric buses and the introduction of new emissions standards. However, these methodologies were not suited for analysing the impact of transport-related policies.

ICAT's **Transport Pricing Methodology** was therefore applied in Sri Lanka to assess the GHG emission effects of transport policies in the electric and hybrid vehicles sub-sector. This included an assessment of fuel subsidy removal, increased fuel tax or levy, road pricing, (i.e. tolls and congestion charges) and vehicle purchase incentives for more efficient vehicles. Identifying the GHG effects of implementing various policies and actions in the transport sector has supported Sri Lanka to review and revise a number of its transport sector NDCs. ICAT supported studies have also increased awareness of the importance of implementing transport sector policies and actions to support sustainable national development.

As a result of ICAT's support, Sri Lanka has successfully proposed a new national MRV system for the transport sector. Implementation of this system will be guided by a roadmap that has already been developed and agreed. The Ministry of Transport and Civil Aviation will be the focal point for the MRV system, with other relevant institutions supporting data collection and submission of information to enable relevant and timely measurement and reporting against Sri Lanka's transport sector NDCs.

Overall, ICAT's activities have resulted in an improved level of awareness and engagement with climate action transparency that reaches across a wide range of national and subnational stakeholders. Enhanced transparency on climate actions and GHG emissions is expected to support policy makers to develop and approve new or enhanced sustainable national development and climate change projects. ICAT's support has also helped strengthen Sri Lanka's reporting to the UNFCCC, with improved data collection to track and monitor transport related NDCs currently supporting the development of Sri Lanka's next Biennial Update Report (BUR), due for submission in 2020.

Next steps for Sri Lanka will be fully operationalizing the transport sector MRV system through implementation of the approved roadmap. ICAT recently approved a second phase of support to Sri Lanka that will focus on MRV and NDCs within the energy, transport and waste sectors. Together these sectors account for nearly two thirds of Sri Lanka's GHG emissions. The project will help to digitize the transport sector MRV system, revise NDCs in the energy and waste sectors and design a roadmap to develop a legal framework for data sharing to measure and report on NDC achievement.