



# Climate Governance

Assessing governments' ability and readiness to transform their countries into zero emissions societies

CAT Climate governance series

## METHODOLOGY NOTE

August 2021

# Climate Governance Series – Methodology Note

## Introduction

In this **Climate Governance Series**, the Climate Action Tracker expands on its country analysis to evaluate the ability and readiness of national governments to enable the required economy-wide transformation towards a zero emissions society. The assessment analyses four aspects (hereafter referred to as 'categories') of governance readiness covering key enabling factors for effective climate action at the national level:

- the political commitment of the government to transition to a zero emissions society,
- the institutional framework it has put in place to achieve its emission reduction targets and support this transition,
- the processes it has established to develop, implement and review mitigation policies, and
- its ability and willingness to engage with relevant stakeholders on policy development.

The objective of the Climate Governance Series is to highlight positive developments within countries, identify areas of improvement, and establish a basis upon which to compare climate governance across countries. It deepens the CAT's level of analysis and provides a more complete picture of a country's efforts to cut emissions and transition to a zero emissions society. The Series also seeks to offer a standardised and replicable approach to assessing a government's ability and readiness to transition to a zero emissions society.

## Framework Development

Developing a framework of critical elements for the successful and rapid transition to a zero emissions society *ex ante* is a challenging and novel exercise. For one, there is no empirical evidence from which to draw on as no country has (yet) successfully transitioned its economy (Ecologic Institut, 2017). Analysis of the implementation of climate mitigation efforts that have taken place to date - or the evaluation of the effectiveness of institutional and legislative frameworks - is also limited (Somanathan et al., 2014; Trollip, Torres Gunfaus, & du Toit, 2015). Country circumstances vary greatly, from the type of political system to the level of development. What may be a necessary criterion for success in one country may have little impact on the readiness of another.

The focus of the present assessment is on factors within the control of governments. While all levels of government and all facets of society will need to be involved in the transition to a zero emissions future, this assessment is examined through the lens of the national government. The approach assesses the government's capacity to plan, deliver, and monitor the transformational change necessary for a zero emissions society, as well as whether they have developed such plans and put in place the necessary framework to implement them.

The governance framework has been developed in an iterative process. A set of categories and corresponding criteria was developed based on existing literature and the CAT consortium's experience with the development and implementation of climate and energy policy programmes. A first iteration of the framework was released in September 2019. It included both a national and sectoral assessment, with 33 and 20 indicators, respectively. In July 2020, we revised this framework based on the lessons learned from our first round of country assessments. The revision focused on the national level in order to make it more conducive to applying to a large number of countries. However, the sectoral approach remains valid and may be considered in future updates. A five-point benchmark system was adopted to allow for greater precision in the scoring and to show more variation in the country comparisons. Some indicators were combined or their scope modified to reduce redundancies and new indicators were added to address identified gaps. The July 2020 framework assessed 28 national indicators. In early 2021, we undertook another methodology review round, further refining our benchmarks and tweaking some of the indicators. We also added a new indicator on climate finance readiness, bringing the total to 29.

While not all indicators are equally important for successful transition in every country, most of these indicators will be required in many countries to enable a rapid transition. The more elements present, the greater the likelihood of success. Figure 1 provides an overview of the framework.

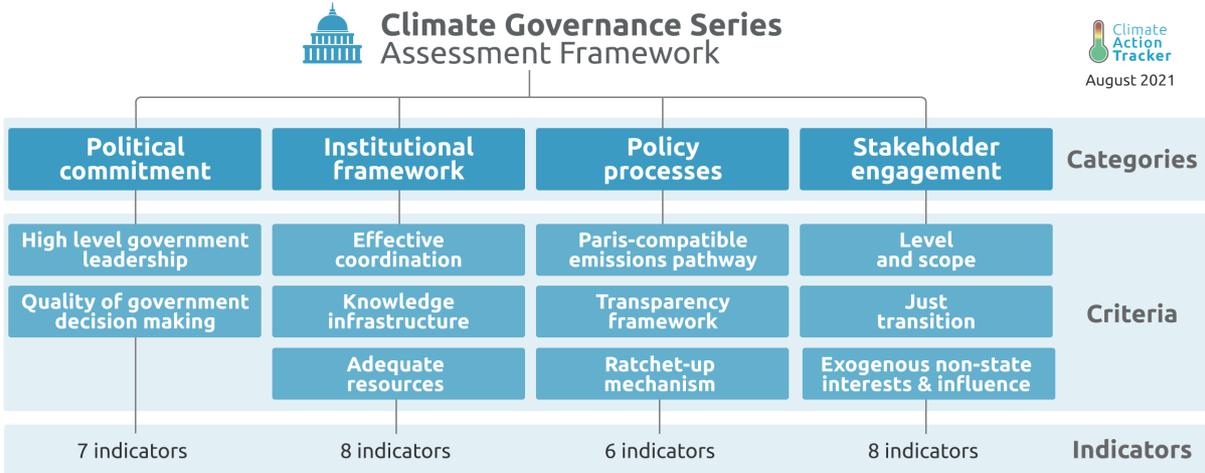


Figure 1: Outline of the assessment framework used in the Climate Governance Series showing the relationship between categories, criteria and indicators.

In our assessment of the four categories, we divided each category into criteria, or success factors considered necessary for a rapid transition, with a number of indicators developed to assess each criterion. Each indicator is assessed according to a five-point benchmark, defined by the Climate Action Tracker and in consultation with international experts.

Figure 2 illustrates the structure of the assessment framework using the example of a “Passage of comprehensive climate mitigation-related legislation” which is one of the indicators used to evaluate the criteria on “Paris-compatible emissions pathway” within the overarching category of “Policy processes”.

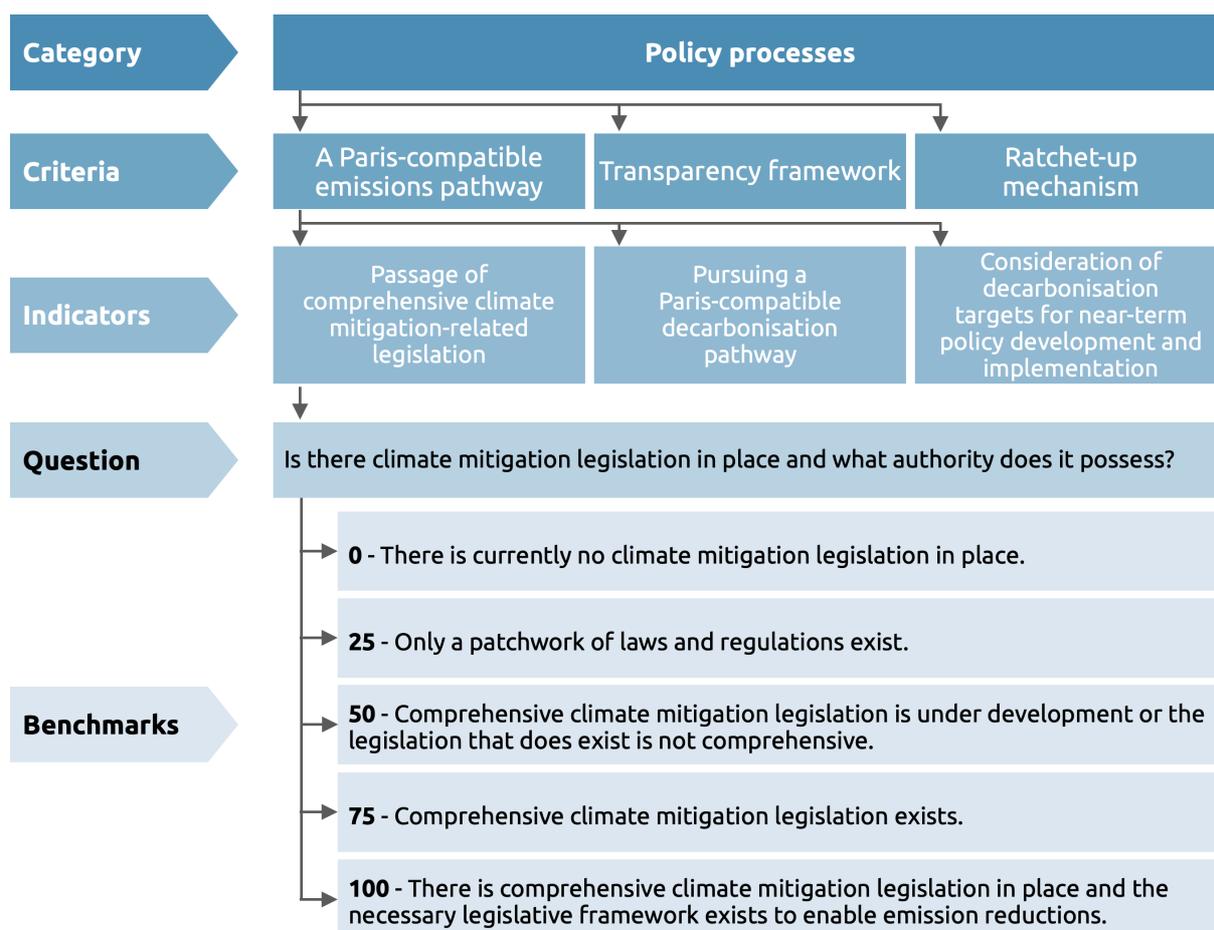


Figure 2: Structure of the assessment framework used in the Climate Governance Series

Table 1 shows the complete list of indicators assessed by the assessment framework and which criteria and category they are listed under.

Table 1: Summary of indicators assessed and which criteria and category they are listed under.

National-level Assessment	
POLITICAL COMMITMENT	
High-level government leadership	Quality of government decision making
Commitment by head of state or government	Continuity of transition-related policy development
Government buy-in and ownership of the transition	Broadscale political support for the transition to a zero emissions society
Power of climate change lead agency	Accountability and trustworthiness of government's transition-related actions
Relative ranking of the transition to a zero emissions society compared to other political issues	

## INSTITUTIONAL FRAMEWORK

Effective coordination	Knowledge infrastructure	Adequate resources / capacities
<p>Vertical coordination of transition-related actions between national and subnational governments</p> <p>Horizontal coordination of transition-related actions between line ministries</p> <p>Mainstreaming of the transition to a zero emissions society</p> <p>Alignment of line ministry policy actions with government mitigation strategy for transitioning to a zero emissions society</p>	<p>Pursuit of authoritative advice on transitioning to a zero emissions society</p> <p>Government consideration of analyses of, and advice on, transitioning to a zero emissions society</p>	<p>Climate finance readiness (NEW)</p> <p>Resource level of lead agency</p> <p>Institutional learning</p>

Paris-compatible emissions pathway	Transparency framework	Ratchet-up mechanism
<p>Passage of comprehensive climate mitigation-related legislation</p> <p>Pursuing a Paris-compatible decarbonisation pathway</p> <p>Decarbonisation targets are being considered for near-term policy development and implementation</p>	<p>A comprehensive transparency framework</p> <p>An effective review mechanism</p>	<p>An effective national ratchet-up mechanism</p>

Level and scope	Just transition	Exogenous non-state interests and influence
<p>Disseminating public education and ensuring public knowledge on the transition towards a zero emissions society</p> <p>Ensuring broad buy-in</p>	<p>Addressing the need for a just transition</p>	<p>Public support for the transition to a zero emissions society</p> <p>Availability of scientifically robust and country specific analyses</p> <p>Influence of non-state actor interests at risk from the transition ("Regulatory Capture")</p> <p>Influence of non-state actor interests who profit from the transition</p>

## Rating System

Each indicator is assessed based on a five-point response scale. The aggregation of the indicator scores determine a country's performance at the criteria level and the aggregation of the criteria scores determines the performance at the category level. The performance results of the criteria/category level assessments are displayed with color-coding in the country reports (see Figure 3).

CAT Climate Governance Rating System	
<b>Very Poor</b>	<b>≤ 20% of possible score</b> This rating indicates that the government is deficient and improvement is necessary.
<b>Poor</b>	<b>20 – 40% of possible score</b> This rating indicates that the government is showing a limited level of readiness but improvement is still necessary.
<b>Neutral</b>	<b>40 – 60% of possible score</b> This rating indicates that the government is showing some level of readiness, but improvement is still necessary.
<b>Acceptable</b>	<b>60 – 80% of possible score</b> This rating indicates that the government is showing a good level of readiness, although improvement is still possible.
<b>Advanced</b>	<b>≥ 80% of possible score</b> This rating indicates that the government is performing well, although improvement is still possible and beneficial.

*Figure 3: An overview of the scoring aggregation and meaning*

Analysing governance readiness is not as straightforward as analysing a country's targets and mitigation policies. The methodology used in this series is novel and we continue to look for ways to improve it. Feedback is welcome at [info@climateactiontracker.org](mailto:info@climateactiontracker.org).

## Bibliography

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