



# NDC Enhancement



## INTRODUCTION

2020 is a critical year for countries to raise their climate ambition. Under the Paris Agreement, countries revise their Nationally Determined Contributions (NDCs) every five years to cut greenhouse gas emissions and implement solutions to adapt to the effects of climate change. The updating of NDCs presents countries with significant opportunities to align their climate and development agendas to promote sustainable growth, but it also presents challenges in reinventing policies and mobilizing investment.

The NDC Partnership launched the Climate Action Enhancement Package (CAEP) to fast-track support for NDC enhancement and implementation. Through a coordinated approach, 40 of the NDC Partnership's Donor Countries and Institutional and Associate members are delivering NDC enhancement support to 63 countries through the common framework of CAEP<sup>1</sup>.

The NDCs submitted in 2015 were often developed quickly with limited resources, data, and engagement from key parts of government and society, resulting in missed opportunities to link climate and development agendas and enable ambition and inclusive climate action. Learning from this experience, countries are approaching their NDC updates in 2020 more systematically. They are applying whole-of-government and whole-of-society approaches: involving different ministries, sub-national stakeholders and governments, and key segments of society like the private sector, youth, and women. Countries are improving underlying data and MRV systems. And they are costing their NDCs to ensure that climate targets are not only ambitious, but also have a realistic prospect of implementation.

**Looking at the requests for support that countries have raised through the NDC Partnership's Climate Action Enhancement Package (CAEP), several trends can be seen, illustrating how countries are approaching their NDC updates:**

- Countries are looking for opportunities to **raise their ambition** by updating mitigation and adaptation targets and **broadening the scope of their NDC** to cover a greater part of the economy.
- Countries are **enhancing the quality of NDCs** by engaging stakeholders, improving data and accompanying MRV systems, conducting NDC cost-benefit analysis, and increasingly aligning NDCs with sectoral plans.
- Countries are striving to ensure **NDCs are actionable** by developing detailed implementation plans and financing strategies and aligning NDCs to long-term strategies.

Fifty-seven countries submitted requests for support under CAEP's Objective 1: NDC Enhancement, while 35 countries submitted requests under Objective 2: NDC Implementation. Further illustration of CAEP requests for support trends, with examples, are provided in the sections below.

<sup>1</sup> Support is being provided under two broad objectives. CAEP Objective 1: Enhance NDCs, including by raising ambition, as part of the Paris Agreement's NDC update process; and Objective 2: Fast-track implementation of NDCs, including by providing in-country technical expertise and capacity building.]

## RAISING NDC AMBITION



### UPDATING TARGETS

Forty-eight of fifty-seven countries (84 percent) are strengthening or adding new GHG targets or actions to increase their mitigation and adaptation ambition. Fuller economic and technical analysis can enable governments to set bolder targets with confidence. For example, Nigeria aims to update its mitigation target for the electricity sector (estimated to cover 40 percent of emissions) in its NDC based on new data, modeling, emission factors, and analysis. Papua New Guinea will review its conditional NDC declarations, placing emissions targets to remove GHGs from the existing REDD+ initiatives in the country. It will also improve sectoral emissions mitigation plans for the energy sector, particularly on electricity, transport, energy efficiency, and others.

Beyond mitigation targets, countries are requesting support to define, strengthen, or update adaptation targets in their NDCs. In South Africa, the government is enhancing its NDC's adaptation component by engaging stakeholders on climate impacts, analyzing losses, and identifying obstacles in responding to identify gaps and assess adaptation needs. In Pakistan, the government is constituting a Technical Working Group on Adaptation Assessment to select and apply appropriate tools and methodologies for adaptation assessment in priority sectors (agriculture, water, health) and collecting, reviewing, and analyzing relevant data on climate extremes and disasters.



### BROADENING SCOPE

Twenty-nine of fifty-seven countries (51 percent) are broadening the NDC's scope to cover a greater part of the economy, to include new sectors, gases, and responsibilities. Many NDCs included targets for just a few well-understood sectors. While energy and AFOLU remain key sectors, many countries are looking for mitigation and adaptation opportunities in other sectors.

The Kyrgyz Republic is broadening the NDC scope to cover all emitting sectors, including energy, industrial processes, AFOLU, and waste management. Panama and Nepal are expanding actions in the transport sector, developing emissions scenarios and planning for the introduction and expansion of EV technologies. The Seychelles is enhancing the current NDC to strengthen the adaptation section with a specific focus on Blue Economy as a means of adapting to the impacts of climate change, with a complementary national adaptation plan to inform implementation of its NDC.

## ENHANCING NDC QUALITY

Complementary to more ambitious NDCs, countries are seeking support to enhance their NDC quality. Countries seek opportunities to ensure that enhanced NDCs are realistic, implementable, and inclusive. This includes NDCs that are backed by improved data and accompanying MRV systems, costed, developed with whole-of government and whole-of-society stakeholders and engagement processes, and those that are increasingly aligned with sectoral plans or long-term strategies.



### IMPROVED DATA AND MRV SYSTEMS

Forty-four of fifty-seven countries (77 percent) are improving data and accompanying MRV systems. This allows countries to develop detailed targets and baselines, an important element to ensure their targets are not only ambitious, but realistic. Costa Rica is developing MRV and M&E systems (as appropriate), a process that includes defining indicators, completing methodological sheets, developing data-sharing and confidentiality agreements, and designing dashboards and visualizations for the adaptation and NBS components of their updated NDC. eSwatini is developing newly designed or strengthened sectoral MRV systems to ensure transparent MRV of multiple impacts, including contribution to SDG targets.



### COSTING AND COST-BENEFIT ANALYSIS

Costing and cost-benefit analysis can be done to inform NDC targets, to understand resource gaps, and to conduct climate budget expenditure analysis for more robust NDC implementation planning. Thirty-three of fifty-seven countries are carrying out costing and cost-benefit analysis. In Ecuador, the government is quantifying the costs of climate change inaction in all sectors in order to ensure that its climate change budget is prioritized in the national budget. This is a key step to mainstream NDCs into national planning, budgets, and revenue streams, and is a priority to ensure the long-term sustainability of NDCs.



### WHOLE-OF-GOVERNMENT AND WHOLE-OF-SOCIETY APPROACHES

Countries are requesting support to conduct workshops, consultations, and trainings with relevant ministries, seeking high-level commitments at all levels of government, and to engage the whole of society, including by mainstreaming gender equality. In Antigua and Barbuda, the government plans to conduct feasibility studies in consultation with the Ministry of Finance, the Financial Services Regulatory Commission, the Ministry of Agriculture and Fisheries, and

relevant NGOs, including technical, financial, and impact assessment, signaling efforts to ensure coordination between finance and environment/climate ministries.

They are also seeking support for whole-of-society involvement. Thirty of fifty-seven countries (53 percent) are organizing and leading stakeholder consultations with different parts of society, including the private sector. Indonesia is organizing a large-scale campaign to engage all stakeholders in implementing the NDC at different action levels, including the national, sub-national, private sector, civil society organization, financial institutions, universities, and community levels. These activities are key to facilitating buy-in at an early stage, building trust, and facilitating participatory approaches to NDC implementation.

## LINKING NDC ENHANCEMENT TO IMPLEMENTATION

**To improve the likelihood of NDC uptake, NDC enhancement will need to be integrated in the development of a long-term, low emissions development strategy and streamlined into existing planning processes including through the linking of increased ambition with implementation. Thirty-one of thirty-five countries are making this link, developing NDC implementation plans or roadmaps, aligning implementation plans with financing strategies, and developing NDC Roadmaps Aligned with Sectoral Plans and Long-Term Strategies (LTS).**



### IMPLEMENTATION PLANS

Tonga is developing an NDC Roadmap and Investment Plan including an overall implementation plan for each sector in the NDC to assist in planning for implementation. In Vanuatu, the government is identifying challenges and barriers to NDC implementation and carrying out gender impact analysis for NDC implementation.



### FINANCE STRATEGIES

Twenty-five of thirty-five countries (71 percent) are seeking support to develop climate finance mechanisms or strategies, as well as project pipelines. This includes the development of bankable project pipelines in line with NDC targets and support for creating enabling conditions for private sector investors to ramp up commitments in key sectors, including assessments to understand barriers to investment and private sector, international, or domestic public finance engagement for project implementation. Lebanon is planning to establish a Green Investment Facility (LGIF) which aims to accelerate the implementation of its NDC and SDGs.



## NDC ROADMAPS ALIGNED WITH SECTORAL PLANS AND LONG-TERM STRATEGIES (LTS)

Countries are effectively aligning NDCs with sectoral plans and improving cross-sectoral coordination. Peru is expanding on its NDC roadmaps, looking specifically at the energy sector and compiling evidence on how to meet the NDC targets and update the sectorial work agendas by identifying critical gaps and enabling conditions (including financing sub-national scaling-up requirements).

Thirteen of thirty-five countries are using long term visions from sectoral plans or long-term climate scenarios in preparing new, more ambitious NDCs, as well as ensuring that the NDC feeds into the LTS. Chile will align long-term strategies from individual sectors to the country's long-term vision, considering the concept of sustainable development as part of its NDC revision process.

## CHALLENGES & OPPORTUNITIES

**Midway through 2020, countries are deep into their NDC updates. However, COVID-19 is now posing serious challenges to enhancement efforts, including to the ability to collect and validate data, convene key stakeholders, and facilitate key decision-making processes. In many cases, timelines for submitting updated NDCs have already slipped and these challenges risk impacting the quality and ambition of submitted NDCs.**

Countries have indicated their desire to keep climate high on the agenda but require continued support to ensure they can address climate change in line with pressing socio-economic priorities. Addressing these needs with speed and scale will help shape recovery efforts and ensure countries are able to submit the thorough NDCs they were hoping to. These challenges present an opportunity for the Partnership to adopt innovative, climate-smart technologies, approaches, and practices as part of COVID-19 response and recovery efforts. NDCs can be used as a basis for economic recovery in such a way that more sustainable routes to development are mainstreamed.

A strong country-driven process, coupled with the coordinated provision of support, is more relevant than ever. Over the next 12 months, the Partnership will strengthen its assistance, deploying economic advisors to support the preparation of climate compatible recovery packages. Economic advisors will work to assess the impact of a new macro-economic situation on the climate agenda; support the cost analysis of new NDCs, taking the economic impact of COVID-19 and recovery mechanism into consideration; design fiscal instruments that can stimulate green growth, including guarantees, regranting, tax credits and expansion, green bonds, refinancing facilities, and others; incorporate low-carbon and/or climate resilient shovel-ready projects from NDCs into COVID19 economic stimulus investment plans; and adapt global recommendations for stimulus to national contexts, among other activities.

**The type of recovery that countries pursue will not only drive the immediate socio-economic recovery, but also will greatly shape their NDC ambition and climate action for the years to come.**

## CREDITS

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