

# **NDC Partnership Climate Action Enhancement Package (CAEP) – Implementation Note**

June 2019

## **1. PURPOSE OF THE IMPLEMENTATION NOTE**

The Climate Action Enhancement Package (CAEP) is a new offering of the NDC Partnership. It is designed as a targeted, demand-driven and impact-focused fast-track initiative to deliver support for the development and implementation of enhanced and more ambitious NDCs. It allows countries to address the challenges of the first generation of NDCs by providing support for the development and implementation of evidence-based, high-quality NDCs with broad ownership from society and government. The CAEP builds on the work of the Partnership and is added as a new set of deliverables under the 2018-2020 Work Program, ensuring streamlining of processes and maximum effectiveness.

This Implementation Note complements CAEP's Concept Note and is aimed to provide further detail on the following elements:

- CAEP Results;
- Structure of Technical Assistance Fund (TAF);
- Operational Procedure;
- Roles and Responsibilities;
- Timeline and Milestones;
- Communication Plan.

## **2. CAEP RESULTS**

### **2.1 Objectives**

The CAEP is designed to catalyze transformational change towards resilient, sustainable and low-emission development, supporting the objectives of the Paris Agreement. The CAEP has three inter-related -objectives.

#### **Objective 1. Raising ambition or enhancing NDCs as part of the NDC updating processes**

Under the Paris Agreement countries are invited to communicate updated NDCs to the UNFCCC by 2020 and every five years thereafter. During the updating of their current NDCs, they are encouraged to consider how to enhance the quality and increase ambition, and how to translate these efforts into a continuous improvement process that brings total global ambition more in line with the global goals of the Paris Agreement.

Countries faced considerable challenges (see Annex 1) when developing their initial (I)NDCs, largely due to limited time, resources, and expertise. The process of updated NDCs is an opportunity to overcome these challenges, to ensure NDCs are of high quality with measurable results, linked with the economic ambitions of governments, the Sustainable Development Goals (SDGs), national planning efforts and budgeting cycles, and the result of truly whole-of-society-based consultative approaches.

CAEP will support NDC enhancement through swift deployment of local and international experts, advisors, facilitators, and consultants, as well as workshops and other costs related to stakeholder convening and consultation in country. Resources will be deployed through implementing partners.

Support provided by the Partnership through the CAEP would respond in a timely manner to the needs from member countries while facilitating enhancement and ambition raising of NDCs.

### **Objective 2. Fast-tracking implementation enabling increased ambition**

One of the most powerful ways in which the Partnership has driven action is by supporting countries in taking a whole-of-government and whole-of-society approach to strengthening and implementation of NDCs. This is vital to achieving genuinely transformative action as it ensures that the full array of domestic as well as international resources are deployed effectively.

One of the Partnership's most important mechanisms for supporting governments has been provision of facilitators or advisors embedded in Ministries and government institutions, and this will be a preferred model under Objective 2. These embedded advisors act as agents of change, incorporating climate change across all government actions. They help develop lasting capacity of government stakeholders to ensure sustainability of climate actions. Support will be focused on capacity development to facilitate the flow of climate finance.

### **Objective 3. Supporting the delivery of and follow-up on transformational initiatives for the United Nations Secretary-General's 2019 Climate Action Summit**

The UN Secretary-General's Climate Action Summit presents a significant moment to bring global attention to the urgent need of raising climate ambition and catalyze further global action.

The CAEP constitutes a strategic and action-oriented deliverable for the UN Climate Summit that can:

- Build confidence and empower developing countries by giving clear and coherent signal, on behalf of the Partnership, that resources will be made available if countries wish to raise the level of ambition in their updated NDCs.
- Provide support to the different thematic pillars of the Summit and act as a strategic partner for the UN SG's office in making ambition raising a reality.
- Based on demand, support 4-6 developing country co-leads for thematic strands.

## 2.2 Results Chain

The CAEP aims to deliver results by 2020 and 2021 (See Figure 1). The results chain of CAEP is fully aligned with the Partnership’s **Theory of Change** and thus directly aims to contribute to the higher-level impact the Partnership is working towards: *raising of NDC ambition and accelerating implementation for countries to achieve their mitigation and adaptation targets*. Key Performance Indicators (KPIs) are synchronized with the Monitoring & Evaluation (M&E) Framework of the Partnership to avoid establishing a separate progress tracking and accountability mechanism and ensure cost effectiveness.

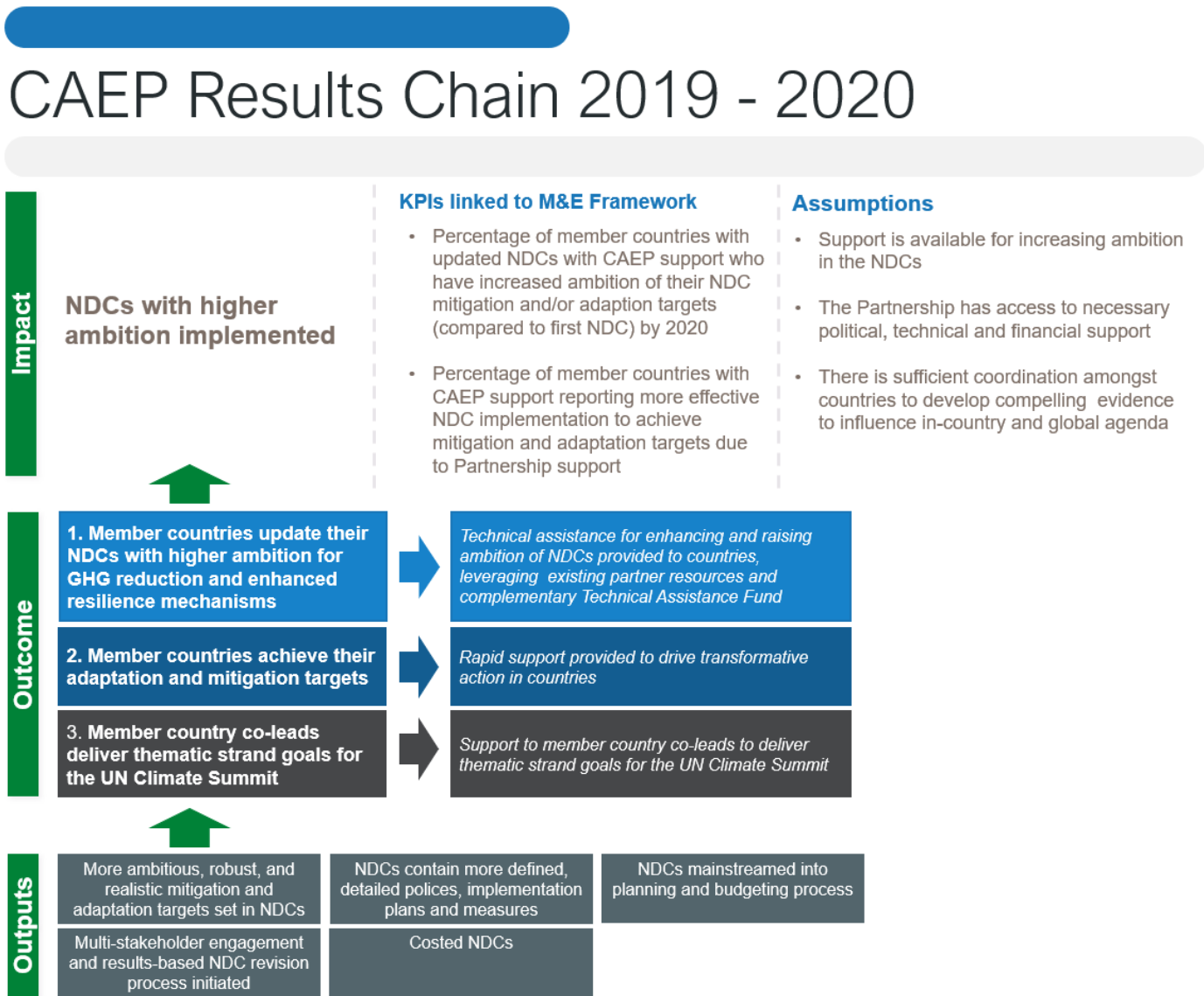


Figure 1. Results Chain of the Climate Action Enhancement Package

### 3. TECHNICAL ASSISTANCE FUND (TAF)

The TAF is a financial delivery instrument supporting objective 1 and 2 of CAEP<sup>1</sup>. It is a pooled funding mechanism that will receive contributions from multiple development partners and allocate resources to multiple implementing partners (IPs)<sup>2</sup> to respond to NDC updating and implementation requests, coordinated through the Support Unit (SU) of the Partnership. The TAF will enhance policy coherence, improve coordination, increase alignment through a single funding mechanism with common objectives among a wide range of IPs. This will also reduce overall transaction costs of country governments by providing a “one-stop resource center”.

The TAF will be used only if a specific country request cannot be met by existing projects/programs of member(s). NDC Partnership institutional members and/or associate members (herein referred as implementing partners or IPs) will have the first option to address country requests with their own resources. Remaining gaps in support can then be covered by IPs with the required expertise but without sufficient resources, by accessing the TAF.

In cases where no expressed interest is received from the institutional and/or associated members to respond to a specific country request, the SU of the Partnership will have the option to deploy external consultancy assistance, embedded advisors or facilitators from TAF funding.

The World Resources Institute (WRI) will host the TAF and therefore manage contracting, while the SU is responsible for programmatic implementation.

### 4. CAEP IMPLEMENTATION

The operational procedure of the CAEP is outlined in Figure 2 and elaborated further below. The procedure will be implemented twice, following each round of Call for Requests for Support, during the life cycle of CAEP. If needed and if funding allows, a third Call for Requests for Support will be organized. Further details on the timeline of the CAEP implementation are included in section 6. There will be an opportunity to improve the procedure, if necessary, based on the experiences from the first round, under the direction of the Steering Committee.

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<sup>1</sup> Supporting developing countries for UNSG Climate Summit will be budgeted under the Addendum Work Program of the Partnership.

<sup>2</sup> Only international organizations and associates who are members of the Partnership are eligible to receive funding. Priorities will be given to not-for-profit member institutions.

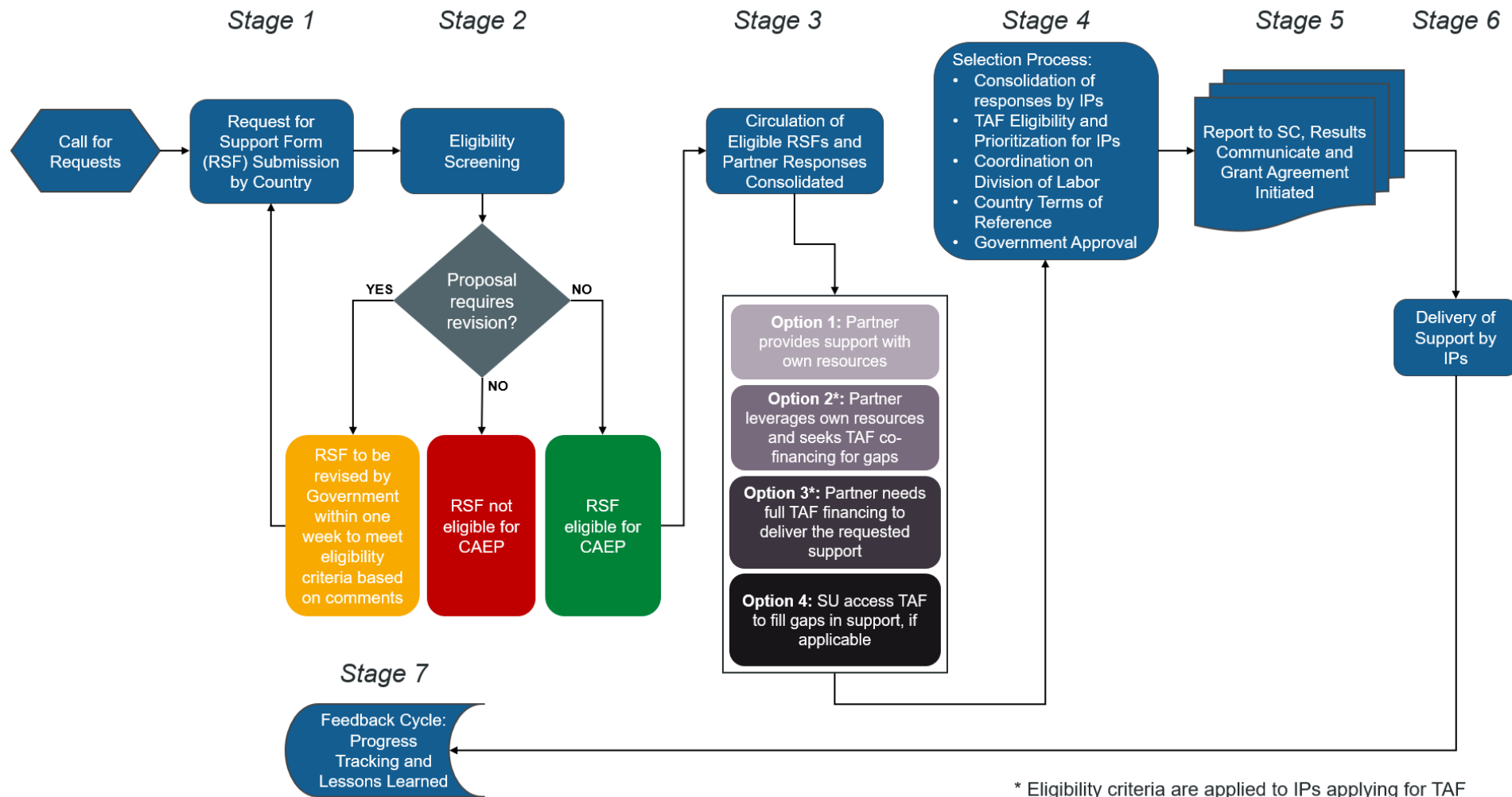


Figure 2: Operational procedure of the CAEP with screening processes

## Stage 1: Call for Request for Support

The first Call for Requests for Support for CAEP will be announced at the Abu Dhabi Stocktaking Meeting for the 2019 Climate Action Summit on 30 June/01 July. This will be followed by a second Call in October, 2019 during Pre-COP in Costa Rica.

All developing member countries of the Partnership will be invited to apply if they can meet the eligibility criteria. The Support Unit (SU) will take no direct role in preparing proposals to the CAEP but will ensure that agreed guidance is provided to all interested countries.

Countries requesting support for NDC enhancement (Objective 1) should ensure that proposals are sufficiently concrete and detailed to enable assessment without further clarification. They are invited to consider the following elements that would strengthen a proposal:

- Evidence that the revised NDC will result a significant positive impact on GHG emissions or significantly improve the resilience of vulnerable populations.
- Existence of mid/long term sectoral or development strategies, or 2050 pathways/LTS and plans for aligning the revised NDC with these.
- Analysis of costs & benefits using government's macro-economic modeling or other relevant methodologies, models or data.
- Underlying data and MRV system.
- Statement of on-going collaboration with NDC Partnership, based on Country Engagement Strategy.

For countries requesting support for fast-tracking NDC implementation (Objective 2), proposals should focus on capacity development interventions that will lead to more effective deployment of financing. These could include:

- Macro-economic modelling and budgeting
- Financing strategy
- LTS development
- Project pipeline development
- Development of financial regulations and/or instruments

NDC Partnership member countries that are interested to receive support should complete the **online** Request for Support Form (RSF) for proposals to be considered by the SU. Requests by countries for support will need to be submitted within six weeks of launching of Calls. A single RSF may indicate multiple action items.

## Stage 2: Country Eligibility Screening

RSF that focus on NDC updating and strengthened implementation (Objectives 1 and 2) will be screened against **country request eligibility criteria** (see Figure 3) by the SU. These are minimum criteria that the requesting member countries are expected to be adhered to.

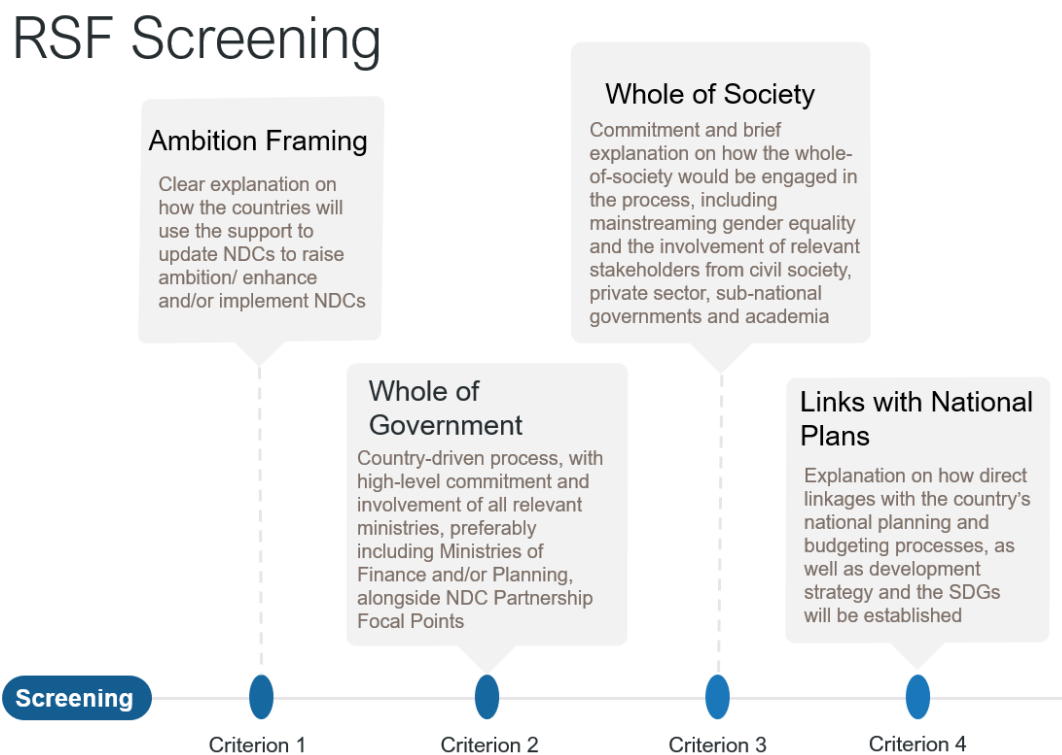


Figure 3. Screening process and criteria for RSFs

A “traffic light” system will be used to guide proposal screening at the RSF stage:

- **Green**: If a green rating is given, the RSF would require no revision; the proposal in this case will be considered eligible for funding, subject to the selection process during Stage 4.
- **Amber**: An amber rating would indicate that the request has potential for funding, but that comments will have to be incorporated before re-submission. An amber rating is always associated with feedback, which will be provided within one week by the SU. The SU will hold a briefing call with the concerned country. Countries will have one week to respond with a revised RSF.
- **Red**: Indicates that country request does not fulfill minimum eligibility criteria, immediately or after revised submission.

In each of the above cases, SU will communicate the results to the concerned countries through official letters.

### Stage 3: Circulation of Eligible Requests and Partner Response Consolidation

All eligible RSF received, as well as the outcome of the initial screening, will be circulated to members of the Partnership. Responses from IPs, within two weeks of sharing the RSF, will be consolidated at this stage.

There are **four options** for responding to specific actions included in RSFs:

- **Option 1:** IPs with resources from existing programs<sup>3</sup>, without TAF financing.
- **Option 2:** IPs with co-financing from the TAF.
- **Option 3:** IPs with full financing from the TAF.
- **Option 4:** SU with financing from TAF to fill gaps if necessary.

IPs are invited to take into account the following criteria when evaluating and prioritizing responses to country requests:

- Evidence that the revised NDC will result a significant positive impact on GHG emissions or significantly improve the resilience of vulnerable populations.
- Existence of mid/long term sectoral or development strategies, or 2050 pathways/LTS and plans for aligning the revised NDC with these.
- Analysis of costs & benefits using government's macro-economic modeling or other relevant methodologies, models or data.
- Grounded in high-quality data and accompanied by SMART targets, indicators and MRV system.
- Statement of on-going collaboration with NDC Partnership, based on Country Engagement Strategy.

All contributing IPs and their respective funders, where appropriate, will be fully acknowledged in all CAEP-related publications/communications.

### Stage 4: Selection Process

In this stage, the SU will:

1. **Consolidate responses from implementing partners, to determine what support is being offered in each country.**
2. **Apply IP screening criteria, when identifying IP eligibility for accessing resources from TAF:** Implementing partners that apply for TAF funding will be screened against **eligibility criteria** (see Figure 4) by the SU.

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<sup>3</sup> Examples may include IKI Funding, World Bank NDC Support Facility, UNDP NDC Support Programme, AFD Adapt'Action, IADB NDC Invest, NDC Advance, Africa NDC Hub, NDC Facility, etc.



# IP Screening

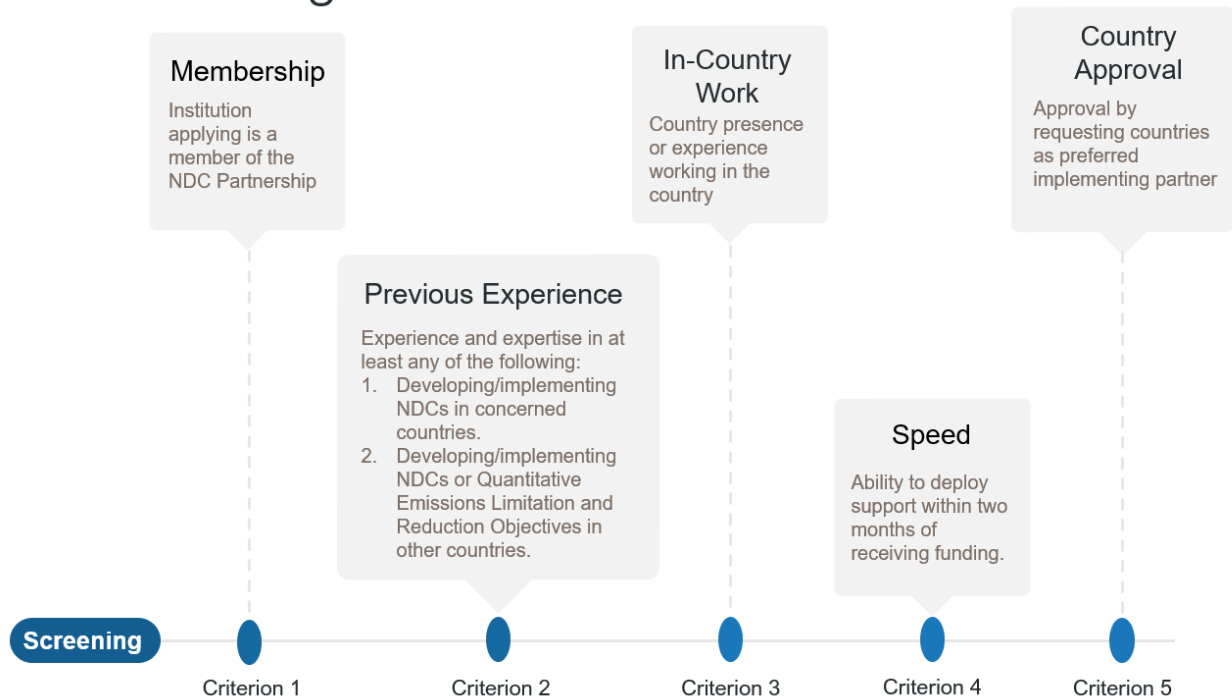


Figure 4. Screening criteria for Implementing Partners accessing resources from TAF

In the event that overall requests exceed available resources, priority will be given to responses from IPs, including by clustering responses to requests, that result in:

- A balance between support for mitigation- and adaptation-related activities, as well as regional distribution.
- Lowest total overhead cost, taking into account costs of both the IP and WRI as manager of TAF.
- Additional resources beyond TAF leveraged through the proposal.

Under Objective 2, priority will also be given to member countries with Partnership Plans (PPs) to which requests are aligned.

3. **Coordinate with IPs on division of labor:** All responses received will be consolidated and shared with interested IPs.

Coordination calls could be organized at three points in this process:

- After circulation of the package of eligible requests to prospective IPs, including to answer any clarifying questions for countries requesting support;

- In cases where more than one IP expresses interest in providing support for a specific action included in the RSF, the SU will facilitate a coordination call amongst interested IPs; and
  - After consolidation of the responses and IP screening process, to aid in the preparation of ToRs and proposed division of labor.
4. **Design country-specific ToRs:** Based on the consolidated responses from interested IPs, a country-specific Terms of Reference (ToR)<sup>4</sup> will be designed and shared by the SU highlighting scope of interventions, specific deliverables, identified IPs and division of labour.
  5. **Government Approval:** Requesting government will always provide the final approval of the ToRs.

### Stage 5: Steering Committee (SC) Report and Grant Agreement

Every six months, the SU will prepare a complete report for the SC, detailing the support being provided through the CAEP and TAF under the respective Call for Requests for Support every. As needed, the Partnership's Co-Chairs will provide guidance to the Support Unit during the selection process.

For IPs that require TAF partial or full resources to provide support, the grant agreement between the World Resources Institute and respective IPs will be initiated during this stage, based on the agreed ToR.

### Stage 6: Delivery of the Support

Under Option 1, IPs will be deploying their support from existing projects/programs to deliver the support. Under Option 2 and 3, IPs will use TAF resources to deliver the support, leveraging their existing resources where possible (option 2).

Selected IPs are responsible for the delivery of the support and will agree with the requesting government any formality required for the deployment of this support.

In case no favourable response is received from the IPs to address a country request and/or activity, Option 4 will apply whereby SU will have the option to procure consultancy services, embedded advisors or facilitators from TAF resources to fill these gaps in support.

### Stage 7: Feedback Cycle Facilitated for Progress Tracking and Lessons Learned

The SU will facilitate periodic (quarterly) opportunities for countries and partners to provide feedback on the provision of support, flag any unforeseen challenges, track progress made, and share lessons learned along the way with the Partnership. These updates will feed into the six-monthly SC reports, produced by the SU.

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<sup>4</sup> A generic ToR for responding to requests for raising ambition in NDCs has been prepared by the Support Unit and available upon request. All ToRs are subject to approval by requesting governments.

## 5. ROLES AND RESPONSIBILITIES

CAEP will provide opportunities for its various members to engage throughout the implementation period. The overview in Figure 5 explains how different stakeholders under the NDC Partnership are involved throughout the stages of the CAEP process.

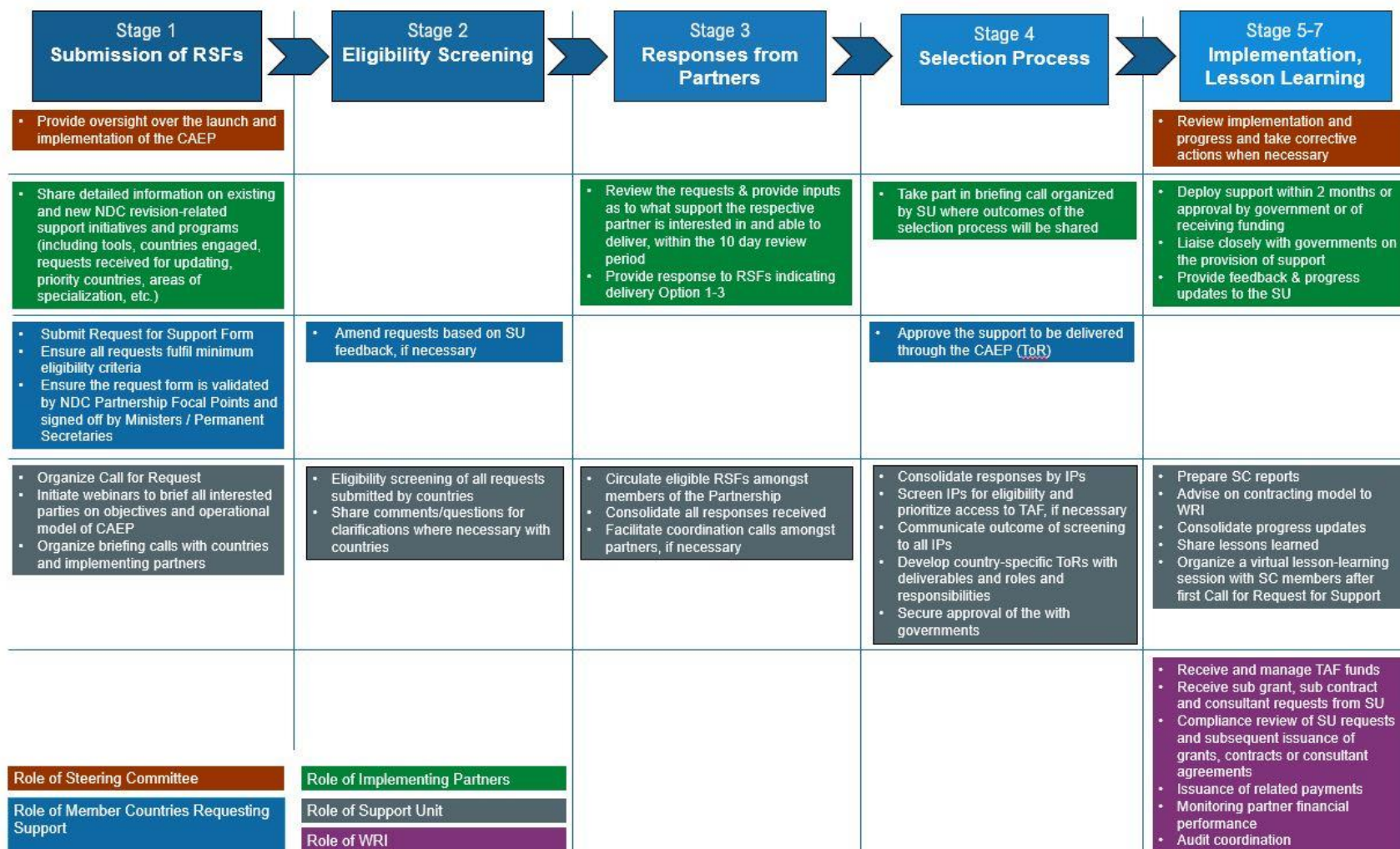


Figure 5: Overview of Roles and Responsibilities under the CAEP Stages

## 6. TIMELINE AND MILESTONES

### 6.1 Overview of Timeline

CAEP will be made fully operational with the announcement of the first Call for Requests for Support at the Abu Dhabi Stocktaking Meeting for the 2019 Climate Action Summit in July. Countries will be provided six weeks to submit their requests for support. The SU will complete the screening process and circulate the eligible requests after two weeks. Implementing partners will then have two weeks to submit responses to indicate interest. By mid-September, screening of partners will be completed, the Terms of Reference for the support prepared, and results communicated for Government approval. Coordination calls will be facilitated as required, in particular to allow members requesting support to provide clarification of their requests to partners or to address multiple partner responses for same activity. Grant agreements will be prepared in the following month and a full report of the outcomes will go to the Steering Committee. By November, delivery of support is expected to be underway. Opportunities for feedback will be facilitated to ensure capturing of lessons learned. The timeline with milestones for the first Call for Requests for Support is presented in Figure 6.

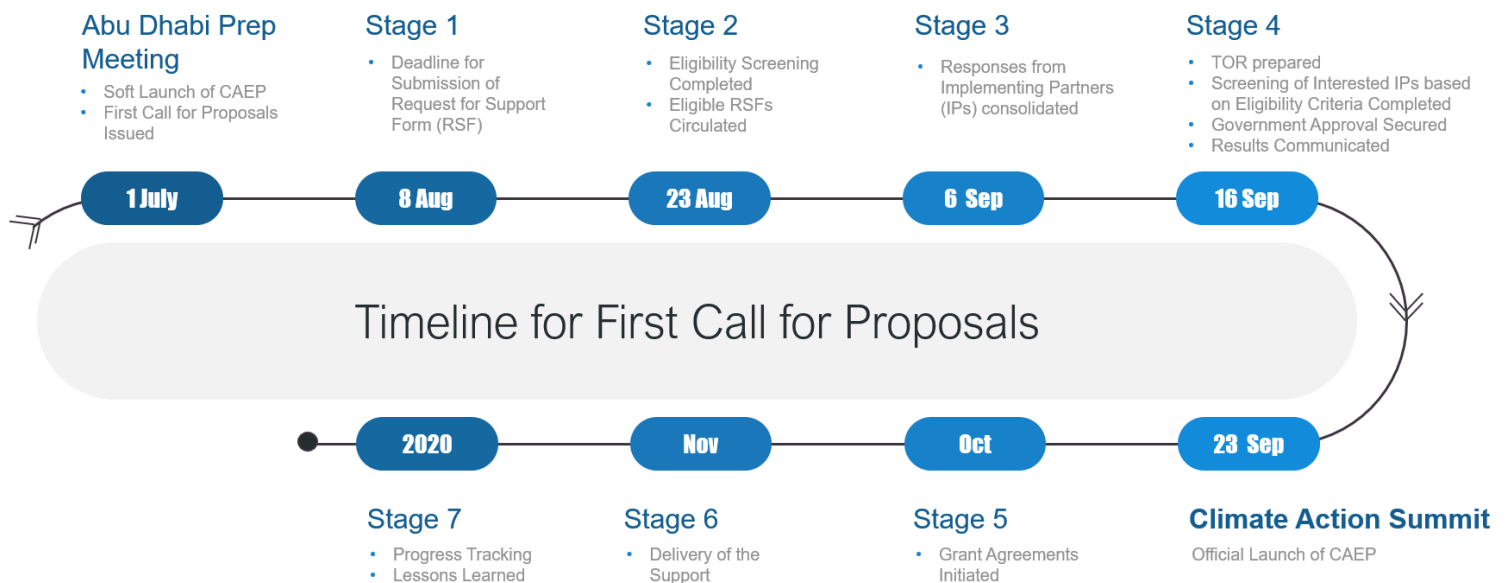


Figure 6: Proposed timeline for First Call for Requests for Support

The second Call for Requests for Support will be initiated at the Pre-COP in Costa Rica on October 10 and closed at COP25. Adjustments to the timeline can be made for the second call, based on the experiences and lessons learned from the first.

During the Steering Committee (SC) meetings in Fall and Spring, the SC will take stock of the implementation status.

## 6.2 Communication and Coordination Plan

To best facilitate the Calls for Request for Support as well as give proper visibility to the launch of the CAEP and the delivery of results, the Partnership will ensure full use of its communication tools.

A dedicated **web page, as part of NDC Partnerships' website**, with details on the CAEP and how to apply will be launched at the time of the Abu Dhabi Conference.

Two **webinars** for members and associate members will be organized starting one month before the launch of Calls for Requests for Support. Webinars for developing country members will take place one week after the Calls are announced. The SU will also develop other supporting materials such as videos where it identifies needs.

The CAEP will officially be launched by the Co-Chairs, contributing partners, and participating member countries at the UN Secretary-General's Climate Action Summit on 23 September 2019 in New York. A **press release** will be published on this day and a **media call** will be held as well.

For the official launch of the CAEP, the following will be ensured:

1. Initiatives that contribute to CAEP will be explicitly mentioned
2. Ministers of all contributors to CAEP will be invited on the stage for joint signing/launch ceremony and media event *(to be defined by the Co-Chairs)*

CAEP will be presented and explained by the Co-Chairs and/or the SU during any upcoming relevant forums throughout 2019 including NDC Conference, Innovate4Climate, the 2019 Asia-Pacific Regional Ministerial Conference on Green Economy, Pre-COP, and COP25.

Throughout 2020 and 2021, the NDC Partnership's communications team will assist in publicizing results, recognizing partner contributions, and the knowledge and learning team will use the lessons learned in Partnership **blogs and publications**, including the **Partnership in Action report**.

## ANNEX 1. CHALLENGES FACED DURING THE PREPARATION OF THE FIRST GENERATION OF NDCS

<b>Planning</b>	<b>Country-driven</b>	Often NDCs were prepared with limited government engagement and without a whole-of-government approach (involving different ministries and levels of government).
	<b>Sectoral engagement</b>	There was often limited sectoral engagement from ministries and key sectoral stakeholders.
	<b>Stakeholder engagement</b>	Many NDCs were drafted with limited involvement and engagement of relevant stakeholders from civil society, academia and private sector.
	<b>Linking climate and development agendas</b>	As the Paris Agreement and the Agenda 2030 were developed in a parallel manner, the majority of NDCs do not have an explicit linkage between the NDC and the SDGs – only 10 countries have done so.
<b>Costing &amp; Budgeting</b>	<b>Ministry of Finance</b>	In most cases, NDCs were led by Ministries of Environment with no or limited involvement by Ministries of Finance or Planning, in charge of the budget.
	<b>Budgeting</b>	Some NDCs did not have designated financial means to meet their targets; there was a disconnect between commitments, budget planning, and macro-economic projections.
	<b>Costing</b>	Many NDCs were not costed or costing was done with incomplete/inadequate data.
<b>Monitoring &amp; Evaluation</b>	<b>Data and MRV system</b>	In some NDCs, data used were inconsistent or from weak MRV systems; Most NDCs do not have SMART indicators and targets.