

Supporting Principle 6:

Engage actively in the domestic preparation and implementation of NDCs submitted under the Paris Agreement

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Today's presentation

- Challenges with NDC implementation
- Opportunities for support and engagement
- UK domestic and international experience
- A snapshot of UK ICF – and wider – support:
 - 2050 Calculator
 - NDC Partnership
 - UK PACT
 - Climate Finance Accelerator
- Questions

Scale of the challenge

- Following the landmark adoption of the Paris Agreement, Parties have submitted Nationally Determined Contributions (NDCs) to the UNFCCC
- NDCs represent countries' commitment to –
 - Mitigate climate change by reducing GHG emissions; and
 - Drive sustainable and equitable economic growth
- However, commitments must lead to action
 - Financing current NDCs could amount to as much as US \$349bn annually¹

Implementation of existing NDC commitments only limits average temperature increase to 2.9°C to 3.4°C² above pre-industrial levels

¹ Germanwatch and Perspectives. *Investing in Ambition*. 2016

² UNEP. *Emissions Gap Report*. 2018.

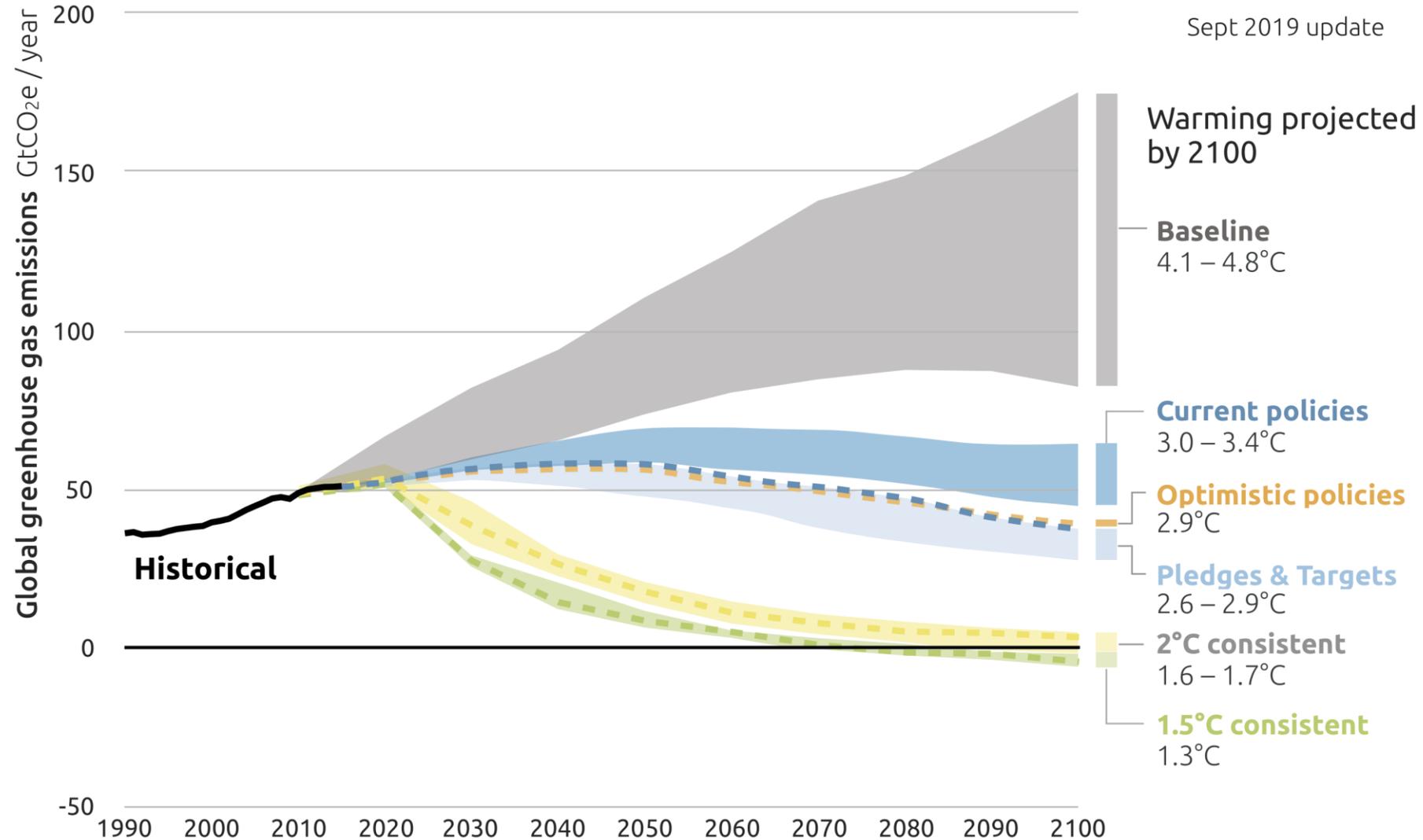


2100 WARMING PROJECTIONS

Emissions and expected warming based on pledges and current policies



Sept 2019 update



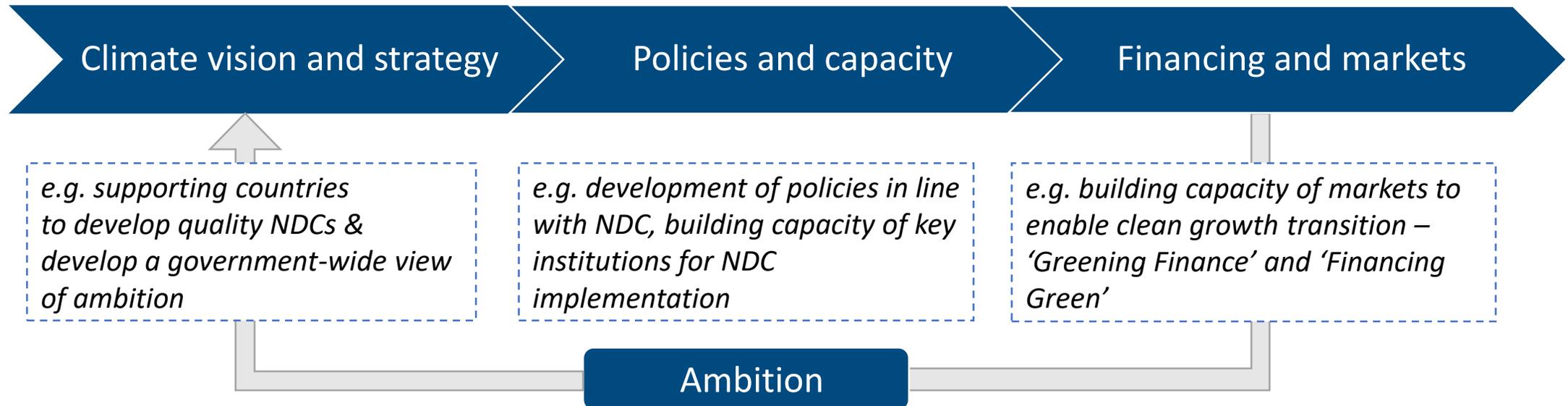
2020: the year of ambition

- Countries are invited to submit their first updated NDC in 2020
 - This will be the first test of the five-yearly Paris Ambition Cycle – designed to prompt greater commitments from countries through each new NDC
 - Long term strategies should be developed in conjunction and communicated by the end of 2020
- Given the scale of the challenge, an economy-wide approach to NDC implementation and revision is required
- Engagement of finance ministries is essential if NDCs are to be put at the forefront of planning and budgeting
 - NDCs must be translated into tangible policies and projects to be effective
 - Should ideally be accompanied by national financing strategies or plans
 - Financing will be needed from a wide range of sources; enabling policies are required to direct these flows

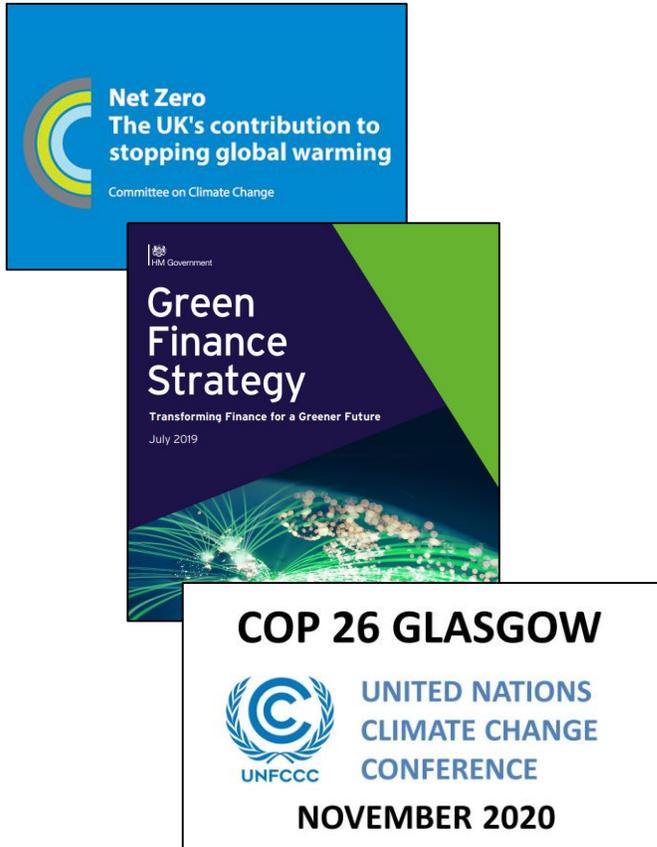


Opportunities for support and engagement

- For countries to meet their NDC targets and raise their ambition, action is needed across a range of areas to build capacity and mobilise finance from multiple sources
- Various international support programmes are available (e.g. through MDBs, NDC Partnership) to facilitate enhanced NDC planning and implementation. As available support is a small proportion of financing needs, it must be targeted at achieving transformational change.



UK domestic and international experience



Domestic:

- First country to set legally binding emission reduction target, accompanied by 5 yearly carbon budgets (analogous to NDCs)
- Have since decarbonised faster than any other country in the G20
 - Since 1990 the UK has grown its economy by over 70% while reducing emissions by over 40%
- We were the first major economy to legislate for net zero
- The Green Finance Strategy, launched earlier this year, sets out how we will transform the financial system

International:

- The UK has committed to provide at least £11.6 billion International Climate Finance (ICF) over the next five years, doubling the £5.8bn ICF committed in 2015
- We are hosting COP 26, in partnership with Italy

UK International Climate Finance (ICF)

1. Builds the resilience of the poorest people and communities and supports countries to prepare for and adapt to climate change.
2. Works to ensure that the vast expansion in infrastructure in developing countries is low carbon and climate resilient.
3. Supports work to halt deforestation, improve land use and create profitable, sustainable supply chains that protect the environment.

Since 2011, ICF has achieved:



1,600 MW
Clean energy
capacity installed



26 million
People provided with
improved access to
clean energy



57 million
People supported
to cope with
climate change



£3.8 billion
Public finance mobilised
for
climate change



16 million
Avoided or reduced
tonnes of GHG
emissions



£1.4 billion
Private finance
mobilised for
climate change

The UK delivers ICF through multilateral and bilateral channels, and funds a number of programmes which directly support countries with NDC preparation and implementation

2050 Calculator

- A simple, open and interactive carbon model, developed by the UK Government in 2010 to plan the country's low-carbon transition. Allows users to explore high-level energy and emission pathway options a country, territory or region faces, which can inform planning and policy development
- Adopted by >25 countries, as well as by states, provinces and cities
- Used by Colombia, Vietnam and India to inform development of their NDCs



- The Indian Planning Commission (NITI Aayog) used the 2050 Calculator to develop its first in-house energy model
- Informed the Draft National Energy Policy
- Led to the creation of 6 state-level Calculators



- Ministry of Industry and Trade used the Calculator to bring together different parts of government to develop their NDC
- Informed sectoral action plans
- A Danang city-level Calculator has been developed to aid local policy making

NDC Partnership

- A coalition of countries and institutions, working to turn countries' NDCs into specific strategies and measures & achieve greater harmonisation between development assistance & NDCs
- Work is structured around 3 pillars:

1

In-Country Engagement

Partnership plan a key output, produced in close coordination with a range of relevant country stakeholders (incl. finance/planning ministries)

2

Knowledge Products

Allows lessons from in-country work & member insights to be shared across the NDC Partnership network

3

Climate Action Enhancement Package (CAEP)

Targeted, fast-track support to assist countries to raise their ambition, enhance the quality of, and implement, their NDCs

The UK is providing up to £17m to NDC Partnership over the next 4 years, including £4m to CAEP

- A bilateral technical assistance programme, which responds to the global need for capacity building to implement and raise the ambition of NDCs
- UK PACT works across a number of sectors, including green finance, and works closely with finance/planning ministries in priority countries to ensure that they can capitalise on opportunities to accelerate clean growth:



Colombia

UK PACT is leading an asset disclosure initiative to promote transparency & inclusion of climate risks and opportunities in the investment strategies of the financial sector



Mexico

UK PACT is delivering a project to build capacity in municipal & state governments to develop bankable green finance projects and match them with appropriate finance mechanisms



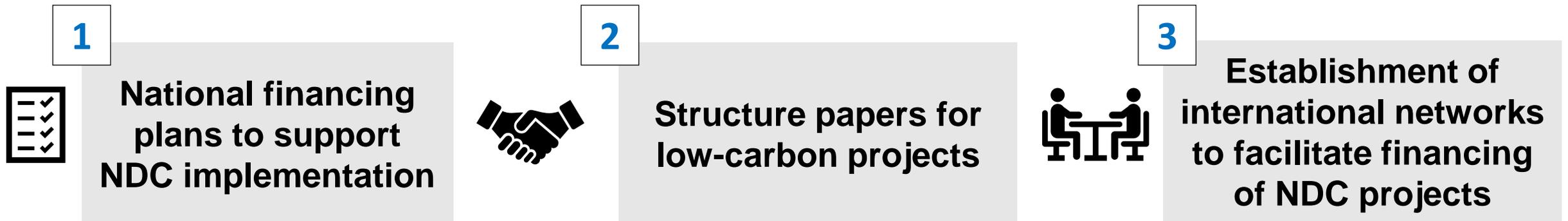
China

UK PACT is working to identify green investment opportunities, scale-up green bond issuance at the local level, and facilitate green capital flows between the UK and China

Climate Finance Accelerator

- A technical assistance initiative designed to translate NDCs into bankable project pipelines, by convening policy makers and project developers from participant countries with UK-based green finance experts in *'transaction-oriented'* workshops
- Builds capacity of participants to engage with international investors, structure project finance and create an enabling environment conducive to private investment

Key outputs are:



Questions

- What are the biggest challenges you face?
- What are the best routes for engagement in national planning processes?
- Who are the other actors that we should be working with?

