# **NDC ADVANCE**



## Accelerating Climate Actions in Asia and the Pacific

NDC Advance is a dedicated technical assistance platform established by the Asian Development Bank (ADB) to help its developing member countries (DMCs) mobilize finance, build capacity, and provide knowledge and other support needed to implement their nationally determined contributions (NDCs). It is being implemented through three separate but strategically linked subprojects with the following objectives:

- Assist DMCs in refining and enhancing their ambition, translating NDCs into climate investment plans and identifying priority climate projects that may be executed with ADB assistance.<sup>1</sup>
- Improve DMCs' access to external public and private actors supporting the use of innovative finance mechanisms to secure needed financing.<sup>2</sup>
- Develop methods and tools to measure, monitor, and report on commitments made under NDCs.<sup>3</sup>

## **Delivering Ambitious Climate Actions**

The urgency of the climate crisis necessitates greater speed in climate action—to decarbonize economies and significantly step up adaptation and resilience. The Asia and Pacific region is already experiencing the devastating impacts of climate change, while greenhouse gas emissions continue to grow.

NDCs are the operational mechanism at the heart of the Paris Agreement and are critical to its success. In their NDCs, countries outline their commitments toward achieving the Paris Agreement goals, including their greenhouse gas emissions reduction targets, priority policies and measures, and actions to build resilience and adapt to climate change. NDCs also contain information on countries' need for finance, technology, and capacity-building support to implement these actions. As they are nationally determined, they reflect each country's circumstances. This bottom-up, self-determined approach is fundamental to the Paris Agreement. NDCs are also dynamic, as they are revised and submitted every 5 years. The Paris Agreement provides that successive NDCs will represent a progression compared to previous NDCs, to ensure that collectively countries continue to ratchet up global ambition.

Implementing NDCs is core to achieving the goals of the Paris Agreement. To do this, governments need to translate high level commitments in NDCs into climate investment plans. These plans identify the program of investments needed to achieve NDCs, and plan for mobilizing finance for implementation. DMCs will not be able to meet the large-scale investment needed to implement NDCs on their own. A combination of domestic resources, private sector finance, and international climate financing from sources such as the Green Climate Fund is needed. This is particularly important for countries that are seeking international support to achieve the conditional component of their NDC commitments. NDC implementation also needs to be supported by clear requirements for monitoring and reporting, and resilient institutional structures.

Through technical and knowledge support, NDC Advance assists DMCs to develop climate investment plans, mobilize financing, and develop monitoring and reporting mechanisms to implement priority projects effectively. It also supports mainstreaming of NDC-aligned investments into ADB's country programming and operational processes. This helps facilitate a regional shift to a climate-resilient and low greenhouse gas emissions path in line with the Paris Agreement, the Sustainable Development Goals, and the Sendai Framework for Disaster Risk Reduction.

<sup>&</sup>lt;sup>1</sup> ADB. 2019. Regional Technical Assistance on Supporting Ambitious Climate Action through Implementation of Developing Member Countries' Nationally Determined Contributions (Subproject 1). Manila.

<sup>&</sup>lt;sup>2</sup> ADB. 2019. Regional Technical Assistance on Enhancing Financial Mechanisms to Develop Climate Actions of Developing Member (Subproject 2). Manila.

<sup>&</sup>lt;sup>3</sup> ADB. 2019. <u>Regional Technical Assistance on Establishing Mechanisms to Measure, Monitor, and Report on Commitments made under the Paris Agreement (Subproject 3)</u>. Manila.

## Institutional Context

NDC Advance is aligned with ADB's Strategy 2030, in particular, the operational priority on tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability.<sup>4</sup> It aims to help ADB achieve its climate commitments under Strategy 2030—to ensure at least 75% of its operations support climate action and its climate finance resources reach at least a cumulative \$80 billion by 2030.

In 2021, ADB elevated its ambition to deliver climate financing of \$100 billion to its DMCs in 2019–2030.<sup>5</sup> NDCs will be a key enabling factor for ADB's commitments to fully align its new sovereign operations with the Paris Agreement by 1 July 2023, as well as align 85% of its new nonsovereign operations by 1 July 2023 and achieve 100% by 1 July 2025.<sup>6</sup> To help Asia and the Pacific recover from the coronavirus disease (COVID-19)

pandemic, ADB has also announced plans to scale up investments in adaptation and resilience with a cumulative financing of \$9 billion in 2019–2024 (footnote 5). NDC Advance is expected to contribute to the achievement of these targets and ambition.

Underpinning these efforts, ADB's Climate Change Operational Framework 2017–2030 emphasizes supporting DMCs in planning and implementing their NDCs, mobilizing finance from a variety of sources, and monitoring and tracking climate actions and financial flows. Through a \$5 million grant from ADB and potential additional financing from partners, NDC Advance will help boost financing for climate actions to implement NDCs that also describe priority actions for DMCs to adapt to climate change.

## Flagship Support

Guided by identified country needs and priorities, NDC Advance works with partners from governments and other development agencies. The table presents examples of support to be delivered through NDC Advance.

## Flagship Support to the Asian Development Bank's Developing Member Countries



#### Implementation of NDC support for selected DMCs

#### Armenia, Georgia, Uzbekistan

Urban climate assessments to mainstream low-carbon and climate resilience measures into urban planning processes, investment planning, and ADB's urban sector project pipeline

#### Armenia, Tajikistan

Mainstreaming, identification, and development (concepts) of green, inclusive, and climate-resilient NDC-linked investments and projects as part of COVID-19 recovery planning<sup>a</sup>

#### Pakistan

Climate change risks assessments on livelihoods and infrastructure in Sindh's coastal areas to inform development of climate-resilient investments

#### Indonesia, Papua New Guinea, Viet Nam

Climate change and disaster risk management assessment to inform ADB country partnership strategies and identify climate change investments and projects for NDC implementation

#### Mongolia

Sectoral assessments to inform development of the country's Action Plan for NDC Implementation  $^{\rm b}$ 



#### Financial mechanisms enhanced to develop climate actions of DMCs

#### Mongolia

Development of a private sector strategy for climate finance mobilization<sup>b</sup>

#### Marshall Islands

Implementation of a climate finance action plan and associated private sector development



#### Mechanisms established to measure, monitor, and report on NDC commitments

#### Mongolia

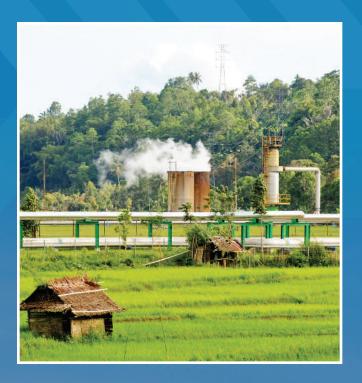
Development of country guidance on climate finance tracking, climate impact assessment template, and climate finance tracking database template<sup>b</sup>

#### **Pakistan**

Development of Solid Waste Management Sector Roadmap, approach paper on Waste Sector Reporting to the NDC from subnational to national level, Policy Note on waste sector inclusion in the revised NDC, and Policy Note Series on urban sector in relation to energy, transport, industry, and agriculture

ADB = Asian Development Bank, COVID-19 = coronavirus disease, DMC = developing member country, NDC = nationally determined contribution.

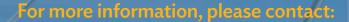
- In response to the coronavirus disease pandemic, the NDC Partnership launched the Economic Advisory Initiative in June 2020 to support governments in preparing climate compatible recovery packages by embedding economic advisors into ministries of finance and/or planning. NDC Partnership. Economic Advisory Initiative. <a href="https://ndcpartnership.org/economic-advisory-support">https://ndcpartnership.org/economic-advisory-support</a>.
- b The Climate Action Enhancement Package is a targeted, fast-track support program of the NDC Partnership launched in 2019. It is intended to help countries (i) enhance and submit updated NDCs—including by raising ambition, as part of the Paris Agreement's NDC update process—to the United Nations Framework Convention on Climate Change by 2020; and (ii) fast track implementation of NDCs—by providing in-country technical expertise and capacity building, with a focus on the mobilization of finance for climate action. NDC Partnership. Climate Action Enhancement Package (CAEP). https://ndcpartnership.org/caep.
- <sup>4</sup> ADB. 2018. <u>Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific.</u> Manila.
- <sup>5</sup> ADB. 2021. <u>ADB Raises 2019–2030 Climate Finance Ambition to \$100 Billion</u>. News Release. 13 October.
- <sup>6</sup> ADB. 2021. <u>ADB Commits to Full Alignment with Paris Agreement</u>. News Release. 8 July.
- ADB. 2018. Supporting the Implementation of ADB's Climate Change Operational Framework 2017–2030. Manila.



### Alliance for Combined Action

ADB formally joined the NDC Partnership in November 2017 to help coordinate and build synergies with the efforts of other development partners supporting the implementation of NDCs. The NDC Partnership is a global coalition of countries and institutions working to mobilize support and achieve ambitious climate goals while enhancing sustainable development. Through the NDC Partnership, DMCs have access to support for the implementation of their NDCs, including through technical assistance, finance, capacity building, and knowledge.

Renewable energy and climate adaptation. The Lahendong Geothermal Power Plant (left) is located in Manado, Indonesia. As demand for electricity is growing, the Government of Indonesia is working with ADB and other partners to step up the country's energy supply. Through steam from deep within the Earth, electricity generated by geothermal power plants are cost-effective, reliable, and environmentally friendly with a miniscule carbon footprint. Wind energy resources, such as those in Turpan, People's Republic of China (in the background), are considered the most competitively priced renewable energy technology. They can offer a key climate change solution for the reduction of carbon dioxide and greenhouse gas emissions. This can contribute to achieving the goals of the Paris Agreement and limiting global warming to well below 2°C, preferably 1.5°C, compared to pre-industrial levels (photos by ADB).



#### **KATE HUGHES**

Senior Climate Change Specialist
Climate Change and Disaster Risk Management Division
Sustainable Development and Climate Change Department
Asian Development Bank
E-mail: khughes@adb.org

climatechange@adb.org



f facebook.com/AsianClimateChange/

#### About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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