



Department  
for Environment  
Food & Rural Affairs

# United Nations Development Programme: Climate Promise

Supporting the implementation of developing countries' NDCs nature commitments

An International Climate Finance Business Case  
Department of Environment, Food and Rural Affairs

## COVER SHEET

<b>PROGRAMME SUMMARY</b>	<p>This Business Case supports a contribution of up to £3m for the UNDP Climate Promise (CP) programme, helping developing countries implement their national climate pledges – Nationally Determined Contributions (NDCs).</p> <p>The programme will be used to increase ambition, implementation and engagement for NDCs under the United Nations Framework Convention on Climate Change (UNFCCC). It will be focused on the Forest, Land and Nature work area and increase the representation of nature in 6-10 countries' NDCs through to COP27, the Global Stocktake in 2023 and to 2026.</p> <p>Anticipated project activities include:</p> <ul style="list-style-type: none"> <li>• Supporting countries in assessing the extent to which nature could contribute to meet climate targets, and establishing the steps required to meet this potential;</li> <li>• Supporting countries to develop detailed delivery plans and policies across relevant sectors that would enable them to maximise the role of nature in reaching the Paris climate goal;</li> <li>• Supporting countries in implementing delivery plans and policies, so that commitments and targets could be delivered through concrete actions.</li> </ul> <p>The SRO is Tamsin Ballard / Emma Donnelly, within Defra's International Nature, Climate and Development Division.</p> <p>The UNDP Climate Promise aligns with the Prime Minister's commitment of at least £3 billion of ICF to climate change solutions that protect and restore nature and biodiversity over five years, HMG's Integrated Review, Response to the Dasgupta Review and COP26 commitments including the Glasgow Leaders Declaration.</p>
<b>COUNTRY / REGION</b>	<i>Global</i>
<b>PROGRAMME VALUE</b>	<i>£3m</i>
<b>START DATE</b>	<i>February 2022</i>
<b>END DATE</b>	<i>March 2026</i>
<b>OVERALL RISK RATING</b>	<p>Very Low</p> <p>This should be derived from the Risk Potential Assessment form, which you should complete before or along your Business Case.</p>

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## GLOSSARY

<b>ACRONYM</b>	<b>And spelled out</b>
<b>AFOLU</b>	Agriculture, Forestry and Other Land Use
<b>BEIS</b>	Business Energy and Industrial Strategy
<b>BMU</b>	Bundesministerium für Umwelt, Naturschutz, nukleare Sicherheit und Verbraucherschutz
<b>BMZ</b>	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
<b>CBD</b>	Convention on Biological Diversity
<b>CBG</b>	Consolidated Budget Guidance
<b>CBR+</b>	Community-Based REDD+
<b>CDEL</b>	Capital Departmental Expenditure Limit
<b>COP</b>	Conference of Parties
<b>CSO</b>	Civil Society Organisations
<b>FCDO</b>	Foreign Commonwealth and Development Office
<b>FLN</b>	Forest Land and Nature
<b>FTE</b>	Full Time Equivalent
<b>G7</b>	Grade 7
<b>GBF</b>	Global Biodiversity Framework
<b>GEF</b>	Global Environmental Facility
<b>GESI</b>	Gender Equality and Social Inclusion
<b>GHG</b>	Green House Gasses
<b>GLD</b>	Glasgow Leaders Declaration
<b>GMS</b>	General Management Support
<b>HEO</b>	Higher Executive Offices
<b>HMG</b>	Her Majesty's Government
<b>HMT</b>	Her Majesty's Treasury
<b>IATI</b>	International Aid Transparency Initiative
<b>ICF</b>	International Climate Finance
<b>IPLCS</b>	Indigenous Peoples and Local Communities
<b>KPI</b>	Key Performance Indicators
<b>LMIC</b>	Low to Middle Income Country
<b>LPN</b>	Leaders Pledge for Nature
<b>LULUCF</b>	Land Use, Land Use Change and Forestry
<b>M&amp;E</b>	Monitoring and Evaluation
<b>NBS</b>	Nature-based Solutions
<b>NBSA</b>	Nature-based Solutions Accelerator
<b>NDC</b>	Nationally Determined Contribution
<b>NDCP</b>	Nationally Determined Contributions Partnership
<b>NGO</b>	Non-Governmental Organisation
<b>ODA</b>	Official Development Assistance
<b>PIP</b>	Project Implementation Plan
<b>POPP</b>	Programme and Operations Policies and Procedures
<b>RDEL</b>	Resource Departmental Expenditure Limit
<b>REDD+</b>	Reducing Emissions from Deforestation and forest Degradation
<b>SDG</b>	Sustainable Development Goal

<b>SEO</b>	Senior Executive Officer
<b>SES</b>	Social and Environmental Standards
<b>SESP</b>	Social and Environmental Screening Procedure
<b>SRM</b>	Stakeholder Response Mechanism
<b>UK PACT</b>	United Kingdom Partnering for Accelerated Climate Transitions
<b>UNDP</b>	United Nations Development Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>WTO</b>	World Trade Organisation

## 1. INTERVENTION SUMMARY

### 1.1 SUMMARY OF PROGRAMME OBJECTIVES

This Business Case is for a contribution of up to £3m for the UNDP Climate Promise (CP) programme, helping developing countries implement their national climate pledges – Nationally Determined Contributions (NDCs). The contribution will ensure that nature is included in NDCs through the CP's Forests, Land and Nature (FLN) work area.

At the UN Secretary-General's Climate Action Summit in 2019, UNDP pledged to support at least 100 countries to enhance their Nationally Determined Contributions (NDCs) ahead of COP26. This pledge turned into UNDP's Climate Promise, which in just over a year and a half, scaled up support to 120 countries, representing 80% of all developing countries worldwide, and became the world's largest offer of support on NDC enhancement. To date, through Phase 1 'raising ambition', 90 countries have submitted their NDCs, 85% of which raised mitigation ambition and over 95% raised adaptation ambition. A significant number of CP countries have recognized nature-based-solutions (NBS) as an efficient way to tackle climate change that has significant co-benefits for human well-being and biodiversity. Over 50 Climate Promise countries have explicitly requested Agriculture, Forestry and other Land Uses (AFOLU)-related support, with a primary focus on forests and often to help to meet the requirements for the quantification, monitoring, reporting and verification of greenhouse gas emission reductions from REDD+ (Reducing Emissions from Deforestation and Forest Degradation) activities.

The next phase of the Climate Promise aims to help countries move from pledge to impact. UNDP, together with partners, will scale-up support in at least 100 countries to use their NDCs as sovereign plans for investment in key engines of sustainable development – such as energy, water, nature-based solutions, forests, agriculture, transportation, and green economy.

The primary goal of this programme is to provide capacity building support to developing countries to increase commitments to nature and nature-based solutions in NDCs as a means to cut emissions and adapt to climate change, and to support related implementation and delivery of those commitments. This will help to ensure that we better meet the potential of nature to deliver climate mitigation and adaptation, support the implementation of commitments at COP26.

Through the Climate Promise UNDP is scaling-up support in three core areas:

- Scale and Speed – Countries have effectively strengthened inclusive and gender-responsive governance and financing mechanisms to enable delivery and tracking of NDC targets across sectors.
- Amplifying Ambition – Countries have established long-term net-zero and climate resilient development pathways aligned with the goals of the Paris Agreement.
- Lasting Inclusivity – Key actors within society are systematically engaged and empowered to contribute to accelerate NDC implementation and long-term net-zero and climate resilient development pathways

## CONTEXT AND NEED FOR UK GOVERNMENT INTERVENTION

Agreement and implementation of ambitious NDCs are vital to achieve the goals of the Paris Agreement and developing countries require support in developing these NDCs. Investment in forests is a high value-for-money way for countries to tackle climate change and support livelihoods while at the same time also supporting the goals of the Convention on Biological Diversity (CBD) and the Kunming Declaration 2021.

The CP provides a credible framework of programmes to drive real change – it has already secured commitments from donors including: Germany’s Federal Ministry of Economic Cooperation and Development (BMZ) and Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), and Belgium’s Foreign Affairs, Foreign Trade and Development Cooperation [Department / Ministry]. UK support will provide critical funding to allow the CP to become viable and we expect will also help to leverage further donors to amplify the Fund’s impact.

UK investment at this point is important, as ‘The Economics of Biodiversity: The Dasgupta Review’ states that to reverse the trends of ecosystem degradation we must act now. Through our COP26 and G7 Presidencies, the UK has shown global leadership, using our influence to build momentum and advocate for greater action, championing global collaboration. In order to maintain momentum, deliver on commitments and ensure credibility, HMG needs strong action in nature to drive further ambition for nature in NDCs for COP27.

### 1.2 WHAT ARE THE MAIN PROGRAMME ACTIVITIES?

Anticipated project activities include:

- Supporting countries in assessing the extent to which nature could contribute to meet climate targets, and establishing the steps required to meet this potential;
- Supporting countries to develop detailed delivery plans and policies across relevant sectors that would enable them to maximise the role of nature in reaching the Paris climate goal;
- Supporting countries in implementing delivery plans and policies, so that commitments and targets could be delivered through concrete actions.

### GEOGRAPHIC FOCUS

The CP has global coverage, with a particular focus on developing countries. The CP has supported at least 100 countries to date. To select priority countries UNDP and Defra have identified four criteria:

- Inclusion of the Land Use, Land Use Change and Forestry (LULUCF) sector in the NDC – the list below reflects a range of countries that include the LULUCF sector broadly. It is recommended, however, to prioritize a “top tier” that indicate a quantitative sectoral target and/or specific reference to forest measures, including explicit inclusion of REDD+.
- Countries that have endorsed the Glasgow Leaders’ Declaration on Forests and Land Use (or indication of signing soon)
- If a current Climate Promise country, have demonstrated good overall track record to deliver against the Climate Promise workplan (or interest to join the next phase of UNDP’s Climate Promise)
- Active membership of the NDC Partnership (NDCP)

There will be opportunities to influence country focus through the Project Board, as a member and as an active donor, where we will align direction with UK priorities working with the NDC Partnership and

UKPACT. At an early stage, UNDP will convene a workshop with the NDCP, Defra and UNDP CP teams to discuss country prioritisation and addressing the high level of demand for support.

## COUNTRY SPOTLIGHT

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Through the Climate Promise, UNDP supported Cape Verde and the development of **baseline studies and assessments** in key sectors (including **nature-based solutions**); **evaluation of national policies, strategies and targets** related to the key NDC-related sectors; **assessment of costs and technological options**, as well as **socio-economic analysis and diagnosis** on the implementation of NDC in key sectors. In addition, UNDP provided support to ensure an inclusive and whole-of-society approach in the revision process by conducting **consultative workshops, training sessions** and **public awareness campaigns** on issues related to NDC and climate change. To support the implementation of the updated NDC, UNDP is also supporting the country to develop a **Gender Analysis Study** in the sectors of energy, marine resources, water and sanitation, and disasters, as well as an Action Plan, NDC financial mobilization strategy to identify sources of financing for NDC actions, and investment plans.

Papua New Guinea has committed to reduce annual emissions from deforestation and forest degradation by 10,000 Gg CO<sub>2</sub>eq by 2030, compared to 2015, which is equivalent to an annual reduction of 8,300 ha of deforestation and 43,300 ha of degradation. Papua New Guinea's enhanced NDC sets concrete targets to reduce emissions in the forest and energy sectors. This will contribute to the country's commitment to be 50% carbon neutral by 2030 and entirely carbon neutral by 2050.

Honduras strengthened their national REDD+ strategy and included an updated quantitative forest restoration goal. The country has committed to promoting the implementation of 'conservation and restoration functions of the rural landscape' that reaches 1.3m ha of forest in the process of restoration by 2030. Honduras also committed to reducing 39% of the consumption of firewood by families.

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### 1.3 WHAT ARE THE EXPECTED RESULTS?

Technical assistance will enable countries to maximize the potential of nature and nature-based solutions within their NDCs and help address the climate crisis. This will in turn support efforts towards sustainable development, while conserving biodiversity.

This could be achieved with wider participation of stakeholders, local communities, and indigenous people, and provide wider co-benefits such as addressing desertification, food security and livelihoods.

Core area	Expected result
1. Scale and Speed	<ul style="list-style-type: none"> <li>a. Critical set of 6 - 10 champion countries defined, and plans established to deliver concrete results on NDC LULUCF-related targets against the Glasgow Leaders Declaration (GLD) by COP27</li> <li>b. NDC forest mitigation policy guidance developed and disseminated</li> <li>c. Investments realized for LULUCF targets in selected countries</li> <li>d. Data analysis on forest mitigation refined</li> <li>e. Systems for tracking NDC progress for the forest sector assessed and strengthened in 3-4 countries</li> </ul>
2. Amplifying ambition	<ul style="list-style-type: none"> <li>a. Support for establishment of a Ministerial Forum for GLD implementation and advocating for greater ambition through conservation, protection, sustainable management and restoration of forests and other terrestrial ecosystems</li> <li>b. 2-3 countries supported to integrate the LULUCF sector into long term net zero and climate resilient pathways that also align with zero nature loss</li> </ul>
3. Lasting inclusivity	<ul style="list-style-type: none"> <li>a. Stakeholder engagement platforms and/or mechanisms established, including for IPLCs to contribute to delivery of NDC targets in the forestry sector;</li> <li>b. Capacity-building programs developed and implemented at the national, regional, and global levels to support IPLC understanding of and participation in NDCs, ETF, and the GLD;</li> <li>c. Direct grants provided to IPLCs building upon the success of programs such as "Community-Based REDD+" (CBR+), operating under the UNDP-GEF Small Grants Program architecture.</li> </ul>

Table 1 - Core area outcomes

## 2. STRATEGIC CASE

### 2.1 CONTEXT AND NEED FOR A UK INTERVENTION INCLUDING MARKET, GOVERNANCE AND INFORMATION FAILURES

The world stands at an unprecedented moment of opportunity to simultaneously address the climate change crisis and accelerate achievement of the Sustainable Development Goals (SDGs).

The Paris Agreement commits all signatories to take measures to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, and pursue efforts to limit such a temperature increase to 1.5°C. To achieve this, participating countries agreed to develop and submit their Nationally Determined Contributions (NDCs) to the UNFCCC, setting national targets for reducing emissions, adapting to climate change, and contributing to meeting the objective of the Agreement.

Parties have been working to submit revised NDCs under the Paris Agreement – with expectation that this would be a stronger, more robust contribution that raises climate ambition. At UNFCCC COP 26 in Glasgow many developing countries have submitted enhanced national climate pledges that demonstrate an increase of ambition regarding mitigation of greenhouse gases as well as adaptation to climate change. This created strong political momentum for the Paris Agreement and the power of multilateralism. In addition, it clearly showcased that many countries are significantly stepping up their climate ambition, with developing countries often leading the way.

However, despite the fundamental momentum created by UNDP's Climate Promise, which supported 120 countries representing over 80% of all developing countries worldwide, there is a substantial gap between commitments put forward by countries through their NDCs, and the Paris Agreement objective.

The Climate Action Tracker initiative estimates that current policies would lead to an end-of-century warming of 2.7°C. Current 2030 targets (as included by NDCs, but without considering long-term pledges) are estimated to put the world on track for a 2.4°C temperature increase by the end of the century. Assuming that all pledges made by countries by means of submitted and binding long-term targets are implemented, the temperature estimate reduces to 2.1°C. And even in the best case and optimistic scenario, which assumes that all announced targets are fully implemented, the temperature estimate doesn't meet the most ambitious Paris Agreement goal, and is estimated to increase by 1.8°C.<sup>1</sup>

Analysis of countries commitments and action post-COP26 therefore shows that there has been an insufficient increase in 2030 climate targets to reach the 1.5 degree goal, and improvements to NDC commitments submitted over the last year – if implemented - will have reduced the emissions gap in 2030 by only 15-17%. As a result, even with all new Glasgow pledges for 2030, the world is expected to emit roughly twice as much in 2030 as required to limit the temperature increase to 1.5°C.

In order to meet the Paris Agreement's temperature limit, not only do long-term goals need to be translated into net-zero aligned ambitious 2030 targets, but the necessary policies need to be implemented as soon as possible.<sup>2</sup> But, despite increased ambition, there remains a gap between NDCs commitments, and actions and policies to implement those on the ground; countries now need to shift into the next stage; implementation. Only this way can they navigate a triple planetary crisis of climate, biodiversity loss and environmental degradation, compounded by the COVID-19 pandemic and associated economic and development challenges.

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<sup>1</sup> [https://climateactiontracker.org/documents/997/CAT\\_2021-11-09\\_Briefing\\_Global-Update\\_Glasgow2030CredibilityGap.pdf](https://climateactiontracker.org/documents/997/CAT_2021-11-09_Briefing_Global-Update_Glasgow2030CredibilityGap.pdf)

<sup>2</sup> [https://climateactiontracker.org/documents/997/CAT\\_2021-11-09\\_Briefing\\_Global-Update\\_Glasgow2030CredibilityGap.pdf](https://climateactiontracker.org/documents/997/CAT_2021-11-09_Briefing_Global-Update_Glasgow2030CredibilityGap.pdf)

## IMPLEMENTATION

Two successive reports, *The Heat Is On - Taking Stock of Global Climate Ambition*<sup>3</sup> and the more recent *State of Climate Ambition*,<sup>4</sup> analysed survey results and identified key trends and barriers for NDC implementation. Many countries cited a lack of technical, human and financial capacity to put in place a financing strategy, investment plan or undertake analysis of costs or financial flows.

Political will and engaged citizens were also key bottlenecks cited by a majority of countries. Many countries strengthened these systems through their NDC enhancement process but maintaining these through implementation will likely remain a challenge. The surveys also highlighted the lack of access to reliable information and data, and related transparency systems. While almost all countries are putting in place a reporting system (92% of countries are strengthening the systems for measuring progress of their NDCs), only 4% have a comprehensive system in place required for NDC implementation tracking. A further challenge lies in ensuring these systems are institutionalized and sustainable for continued and effective tracking and reporting. In addition, limited technical understanding of how NDC targets link to specific existing policies, plans and budgets, including across critical sectors, was also cited by many countries.

These types of challenges point to a need for longer-term engagement with Governments in order to fully realize the mechanisms required for implementation.

So whilst progress has been made on foundations for NDC implementation, many barriers remain which must be addressed in order to realize the more ambitious pledges being made in revised NDCs. This will require a tailored approach to establish the right enabling environment to advance NDC implementation (i.e. policy frameworks and links to SDGs, institutional capacities and coordination, finance and investment strategies/plans, and transparency systems). Strong ties will also need to be made to the evolving Enhanced Transparency Frameworks, to ensure that efforts to support these processes and policy tools are aligned with ongoing support for NDC implementation.

## AMBITION

A majority of countries have already or still plan to raise ambition in their NDC. Of the 119 Climate Promise countries (representing over 28 percent of global emissions), over 70% plan to raise mitigation ambition. This is an increase from 53% in March at the onset of the pandemic. By January 2022, 93 Climate Promise countries had submitted revised NDCs to the UNFCCC, 90% of which increased mitigation ambition, including stronger emissions targets.

At the same time, over 95% strengthened the adaptation component by adding new sectors, targets and actions. Over 15 Climate Promise countries (e.g. Argentina, Colombia and Panama) put forward clear Adaptation Communications, while others such as Bangladesh, Chile, Thailand, Rwanda and Suriname, have better aligned the NDC with the NAP processes. Many countries are also looking to aligning efforts with the Sendai Framework for Disaster Risk Reduction and the 2030 Agenda for Sustainable Development.

However, it is clear that Least Developed Countries (LDCs) and Small Island Developing States (SIDS) continue to lead the way on ambition while higher emitters are falling short. Of the total 158 global submissions received as of January 2022, 86% of LDCs and SIDS raised mitigation ambition and 94% raised adaptation ambition. At the same time, 67% of higher emitters raised mitigation ambition and 82% raised adaptation ambition.

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<sup>3</sup> <https://unfccc.int/sites/default/files/resource/NDC%20Outlook.pdf>

<sup>4</sup> [https://climatepromise.undp.org/sites/default/files/research\\_report\\_document/State%20of%20Climate%20Ambition.pdf](https://climatepromise.undp.org/sites/default/files/research_report_document/State%20of%20Climate%20Ambition.pdf)

While a majority of countries intend to raise mitigation and adaptation ambition, greater ambition is still needed in order to limit warming to 1.5°C and reach the Paris Agreement goals – as indicated in the latest UNFCCC NDCs Synthesis report. This is particularly true for higher-emitting countries with greater carbon footprints.

## INCLUSIVITY

UNDP's Climate Promise has shown the encouraging trend that enhanced NDCs in all countries aim to be increasingly inclusive and country driven. This is further demonstrated in the latest NDC submissions, with an increasing level of country ownership, inclusiveness and public awareness. Specifically, over 94% of Climate Promise countries are prioritizing political will and societal ownership as part of their NDC enhancement. In addition, specific groups are being targeted for engagement in the process. Over 97% of Climate Promise countries have included gender considerations in their submitted NDCs. At the same time, 75% of Climate Promise countries prioritize youth in their enhanced NDCs, primarily through proactive consultations, awareness-raising and advocacy campaigns.

There is a need to build on the enhancement process, and ensure continued inclusivity in NDC implementation through both direct engagement and empowerment in the process. This requires further strengthening long-term governance systems and structures for ambitious climate action, with a focus on gender, youth, marginalized communities and human rights.

## AGRICULTURE, FORESTRY AND OTHER LAND USES (AFOLU)

Countries are increasingly recognizing the mitigation and adaptation potential of nature-based solutions (NbS). According to the latest NDC Synthesis report, 84% of all parties are featuring LULUCF sector as part of their mitigation efforts. In terms of “second-generation” NDCs, 90% of them include LULUCF, as compared to just 76% in the first generation. Within the LULUCF sector, forests and “cross-cutting” were the two main sub-areas of domestic mitigation measures identified by Parties were cross-cutting and forestry. Only some Parties communicated measures targeting emissions from wetlands and a few from settlements.

According to the UNFCCC Synthesis, the types of cross-cutting measures put forward include examples such as expanding the national protection system for both forest and wetlands or developing a capacity-building plan for institutions responsible for monitoring forest and land-use change. 57% of NDCs refer to forests specifically as a domestic opportunity for reducing GHG emissions (UNFCCC, 2021); The most prevalent options highlighted in the NDCs are afforestation, reforestation and revegetation (52%) and sustainable forest management (31%). These mitigation options were the most frequently indicated mitigation options for LULUCF in the first NDCs as well.

Over half of Climate Promise countries are strengthening inclusion of agriculture, forestry, and other land uses. Specifically, over **50 Climate Promise countries** have requested nature-related support, with a primary focus on forests. Many developing countries that included forest-related activities in their NDCs are also working to implement REDD+. Through REDD+, developing countries have made important advancements in terms of generating country-specific data, creating systems to track forest cover and land use change nationally, and developing national policies to address drivers of deforestation and forest degradation. At the same time, agriculture remains a sector that figures prominently in countries' NDCs, both related to mitigation and adaptation. Over 60% of Climate Promise countries (72) have included agriculture as a key NDC sector. This is primarily given that the agriculture sector contributes nearly a quarter of global GHG emissions, and is also the largest employer in low-income countries –accounting for 60% of the labour force and producing 25% of GDP.

Technical and financial support is needed to help countries meet NDC targets in specific sectors and thematic areas. In particular, means of implementation, including technology transfer, is necessary to support countries adapt and strengthen resilience, especially for LDCs and SIDS. This requires high political buy-in and investment at scale, incentivized by a clear narrative focusing on the development and mitigation co-benefits of adaptation action. It also requires clearly defined, quantifiable metrics for adaptation and resilience and systems for monitoring progress.

## **2.2 WHAT SUPPORT WILL THE UK PROVIDE?**

Defra will provide £3m as a Voluntary Contribution to the second phase of UNDP Climate Promise. As a follow-up from COP26, this contribution will be allocated specifically to the FNL work area specifically to demonstrate nature ambition and implementation in NDCs for COP27. The second phase of UNDP's Climate Promise is already operational and accepts funding on a rolling basis from a range of donors – it currently has funding from 5 partners of up to \$20m. It is a portfolio initiative encompassing a number of different projects delivered through different modalities all contributing to common objectives and results. The existing network and delivery of Phase 1 enables UNDP to set up the infrastructure for a fast delivery.

The UK will commit to funding £3 million to the programme in financial year 2021/2022. The funding source is the UK's Official Development Assistance (ODA) budget, for which there is £3m allocated to the UNDP for FY21/22. Legal powers are in place through the International Development (Official Development Assistance Target) Act 2015.

## **2.3 HOW WILL THIS PROGRAMME CONTRIBUTE TO DEFRA AND OTHER POLICY OBJECTIVES?**

The programme is globally aligned and supports UK commitments to the United Nations (UN) Sustainable Development Goals (SDG) and targets adopted by all members states in 2015. The conservation, protection and restoration of terrestrial habitats is integral to the achievement of the relevant goals and targets under the 2030 Agenda for Sustainable Development, supporting the UN Decade of Ecosystem Restoration (2021-2030), and the Convention on Biological Diversity.

The UK, together with 141 leaders, representing over 91% of the world's forests, endorsed the Glasgow Leaders' Declaration on Forests and Land Use at COP26, pledging to halt and reverse forest loss by 2030. The declaration, which is backed by almost £14 billion of public and private funding, commits signatories to, among other things, conserve and accelerate the restoration of forests and other terrestrial ecosystems, and ensure robust policies and systems are in place to accelerate the transition to an economy that is resilient and advances forest, sustainable land use, biodiversity and climate goals.

The UK is also a founding committee member of the Leaders Pledge for Nature (LPN), which was launched in September 2020, whereby a coalition of political leaders from across the world committed to be "United to Reverse Biodiversity Loss by 2030 for Sustainable Development". Through the LPN, leaders committed to take action in 10 key areas, including enhancing Nationally Determined Contributions and long-term strategies in line with the temperature goals of the Paris Agreement, and mainstreaming biodiversity into relevant sectoral and cross-sectoral policies at all levels.

In January 2021 the Prime Minister, at the One Planet Summit, announced a £3 billion commitment to climate change solutions that protect and restore nature and biodiversity over the next five years. This supports the UK's commitment to doubling our International Climate Finance to £11.6 billion in the same timeframe.

The HMG International Nature Strategy sets out how we must use 2021 as a springboard for an ambitious global, integrated approach to halt biodiversity loss by 2030. There is no pathway to net zero without massive escalation of efforts to protect and restore nature, which will in turn protect livelihoods, reverse biodiversity loss and tackle climate change.

The HM Treasury (HMT) Dasgupta Review published in February 2021 recommends the need for ‘a financial system that channels financial investments – public and private – towards economic activities that enhance our stock of natural assets and encourage sustainable consumption and production activities.’ In its formal response, the UK Government agreed with the Review’s conclusion that nature, and the biodiversity that underpins it, ultimately sustains our economies, and committed to delivering a ‘nature positive’ future which is supported by economic and financial decision-making.

Through the 25-year environment plan the UK is committed “to Provide international leadership and lead by example in tackling climate change and protecting and improving international biodiversity”.

Through our COP26 and G7 Presidencies, the UK showcased global leadership, using our influence to build momentum and advocate for greater action, championing global collaboration. Delivering on the departments goals will require ambitious international commitments under the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change, among others. Strong partnerships and international collaborations underpinned by adequate financing to support capacity building and the development of innovative technology and creative solutions will be required.

### FIT WITH OTHER PROGRAMMES

UK PACT (Partnering for Accelerated Climate Transitions) is a flagship programme under the UK’s International Climate Finance (ICF) portfolio. The UK is committed to tackling climate change and is investing £11.6bn via ICF over the five years to March 2026. UK PACT was established in 2018 with £70m funding for an initial three-year period. In September 2021, the UK Prime Minister announced £200m of new funding for UK PACT to continue its delivery and grow as a programme over the next four years to March 2026.

UKPACT funds projects which support partner countries eligible for Official Development Assistance (ODA) to implement and increase their ambitions for carbon emissions reductions in line with their Nationally Determined Contributions (NDCs). All UK PACT projects work to accelerate partner countries’ transition to low carbon development. Country programmes include China, Columbia, Indonesia, Kenya, Malaysia, Mexico, Nigeria and South America.

UK PACT delivers impact through a combination of grant funding for longer term capacity-building projects and the rapid mobilisation of short-term expertise for skill-shares and secondment opportunities.

#### The NDC Partnership

The Partnership advances the goals of the Paris Agreement by bringing together countries and institutions in new ways to accelerate NDC implementation and enhance ambition over time. Through a country-driven, demand led approach, the NDCP drives climate action and sustainable development while supporting countries in reducing social and economic inequalities.

The Partnership has more than 180 members, including developed and developing countries as well as major international institutions and non-state actors. Members appoint Focal Points (senior

representatives of their respective country or institution who assume responsibility for internal coordination) to guide their engagement in the Partnership.

The Partnership is governed by an active Steering Committee which represents the diverse membership. Our work is facilitated by a Support Unit based at World Resources Institute in Washington, DC and the UNFCCC Secretariat in Bonn, Germany. The UK is current co-chair of the Support Unit, along with Jamaica.

There are clear complementarities and synergies with both current Defra programmes as well as those from other ICF Departments. Working together, UKPACT and the NDCP have significant intel on country needs, plans and gaps, as well as a good overview of what other donors are doing. A benefit the UK's membership to the NDCP is the resource to support scoping and in-country alignment so we're not repeating the work of others. Working closely with the UNDP we can:

- Agree countries to support, aligned with NDCP/UKPACT
- Provide details of all unfulfilled requests for support from each country (the Support Unit acts as a 'match maker' between country requests and donor resources)
- Connect with in-country focal points/NDC Partnership Facilitators (the Partnership's embedded advisors, usually based in Ministries of Environment or Planning)
- Support UNDP briefings for country offices and engagement with partner govts on needs/priorities to ensure alignment.
- Review workplan ahead of implementation
- Ensure ongoing involvement through in-country facilitators and sharing of reporting/country updates.

## 2.4 RISKS

### CONSTRAINTS

The programme may be constrained by the ability of countries to prioritize concrete climate actions to deliver their NDC targets, as well as their continued commitment to the Paris Agreement in the context of ongoing response to the COVID 19 pandemic and the subsequent economic recovery. To address this constraint, country selection will be focused on those countries with strong engagement and ownership over their NDC targets, and commitment to increasing ambition on Nature in their NDCs or delivering on these targets quickly.

### DEPENDENCIES

Support for NDC enhancement and implementation is being provided by a range of actors and partners in developing countries, all of which are contributing to the same goals. While UNDP is one of the largest actors providing support to developing countries, supporting countries to meet their NDC targets will require a broad coalition of partners, including a whole-of-government and whole-of-society approach.

In addition, as a multi-donor concept the overall achievement of the second phase of the Climate Promise depends on the scope of donor support, in terms of reaching the aim of supporting at least 100 countries to turn NDCs into concrete action. Nonetheless, this will not affect this specific project, given its specific deliverables which will be defined in accordance with the funding available and timeline agreed.



## 3. MANAGEMENT CASE

### 3.1 WHAT ARE THE MANAGEMENT AND GOVERNANCE ARRANGEMENTS FOR IMPLEMENTING?

#### PROJECT STRUCTURE AND GOVERNANCE

The Climate Strategies and Policy Team under the UNDP's Global Policy Network, Bureau for Policy & Programme Support's Nature Climate and Energy Team will be the overall lead in the implementation of the project in line with the UNDP's Programme and Operations Policies and Procedures (POPP). A significant portion of the overall Climate Promise budget will be utilized at the national level through participating UNDP Country Offices.

As a donor, Defra will be entitled to representation on the Project Board. The Project Board provides oversight, a project management team, and draws on a range of expertise across UNDP, and delivered through UNDP Country Offices and Regional Hubs.

At least one annual Project Board meeting will be held to assess implementation progress of the Initiation Plan and undertake corrective actions if necessary. In line with UNDP oversight requirements, Members of the Board will include, at a minimum, representation from UNDP, Portfolio Management, Development Partners (donors), Beneficiaries, and Project Assurance. The responsibilities of the Board include:

1. Provide overall guidance and direction and agree on adjustments within provided tolerance levels;
2. Assess the achievement of results in the context of the Portfolio and national results/outcomes;
3. Assess risks to the programme or project, and agree on management actions and resources to address them effectively; and
4. Identify and address operational issues of programme and project implementation, including those that could lead to revisions of the portfolio, or country programme or project if required.

#### ROLES, RESPONSIBILITIES AND ACCOUNTABILITIES

As this is a pre-existing initiative, Defra resource requirement will be minimal; the programme will not require initial set up. Day to day management of the project will be the responsibility of the CP Team. 0.3FTE is expected to be required to manage the programme over the course of this financial year, and out to 2026 in order to ensure fiduciary responsibilities and policy engagement. This includes 0.25FTE SEO and 0.05FTE of a G7 within the International Nature Ambition and Delivery team in IBC.

The Defra Project Manager and UNDP CP will communicate monthly via virtual meetings, to track progress against the workplan, the regularity will be monitored and adapted depending on need.

#### ODA BOARD

The project will be required to report to the ODA Board. The role of the ODA board is to provide accountability and assurance for Defra's ODA budget and to provide strategic direction for Defra's ODA spend. The ODA board meets quarterly and consists of Senior Civil servants from FCDO and Defra.

Within Defra the ODA Board has a remit to:

- Monitor the strategic direction for ODA spend in Defra



- Monitor the implementation of Defra’s ODA strategy and policy priorities
- Clear Business Cases for ODA spend above £5 million
- Monitor progress against the results set out in business case
- Monitor and advising on significant risks to implementation
- Recommend remedial actions to the SRO if operational or financial performance is off track
- Ensure ODA rules are met
- Ensure consistency with X-Whitehall ODA rules.

### 3.2 MONITORING, EVALUATION AND LEARNING

All Defra ODA programmes are designed to ensure that Defra ODA Monitoring and Evaluation activities are consistent with the requirements of the UK International Development Act 2015, while maximizing opportunities for learning and providing accountability.

#### WORKPLAN / DELIVERY PLAN

Given the immense needs of countries facing multiple crises, UNDP will bring together its extensive infrastructure, networks and breath of substantive offers to provide comprehensive support on NDC implementation. The next phase of UNDP’s Climate Promise will address critical contextual objectives that countries are facing in the immediate, medium, and long-term timeframes. First, a focus will be on understanding and addressing the current COVID-19 pandemic and the socio-economic implications of both the impacts and the recovery efforts. This means leveraging NDC processes to strengthen and inform green COVID-19 recovery measures to ensure countries are on a post-pandemic path towards sustainability. Second, as countries unpack their revised NDC it will be critical to identify how this aligns and contributes to national development and sectoral plans. The focus will be on what is required to enable countries to meet these targets and integrate into development and sectoral plans and budgets, so as to contribute to development priorities. Finally, many countries are already making long-term net-zero pledges and goals that must take into account SDGs and long-term development visions. The focus will be on ensuring strong linkages between the NDC process and both SDGs and mid-century net-zero targets.

#### THEORY OF CHANGE

As of October 12, 2021, 114 updated or revised NDCs have been submitted to the UNFCCC. Preventing and reversing the degradation and loss of critical ecosystems should be a key part of plans to mitigate and adapt to climate change. But despite their huge potential, nature and nature-based solutions have not been incorporated to an entirely satisfactory level.

On one hand, 92% of NDCs include explicit references to nature and NbS. However, only 60% have quantified numerical targets associated to these mitigation efforts, mostly for the forest sector. In addition to this, many of the NDCs lack specific delivery plans in relation to nature. There is a case for both increasing ambition in terms of targets and delivery, but also where countries are ambitious on both fronts, supporting the implementation and delivery of those targets.

A range of barriers need to be tackled to help countries to raise their NDC ambition level and delivery plans, and to better incorporate nature. International Climate Finance (ICF) is one means to support this: at the Paris conference, developed countries committed to mobilise \$100 billion of climate finance a year by 2020 and through to 2025 from public and private sources, to help developing countries mitigate and adapt to climate change.

The UK committed in 2019 to double the UK’s public International Climate Finance (ICF) to at least £11.6 billion between 2021 and 2025 to help developing countries tackle climate change. Within this, the UK has committed to spend at least £3bn of our ICF on climate change solutions that protect and restore nature and biodiversity over the next five years. This will focus on the outcomes delivered by programming for climate, nature and people, contributing to all three objectives including protecting or maintaining the quality of natural ecosystems.

As well as an increase in public and private investment, evidence shows that sustained change in reducing emissions is more likely to be achieved if capacity building and technical assistance is provided to build the conditions for wider transformation.

A more detailed Theory of Change (Toc) and results framework is currently being developed and will be incorporated in the programme as the initiative progresses.

A summary of the theory of change prepared by UNDP is included below in Figure 1.

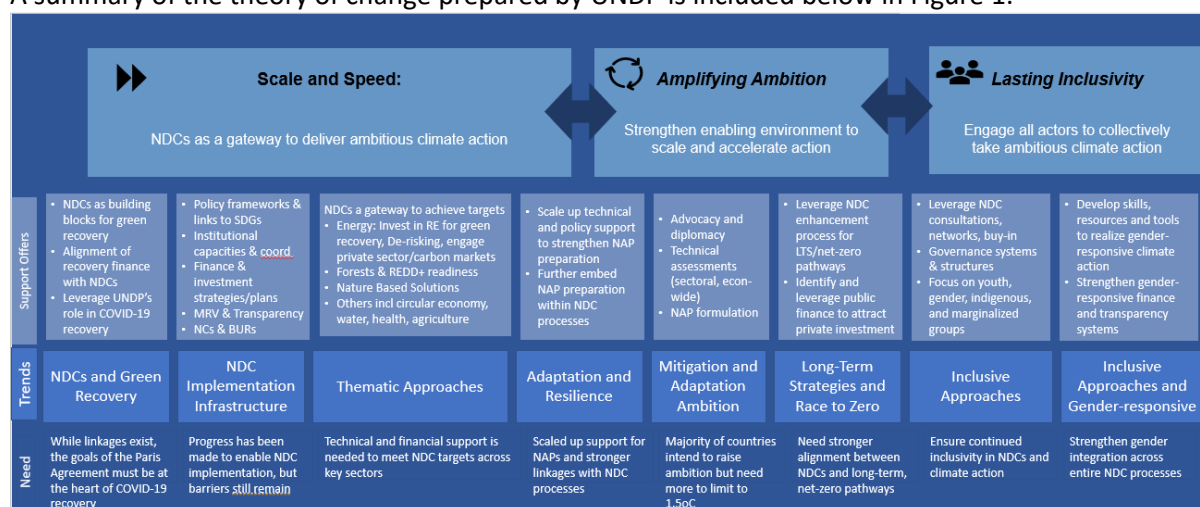


Figure 1 - Theory of change

## LOGFRAME

The UNDP CP has developed a “Project Initiation Plan” (PIP) which outlines the purpose and expected outputs of the portfolio initiative, along with management arrangements and high-level logframe/workplan. This framework allows the initiative to move quickly and initiate engagement with countries. Each country will be developing their own respective logframe that aligns to this global framework.

## ICF KEY PERFORMANCE INDICATORS

All ICF projects and programmes will be required to report against at least one Key Performance Indicator (KPI), but ideally all relevant KPIs. The KPIs reflect the CP theory of change and the key aims of the programme. KPIs remain under development and methods will be produced to enable projects to report on greater number of KPIs as the programme progresses.

It is likely that this project will be monitored against the following ICF KPIs:

- KPI 13 Integration of climate change in national planning as a result of ICF support
- KPI 14 Level of institutional knowledge of climate change issues as a result of ICF support

As well as Defra requirements this project will be monitored by UNDP’s own Results Framework

## REPORTING

UNDP will actively monitor and track delivery at all levels (country, regional, and global) aligned to its policies and procedures. It will deliver annual reports, which will follow the UNDP donor reporting template and include at a minimum annual Executive Summary, Background, Progress Review (output level results corresponding to agreed-upon portfolio indicators), Project Risks and Issues, Lessons Learned, Conclusions and Way Forward, and combined financial status at the portfolio level.

Internally, results from individual workplans developed at each national level will be fed upwards and aggregated from all associated projects in line within the agreed global, portfolio-level results framework. The Global Support Unit based at UNDP HQ will assess national and global expenditures on a quarterly basis to ensure adequate delivery and to advise and course correct when needed. In addition, Climate Promise Coordinators will collect and review narrative reporting against national level workplans on a quarterly basis, compile results and lessons learned, and provide management responses when and if needed.

## EVALUATIONS

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP in consultation with all relevant stakeholders, including the Donor, will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a project including an evaluation of its contribution to an outcome which is listed in the Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators. The Donor shall have the right to request or initiate an interim or final evaluation of the Project, in consultation with UNDP and to be carried out in accordance with UNDP Evaluation Policy.

## 3.3 WHAT ARE THE KEY RISKS AND HOW WILL THEY BE MANAGED?

### STRATEGY

The Climate Promise Portfolio builds on UNDP's strong foundation and \$2.8 billion portfolio, expertise, and lessons learned from climate change mitigation and adaptation programmes and projects. This includes UNDP's support on Transparency and reporting (e.g. NC, BURs), REDD+ (reducing emissions from deforestation and forest degradation in developing countries), gender, health, and climate change governance. The Portfolio will capitalise on this ongoing work and UNDP's areas of competitive advantage to support national governments to use their NDCs as a chapeau for bringing together the various strands of climate action in-country under a single long-term vision.

### KEY ASSUMPTIONS

A basic underlying assumption of the Climate Promise portfolio approach is that governments will maintain political priority for climate action through the Paris Agreement, endeavour to address barriers to institutional collaboration and align the climate change and SDG agendas, and are willing to engage a broad range of stakeholders through a whole of society approach to NDC implementation. These can be summarised as follows:

- political support for NDCs and the Paris Agreement does not diminish and governments endeavour to align the climate change and SDG agendas;
- governments are willing to engage a broad range of stakeholders through a whole of government approach to progress towards NDC implementation and to address barriers to institutional collaboration;
- governments have the capacities to implement robust mitigation actions and strategies and can successfully negotiate climate targets with key sectors;
- governments will be keen to showcase concrete success stories and/or learn from examples that have been successfully implemented elsewhere to speed up NDC implementation;

- the financial sector and investors will be interested in supporting and/or adapting government-promoted NDC mitigation actions;
- the private sector will be increasingly aware of the relevance of the national climate action and development agendas for both business continuity and development, and will understand that early participation and engagement in NDC implementation will deliver long-term security for a wide range of inter-locking business interests.

	Key Risks/Issues	H/M/L	Owner	Mitigation/ Measures
1	Change of government sector policies	M	Project Board/Project Management	- Secure strong support to climate action from government, general population, private sector through information and awareness campaigns and sustained stakeholder engagement.
2	Lack of willingness of developing country governments to implement ambitious NDCs and incorporate best practice examples	M	Project Board/Project Management	- Demonstrate that the benefits of more ambitious NDC targets will accelerate development initiatives and processes (e.g. women's empowerment, youth employment, health improvements, etc).
3	Implementation delays caused by limited capacity of government	M	Project Board/Project Management	- Capacity building and targeted technical assistance.
4	Implementation delays caused by continued spread of COVID-19 and shifting priorities of government and stakeholders	M	Project Board/Project Management	- Apply flexibility in timelines if needed; allow shifts in modality (moving on-line, aligning with recovery plans) when needed while remaining true to the underlying intent of the action.

Table 2 - Risk register

### 3.4 AVOIDING FRAUD AND CORRUPTION

#### TRANSPARENCY

Defra requires all its partners to meet the *International Aid Transparency Initiative (IATI) standard*<sup>5</sup> that aims to ensure that organisations publish information to 'improve the coordination, accountability and effectiveness to maximise their impact on the world's poorest and most vulnerable people'. This includes information on the organisation, funds, and planned activities. This intervention will generate significant outputs including log frames, annual reviews, programme/project proposals and technical reports which will be of interest to other countries and stakeholders. All outputs should be published on IATI, free to users whenever possible. Most agencies are now following this standard.

Defra also uploads relevant programme outputs to the UK Development Tracker.

<sup>5</sup> <https://iatistandard.org/en/iati-standard/>