



Department
for Environment
Food & Rural Affairs

UNITED NATIONS DEVELOPMENT PROGRAMME: CLIMATE PROMISE

Addendum to an International Climate Finance Business Case
(including for Bridge Funding and Scale-Up Cost Extensions)

Department of Environment, Food and Rural Affairs

SUMMARY

Programme Code	ICF-UNDP
Programme Name	United Nations Development Programme: Climate Promise
Country or Region Targeted	Global
Programme Objectives	To help developing countries to increase ambition, implementation and engagement for their Nationally Determined Contributions (NDCs), focusing on the Forest, Land and Nature, with a particular focus on eight countries: Cambodia, Colombia, Dominica, Ecuador, Kenya, Liberia, Republic of Congo, and Vietnam.
Original Programme Budget	£3 million
Original Programme Start And End Dates	February 2022 – March 2026
Cost Extension Value (If applicable)	Up to £6 million (total budget up to £9 million, 100% ICF)
New programme end date (if applicable)	March 2025
DevTracker link to original business case	Original Business Case

INFORMATION

What is the programme's purpose?

The UNDP Climate Promise (CP) has global coverage, supporting 120 countries to enhance their Nationally Determined Contributions (NDCs) in the run up to COP26, and is the world's largest provider of support to NDC ambition and delivery enhancement.

Following COP26, UNDP launched the second phase of the Climate Promise, with the aim of helping countries move from pledge to impact. The second phase whilst still raising ambition, pivots to focus on delivery i.e. implementation and engagement for NDCs under the United Nations Framework Convention on Climate Change (UNFCCC).

UNDP, together with partners, aims to scale up support in at least 100 countries to use their NDCs as sovereign plans for investment and as key engines of sustainable development – focusing on sectors such as energy, water, nature-based solutions, forests, agriculture, transportation, and green economy. Inclusion of natural capital investment projects in country plans will generate a pipeline of potential projects for investment, on which the United Kingdom is well-positioned to capitalise.

What is the objective of the cost extension or other changes?

The original business case set out the terms for a £3 million contribution to the UNDP Climate Promise, helping developing countries implement their national climate pledges – Nationally Determined Contributions (NDCs). Defra's contribution enabled UNDP to expand their support to Forest, Land and Nature, seeking to increase the representation of nature in 8 countries' NDCs through to COP27, the Global Stocktake (GST) at COP28 in 2023, when countries' NDCs will next be

scrutinised, and throughout to COP30 in 2025, when the next round of NDCs submission is planned. UNDP are currently on track to deliver against the first tranche of spend, and an outline of progress to date can be found in section below on expected results.

The additional contributions envisioned in this Business Case Addendum will build on Defra's initial commitment, with a particular focus on increasing commitments and delivery for the first Global Stocktake of the Paris Agreement, which will conclude at COP28 in 2023. Depending on the ultimate spend profile, they may also lead to an increase in the number of supported countries. This extension would enable an announcement of further support to Climate Promise at COP27, sending a strong signal of support to developing countries, building momentum, and redoubling commitments to achieve the wider Paris Agreement goals, while at the same time providing an opportunity to encourage other donors to increase their support to the initiative.

Anticipated programme activities include:

- Providing the means to assess the levels of overall NDC ambition and NDC implementation in the forest, land and nature area through global-level processes and analyses;
- Supporting countries in assessing the extent to which nature could further contribute to meet climate targets;
- Supporting countries to develop detailed delivery plans, policies, systems and platforms across relevant sectors, with the participation of stakeholder groups and right holders, to enable countries to maximise the role of nature in reaching the Paris climate goals;
- Supporting countries in implementing and operationalizing the relevant plans and policies, so that commitments and targets can be delivered through concrete, inclusive actions;
- Demonstrating and providing direct support to Indigenous Peoples' and Local Community (IPLCs) contributions to NDC implementation;
- Developing and disseminating evidence, and generating knowledge products that can widen the reach of the above activities to a wider set of countries.

What is the additional and total support the UK will provide?

This Business Case Addendum is for an additional voluntary contribution of up to £6 million for the UNDP Climate Promise (CP) programme, with a flexible spending profile over the current (22/23) and the next two (23/24 and 24/25) financial years. Within this, there is potential for a maximum front loaded spend of £4.5 million in the current financial year (22/23), subject to affordability. Contributions for the next two financial years (23/24 and 24/25) are subject to resource availability, and conditional on satisfactory performance. As with Defra's first contribution, the funds would be allocated to the 'Forests, Land and Nature' (FLN) work area.

This additional contribution builds on Defra's £3 million contribution in 21/22, bringing the total value of the Business Case to up to £9 million. Considering that Climate Promise has currently mobilised ~£29 million, this would raise the UK's (provisional) share of funding from 12% to 29%, giving us considerable opportunity to influence the work.

The approach will contribute towards the first Global Stocktake of the Paris Agreement which will conclude in 2023. Specifically, it would allow to expand the reach of the initiative exponentially, by either a) increasing the number of countries support is provided to, b) allowing the continuation of work undertaken as a result of the first contribution over multiple years, or c) a combination of the two. At the same time, it would enable UNDP to evaluate the approach from initial investments, test the effectiveness of the interventions and learn key lessons.

The Climate Promise operates as a pooled fund, where donors can provide contributions throughout the duration of the initiative, and additional activities are scoped based on resources

availability and recipient countries demands. As such, it offers the opportunity to scale up support in line with donor appetite and recipient countries' needs, as long as sufficient time is allowed to plan activities.

The full spend of the additional contribution is classified as resource spend (RDEL). The funding source is the UK's Official Development Assistance (ODA) budget, with the finance for this project being wholly accountable as International Climate Finance (ICF).

What are the expected results?

CLIMATE PROMISE PORTFOLIO PROGRESS TO DATE

A Progress Report published by UNDP in April 2022 outlines progress achieved by the wider Climate Promise portfolio, and sets out the improvements in NDCs submitted by countries supported by the initiative. With regards to increasing ambition in NDCs, key results include the following:

- More ambitious NDCs: of the 94 Climate Promise submissions, 91% have demonstrated increase in mitigation ambition and 96% have enhanced adaptation;
- Stronger institutions and policies: around 90 countries have been supported under the Climate Promise to establish and/or strengthen policies, institutions and capacities that underpin effective NDC implementation and more ambitious climate action;
- More funding: 87 Climate Promise countries have made progress towards identifying and mobilizing resources to realize NDC targets, compared to 70 countries in April 2021;
- More transparency: 81 countries to date have reported concrete results on climate data and transparency under the Climate Promise, building on longer-term efforts to establish systems to track, monitor, and report on climate action.

DEFRA FIRST CONTRIBUTION PROGRESS TO DATE

Defra's contribution was transferred to Climate Promise in February 2022, and aimed to support activities throughout to 2026, but with a focus on delivery at COP27, and in support of the first Global Stocktake of the Paris Agreement. Through Defra's first contribution to the Climate Promise, UNDP is implementing a package of project activities which combine a mix of in-country support, and global-level initiatives. These are aimed at:

- 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 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.

These activities are on track to be delivered. An outline of results expected by COP27 for each of the eight countries can be found below.

Cambodia

Workplan activities

- Development of a carbon markets readiness workplan

- Conduct dialogues with non-state market actors (buyers, investors, brokers) enhancing market networking focus on Forests and Other Land Use (FOLU) sector
- Hold consultations with government partners or other key stakeholders (including local communities) to channel investments for NDC implementation
- Define a methodology to estimate forest degradation through evaluation of several methods and technologies in the Cambodian context

Results expected by COP27

- Advanced Report on Assessment of carbon market potential under the NDC
- Inception report of Institutionalization and Strengthening Proposal of Reducing Emissions from Forest and Forest Degradation (REDD+) in the Ministry of Environment
- Inception Report and Action Plan of the improvement of MRV and proposal of the forest degradation methodology
- Inception report of annual plan of the activities related to REDD+ safeguards and gender perspective
- Inception Report and planning of the development of a carbon markets readiness workplan on the FOLU Sector
- Support the development of a Paris Agreement LULUCF (Land Use, Land Use Change, and Forestry) Assessment & NDC Tool (PLANT) policy brief for Cambodia on NDC/REDD+/Carbon Alignment
- Support dissemination of the Nesting Booklet which provides an overview and status of nesting in Cambodia

Colombia

Workplan activities

- Consultation process with Indigenous organizations, in synergy with other cooperation projects, to review all the NDC measures related to LULUCF to identify the gaps and needs to implement them
- Provide small grants for Indigenous Peoples' projects that contribute to NDC implementation - at least 4 projects of around \$30,000 and ensuring a portion of the grants go to women and youth-led projects
- Dissemination of good practices and lessons learned on MRV issues with relevant national partners and other Parties and initiatives through the Global Coordination Platform and other South-South cooperation networks

Results expected by COP27

- At COP 27, the proposal for climate governance and Indigenous Peoples' climate agenda in alliance with the government and the scheme for granting direct small grants to Indigenous Peoples will be presented
- The intention is to present these proposals in COP 27 as well as in the United Nations Permanent Forum on Indigenous Issues (UNPFII)

Dominica

Workplan activities

- Development of a reforestation strategy for the Kalinago Territory where 40% of participants should be women
- Technical guidance on NDC indicator selection and measurements of verification in the agriculture and forestry sectors

- Development of an Agricultural Information Management System (AIMS) to include the creation of a database, and conduct training on data collection, storage and analysis
- Document the nature-based solutions and traditional knowledge of the Kalinago community and build their capacity to contribute to NDC implementation by providing necessary tools such as training on areas of priority to the Kalinago Territory and the NDC where 40% of the budget is earmarked for women's participation

Results expected by COP27

- Launch of cash for trees programme to support the livelihood of the Kalinago Community

Ecuador

Workplan activities

- Provide small grants for Indigenous Peoples' projects that contribute to NDC implementation - at least 4 projects of around 30,000 USD and ensuring a portion of the grants go to women and youth-led projects
- Prepare a technical standard and a ministerial agreement of the Ecuador Zero Carbon Program for decentralized autonomous governments and integrate public and private projects and initiatives into the compensation portfolio
- Conduct training for Minister of Environment Capacities to implement the new processes related to Carbon Offsetting / GHG emissions compensation portfolio-market to be established, that will link demand and supply of carbon projects to attract direct finance to NDC forestry sector
- Strengthen the capacities and technical skills of the Ecuadorian Accreditation Service (SAE) to develop the verification and validation scheme of GHG emissions

Results expected by COP27

- First phase: At least 3 IPLC supported with UK/DEFRA funds that implement REDD+ activities as part of their Life Plans. At least 3 initiatives from IPLC that are part of the REDD+ National Round Table are supported by UK/DEFRA Funds. At least 30% of the resources are allocated to work with women and youth organizations. At least 1 document systematizing the experience in the context of UK/DEFRA funds is obtained
- Carbon Zero Ecuador Program: Ecuador has developed technical regulations, considering the product and organizational scope. The compensation regulations are currently being developed through a participatory process with various actors with the support of various initiatives, including UK DEFRA phase I. UNDP is also working on connecting the Carbon Cero Ecuador Program (PECC) with the NDC
- Formulation of NDC 2026-2035. Development of the methodology for formulating the NDC of Ecuador for 2026-2035, including the mapping of actors and the development of instruments that allow the collection of inputs through a participatory process with a focus on gender, intersectionality, and interculturality
- Technical report, including: technical standard for Decentralized Autonomous Governments, Regulation of compensation mechanisms for environmental services providers and strengthening of the capacities of Ecuadorian Accreditation Service (SAE)
- Technological application (online platform) of the Ecuador Zero Carbon Program (Second phase) as well as carbon footprint calculation tool

Kenya

Workplan activities

- Technical assistance support to the Ministry of Environment and Forestry and government stakeholders on Article 6 and Voluntary Carbon Markets, including Lowering Emissions by Accelerating Forest Finance (LEAF)
- Undertake institutional and regulatory assessment on NDC implementation and Article 6, including stakeholder consultation meetings
- NDC Sectoral Analysis for AFOLU or LULUCF to identify priorities that will be included in the 3rd National Climate Change Action Plan (NCCAP) 2023-2027, including stakeholder meetings of the AFOLU Technical Working Group to set priorities

Results expected by COP27

- Progress made to engage in opportunities for financing and programming for NDC implementation through a workshop with 25 stakeholders. (*Final report available*) and follow up actions programmed.
- Follow up technical meeting held to determine opportunities, ascertain if there are mitigation results and determine where programmes could be located for engagement in carbon markets
- Follow-up expected from sectoral analysis for Agriculture, Forestry and Other Land Use (AFOLU) for the National Climate Change Action Plan to flow into the Long-Term Strategy process

Liberia

Workplan activities

- Conduct stakeholder meetings (at least 4, including with High-Level Policymakers, regional, and involving civil society and women's groups, forest sector working group) in addition to bilateral meetings and validate the updated National Forestry policy
- Conduct a barrier analysis for accessing result-based payment from REDD+. Analysis will consider gender, Indigenous Peoples, and youth inclusion
- Conduct data collection and reporting on deforestation/reforestation and conservation/using modern software

Results expected by COP27

- Work begun to update the National Forest Policy with a stakeholder meeting held prior to COP27
- High-level engagement with Government and donors to determine support for NDC targets for the forestry sector in October 2022. This will contribute to the road map to support NDC implementation in the forest sector
- Short film on the Liberia Forest Sector's potential to contribute to NDC and SDGs for Liberia

Republic of Congo

Workplan activities

- Operationalize the inter-ministerial commission on land use planning by updating the decree that establishes this commission, organizing inclusive and gender-sensitive meetings to review/monitor the allocation of permits
- Establish and operationalize the Monitoring Reporting and Verification (MRV) system for monitoring LULUCF-related NDCs measures
- Support the system for collecting, analysing and interpreting biostatistics data on LULUCF
- Develop and operationalize a socially-inclusive and gender-sensitive civil society capacity building plan for monitoring and evaluation the implementation of CAFI's Letter of Intent
- Establish a socially-inclusive and gender-sensitive civil society forum platform to coordinate and harmonize civil society engagement on issues related to REDD+ and NDC

Results expected by COP27

- Organize a socially-inclusive and gender-sensitive awareness raising and communication events for the dissemination of NDC to different stakeholders (parliament, civil society, local community)

Viet Nam

Workplan activities

- Identify carbon market potential from LULUCF sector
- Support to the Draft Decision by the Government on eligibility criteria for LULUCF projects under the national carbon market program, and eligible methodologies for LULUCF projects
- Support data collection for mangrove forest and contribute to forest carbon accounting methodologies to enhance NDC

Results expected by COP27

- Updated NDC to be submitted by COP27

EXPECTED RESULTS OF FUTURE CONTRIBUTIONS

With the additional contributions envisioned in this Business Case Addendum, UNDP aims to continue with an approach that mirrors that adopted for Defra's first contribution, and generate a combination of global-level analysis / knowledge products, and country-level support.

Global-level analysis and knowledge products

A. Indigenous Peoples and NDCs: Proposed assessment and regional and country-level knowledge products

Several studies, including from the UN Food and Agriculture Organisation, have demonstrated that Indigenous peoples are often the best guardians of forests, and have played a key role in ensuring the success of forest conservation projects. This contribution would build on and scale up the work already completed by UNDP to support an analysis investigating the rights, roles, and contributions of Indigenous peoples in the NDCs of ten countries in Asia. Building on the model established by

this analytical work, UNDP proposes to scale up and apply this analytic approach to other regions/countries. The contribution could also support the delivery of commitments the UK has signed up to through the IPLC COP26 Forest Tenure Pledge, a new multilateral donor fund aimed at advancing support for Indigenous Peoples’ and Local Communities’ (IPLCs) tenure rights and their forest guardianship.

B. Systems for tracking NDC progress for the forest sector assessed and strengthened

In the first stage of the Defra-supported activities under the Forests, Land and Nature work area of the Climate Promise, UNDP is building out and applying a module of UNDP’s global Paris Agreement LULUCF (Land Use, Land Use Change, and Forestry) Assessment & NDC Tool (PLANT) to define the trajectories for the implementation of NDCs by tropical forest countries. This tool is used by UNDP to evaluate options and support developing countries’ decisions on implementation of their NDCs. The proposal for the new contribution is to build on and scale up this work to both deepen the assessment, add further countries, and generate lessons that can be applied globally, providing technical guidance to a broader suite of countries.

C. Support for the Forest and Climate Leaders’ Forum

Building on the establishment of the Forest and Climate Leaders’ Partnership (FCLP) which was launched at the UN General Assembly in September 2022, it is proposed that continued support services be made available to the operation of the FCLF. This stream of work should have a particular focus on IPLC engagement in the Forum. It could also include support to a COP28 event/meeting of the FCLP and the process leading up to it.

D. Additional capacity building, knowledge generation and learning exchange

Capacity-building programs developed and implemented at the national, regional, and global levels to support IPLC understanding of and full and effective engagement in NDCs, ETF, and the GLD are proposed; these may also include dialogues, learning exchanges, and knowledge and educational products or materials. Capacity building may include community-based forest monitoring, carbon markets, and other topics of relevance to Indigenous peoples.

Country-level support

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 will be achieved with wider participation of stakeholders, Indigenous Peoples, and local communities, and provide wider co-benefits such as addressing desertification, food security and livelihoods.

A summary of results expected at the country level can be found in the table below:

Core area	Expected results
1. Scale and Speed	<ul style="list-style-type: none"> Critical set of champion countries defined (combination of new countries, and countries currently supported through the initial contribution – exact number dependent on ultimate spend profile) and plans established to deliver concrete results

	<p>on NDC LULUCF-related targets against the Glasgow Leaders Declaration (GLD)</p> <ul style="list-style-type: none"> • NDC-related data analysis strengthened, with a focus on forest, land and nature, enabling more rigorous assessment of the contributions of those areas to the delivery of NDCs commitments • Investments realized for LULUCF targets in selected countries • Systems for tracking NDC progress for the forest sector assessed and strengthened (in at least 4 countries)
2. Amplifying ambition	<ul style="list-style-type: none"> • Continued support services for the operation of a Ministerial Forum for GLD implementation and advocating for greater ambition, including focus on IPLC engagement in the Forum • Among selected ones, 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
3. Lasting inclusivity	<ul style="list-style-type: none"> • Stakeholder engagement platforms and/or mechanisms established, for IPLCs to contribute to delivery of NDC targets in the forestry sector; • Direct grants provided to IPLCs to support their contributions to NDC implementation; full and effective participation; as well as capacity-building activities (these may include community forest monitoring, governance, carbon markets, etc).

Table 1 - Summary table: Core area outcomes and proposed programme results

What is the approach to implementation?

APPROACH FOR FIRST DEFRA CONTRIBUTION

The Climate Promise has global coverage, with a particular focus on developing countries. The initiative has supported over 120 countries on NDC revision and implementation processes during its first phase. The second phase commenced at COP26 in 2021, with 8 countries already directly receiving support through Defra's 21/22 financial year contribution.

Activities undertaken as a result of Defra's original contribution can be classified into two broad categories of support. The first category consists of a review of global and regional activities, including technical guidance and knowledge, and advancing the Ministerial Forum for the Glasgow Leaders' Declaration. The second category consists of activities aimed at strengthening the role of nature in eight countries' NDCs and their implementation processes. For each country, a range of activities have been identified. These are currently on track, with plans to showcase initial results at COP27, where an announcement of continued UK support could also potentially be made.

Global and regional activities include developing an NDC forest mitigation guidance, refining data analysis on forest mitigation, building a module of a system for tracking NDC progress for the forest sector, contributing to the establishment of a Ministerial Forum for GLD implementation, increasing ambition through forests and terrestrial ecosystems, taking forward capacity building

programs to support IPLCs understanding of NDCs, ETF and GLD, and providing grants to IPLCs building on CBR+. These global-level analysis and knowledge products will not only enhance the support to the eight countries but also expand the impact to a global level by making these resources available to all countries in the Climate Promise portfolio, and beyond.

In country activity is supporting eight countries: Cambodia, Colombia, Dominica, Ecuador, Kenya, Liberia, Republic of Congo, and Vietnam. As with the global and regional activities, in country work will contribute to the the same objectives of increasing scale and speed of implementation of NDCs commitments, amplifying ambition in NDCs commitments, and supporting lasting inclusivity.

APPROACH FOR FUTURE CONTRIBUTIONS

With the additional contributions envisaged by Defra, UNDP plans to adopt a similar approach, where funds will be directed towards a combination of both global/regional and in-country activities. Drawing on this portfolio, UNDP and Defra have agreed to both deliver continued support in (some of) the eight originally supported countries, in order to further advance NDC ambition and implementation in the Forests, Land and Nature work area, while adding further countries that have not been supported to date. The exact number of countries supported during each year will be dependent on the amount of funding provided in that specific year, and is envisaged to be as follows:

- £1.5 million – 4 countries
- £3 million – 8 countries
- £4.5 million – 12 countries

This approach allows to maintain established relationship with key countries that have demonstrated high appetite in stepping up efforts to tackle climate change through nature, and willingness to act to turn commitments into tangible results, while also widening the reach of Defra’s contribution, and support a larger number of countries in the process.

In order to identify recipient countries, the same selection criteria applied for the initial contribution will be adopted to determine where the additional funds should be deployed:

- ODA eligibility
- Inclusion of the Land Use, Land Use Change and Forestry (LULUCF) sector in the NDC – “top tier” countries that indicate a quantitative sectoral target and/or specific reference to forest measures, including explicit inclusion of REDD+, will be prioritised
- Countries that have endorsed the Glasgow Leaders’ Declaration on Forests and Land Use
- Active membership of the NDC Partnership (NDCP) an advantage
- For current Climate Promise countries, demonstration of good overall track record in delivering against the Climate Promise workplan (or interest to join the next phase of initiative)
- Complementarity with other Defra programme and partnership activity

These criteria may be further refined and built upon, particularly in relation to selection of the four “deep-dive” countries for which continued support will be offered. This could include the adoption of specific criteria relating to countries’ performance with the initial Defra contribution.

At an early stage, UNDP will consult with the NDC Partnership Support Unit and Defra to discuss country prioritisation and address the high level of demand for support.

Defra will have further opportunities to influence country focus through the initiative Steering Committee, as a member and an active donor, where alignment will be sought with UK priorities, working with the NDC Partnership and UKPACT.

SAFEGUARDING, EQUALITY AND TERRORISM

As with the original contribution, any programming activity undertaken as a result of additional Defra contributions will be subject to UNDP’s Social and Environmental Standards (SES), the IASC [Six Core Principles](#) relating to Sexual Exploitation and Abuse, and will adhere to the IASC Minimum Operating Standards on PSEA and/or the Core Humanitarian Standard on Quality and Accountability.

The standards are underpinned by an Accountability Mechanism with two key components: (i) A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by UNDP projects have access to appropriate grievance resolution procedures for hearing and jointly addressing project-related disputes; and (ii) A Compliance Review process to investigate and respond to claims that UNDP is not in compliance with the Social and Environmental Standards.

When UNDP becomes aware of suspicions or complaints of SEAH, they will take swift and appropriate action to stop harm occurring, investigate and report to relevant authorities (for criminal matters) when safe to do so and after considering the wishes of the survivor. UNDP will promptly contact DEFRA at ODA.Safeguarding@defra.gov.uk to report any allegation credible enough to warrant an investigation of SEAH related to this Contribution.

The programme will adhere to the International Development Act 2002 (as amended by the International Development (Gender Equality) Act 2014), the International Development (Reporting and Transparency) Act 2006, the Terrorism Act 2000, and the Equality Act 2010 (including the Public Sector Equality Duty).

Addressing gender inequality is among the key deliverables of the UNDP Climate Promise. Progress has been made in incorporating gender into NDC enhancement processes in over 60 countries. The initiative produced a series of gender analysis summaries that capture various aspects of the governance, policy and planning processes related to climate change and gender equality as they relate to the NDC process, with a specific focus on examining data collection, existing technical capacities, institutional mechanisms, and gender mainstreaming opportunities.

As the initiative moves past the NDC revision into NDC implementation, it will continue to support countries with the skills, resources, and tools they need to implement their commitments to gender-responsive climate action. In addition to strengthening gender-responsive transparency and financing systems, supporting countries to implement their Gender Action Plans, particularly at the sector level, will be a priority in order to increase attention to addressing structural inequalities related to gender roles and close gender gaps in all areas. Ensuring that gender analysis data, learning, and recommendations are utilized at the sector level will be another important area,

together with exploring how to build institutional government capacity and substantive engagement of Civil Society Organisations (CSO) actors on the ground.

Consistent with numerous applicable United Nations Security Council resolutions, including S/RES/1267 (1999), S/RES/1373 (2001) and related resolutions, both Defra and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. UNDP will use all reasonable efforts to ensure that the Contribution is not made available or used to provide support to individuals or entities associated with terrorism as designated by the United Nations Security Council sanctions regime list.

PARIS AGREEMENT ALIGNMENT

The programme fully aligns with the Paris Agreement, being directly aimed at supporting its delivery. It also supports wider environmental objectives, focusing on the Forests, Land and Nature work area, and leveraging these components to maximise nature's contribution to climate mitigation.

RISK PROFILE

The risk profile of the programme remains unchanged compared to the previous contribution. As with the initial contribution, the effectiveness of the programme partly relies on the ability of countries to prioritize concrete climate actions to deliver their NDC targets in the context of economic constraints resulting from the COVID-19 pandemic and the conflict in Ukraine. This risk can be mitigated by prioritising countries with strong credentials and commitments to increasing ambition and delivery efforts on nature in their NDCs. Dependencies on UNDP's in-country delivery partners also persists, although these are alleviated by UNDP's experience in delivering support on the ground across multiple regions of the globe. Finally, the global level of support for the wider Climate Promise initiative could also play a role in the overall success of the initiative, although this aspect isn't expected to affect specific projects, given activities will be scoped based on Defra's contribution.

Describe any key changes to the original business case including the theory of change or new evidence from ongoing monitoring, evaluation or learning work.

The following changes to the original business case are made through this addendum:

STRATEGIC CASE

Despite progress made at COP26, a substantial gap remains between commitments put forward by countries through their NDCs, and the Paris Agreement objective. Based on the latest estimates, there is a 50% chance that warming associated with full implementation of 2030 NDC targets exceeds 2.4°C in 2100.

Investing in nature is often more cost effective than other measures to tackle climate change and has significant co-benefits for biodiversity and livelihoods, for indigenous peoples and local communities. Agriculture, Forestry and Other Land Use (AFOLU) play a key part in both reducing carbon emissions, and limiting their impacts, demonstrating the role that nature can play in addressing the climate crisis. In particular, stabilization of global temperatures cannot be achieved without reducing emissions from the forest sector.

The first Global Stocktake (GST) of the Paris Agreement, which will conclude at COP28 in 2023, will assess Parties collective progress and address opportunities for enhanced action and support. The GST is therefore of key importance in driving forward efforts in the AFOLU sector, and is seen as the next key milestone in the cycle to increase the overall level of ambition in countries' emission reduction commitments ahead of the next round of NDCs submission in 2025.

Countries have been increasingly recognizing land use and forestry as part of their mitigation efforts in new or updated NDCs, but there is still considerable room for improvement. As evidenced by requests collated by the NDC Partnership, which acts as a clearing house mechanism to match support offers from developed countries to demands from developing countries, demand for support is continuously increasing. To continue on this path, it is essential to support developing countries in their efforts to maximise the role that nature can play in tackling climate change.

The Climate Promise initiative provides a credible framework to drive this change, as demonstrated by the level of support and buy in that it is receiving by a number of key donors. Climate Promise is specifically aimed at providing capacity building support to developing countries to increase commitments in a wide number of work areas, with Forests, Land and Nature being one of them. But without increased, targeted support, there is a risk that the full potential of nature and nature-based solutions in NDCs is not achieved, and a huge opportunity is missed.

In February 2022 Defra provided a £3 million contribution to Climate Promise, which was allocated to the 'Forests' Land and Nature' work area, supporting 8 developing countries to enhance nature's role in cutting emissions and reducing their impacts within their NDCs, and to implement and deliver those commitments.

Activities undertaken by UNDP as a result of this contribution are expected to be delivered primarily over the course of this financial year, and although a comprehensive assessment of the results of the programme is not yet available, progress demonstrated by UNDP to date (see section on 'Defra first contribution progress to date') indicates that the programme is on track to deliver the expected results. This confidence is compounded by the initiative's overall track record (see section on 'Climate Promise portfolio progress to date'), which also shows good progress.

Increasing Defra's contribution to Climate Promise would enable support to be extended and scaled up (depending on the ultimate spending profile), helping to close the gap between the Paris Agreement goals and country commitments, and between commitments and actions on the ground, consolidating the role to be played by forests, land and nature, and at the same time maintaining the UK's reputation as a global lead in placing nature at the centre of fight to tackle climate change. It would also provide a timely intervention, and resources, that would leverage the high levels of demand that developing countries have expressed for support on nature and climate. There is a risk that without this extension this demand goes unmet, undermining our UNFCCC and CBD ambitions.

Extending our support to Climate Promise at COP27 front loads delivery ahead of COP28 and the Global Stocktake. It demonstrates ongoing commitment to COP26 Commitments and our outgoing UNFCCC Presidency. Extending the programme further cements nature's central role in tackling climate change, as enshrined in the Glasgow Leaders' Declaration, to which the activities funded by Defra directly contribute. An announcement at COP27 would signal the UK's continued support to

developing countries' efforts to integrating nature as a fundamental component of their plans to reduce emissions, and wider commitments to achieving the collective Paris Agreement goal.

The Paris Agreement's central aim of preventing the worst consequences of climate change is still within reach. But the window for action is closing fast, and the IPCC has concluded that to limit warming to 1.5°C, global emissions must peak before 2025, and then be halved by early 2030s. It is essential that key progress is made ahead of the 2023 Global Stocktake, paving the way for a new round of NDCs submissions that ultimately bend the curve in 2025.

MANAGEMENT CASE – GOVERNANCE, UPDATED RISK MATRIX, MONITORING AND EVALUATION

Project structure and governance arrangements of Climate Promise remain unvaried. Defra will continue to be entitled to representation on the initiative Steering Committee, and the programme will regularly report to ODA Board.

MONITORING, EVALUATION AND LEARNING

Monitoring, evaluation, and learning costs are included in Defra's contribution, and are expected to be in the order of £430,000.

WORKPLAN/DELIVERY PLAN

UNDP is in the process of finalizing the multi-year workplan for the Climate Promise Phase II programme which derives from the [Project Initiation Plans](#) for Climate Promise Phase II and is currently undergoing internal consultation and clearance process. A finalized workplan will be shared with Defra team at the end of November.

THEORY OF CHANGE

Climate Promise Phase II Theory of Change (ToC) has been adjusted to accommodate amendments of the Global Result Framework. Climate Promise is finalising baselines and targets. Both the updated Global Result Framework and ToC will be shared with Defra as part of the broader portfolio document being finalized, as indicated above.

LOG FRAME

As UNDP are undergoing a review and rehaul of M&E products (i.e. workplans and Global Result Framework) to ensure their entire M&E framework is of a high standard and tailored to Climate Promise Phase II, Defra team has developed a draft logframe (see Annex A); a finalised version will be developed within six months from funding transfer.

ICF KEY PERFORMANCE INDICATORS

Defra will use a logical framework (logframe) as a key means of holding delivery partners to account and measuring the effectiveness of the contribution.

The original Business Case identified two ICF KPIs as indicators against which the project performance could be monitored:

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

However, these have now been discontinued, and as a result, a new set of KPIs has been identified to monitor the programme:

- ICF KPI 15 – Extent to which ICF intervention is likely to lead to transformational change
- TA KPI 1 – Number of countries that are direct and targeted beneficiaries from ICF TA supported
- TA KPI 4 – Improved climate policy development or implementation

This intervention will primarily target ICF KPI15: transformational change. “The extent to which the ICF intervention is likely to have a transformational impact”.

Recognizing that transformation takes time, and as this is an ongoing project, transformational change may happen beyond the duration of our financial contribution or the duration of the programme. However, based on existing examples and the design of the programme, the achievement of certain indicators and targets have the potential to show early stages of transformational change in several areas including at country level.

We expect to draw evidence of transformational change from proxies highlighting early evidence of transformation.

Criteria & Outcomes	Approach or example indicators in Climate Promise
<p>Political will and local ownership:</p> <p>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.</p>	<p>Number of countries where women’s groups and girls and youth led organizations are represented in decision-making and leadership positions in NDC implementation mechanisms and processes</p> <p>Number of countries, where the private sector is represented in decision-making mechanisms and processes to support NDC</p> <p>Number of where mechanisms and initiatives developed and/or scaled to promote social mobilization for NDC implementation</p> <p>Number of countries, where knowledge sharing or awareness raising on NDC implementation or long-term pathways has been undertaken or strengthened</p>
<p>Capacity and capability:</p>	<p>Number of enhanced NDCs supported with higher quality(a) and ambition(b)</p>

<p>Countries have established long-term net-zero and climate resilient development pathways aligned with the goals of the Paris Agreement</p>	<p>(a) aligned with quality checklist (b) mitigation, adaptation and finance (UNFCCC - progression?)</p> <p>Number of countries supported to develop or update their long-term strategies or define long-term goals in line with NDC targets, including considerations of just transition</p> <p>Number of countries that integrate long-term strategies/goals into national, sectoral, and/or sub-national development plans/strategies/policies</p>
<p>Evidence of effectiveness is shared:</p> <p>Regional and global awareness, advocacy, and partnerships are strengthened to contribute to enhanced NDC ambition and delivery capacity</p>	<p>Number of NDC and/or NAP implementation plans developed that establish linkages with the green recovery strategies, SDGs and/or other international agendas</p> <p>Number of coordination mechanisms strengthened/established to support whole-of-government climate action, including those that are gender-responsive</p> <p>Number of budget reforms across public finance management that integrate NDC measures, including those that are gender-responsive</p> <p>Number of policy and regulatory measures established or strengthened to align and mobilise private capital for NDC implementation</p> <p>Number of financing mechanisms or instruments established or strengthened to mobilise climate finance</p> <p>Number of MRV/M&E institutional capacities, processes or systems (for mitigation, adaptation and/or finance developed or strengthened, including gender-responsive programmes</p>

Table 2 - Examples of transformational change indicators and approaches

As well as Defra, Climate Promise will be monitored by UNDP's own global Results Framework. For Climate Promise Phase I this framework has been the most important reference to estimate progress.

For Climate Promise Phase II, UNDP's Climate Strategies and Policy team is developing a dashboard which will be the critical tool for tracking and communicating results and progress across the entire Climate Promise portfolio. The dashboard is currently under development and a beta version will be shared for informal feedback with UK officials in October, with the updated version being presented at the annual Steering Committee for further finalisation and roll out.

In addition to the above, and where relevant/useful, Defra officials plan to organise country visits where progress on the ground can be assessed first hand, with a view to gain a deeper understanding of activities carried out by the Climate Promise, and work with UNDP to draw lessons that can be incorporated to improve the initiative.

REPORTING

UNDP will actively monitor and track delivery at all levels (country, regional, and global) aligned to its policies and procedures. Climate Promise follows an integrated reporting structure, producing:

- A full **year report** with a global focus covering the contribution from all donors for a specific year;
- A range of **thematic products**, which will be broader in scope than annual reviews with a focus on specific themes. Number and release dates for these products will be agreed and formalized in the annual workplans at the beginning of each funding year;
- Quarterly reports will be replaced by the initiative **dashboard**.

EVALUATION AND LEARNING

There have not been changes applied to the Evaluation and Learning approach since the prior Business Case. The same approach outlined in the original Business Case applies for this funding extension.

Annex A

The table below is a simplified version of Climate Promise Phase II indicative Logframe, which will be finalised following consultation and internal UNDP clearance processes.

The extensive version of the Logframe can also be found [here](#). Note that baselines, milestones, risk rating and assumptions have now been identified yet and will be added at the next and final iteration of the Logframe, within 6 months after the funding have been transferred.

	INDICATOR	METHODOLOGY
IMPACT: Countries achieve the goals of the Paris Agreement	Temperature increase that has a 50% chance of being exceeded by the end of the century with real world action based on current policies	Climate Action Tracker Thermometer (https://climateactiontracker.org/global/cat-thermometer/)
OUTCOME 1: Countries have effectively strengthened inclusive and gender-responsive governance and financing mechanisms to enable delivery and tracking of NDC targets across sectors	Number of countries that have development plans and budgets that integrate Paris Agreement frameworks across the whole-of-government	<i>Global results framework Outcome indicator 1.1</i>
	Number of countries that have policy measures in place to enable the enhancement and/or implementation of NDCs under the Paris Agreement	<i>Global results framework Outcome indicator 1.2</i>
OUTCOME 2: Countries have established long-term net-zero and climate resilient development pathways aligned with the goals of the Paris Agreement (<i>KPI15 capacity and capability</i>)	Number of countries with long-term goals and strategies put in place to achieve them. (<i>KPI15 capacity and capability</i>)	<i>Global results framework Outcome indicator 2.1</i>
	ICF TA KPI 1: Number of countries supported by technical assistance	<i>ICF TA KPI1 Methodology</i>
OUTCOME 3: Key actors within society are systematically engaged and empowered to contribute to accelerated NDC implementation, long-term net-zero and climate resilient development pathways (<i>KPI15 - Political will and local ownership</i>)	Number of countries with demonstrated stronger voice and strengthened capacities of key stakeholder groups in leading or engaging in NDC implementation	<i>Global results framework Outcome indicator 3.1</i>
OUTCOME 4: Regional and global awareness, advocacy, and partnerships are strengthened to contribute to enhanced NDC ambition and delivery capacity. (<i>KPI15 Evidence of effectiveness is shared</i>)	Number of regional and global cooperation or agreements or commitments announced or strengthened	<i>Global results framework Outcome indicator 4.1</i>
OUTPUT 1: Inclusive policy, strategies, plans and regulatory frameworks (national, sectoral or sub-national) in place to support	Number of countries with inclusive policies/strategies/plans/regulatory frameworks developed and/or implemented (at national, sectoral or sub-national level)	<i>Global results framework Outcome indicator 1.1.1.</i>

NDC implementation and drive green recovery (GRF 1.1)	Number of countries which have developed NDC implementation plans and/or NAP that establish linkages with the green recovery strategies, SDGs, and/or other international agendas	<i>Global results framework Outcome indicator 1.1.2.</i>
OUTPUT 2: Institutional capacities and whole-of-government coordination mechanisms at all levels strengthened to support effective, gender-responsive and inclusive NDC implementation processes (GRF 1.2)	Number of countries with horizontal and vertical coordination mechanisms strengthened/established to support whole-of-government climate action, including those that are gender-responsive	<i>Global results framework Outcome indicator 1.2.1</i>
	Number of countries, where institutional capacities for NDC-implementation have been strengthened, including on gender-responsive approaches	<i>Global results framework Outcome indicator 1.2.2.</i>
OUTPUT 3: Inclusive and gender-responsive financing strategies, plans or investment frameworks developed to define and mobilise diverse sources of finance (international/domestic public/private sector) to support implementation of NDC actions and drive green recovery across key sectors (GRF 1.3)	Number of countries which have established climate finance strategies/plans, including those that linked to Integrated National Financing Framework (INFF), development plans and/or green recovery strategies, and those that are gender-responsive	<i>Global results framework Outcome indicator 1.3.1</i>
	Number of countries that have developed and/or strengthened policy or regulatory measures that are conducive to the mobilization of private capital for NDC implementation	<i>Global results framework Outcome indicator 1.3.3.</i>
OUTPUT 4: Data and transparency systems and processes for the Enhanced Transparency Framework established or strengthened to measure the achievement of NDC targets (GRF 1.4)	Number of countries with strengthened or established MRV/M&E institutional capacities, processes or systems (for mitigation, adaptation or finance), including those that are gender responsive	<i>Global results framework Outcome indicator 1.4.1</i>
OUTPUT 5: Strategies, political will and resources for long-term net-zero, climate resilient pathways are established or strengthened, including those with just transition measures (GRF 2.2)	ICF TA KPI4: Number of increased or improved climate policy development or implementation supported	ICF TA CF TA KPI4 Methodology
	Number of countries that integrate long-term strategies/goals into national, sectoral, or sub-sectoral development plans/strategies/policies	<i>Global results framework Outcome indicator 2.2.2</i>
OUTPUT 6: National stakeholder engagement processes established or strengthened to empower key actors, including vulnerable groups (e.g. indigenous peoples), in participating and leading NDC implementation processes and long-term climate action (GRF 3.1)	Number of countries, where women, girls, youth and/or vulnerable groups (incl. indigenous peoples) are represented in decision-making and leadership in NDC implementation mechanisms and processes	<i>Global results framework Outcome indicator 3.1.1</i>
	Number of supported countries which report strengthened capacities to integrate gender equality in NDC implementation	<i>Global results framework Outcome indicator 3.1.3.</i>
OUTPUT 7: Innovative engagement mechanisms are leveraged, developed and/or scaled and institutionalized to promote social mobilization, including PCV/Mission 1.5 (GRF 3.2)	Number of countries, where mechanisms and initiatives have been developed and/or scaled to promote social mobilization for NDC implementation	<i>Global results framework Outcome indicator 3.2.1</i>

OUTPUT 8: Enhanced knowledge exchange and partnerships through global and regional forums/mechanisms (GRF 4.1)	Number of peer-to-peer exchanges carried out, established or strengthened at regional and global level	<i>Global results framework Outcome indicator 4.1.1.</i>
	Number of knowledge products generated and disseminated	<i>Global results framework Outcome indicator 4.1.2.</i>