

NDC Assist II - Strengthening the financing and implementation of Nationally Determined Contributions

The challenge

Climate change is one of the greatest challenges of our time. By adopting the Paris Agreement in 2015, almost all the countries in the world committed to acting together for the first time. Their aim is to limit global warming to well below 2 °C, if possible, to 1.5 °C, and to adapt to the effects of climate change. To this end, the parties have pledged to develop their own Nationally Determined Contributions (NDCs), implement them and progressively make them more ambitious. The Paris Agreement also aims to align public and private financial flows with low-emission and climate-resilient development.

To support developing countries and emerging economies in achieving their climate goals in line with the Sustainable Development Goals of the 2030 Agenda, the German Federal Ministry for Economic Cooperation and Development (BMZ) and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), together with other partners, launched the global NDC Partnership (NDPCP) in 2016.

Since then, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH supported selected members of the NDC Partnership in their efforts to implement their NDCs and to make them more ambitious. In Kenya, key processes such as the development of the National Climate Change Action Plan (NCCAP) and the elaboration of more ambitious NDCs were accompanied. At the same time, GIZ supported island states particularly threatened by climate change by establishing a regional NDC hub in the Pacific region ("Regional Pacific Hub"). In the Eastern Caribbean, the implementation of a regional NDC finance initiative ("Caribbean NDC Finance Initiative") is being supported to mobilize investments in resilient and climate-friendly infrastructure projects.

Project name	NDC Assist II
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ), co-financed by MFAT and DFAT
Project regions	Global, with country activities (Albania, Burkina Faso, Indonesia, Kenya, Nigeria) and regional activities (Pacific NDC Hub, Caribbean NDC Finance Initiative)
Partners	Ministries of finance and/or environment, OECS Commission, Pacific Community, CRAFT
Duration	01.01.2017 – 31.12.2020 (NDC Assist I) 01.01.2021 – 31.12.2023

Our approach

NDC Assist II supports selected member countries and actors of the NDC Partnership in financing and implementing their NDCs in a gender-inclusive manner. To this end, the project provides technical assistance and strategic advice on NDC financing and implementation strategies and on integrating climate aspects into economic stimulus programs.

Furthermore, the project strengthens the capacity of private sector actors to finance and implement the adaptation goals of NDCs. Small and medium-sized enterprises (SMEs) that offer adaptation-relevant technologies or services receive tailored support to scale up their business models.

Impact Investors receive support to identify and expand business opportunities for climate change adaptation. At the same time, the project will cooperate with the private equity fund CRAFT (Climate Resilience and Adaptation Finance & Technology Transfer Facility) of the Lightsmith Group.

Another focus is on disseminating knowledge from collaboration in the NDC Partnership and with the private sector, using among others existing formats of the NDC Partnership. The focus is on peer-to-peer learning measures to share country experiences and make successful approaches to NDC financing and implementation accessible to as many NDCP member countries as possible. The issue of gender equality, particularly regarding gender-sensitive financing and incentive instruments, plays a central role in the transfer of learning experiences at the international level.

Against the backdrop of the global COVID19 pandemic, NDC Assist II is engaged in linking economic stimulus processes with environmental and climate protection according to the concept of "green recovery" with the aim of harmonizing climate and economic policy objectives. In addition, the project will advise individual partner countries on the design of "green" economic stimulus measures to counter the economic damage caused by the COVID-19 pandemic.

The project's partners include the Ministries of Finance and/or Environment in Albania, Burkina Faso, Indonesia, Nigeria and Kenya, as well as regional organizations in the Caribbean and Pacific and the private equity fund CRAFT. In the Pacific region, the project receives additional funding from the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and the Australian Department of Foreign Affairs and Trade (DFAT).

The benefits of the project

The project will contribute to the strengthening of the capacities of member countries and actors of the global NDC Partnership and the private sector to finance and implement NDCs, while considering gender-sensitive aspects.

The targeted promotion and up-scaling of adaptation-relevant business models will contribute to the mobilization of private finance for meeting the adaptation goals of the respective NDCs. Through this, the countries reached by the project's country-level, regional or global activities will be better positioned to meet their NDCs. This in turn contributes to the achievement of the Paris Agreement and of the UN Sustainable Development Goal (SDG) 13.

The NDC Partnership

The NDC-P is a global alliance that supports developing countries and emerging economies in achieving their climate goals in line with the Sustainable Development Goals of the 2030 Agenda.

The NDCP addresses three levels:

1. Technical assistance
2. Helping countries to access funding
3. Practical knowledge

More information: <http://www.ndcpartnership.org/>

Examples of country and regional activities

The NDC Finance Initiative for the Caribbean (NDCFI), jointly launched by the OECS Commission and the Government of Saint Lucia, offers OECS member states a platform for capacity-building and collaboration on climate action and enhanced access to finance for NDC implementation. NDC Assist has supported the NDCFI since its launch in 2017 and will continue this cooperation with a view to further strengthen the NDCFI as a regional Hub for climate leadership and NDC financing in the Caribbean. New focus areas of the support include green recovery, private sector engagement and gender sensitive NDC implementation.

In **Kenya**, NDC Assist II will support the concept development of sector-specific incentives for NDC implementation as well as stakeholder processes for the introduction of such incentives. The activities will be closely aligned with Kenya's interministerial Task Force which was established to develop a national policy framework on green fiscal incentives.

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