NDC CONVERSION OVERVIEW

Leila Yim Surratt
Chief Operating Officer
CCAP

November 30, 2016
5th MAIN Asia Dialogue
Da Nang, Vietnam
AGENDA

- Why convert NDCs
- Back to Paris – NDC conversion as part of the UNFCCC and GCF cycles
- What is a “converted” NDC
- Review what NDC conversion entails
- NDC investment strategy
- Capacity development needs
For NDCs to achieve real impacts, they must be converted into policies, measures, and financeable investment strategies.
WHY CONVERT AN NDC?

- Promote ambition
- Achieve synergy – mitigation, resiliency and development
- Optimize use of domestic resources
- Attract private sector investment
- Make proposals more attractive to funders
NDC CONVERSION AND INCREASED UNFCCC AMBITION

- Ongoing domestic policy planning process that is critical to achieving global goals
- Each step of the cycle is repeated every 5 years as defined in Paris Agreement
THE GCF FUNDING CYCLE AND NDC CONVERSION

- The successful conversion of NDCs will deliver strong proposals to funders, including the GCF.
- Strong, programmatic proposals can accelerate financing and make the case for additional replenishments.

Strong proposals based on NDCs

GCF finance achieves results

Mobilization of private finance and justification for further replenishments
HOW IS AN NDC CONVERTED?: OVERVIEW

National circumstances and political priorities

Context & priorities
- Intended target
- SD Goals
- Financing situation

Sectoral objectives
- Qualitative goals
- Infrastructure needs

Analysis of options and trade-offs

Identify options

Costs + benefits (GHG+SD)

Policy tools? Mandates?

Public finance outlays?

Converted INDC

Target
- Formally confirmed

Policies and measures
- Sector-specific
- Cross-cutting

Public finance interventions
- Fiscal outlays
- Public finance institutions

Investment strategy
- Basis for seeking support and targeting private finance
A converted NDC is a comprehensive national plan to achieve the NDC target, achieved through a national policy-making process.

**Target**
- Formally confirmed

**Policies and measures**
- Sector-specific
- Cross-cutting

**Public fin. interventions**
- Fiscal outlays
- Public finance institutions

**Investment strategy**
- Basis for seeking support and targeting private finance
CAN NDCS ATTRACT FINANCE?

• Roughly half of the 39 NDCs CCAP studied estimate total investment costs
  – One fifth provide full costs by sector & specific measure
  – 14% present an overall financial request
• Don’t fully reflect factors that will inform funding
  – Cost, availability of domestic finance
  – Info on costs and gaps relevant to programs
  – How a country will use its domestic resources
  – Basis for requesting support
• Publishing an “NDC investment” or “National Climate Finance” strategy can provide this info
### POTENTIAL ELEMENTS OF AN NDC INVESTMENT STRATEGY

<table>
<thead>
<tr>
<th>Question</th>
<th>Key Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the overall picture for climate investment in the country?</td>
<td>Availability of financing, Capacity of financial sector, Key economy-wide barriers</td>
</tr>
<tr>
<td>What investment/financial intervention is needed to meet INDC goals?</td>
<td>Financial flows to be transformed, Infrastructure needs, Estimation of costs, Program-level gaps</td>
</tr>
<tr>
<td>What unilateral means will the country use to mobilize financing?</td>
<td>Policy and regulatory actions, Role of public expenditure and public finance institutions, How private finance will be mobilized</td>
</tr>
<tr>
<td>What is the strategic basis for requesting international support?</td>
<td>How will support drive increased ambition, Rationale for types of financing needed, Sources targeted, Specific program proposals to be pursued</td>
</tr>
</tbody>
</table>
WIDE RANGE OF NDC IMPLEMENTATION PLANNING STATUS

SUPPORTING PLANS AND STRATEGIES

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Number of Countries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>National CC Plan</td>
<td>41 (71%)</td>
<td></td>
</tr>
<tr>
<td>NAP</td>
<td>27 (47%)</td>
<td></td>
</tr>
<tr>
<td>LEDS</td>
<td>23 (40%)</td>
<td></td>
</tr>
<tr>
<td>Sectoral Mitigation Plan</td>
<td>20 (34%)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>28 (48%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: UNDP, April 2016
MANY COUNTRIES HAVE IDENTIFIED KEY CAPACITY NEEDS FOR NDC CONVERSION

Source: UNDP, April 2016

**("EXTREMELY RELEVANT AND "VERY RELEVANT" AS % OF RESPONSES")**

<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Extremely Relevant</th>
<th>Very Relevant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilizing Resources</td>
<td>77%</td>
<td>14%</td>
</tr>
<tr>
<td>Developing Implementation Plan</td>
<td>67%</td>
<td>23%</td>
</tr>
<tr>
<td>Developing Monitoring System</td>
<td>62%</td>
<td>21%</td>
</tr>
<tr>
<td>Building Institutional Structures</td>
<td>61%</td>
<td>27%</td>
</tr>
<tr>
<td>Estimating Implementation Costs</td>
<td>59%</td>
<td>27%</td>
</tr>
<tr>
<td>Building Awareness/Ownership</td>
<td>59%</td>
<td>30%</td>
</tr>
<tr>
<td>Assess Sustainable Devt. Impacts</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>Revisiting INDC Based on PA</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>Incorporating Gender</td>
<td>15%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Percentage of Respondents (N= 65)
Cảm ơn bạn
Thank you

For more information, please visit us at www.ccap.org.