PROGRESS OF NDC IMPLEMENTATION IN ASIA-PACIFIC:

METHODOLOGICAL FRAMEWORK AND PRELIMINARY FINDINGS

Environment and Development Technical Paper
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OBJECTIVE OF THIS RESEARCH

The Asia-Pacific region is in a critical stage of its development, being the industrial and food production powerhouse of the world for a decade. Accelerated economic growth has brought remarkable social benefits of considerable proportion for the region’s poor, however, those achievements are on the backbone of the fragile regional ecosystems’ health. The impacts of the increasing climate crisis arising from growing climate risks including slow and first onset risks and disasters require decisive climate action for accelerating the efficiency and decarbonization of the regional economies.

This research aims to review and analyse the state of implementation and ambition of the Nationally Determined Contributions (NDCs) across Asia and the Pacific region to deal with this existential crisis. For this purpose, a joint research team from ESCAP, UNEP and the greenwerk has developed an assessment framework to assess enabling factors that can help countries in enhancing the ambition of their climate action and pledges.

This paper provides an overview of the methodological framework and preliminary findings of the assessment of the readiness for implementation of the NDCs in Asia and the Pacific region, ahead of the release of the full publication in 2021.
THE NEED FOR ENHANCED CLIMATE ACTION IN ASIA-PACIFIC

Countries in Asia and the Pacific urgently need to speed up climate action. Despite greenhouse gas (GHG) emissions temporarily stalling due to COVID-19 lockdowns in the first half of 2020, cumulative emissions in Asia-Pacific are just below 35 GtCO₂. These projected emissions are almost equal to the record of 36.7 GtCO₂ that was reached in 2019. The UNEP Emissions Gap Report 2019 showed that the required global GHG emission reductions from 2020 to 2030 to limit global warming at 1.5°C are 7.6 per cent per year, or 29-32 GtCO₂, equivalent to the cumulative emissions of the six biggest world emitters.

In general, GHG emissions are projected to grow to 50 GtCO₂ in 2060, revealing that the NDC commitments of the countries in the Asia-Pacific region fall short of keeping the global temperature rise below 1.5°C or the available global climate budget of 400 GtCO₂, aligned with net-zero emissions in 2050 (see Figure 1).

Even when it comes to overall ambitions in the future and while nine countries (Bhutan, China, Fiji, Japan, Marshall Islands, New Zealand, Singapore, Republic of Korea) from Asia and the Pacific region have announced their carbon neutrality target by 2050, and China by 2060 or before, as shown in the map below, there are still 41 other countries in the region that have yet to consider or make such pledges. At this critical juncture it is equally important to firmly commit to implementing those pledges as well as to raise the level of ambition of all other countries in the region for decisive climate action.

Figure 1. Asia-Pacific comparison of historical GHG emissions to GDP per capita and NDC pledges for GHG emission reduction

Source: ESCAP
Indeed, further and more significant efforts to set up strategies and plans, initiate institutional and regulatory frameworks, engage with stakeholders and develop expertise and capacity for enhancing domestic climate policy are thus urgently required. An important possibility are the ongoing and forthcoming reviews of NDCs, specifically in critical sectors (Figure 3).

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Figure 2. Map of Asia-Pacific countries committed to carbon neutrality

Source: ESCAP

Figure 3. Priority sectors for mitigation in NDCs from ESCAP member countries

Source: ESCAP
Realising the full potential of climate action in the Asia-Pacific region would have a significant impact on the reductions of global GHG emissions. G20 countries in Asia and the Pacific Region is responsible for about 58 per cent of GHG emission of which more than 43 per cent are from three developing countries. An important driver in this regard is the multilateral climate policy regime under the United Nations Framework Convention on Climate Change (UNFCCC). Here, the Paris Agreement marks the most relevant milestone of multilateral climate policy of the last 20 years and is at the core of international climate policy for the decade ahead. In response to historical challenges concerning compliance with multilateral climate policy agreements, the Paris Agreement is characterized by a high degree of flexibility through its approach of NDCs, paired with a so-called ambition raising mechanism. The NDCs provide countries with the opportunity to communicate nationally defined climate targets in the areas of mitigation, adaptation and other (e.g. increasing the share of renewable energies in the local energy mix), accompanied with information on suggested measures and local processes for defining, implementing and evaluating these actions. While the initial round of NDCs has been submitted over the course of 2016, the first updates are due to the first quarte of 2021 because due to the COVID-19. The ambition raising approach foresees that countries communicate updated NDCs every five years, with each updated NDC aiming to be more ambitious (Figure 4).

Figure 4. Paris Agreement ambition raising process through frequent NDC revisions

Source: the greenwerk
NDCs IN ASIA-PACIFIC: LEVEL OF AMBITION, STATE OF IMPLEMENTATION

In terms of climate ambition, the existing NDCs in the region take a first step in the direction of the fundamental economy-wide objectives and approach of the Paris Agreement, and many NDCs already comprise of a multi-sectoral commitment.

Research undertaken for this publication reveals that 51 countries from the region have submitted intended NDCs (INDCs) which have evolved into NDCs. Of 103 countries that expressed interest to submit ambitious and enhancing climate action in NDCs, only 20 were Asia-Pacific member States. By September 26 October 2020, 14 countries have submitted revised 2020 NDCs, representing 3.8 per cent of the global GHG emissions, and only seven of those are from Asia and the Pacific (see Figure 5).

As stated above, the first assessments of climate ambition of these NDCs outline that current measures are not sufficient to attain temperature target of the Paris Agreement in Asia and the Pacific.

At the same time, countries have started to engage in implementing their NDCs and the respective climate action at domestic level through mainstreaming climate activities into national development plans, policies, strategies and roadmaps, creation of an institutional framework, mobilization of required resources as well as elaboration of transparency measures for monitoring and evaluating the effects of their climate action. Naturally, individual countries are in different stages of the implementation process, with some being at a nascent stage, and others being more advanced. Moving forward with NDC implementation over the next decade, it will be important to better understand the various factors that enable effectiveness and high impact of their respective climate action, indicating readiness to raise the ambition of the NDC updates that are being initiated in 2020-2021. Among those factors, market mechanisms are an important driver for implementing conditional targets of NDC and for increasing the readiness for raising ambition in the NDC updates.

Figure 5. ESCAP member States NDC submission

Source: ESCAP
An interesting question is to what degree the COVID-19 pandemic has or has not influenced Asia and the Pacific countries’ abilities to implement their NDCs. Since the outbreak of COVID-19 in early 2020, ESCAP has been monitoring the responses of Asia and the Pacific governments to COVID-19 - in terms of increasing health expenditure, movement restrictions, as well as socio-economic support measures to protect businesses and citizens from “direct” impacts of movement restrictions and “indirect” impacts of economic closure outside of the region. ESCAP has also conducted analysis of whether and how these measures overlap with Asia and the Pacific NDCs, as a tool to assess the movement towards a “green recovery” in the region.

The analysis reveals some good news, including the fact that since the COVID-19 crisis Asia and the Pacific countries have introduced over 120 new “green recovery” measures in six different sectors, 4 per cent of which were not previously in the NDCs. Unsurprisingly, most new measures are addressing disaster risk management (DRM). However, the analysis also reveals that only 19 of the Asia and the Pacific countries have introduced one or fewer “green recovery” policies, while over 90 countries focused on recovery policies, which have relevance to “green recovery” and are already incorporated within their NDCs, and just need to be recognized as such at the national level.

Overall, the analysis suggests that the Asia and Pacific countries fall into four categories when it comes to this question of “green recovery”, as described in Figure 6.

Figure 6. Four categories of Asia Pacific countries’ “green recovery” from COVID-19

Source: ESCAP
For some of the Asia and Pacific countries, the fact that they have implemented new COVID-19 policies fairly decisively, but did not yet have NDC-related sectoral policies indicates that their governments or citizens may lack understanding of the urgency and for raising the ambition of climate action. For others, the fact that they have NDC policies that could be used as COVID-19 response measures but have not been implemented yet, indicates that these policies are not yet mainstreamed or have not been discuss in detail with the leads of the sectors and with strategic planning offices. Finally, the category of countries that have not implemented COVID-19 policies nor NDC policies in the sectors indicates a lack of financing or governmental capacity, issues which are also reflected in this paper.

The alignment of green, pro-poor and COVID-19 recovery policies is urgently needed, even from a financial perspective. For the majority of Asia and the Pacific countries that have costed their climate actions, the financial resources required to address climate change will be significantly higher than the financial resources allocated to the COVID-19 response. Many do not have financial reserves to spend on both COVID-19 and climate actions later. Thus, every effort must be made to urgently “build forward” now and find the “no-regrets” overlaps through policy actions that constitute an effective response to both COVID-19 and climate action.

The sections following now examine in more in-depth the underlying reasons behind the performance of Asia and the Pacific countries in terms of NDC implementation, before and post-COVID-19, and provide recommendations for the way forward.
CHAPTER 2
ASSESSING NDC IMPLEMENTATION

This paper presents a preview of a methodological framework developed to identify the readiness of countries in the Asia-Pacific region to implement current NDCs and for increasing the readiness for raising ambition in the NDC reviews for 2020-2021. The methodology is anchored on four enabling factors/categories, which when analysed individually and together provide an objective basis to estimate the readiness of developing countries in the Asia-Pacific region to implement their current NDCs and initiate more ambitious, far reaching pledges in the next five years (2021-2025) for an accelerated implementation of the Paris Agreement.

The “theory of change” behind this assessment is shown in Figure 7, which visualises the factors/categories, their relationship and interlinkages to the intended long-term outcome, which is to generate ambitious and impactful climate change action.

The rationale for the four enabling factors and the proxies used to measure them in this report are described in more detail below. For all categories a rating ranging from 0 to 3 was established. The individual scores were then summed to one cumulative index, which provided the basis for categorising the countries as:

• nascent: when scored between 0 to 0.5
• engaged: when scored between 0.6 and 1.5
• capable: when scored between 1.5 and 2; and
• effective: when scored between 2.1 and 3
Figure 7. A theory of change for four “enabling factors” for NDC implementation

THEORY OF CHANGE -
FROM ENABLING FACTORS TO AMBITIOUS CLIMATE ACTION

IDENTIFY FOUR (REINFORCING) ENABLING FACTORS

1. Mainstreaming of climate change into policy
2. Coordination Mechanisms
3. Allocation of Financial Resources
4. Monitoring capacity

ARE CERTAIN ACTIONS TO MANAGE CLIMATE POLICY BEING TAKEN?

1. Climate change legal framework
   - Stand-alone climate change ministry or coordinating ministry
   - Sectoral ministries assign climate change leads
   - Sub-national/municipal institutions assign climate change leads/coordinate

2. Integration of climate change into Sustainable development plans

3. Climate/relevant funds/budget lines
   - Budget appropriation process includes climate change/relevant issues
   - Policy framework for private sector climate action
   - Policy framework for climate-friendly financial sector lending

4. GHG inventories or other tracking reports complete and publicly available
   - Monitoring and reporting tools/platforms in place
   - Climate finance budget markers in place

THE MORE ACTIONS ARE IN PLACE, THE MORE LIKELY NDCS WILL BE IMPLEMENTED

OUTCOMES

- Better implemented NDCs enables higher ambition NDCs

IMPACT

- Higher ambition NDCs deliver more climate action
ENABLING FACTOR 1.
MAINSTREAMING OF CLIMATE CHANGE INTO NATIONAL DEVELOPMENT POLICIES

Mainstreaming NDC actions into national development plans, policies, strategies, and roadmaps is critical to prioritize GHG emissions reductions. If key policymakers and decision-makers are not aware of the country’s own climate change commitments, NDCs cannot successfully be implemented. This mainstreaming process can be accelerated, for instance by creating a legal framework for climate change action - such that action is mandatory or mandatory for certain sectors (e.g. energy). It can also be accelerated by anchoring top envisaged climate actions expressed in NDCs into the country’s development agenda, giving them the same or more priority as other developmental actions. Similarly, mainstreaming into budgets can be achieved by creating and financing dedicated funds for climate change action or certain sectors (e.g. renewable energy or low-carbon cities).

The sub-categories that have therefore been identified and included in this round of assessment in the category comprise:

- Anchoring NDCs in a domestic legal framework
- Integration of climate change actions in national long-term sustainable development strategies and long-term strategies for various sectors; and
- Integration of NDCs actions into budgetary allocation processes

However, some of these are not directly measurable. Specific and proxy indicators developed to make the assessment for national mainstreaming were:

- Whether or not countries have adopted climate change laws and how long those laws have been in place or have been enforced. In addition, some countries have a variety of sector specific laws that have a close match to NDCs
- Clear Identification of climate change action within national development plans, including adoption of low carbon technologies
- Existence of one or more climate change funds or relevant sectoral funds (e.g. renewable energy, low-carbon cities, etc), with significant budget allocated
ENABLING FACTOR 2.
NATIONAL COORDINATION

Having channels of consultation with various stakeholders, especially other ministries within the government, as well as a clear high-political support from the Head of State or Prime Minister level with a direct line of reporting from the specific climate change ministry or department is critical for further advancing the climate action agenda. Establishing a coordination mechanism for consultation and engagement of sectoral ministries and subnational authorities in the NDC review and update is key to delivering NDCs as well as ramping up ambition according to local situation and conditions. It is the steppingstone to ensuring a wider ownership and accountability for actions within the government and public administration - not just the responsibility of the ministry or department in charge of climate change matters.

Also, this aspect is key to ensuring that policy-making institutions have a basis for coordination with the stakeholders, and can be further expanded to include financial institutions with central and development banks, and economic boards among the priority list, as well as private sector representatives, industry associations, scientific community, and locally active civil society groups.

This assessment assumes that enhancing the horizontal and vertical integration of the NDCs and climate action in combination with higher-level political support and wider stakeholder engagement is the most optimal option. The sub-categories that have therefore been identified and included in this round of assessment comprise:

- A clear designation of the ministry in charge of coordinating the NDCs and its mandates plus mechanisms for coordination
- Existing inter-ministerial working groups engaging sectoral ministries coordinated by the ministry responsible for climate action
- Coordination with sub-national and local governmental institutions.

However, some of these are not directly measurable. Specific and proxy indicators were developed to allow the assessment for national coordination were:

- Whether or not the NDCs or other relevant country planning documents provide a clear structure for national coordination with high-level political leadership, e.g. heads of state/prime minister level on the lead
- Whether or not NDCs or other relevant country planning documents include information about climate change focal points in non-climate ministries, e.g. ministries of agriculture/forestry, energy, industry, local government
- Whether or not NDCs or other relevant country planning documents provide a clear structure or plan for sub-national coordination/engagement.
ENABLING FACTOR 3. CLIMATE FINANCE AND INVESTMENTS

Experience has evidenced that implementation of most, if not all climate change actions and commitments, and therefore further higher ambition would not be possible without national financial appropriations for sectoral and local climate action. Some countries, in their INDCs and NDCs have indicated that they will have “unconditional goals” which will be fully supported by national financial resources, and others have “conditional goals” meaning they require extra grants or loans from other countries to deliver, as well as market mechanism to support implementation of conditional part of NDC. However, this enabling factor examines a different question. The enabling factor assessment here explores whether there is a framework for developing appropriate allocations in annual sectoral budgets; for example, for supporting renewable energy development (energy sector), or for enhancing energy efficiency (industrial sector). Beyond this, the assessment also explores whether countries are establishing mechanisms to engage and mobilise support from the private sector, from central banks, as well as commercial and development banks for concessional lending for GHG emissions reduction activities planned in the NDCs.

Thus, this assessment assumes that the better the national appropriations of funds, and wider engagement with the private sector, the better are the chances for implementing NDCs and raising ambition in their updates. It also assumes that the more concrete the budgetary planning, the higher are the opportunities for countries to gain access to new climate financing from multilateral and bilateral donors.

The sub-categories that have therefore been identified and included in this round of assessment for this enabling factor include:

- Integration of NDC actions in domestic budget appropriation processes
- Policy framework for aligning private sector investment with NDC actions
- Policy framework for aligning financial sector lending with NDCs.

However, as with the previous enabling factors, some of these subcategories are not directly measurable. Specific and proxy indicators were therefore developed to assess whether government budgets and other resources are being dedicated to the climate change problem. These were:

- Whether or not NDCs or other relevant country documents, e.g. biennial update reports provide clear information on climate change budget appropriation
- Whether or not the NDC (or other relevant planning documents) indicate that the country has a framework and strategy for nudging the a) private and b) financial sector to take climate change actions.
ENABLING FACTOR 4.
MONITORING AND REVIEW OF NDC IMPLEMENTATION

Monitoring, reporting, and evaluation is central to NDC implementation. It is not possible to act on climate change if results (e.g. emissions reductions) are not measured or well understood. Policy instruments cannot be assessed for their effectiveness/value for money if their impact is not being monitored.

The Paris Agreement has provided the framework for reporting on GHG inventories as well as NDC implementation under the Enhanced Transparency Framework (ETF). This has been further elaborated under the Paris rule book. Countries are expected to provide their first Biennial Technical Reports (BTRs) by 2024, which will include progress on NDC implementation and GHG inventories in an accurate and transparent manner.

Sub-categories for the assessment of the monitoring and review readiness comprise:

- Capacities to collect and analyse data for GHG inventory preparation and climate action reporting
- Institutional arrangements for monitoring and reporting NDC actions by sectors and GHG inventories
- The creation and use of monitoring systems for tracking national climate finance allocations

Again, as with the previous enabling factors, some of these subcategories are not directly measurable. Specific and proxy indicators were therefore developed to assess just how well are countries monitoring. These were:

- Whether or not countries are part of/accessing the Capacity Building Initiative for Transparency (CBIT) to strengthen the Enhanced Transparency Framework (ETF)
- How many biennial update reports (BURs) the country has submitted (ideally submitted every 2 years)?
- How many National Communications (NCs) the country has submitted?

While all these “proxy” indicators applied for assessing the enabling factors do not necessarily provide accurate data, they reveal important evidence for the efforts that countries are making to improve their climate readiness. The assessment is initially focusing on developing countries in the region, and leaves the “developed countries” (Annex I countries) out of the analysis, as those are already advanced in mainstreaming NDC implementation, institutional arrangements, resource availability and transparency approaches, which were oftentimes elaborated already in the context of Kyoto Protocol under the UNFCCC.
The assessment of progress on NDC implementation allows reflecting two different dimensions. First, the study focuses on analysing how far a country has developed the four enabling factors and provides a summary of the preliminary findings on the readiness of countries in the Asia-Pacific region to implement and raise the ambition with the planned 2020-2021 NDC reviews, with comparisons at the regional and subregional levels. A snapshot of related national experiences from several countries (Fiji, Viet Nam, Mongolia, Bangladesh, and Georgia) provides substantive highlights of practical approaches to improve readiness in each category. Second, the study focuses on analysing whether the status of each country in each enabling factor is correlated with other external factors, and what this might mean for further action and related support required.

These two parts of the assessment are described in more detail in the sections that follow.
ASSESSMENT DIMENSION 1: HOW ENABLED/READY ARE COUNTRIES TO IMPLEMENT AND RAISE THE AMBITION OF THEIR NDCS?

HOW WELL ARE CLIMATE/ NDCS MAINSTREAMED IN NATIONAL LEGAL AND DEVELOPMENT FRAMEWORKS?

The assessment in this category reveals that 38 out of 44 developing countries in the region have specific climate change related laws in place for over 3 years or legal provisions supporting NDCs and climate actions. Only 9 of those countries have climate laws that either include NDC and/or carbon targets or define legally binding carbon targets at the national level. A good fraction of 33 countries have a national development plan in place that includes specific climate and adaptation actions, which partially or fully support NDC activities.

The Figure 8 below provides a regional and a subregional level summary of the assessment of readiness based on the level of mainstreaming of national climate and NDC in national development frameworks. Almost 20 per cent of the countries are at the very beginning stages and are still finding their way of mainstreaming NDCs into national legal and development frameworks. Over 50 per cent of the countries have some basic measures in place to mainstream NDCs, either in terms of a climate change law combined with a sustainable development strategy/plan/roadmap, which refer to SDG 13 on Climate Action. Less than 25 per cent of the countries are substantially prepared and capable to initiate NDC implementation and have a good basis for a more ambitious NDC review. No developing countries in the region...
have demonstrated the level of effective readiness on mainstreaming of NDCs.

Overall, the East and North-East Asia and the South-East Asia subregions seem to have more advanced provisions and practices to support mainstreaming of the NDCs, while North and Central Asia, and the Pacific SIDS are lagging. It is also noted that there is not one country that is performing effectively.

From the earlier assessment it can be concluded that countries in the Asia-Pacific region have at least laid the foundations of national climate/NDC mainstreaming with many countries being rather engaged in this regard as presented in Figure 8.

**SPOTLIGHT ON FIJI: HIGHLIGHTS ON NATIONAL CLIMATE/ NDC MAINSTREAMING**

Overall, Fiji is moving very proactively in meeting its responsibility towards climate change. Despite being an island nation with neglectable GHG emissions in the global context, Fiji is eagerly seeking to reduce its GHG emissions and to embark on a low-carbon development pathway over the next decade. While there are challenges ahead, which Fiji will only be able to overcome with support from the international community, the country has made important experiences that can inform NDC implementation processes in other countries. Important success factors for NDC implementation from Fiji comprise:

**Leadership and visibility:** As presidency of the 2017 UNFCCC COP 23 Fiji underscored the needs of an island nation to cope with the threat of climate change to the eyes of the world. Although being hardly responsible for the global GHG emission levels, but being severely affected by climate change. The country is assuming a proactive role in climate matters, as it is not willing to wait for others to act. This approach makes Fiji visible, and hence Fiji is prominently represented in various climate related initiatives and has gained support from a number of international programs, including for further implementing its NDC.

**Climate change priority:** Climate change is a priority topic for the government of Fiji.

**Innovation:** The country has applied innovative financing instruments such as green bonds and the ECLA to mobilize domestic funding for addressing the NDC implementation.

**Regional coordination:** Fiji’s engagement in the Regional Pacific NDC Hub shows the relevance of coordination amongst countries. Particularly the similar geographical, economic, and social conditions of nations in the Pacific region are good circumstances to learn from each other in the field of NDC implementation.

**HOW WELL ARE NATIONAL INTEGRATION AND COORDINATION MECHANISMS SUPPORTING NDCS?**

With regards to the question of how well countries are coordinating domestically in order to advance NDCs - in terms of at the top levels of government, within sectoral
departments as well as at sub-national levels - the assessment reveals that 32 out of 44 developing countries in the region have a clear designated Ministry for leading on climate change as well as for coordination across government. Some of these countries also have climate change leads and other officials assigned within other ministries to support integration of climate change into their ministry’s or department’s work, while others involve technical experts from outside of government. Some of these coordination activities are also chaired at the Head of State or Prime Minister level. However, as Figure 9 below shows, around 25 per cent of the countries do lack these basic coordination mechanisms. In addition, coordination with local governments and other sub-national entities also seems to be lacking for most countries in the region. Evidence of such coordination was found for just 18 countries, meaning this was generally the worst performing aspect of all enabling conditions within this category.

Overall, as with mainstreaming of NDCs,
and as shown in Figure 9, South-East Asia seems most advanced in terms of internal coordination, while the Pacific SIDS lag behind. It is notable that there is not one country that is performing effectively. From the above assessment it seems that countries in the Asia-Pacific region are laying the foundations for coordination of NDC actions, but more can be done.

**HOW WELL ARE NATIONAL CLIMATE FINANCE AND RESOURCES MOBILIZED TO SUPPORT NDCS?**

To deliver on NDCs and national GHG emissions reduction pledges, setting aside government budgets and creating mechanisms in place to improve capacity for raising domestic and international financial resources dedicated to climate action is crucial. However, the analysis reveals that out of the four aspects of NDC enabling conditions, this is the aspect on which progress has been slowest. For instance, the assessment suggests that 26 countries in the region - well over half - have not taken any steps to integrate NDC actions in national budgetary appropriation processes. Furthermore, 29 countries have no relevant policy frameworks for aligning private sector actions with NDCs, while 22 do not have frameworks for aligning lending with NDCs. There is significant progress to be made in this area, shown clearly by the prevalence of “nascent” category countries in Figure 10.

However, as with the two previous categories, South-East Asia seems most advanced in terms of financial integration, and both the

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**SPOTLIGHT ON MONGOLIA: HIGHLIGHTS ON NATIONAL INTEGRATION AND COORDINATION**

Mongolia is one of the countries already going ahead in submitting and updated, more ambitious NDC. The reviewed mitigation component of its second NDC includes a GHG emissions reduction target of 22.7% for 2030 (14 per cent higher compared to the BAU scenario of 2015).[6] Details on how the country will achieve this target will be revealed, once the updated NDC is published but the UNFCCC Secretariat. Looking back on the past years of climate action in Mongolia, the following success factors can be identified:[7]

**Enabling environment:** Mongolia has been very active in creating an enabling environment to navigate public as well as private investments into a low-carbon direction. This is especially the case for the energy sector, which is guided by a specific policy on renewable energy.

**Finance:** The country succeeded in getting several projects by the Green Climate Fund (GCF) approved, which provided needed low-cost capital for low-carbon technologies as well as investment capital for an RE project.[8] These initiatives will not only deliver financial resources to climate projects in the country, but also take place in collaboration with the local financial sector, meaning that the capacity of local finance institutions in terms of green investments will also be strengthened.
SPOTLIGHT ON BANGLADESH:
HIGHLIGHTS ON NATIONAL CLIMATE FINANCE AND RESOURCES

Aspects with regards to Bangladesh’s NDC and its implementation that might inspire countries with comparable characteristics and that face similar challenges comprise for instance:

**Governance interlinking the NDC, NAP and SDGs:** As increasing resilience is of vital importance for Bangladesh, it integrated the NDC and NAP processes in a joint governance structure. As this structure is also strongly connected with other key national processes (e.g. Bangladesh Climate Change Strategy and Action Plan (BCCSA) and the current five-year plan), it also guarantees alignment with sustainable development and the SDGs. Furthermore, the structure of including various ministries and agencies in a steering committee might address the typical silo thinking many governments perceive in the context of climate change policymaking.

**Flexible, domestic financing landscape:** Bangladesh has a very focused financing approach, particularly for adaptation and disaster risk reduction activities with its two national trust funds. An element that might be interesting for replication is domestic financing of the Bangladesh Climate Trust Fund (BCCTF) through the national budget that emphasizes the national importance of the fund. To consider donor concerns, a second fund for blending different contributions might also represent an expedient solution for other countries. With the Infrastructure Development Company Limited for private sector activities and the Palli Karma-Sahayak Foundation specialized on public climate action, Bangladesh also created two direct access entities for the GCF that allow to source additional international climate finance.
Pacific SIDS and South and South-West Asian subregions lag behind the other subregions. Again, as with the two previous categories, it is notable that there is not one country that is performing effectively.

From the above assessment, and as shown in Figure 10, it seems that countries in the Asia-Pacific region are not yet laying the foundations for financial integration of NDC actions, and a great deal more must be done.

**HOW WELL ARE NATIONAL MECHANISMS FOR MONITORING AND REVIEW OF NDC DEVELOPED?**

As very few countries in the region have developed clear measuring, reporting and verification mechanisms, the assessment of readiness under this category used “proxy” indicators to assess the national capacities and systems used to monitor and report effectively. Outside of the region, Mexico, which has the best submission record of national communications (NCs) and biennial update reports (BURs). Measuring against that record, submission of 6 NCs and 3 BURs is set up as the highest level of readiness for the countries in the Asia-Pacific region. Against that benchmark, Singapore and the Republic of Korea have submitted the most number of NCs (4) and BURs (3), and in this category, Singapore earned the status “effective” rating, and this is the highest score in any category for the entire assessment. The South-East Asian and the East and North-East Asian subregions have the highest share of countries with a good base for establishing fully operational Enhanced Transparency Framework (ETF).

Overall, the initial assessment reveals that 35 countries need a significant effort to have a fully operational system to be able to effectively complying with the Enhanced Transparency Framework under the UNFCCC (ETF), a large part of these being in South-West Asia subregion and among the Pacific SIDS, as shown in Figure 11.
SPOTLIGHT ON GEORGIA: HIGHLIGHTS ON MONITORING AND REVIEW

Alongside its NDC update process, Georgia is currently developing its climate action plan, underlining its intention to pursue a comprehensive, multi-sectoral approach to climate action. While adaptation remains a priority for the country, also considering the impact of extreme weather events on important economic sectors like tourism, it also wants to go ahead in terms of reducing GHG emissions (e.g. transport). Important success factors for Georgia’s current NDC implementation include:

Local action: While Georgia also faces the challenge of successfully coordinating all stakeholders towards its climate targets, the local level in the country has already been going ahead in certain areas. For example, Tbilisi has set up the Sustainable Urban Transport Strategy targeting efficiencies in various transport modes, city liveability and economic development and designed a Green City Action Plan 2017-2030. This underlines the fact that cities can also be relevant actors on their own if there is not yet a comprehensive strategy on the national level.

Mainstreaming: Georgia is clearly showing initiative in establishing an enabling environment for an institutional framework for meeting its NDC targets. This includes, for instance, the integration of agriculture under the Ministry of Environment and the creation of an Environment and Climate Change Department to oversee the whole NDC process.

Collaboration with donors: As Georgia will also rely on international support to reach the goals of its NDC, the government set up a central Donor Coordination Unit, including six thematic working groups. This will help the country to build up its capacity in terms of climate change (e.g. adaptation planning) through coordinated access towards dedicated donor programs.

MRV: Submitted 3 Biennial Update Reports
SUBREGIONAL ANALYSIS:

The analysis below examines the results of this assessment at the subregional levels. The findings do suggest some key differences between the sub-regions and among the countries in each subregion. Overall, South-East Asia as well as East and North-East Asia have developed the necessary enabling conditions to accelerate their NDCs implementation and initiate ambitious NDCs reviews (see Figures 12 and 13).

Figure 12. Enabling Conditions Assessment for East and North-East Asia

![Figure 12](source: ESCAP)

Figure 13. Enabling Conditions Assessment for South-East Asia

![Figure 13](source: ESCAP)

Progress in South and South-West Asia and among the Pacific SIDS is quite mixed with very clear division between high achievers and those countries which are at a more nascent stage (see Figures 14 and 15).

Overall, the Pacific SIDS and the North and Central Asian subregion (see Figure 16) seem to be struggling the most.
Figure 14. Enabling Conditions Assessment for South and South-West Asia

Source: ESCAP

Figure 15. Enabling Conditions Assessment for Pacific SIDS

Source: ESCAP

Figure 16. Enabling Conditions Assessment for North and Central Asia

Source: ESCAP
ASSESSMENT DIMENSION 2: ARE COUNTRIES’ ENABLING FACTORS CORRELATED WITH OTHER EXTERNAL FACTORS?

Besides the issue of how far countries have advanced with their enabling conditions for implementation and ambitious review of the NDCs, one of the key questions that arises is whether there are other additional correlated factors that have influenced the distinctly different pattern of development of the enabling factors as well as implementation records for NDC in the countries and at the sub-regions. For instance, what explains or unites Viet Nam, India, or Indonesia in terms of their enabling factors assessment? Are there other explanatory variables that could further support progress in implementation? For instance, are countries with greater financial means (wealth, GDP, special funds) more likely to advance faster in developing their enabling factors and being ready for more ambitious NDCs review? Are countries with higher emission levels having less developed enabling factors and that is why finding it challenging to develop more ambitious NDCs?

A correlation analysis based on the aggregate assessments for the enabling factors described earlier (i.e. combining readiness level of regional countries based on existing legal and policy frameworks, coordination mechanisms and vertical integration processes, and financing frameworks) with additional influential variables such as GDP, GDP per capita, carbon emissions and carbon emissions per capita, and even the depth (e.g. percentage reduction) of pledges made against BAU by 2030 was explored within the framework of this study, however, with an unclear and inconclusive correlation, is shown on Figure 17.

For instance, of all the potential additional variables analysed, population appears to be the most influential. Yet, the R2 for the relationship between population and the aggregate Enabling Index scores is 0.197 - which means population only explains 20 per cent of the variation in the enabling scores - there are clearly many other factors aside from a country’s numbers of people that explain 80 per cent of the rest of the score, and it’s not a given that a country with a larger population size will create more enabling conditions. Similarly, a country’s wealth - GDP - seems to explain 18 per cent of the variation. However, GDP per capita appears to explain just 4 per cent of the variation. Absolute levels of CO2 emissions perform better - explaining 13 per cent of variation, while emissions per capita explains less than 2 per cent of the variation in enabling factors. While correlation does not mean causation, the analysis implies that countries with higher carbon emissions do find it somewhat easier to introduce new instruments and methodologies, either due to efficiencies of scale or greater public support if higher
carbon emissions are associated with other environmental problems (e.g. air quality). This, for instance, is almost certainly the case in China. However, the analysis also suggests a country’s carbon emissions level still do not appear to be of higher influence on policy making proving further there is still work to be done to further develop the enabling factors for raising the political, technical, financial and stakeholder support for climate action.

Finally, the assessment also explores the correlation or the relationship between the different scores within the aggregate Enabling Index. In doing so, the analysis seeks to shed light on whether, for instance, those countries that implement climate laws (i.e. higher score on mainstreaming) would also be able to develop good MRV tools.

Figure 17. The relationship between Population, GDP, CO2 and the enabling factors

Source: ESCAP
As shown in Figure 18, there is clearly a stronger correlation between certain types of enabling factors and others. For example, the analysis suggests that 30 per cent of those variations in MRV actions can be explained by whether countries have well developed climate and NDCs mainstreaming frameworks, including legal frameworks. Similarly, the analysis suggests that 54 per cent of the countries that have shown to have well-functioning national coordination mechanisms have also advanced on developing their national climate finance frameworks, and vice versa.

It can well be concluded that the enabling factors are interconnected and interdependent, mutually enforcing system and function cyclically as is well shown previously on Figure 7 earlier chapter. This suggests that once countries have put in place at least one or two enabling factors - or simply specialised in certain types of enabling factors such as MRV, or financial frameworks, other enabling conditions will evolve and develop faster.

Figure 18. The relationship between different enabling factors

Source: ESCAP
CHAPTER 4
CONCLUSION

A PATH THAT REQUIRES ACCELERATION

The assessment framework developed under this research aims to review and analyse the state of implementation and ambition of the NDCs in the Asia-Pacific region by assessing enabling factors that can help countries in enhancing the ambition of their climate action and pledges.

Overall, the research reveals that countries have started to engage in implementing their NDCs and enhancing climate action, however, to varying degrees. While a few countries are well advanced, many are still in the early stages of creating the enabling framework conditions for successful climate action.

When considering the level of national climate mainstreaming, it appears that countries in the Asia-Pacific region have at least laid the foundations for implementing their NDCs, with many countries being rather engaged in this regard. However, it is also clear that, while regulations in place are very important, compliance will require strong leadership for effective implementation. Also, a robust and functional institutional framework is essential in this respect. The analysis indicates that only 25 per cent of the countries in the region are advanced enough in this context. In addition, coordination with local governments and other sub-national entities is at a rather nascent stage with most of the countries in the region. In terms of transparency, it is clearly visible that the foundations for an advanced monitoring and review system, as required by the UNFCCC ETF, are not sufficiently in place. More than 75 per cent of the countries need a significant effort to have a fully operational system for effectively complying with the ETF, a large part of these being in South-West Asia and the Pacific region.

Climate action, including the mainstreaming and institutional set-up, as well as a robust transparency framework does require sufficient domestic and international financial resources and the respective frameworks. Here, the assessment shows the weak spot of NDC implementation readiness - less than 25 per cent of the countries have sufficient financial frameworks in place, while almost half of the countries are just in the early stages of elaborating the conditions of required resource mobilization for NDC implementation.
Thus, the findings generally underscore that most countries are lagging in terms of readiness for NDC implementation, with differences at sub-regional level as mentioned above. Supporting these countries in advancing their readiness across the four categories of mainstreaming, institutional arrangements, resource mobilization as well as monitoring and review of climate action is imperative for the region. Furthermore, any measures taken to address the impacts and threats of COVID-19 need to be assessed for their climate compatibility - most countries cannot afford to double spend on important development programs.

Concerning the methodological approach of the assessment, the limitations in data availability need to be accounted for by conducting further research and doing deep-dives on the country level for complementing and verifying information. In this regard, as countries move ahead in updating their NDCs in 2020/2021 and aligning their COVID-19 responses with climate action, also more information on the state of NDC implementation will become available. And while the analysis is based on accurate data and reveals interesting findings, there is a need to further refine the ratings in the subcategories and collect more relevant data. The comprehensive assessment based on the enabling factors framework will continue and the full report is planned to be completed and published in 2021.

Furthermore, as shown in the summary Figure 19, particular countries such as the Democratic People’s Republic of Korea, Turkmenistan, Kiribati, Marshall Islands, Nauru and Brunei have a considerable road ahead, and would require significant support from more advanced countries in their subregion and the international community, including the UN system to build forward. Other countries such as Singapore, India, China, Republic of Korea, Indonesia and Thailand have managed to develop solid enabling conditions that will help them to develop more ambitious NDC reviews and provide good example to other countries in their subregions.

This highlights that subregional and regional cooperation offers a good opportunity for equalising the level of the playing field and for enabling mutually supportive climate in true spirit of multilateral solidarity. The countries that are ahead of others in their subregions would benefit from sharing experience and supporting those who are lagging to catch up, since climate change and its impact do not know boundaries. A true acceleration of implementation of NDCs and ambitious NDC reviews can only be achieved in partnership with neighbouring countries, which are also having the same ambition.
Figure 19. Regional assessment and scoring of level of readiness of enabling factors to support NDCs

Source: ESCAP

Figure 20. Regional assessment and scoring of level of readiness of enabling factors to support NDCs

Source: ESCAP
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1 ESCAP, UNDP, ADB. 2020. Asia and the Pacific SDG Progress Report 2020
3 Ibid.
4 https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/
6 Four of the countries (Australia, Japan, New Zealand and Russia) are Annex I countries under the Convention and the remaining developing countries are categorized as Non-Annex I countries.
7 Except for Brunei Darussalam, which requested not to consider the INDC as a NDC
8 Georgia, Armenia, Mongolia, Afghanistan, Pakistan, Nepal, Bhutan, Bangladesh, Maldives, Sri Lanka, Lao PDR, Cambodia, Palau, PNG, Micronesia, Fiji, Solomon Islands, Kiribati, Nauru, Tuvalu
9 As registered in the UNFCCC registry by September 2020
10 Indonesia, Japan, New Zealand, Marshall Islands, Thailand, Singapore and Viet Nam
11 A report by the UNFCCC Secretariat finds that aggregate emission reductions communicated in the initial round of NDCs do not fall within the range of least-cost 2°C scenarios defined by the Intergovernmental Panel on Climate Change (IPCC). UNFCCC Secretariat 2016
12 This section builds on forthcoming ESCAP Policy Brief: Are Asia and the Pacific countries initiating “green recovery”? What can be done more?
13 The data to inform these three indicators was taken from: https://climate-laws.org as well as country documents such as Biennial Update Report (BURs) or National Communications submitted under the UNFCCC.
14 The data to inform these three indicators was taken from: https://climate-laws.org as well as country documents such as Biennial Update Report (BURs) or National Communications submitted under the UNFCCC.
15 The data to inform these three indicators was taken from: https://climate-laws.org as well as country documents such as Biennial Update Report (BURs) or National Communications submitted under the UNFCCC.
16 The data to inform these three indicators was taken from: https://climate-laws.org.
17 More elaborated NDC implementation profiles of selected countries are available in the full publication.