Ministry of Foreign Affairs – (Department for Green Diplomacy and Climate)

Meeting in the Council for Development Policy on 26 October 2023 Agenda Item No. 5

1. Overall purpose: For recommendations to the Minister for Development

Cooperation and Global Climate Policy

2. Title: Project document for Denmark's Support to the NDC

Partnership 2023-2030

3. Amount: DDK 70 million (2023-2030)

4. Presentation for Programme 27 June 2023

Committee:

5. Previous Danish support presented to UPR:

Denmark's Support to the NDC Partnership 2023-2030

Key results:

Developing countries including least developed countries (LDCs) and small island developing countries (SIDS) will have:

- results-based, equitable, inclusive Action Plans on nationally determined contributions (NDCs) in place, aligned with development and recovery plans, in a whole-of-government, whole-of-society approach.
- an improved enabling environment for climate finance, and public and private finance providers will be mobilized.
- Development partners will use NDC Partnership (NDCP) data and insights to programme support in alignment with NDC Action Plans.
- Developing countries will be on track or ahead of schedule to implement their NDCs with NDCP support and will communicate new NDCs, reflecting greater quality and ambition, in line with Paris Agreement

Justification for support:

- NDCP is demand driven and facilitates support for developing countries' national NDC priorities and commitments.
- It contributes to climate-development linkages promoting lowemission, climate resilient inclusive societies, and it works through both national ministries of finance and ministries responsible for climate and promotes a 'whole of government' and a 'whole of society' approach to NDC enhancement.
- It contributes to increased climate ambition and is thus key to achieving the SDGs and the Paris Agreement.
- It is a mechanism for coherence and concerted climate action among major development institutions and enables coherence and synergies with other multilateral and bilateral cooperation supported by Denmark.
- It contributes to Denmark's priorities in the Development Policy Strategy "The World We Share" and to Denmark's ambitions on climate policy action.
- Denmark will assume the role of Co-chair for the NDCP Steering Committee 2024-2025.

Major risks and challenges:

- Recovery from COVID-19, the geopolitical situation and financial crises can challenge the focus on climate action; hence the NDCP's whole-of-government, whole-of-society is key.
- The institutional architecture for climate action is complex and dynamic. NDCP is a platform for concerted action and coherence.

File No.	2022 – 27616									
Country	Globa	Global (ODA-eligible)								
Respon- sible Unit	GDK	,								
Sector	Climat	te chai	nge							
Partner	NDC	Partne	ership							
DKK million	2023	2023 2024 2025 2026 2027 2028 2029 2030 To tal								
Commit- ment	50	50 20								
Projected disburse- ment	0	10	10	10	10	10	10	10	70	
Duration	2023-20	030								
Previous grants		DKK 5 million 2016-2018; DKK 9 million 2018-2020; DKK 35 million 2020-2023								
Finance Act code	§06.34.0	§06.34.01.70								
Head of unit	Karin P	Karin Poulsen								
Desk officer	Lone B	Lone Bøge Jensen & Merete Villum Pedersen								
Reviewed by CFO	Rasmus	Tvoru	p Ewald							
Comment	: The tota	al budge	et is func	led thro	ough tw	o comn	nitment	s of DI	ΚK	
	.000 in 2023 and DKK 20.000.000 in 2024.									

50.000.000 in 2023 and DKK 20.000.000 in 2024.

Relevant SI	PGs /Maximu	m 1 _ hiahliaht	with arev?	ı		
1 Huan ++++++ No Poverty	2 MINISTER STATE OF THE PROPERTY OF THE PROPER	Good Health, Wellbeing	4 totaling Quality Education	5 EMERY Conduity Gender Equality	Clean Water, Sanitation	
7 RIMA RIMA Affordable Clean Energy	8 tooo.ess and Decent Jobs, Econ. Growth	9 MARKET STREET Industry, Innovation, Infrastructure	10 MERCED Reduced Inequalitie s	Sustainable Cities, Communiti	Responsible Consumption & Production	
13 HUNCT IN Climate Action	Life below Water	Life on Land	16 PERSEAND Peace & Justice,	17 PARTICIPATED IN THE REAL PROPERTY OF THE PR		

Strategic objectives:

ODA eligible developing countries supported in their efforts to accelerate NDC implementation, raise NDC ambition and quality, strengthen the enabling environment for mobilizing climate finance, and mainstream climate action into development plans and budgets, consistent with the goals of the Paris Agreement on Climate Change and climate-related SDGs.

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate	Biodiversity	Other green/environment
		mitigation		
Indicate 0, 50% or 100%	50%	50%	0%	0%
Total green budget (DKK)	70.0	70.0	0	0

Justification for choice of partner:

The NDCP is a major international coalition with more than 200 members that facilitates collaboration between developed and developing country governments, international institutions, and non-state actors for climate action in developing countries. Denmark has supported the NDCP since its start, including as a Steering Committee member since 2017 and Denmark will assume the role of Co-Chair during 2024-2025.

Summary:

Denmark will provide support through the NDC Partnership for ODA eligible developing countries to accelerate implementation of their NDCs and enhance the ambition in their NDCs, in the context of sustainable and inclusive development. The support is aligned with and will contribute to implementation of the NDCP Work Program during remainder of current 2021-2025 Program cycle plus the following cycle 2026-2030, including through a pooled funding mechanism, the Partnership Action Fund.

Budget (engagement as defined in FMI):

Earmarked support for the NDCP Work Program 2021-2025 & 2026-2030	DKK 43.6 million
Contribution to NDCP Partnership Action Fund (PAF)	DKK 20.7 million
Audit	DKK 0.3 million
Mid-Term Review (contribution, jointly with other donors) & MFA stocktaking	DKK 0.8 million
Support costs (7%) of direct costs	DKK 4.6 million
Total	DKK 70.0 million

Ministry of Foreign Affairs of Denmark (MFA) NDC Partnership

Danish Support to the NDC Partnership 2023 – 2030 Project Document

Final

27 September 2023

Abbreviat	ions and acronyms
AMG	Danida Aid Management Guidelines
AWP	NDCP SU Annual Work Plan
CAEP	(the former) NDCP Climate Action Enhancement Package
C40	C40 Cities Climate Leadership Group
COP	Conference of the parties (under the UNFCCC)
CO ₂	Carbon dioxide
DAC	Development Assistance Committee (OECD)
Danida	Brand name for Danish international development cooperation, under the MFA
DEA	Danish Energy Agency
DEPP	Danish Energy Partnership Programme
DKK	Danish Kroner
F2	MCEU and MFA electronic archive system
G7	The Group of Seven, an inter-governmental political forum consisting
	of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.
GCF	Green Climate Fund
GDK	MFA Department for Green Diplomacy and Climate
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GHG	Greenhouse gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, German
GIZ	development agency
GtG	Government-to-Government
GW	
	Gigawatt
HRBA	Human rights-based approach to development
IEA	International Energy Agency
IRENA	International Renewable Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IISD GSI	International Institute for Sustainable Development Global Subsidies Initiative
JET-P	Just Energy Transition Partnership
kNook	NDC Knowledge Portal
KPI	Key performance indicator
LDC	Least Developed Country
LNOB	Leaving no-one behind
LT-LEDS	Long-term low greenhouse gas emissions development strategies
MDB	Multilateral development bank
MCEU	Danish Ministry of Climate Energy and Utilities
MEE	Major emerging economies
MEF	NDCP Monitoring & Evaluation Framework
MFA	Ministry of Foreign Affairs of Denmark
MTR	Mid-term Review
NDC	Nationally Determined Contribution (under the UNFCCC)
NDCP	NDC Partnership
ODA	Official development assistance, as defined by OECD DAC
OECD	Organisation for Economic Co-operation and Development
PAF	
	Partnership Action Fund
PANT	Human Rights Principles of participation, accountability, non-discrimination, and
DAD	transparency
PAP	Process action plan
PD	Project document

PIN	During Hand Continue Nation
	Project Identification Note
PP	Partnership Plan
SC	Steering Committee
SDG	Sustainable Development Goal
SEAH	Sexual exploitation, abuse, and harassment
SEFA	African Development Bank Sustainable Energy Fund for Africa
SIDS	Small island developing states
SMART	Specific, Measurable, Achievable, Relevant, and Time-Bound
SSC	Strategic sector cooperation
SU	Support Unit for the NDCP
SWOT	Strengths, weaknesses, threats, and opportunities
ToC	Theory of Change
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNEP-CCC	UNEP Copenhagen Climate Centre
UNFCC	United Nations Framework Convention on Climate Change
UNOPS	United Nations Office for Project Services
UPR	The Danish Council for Development Policy, in English also known as CDC
USD	United States Dollar
WB	World Bank
WRI	World Resources Institute

 $1 \text{ USD} = 7.03 \text{ DKK}; 1 \text{ DKK} = 0.14 \text{ USD}^{1}$

-

 $^{^{\}rm 1}$ Danish National Bank official exchange rate as of 268 September 2023: $\underline{\rm link}$

Contents

Abb	reviations and acronyms	i
1.	Introduction and background	1
2.	Context, strategic considerations, rationale, and justification	1
2.	1 Context and strategic considerations	1
	Box 2.1: Brief summary information on the NDCP Delivery model	3
2	2 Rationale, and justification	3
	Box 2.2: Justification against OECD DAC Criteria	5
2 W	3 Results and lessons learned, Evaluation and Mid-Term Review of the NDC Pa York Program	
2.	4 Choice of implementing partner and cooperation modalities	8
2.	5 Alignment with Danish policies and priorities	9
2.	6 Poverty orientation and cross-cutting concerns	10
3.	The Project	12
3.	1 Project Objective	12
3.	2 Short summary description of the Project	12
4.	Theory of change and key assumptions	13
4.	1 NDCP 2021-2025 Work Program and its ToC	13
	Figure 4.1: Theory of Change for the NDCP 2021-2025 Work Program	14
4.	2 Theory of Change for Denmark's support	14
4.	3 Key assumptions and drivers for Denmark's support	16
5.	Draft results framework	16
5.	1 NDCP 2021-2025 Work Program KPIs	16
5.	2 Selected NDCP KPIs for Denmark's special focus	17
	Table 5.1: KPIs for Denmark's special focus	17
6.	Inputs/budget	18
6.	1 Inputs and budget	18
	Table 6.1: Summary budget allocations	19
	Table 6.2: Other donor funding for Work Program and PAF 2021-2025	19
6	2 Financial management and reporting	20
7.	Institutional and management arrangement	21
7.	1 Institutional set-up	21
7.	2 Governance and management	21
8.	Risk management	22
9.	Closure	23

Annex 1: Context analysis	24
1. Poverty and inequality analysis	24
2. Political economy and stakeholder analysis	24
3. Fragility, conflict and resilience	25
4. Human Rights, Gender, Youth and applying a Human Rights Based Approach	26
5. Inclusive sustainable growth, climate change and environment	27
6. Capacity of public sector, public financial management and corruption	28
7. Matching with Danish strengths and interests, engaging Danish actors and seeking sy	_
Table A1.1: List of ODA eligible NDCP member countries	32
Annex 2: Partner assessment	35
A2.1 Brief presentation of partners	35
A2.2 Summary of key partner features	36
A2.3 Supplementary information on the UNFCCC Secretariat	38
A2.4 Supplementary information on WRI	38
A2.5 Supplementary information on UNOPS	38
Annex 3: Results framework	40
Table A3.1: Summary overview of NDCP results framework	40
Table A3.1: 2021-2025 Work Program M&E Indicator Data (February 2023)	41
Annex 4: Risk management	48
Annex 5: Budget notes	56
Box A5.1: WRI cost categories	57
Box A5.2: The SU Annual Work Plan 2023 activity groups and budget structure	58
Box A5.3: PAF eligibility and steps	59
Annex 6: List of supplementary materials	60
Annex 7: Plan for communication of results	62
Annex 8: Process action plan	64
Annex 9: Signed table of appraisal recommendations	65
Annex 10: Key NDCP member institutions that are also supported directly by Denn	nark.68

1. Introduction and background

This Project Document (PD) describes the proposed Danish grant contribution of DKK 70 million to the NDC Partnership (NDCP) for 2023-2030, from Denmark's perspective. The PD outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning Denmark's support to NDCP channelled through the World Resources Institute (WRI) an annex to the legal Agreement between the Ministry of Foreign Affairs of Denmark (MFA) and WRI and constitutes an integral part hereof. The PD was formulated from early 2023 by the MFA Department for Green Diplomacy and Climate (GDK) in liaison with the Danish Ministry of Climate Energy and Utilities (MCEU) and with inputs from the NDCP Support Unit (SU). An external process consultant supported the formulation. The formulation process included the presentation of a concept note to the Danida Programme Committee on 27 June 2023, and the comments provided by MFA departments and the conclusions from the Committee were considered in the draft PD, which was then appraised during August-September 2023. The present PD takes into consideration the recommendations of the appraisal team, which are included in Annex 9. The PD will be presented to the Council for Development Policy and the Danish Minister for Development Cooperation and Global Climate Policy in October/November 2023, with a view to making a commitment of the first tranche of funding before the end of 2023 (please see the Process Action Plan (PAP) in Annex 8 for further details in the process).

2. Context, strategic considerations, rationale, and justification

2.1 Context and strategic considerations

Launched in 2016 at COP22 in Marrakesh, the NDC Partnership was established to facilitate collaboration between developed and developing country governments, international institutions, and non-state actors to provide timely support for accelerated climate action. In the context of the Nationally Determined Contributions (NDCs) under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement on climate change, developing country governments identify their implementation priorities and the type of support that is needed. As such, it is in line with Denmark's priorities in the Development Policy Strategy "The World We Share" and Denmark's ambitions on climate policy action. Denmark has supported the Partnership since its establishment, and the present proposal builds upon the results achieved and lessons learned through previous Danish support (DKK 5 million 2016-2018; DKK 9 million 2018-2020; DKK 35 million 2020-2023). The NDCP is thus a long-standing partner in Denmark's support for climate action in ODA eligible developing countries.

As a member of NDCP Steering Committee since 2017, Denmark contributes to the strategic evolution of the Partnership including shaping the NDCP Work Program (currently the 2021-2025 Work Program). Denmark has been a driver of strategic directions and spearheaded the exchange amongst partners to increase their response to requests. At the NDCP Steering Committee (SC) meeting held in London during 17-19 April 2023, Denmark confirmed its willingness to take on the SC Co-Chairmanship, which was accepted by the SC in Berlin in May, to be announced at COP28 in November 2023. The Co-Chairmanship will be for 2 years from 2024. The other Co-Chair is a developing country (Rwanda for the first year, and another country to be named for the next year).

The NDC Partnership brings together more than 200 members, including more than 120 developing² and developed countries, and more than 90 implementing partner institutions

² See Table A1.1 for an overview ODA-eligible NDCP member countries.

(including several that are supported by Denmark directly, such as UN organisations, UNDP, UNEP, multilateral development banks (MDBs), such as the World Bank and the African Development Bank, and analytical and advisory organisations, such as IRENA and WRI)³.

Based on the country NDC implementation priorities, the countries develop and deliver requests to the NDCP, and the NDCP membership offers a coordinated tailored package of expertise and technical assistance including capacity development support⁴ to respond to the requests. This provides developing countries with efficient access to a wide range of resources to adapt to and mitigate climate change and foster more equitable and sustainable development, and to raise the ambition of their NDCs. The NDC Partnership is built on the premise of collective action: by acting together, more is achieved. As of spring 2023⁵, 85 developing countries are receiving support to implement and enhance their NDCs from 158 supporting partners, including both members and non-members. Collectively, NDCP has mobilized USD1.4 billion in response to country needs. The NDCP delivery model is summarised in Box 2.1.

The NDC Partnership Support Unit (SU) facilitates the work of the Partnership, serving as a secretariat for NDCP. The SU is hosted by the World Resources Institute (WRI) in Washington, D.C., USA, by the UNFCCC secretariat in Bonn, Germany, and by the United Nations Office of Project Services (UNOPS) also in Bonn, Germany. The "Partnership" (abbreviated in the present document as NDCP) refers to the global coalition of 200+ members, whereas the "Support Unit" (SU) refers to the Partnership's secretariat.

Through this new grant, Denmark will contribute to the continued implementation of the NDC Partnership's current 2021-2025 Work Program and the following Program cycle 2026-2030, supporting mitigation and adaptation to climate change in ODA eligible countries. The support directly contributes to delivering on the priorities of the Danish Development Strategy "The World We Share" and related Danida "How To Notes".

³ NDCP membership can be seen at this <u>link</u>. See also Annex 10 for a summary overview of key NDCP development partner institutions that are also supported by Denmark directly.

⁴ The NDCP provides support for the enabling environment and identification of bankable project ideas (through development of Project Information Notes (PINs) that promote and offer exposure to climate change projects aligned with countries' NDC implementation plans) but the Partnership itself is not a funding mechanism, although multilateral development banks and other sources of climate finance are among NDC's members. There is currently debate in the Steering Committee concerning the extent to which the Partnership should engage in relation to climate finance.

⁵ Factual information in the present document is generally updated based on the <u>NDCP presentations</u> to the Steering Committee meeting in April 2023 and related NDCP documentation.

Box 2.1: Brief summary information on the NDCP Delivery model

The NDCP's overall strategy cycle is designed to coincide with the five-year Paris Agreement cycle for NDC revisions, as currently reflected in the 2021-25 Work Program, and indirectly linked to the global stocktake and ambition mechanism. The NDCP annual cycle is based on Annual Work Plans⁶.

The Partnership brings together developed and developing countries, major international development institutions, and non-state actors to bridge country needs with member resources and to fast track results. The corner stone of the NDCP is the country demand-driven approach, with ensures that that interventions are rooted in national ownership and priorities. There is as such no fixed country funding envelope, no upfront prioritisations of resources, but instead a request and demand-based delivery model. Country members nominate focal points from both the Ministry of Environment or Climate and the Ministry of Finance or Planning to facilitate a whole-of-government approach and embed the NDCs into national environment and development plans, policies, and budgets. Based on country needs, priorities and requests communicated by the focal points (FPs), the Partnership develops NDC Action Plans detailing priority actions for NDC implementation and tracking partner support for those actions. It should be noted that developing countries requesting NDCP support are typically poorer developing countries including LDCs and SIDS, and to a lesser degree the major emerging economies (MEEs⁷)/major emitters.

The Partnership responds to country requests through *three modalities. Firstly*, through support from an existing programme run by development partners that can meet the need as a first resort. *Secondly*, when implementing partners (such as for example IRENA) draw on their programmes to offer support. *Thirdly*, the Support Unit as a last resort can fund technical assistance through the Partnership Action Fund (PAF) if other support channels cannot meet demand. PAF operates with two windows⁸: i) facilitation and embedded advisory support; ii) technical assistance and scoping support, included through Thematic Calls. The PAF is in essence utilised in more "challenged" countries e.g. remote such as the Small Island Development States or vulnerable, such as countries in conflict, or utilised for challenging themes. PAF resources are deployed to respond to country requests for support, but countries cannot apply for these resources directly. Instead, the resources are made available to Implementing Partners, who are the NDC Partnership Institutional and Associate Members, to deliver the requested support under the leadership of the NDC Partnership government Focal Points.

The Country Engagement cycle comprises 5 stages: i) <u>Scoping</u> a government-led participatory process to identify NDC-related needs across the different sectors; ii) <u>Needs assessment phase that</u> aids the focal points and other relevant government stakeholders to formally specify and communicate needs for support, drawing on existing needs assessments where available; iii) <u>Design or strengthening</u> a Partnership Plan (PP) developing new or strengthening existing national government-owned plans outlining how the country will implement its NDC; Once PP design or revision is complete and the in-country facilitator is in place, country engagement moves into the iv) <u>implementation phase</u>. Stage iv focuses on continuous coordination and facilitation of implementation, including periodic coordination calls, progress reports and an annual stock-take of PP progress; v) in terms of <u>Result assessment and lesson learning</u>, the Support Unit reviews country results and global trends to identify outstanding support gaps, success stories and lessons learned, sharing them through outreach products and events targeted at the Partnership's network. These include insights shared by in-country facilitators in their quarterly reporting and serve to inspire further success and attract greater support for NDC action.

2.2 Rationale and justification

In 2015, the world adopted the Paris Agreement and the 2030 Agenda for Sustainable Development. These historic global accords present countries with an unprecedented opportunity to align the climate and sustainable development agendas to spur sustainable low-emission, climate-resilient inclusive societies to the benefit of people, planet, and future generations. Parties to the Paris

⁶ As example, see the Summary of the NDC Partnership Support Unit's 2023 Annual Work Plan <u>link</u> (see Section 2.2 for further information on work plans).

⁷ NDCP's key performance indicator (KPI) 3.1.3 tracks engagement of major emerging economies (MEEs) and NDCP has a strategy for engaging MEEs. Currently, the following MEEs are supported (ref. NDCP Progress report to SC April 2023): Argentina, Indonesia, Mexico, Nigeria, Pakistan, South Africa, Thailand.

⁸ Eligibility and procedures for PAF are explained on the PAF website and brochure (<u>link</u>) and are briefly summarized in Box A5.3 under the budget notes in Annex 5.

Agreement develop Nationally Determined Contributions (NDCs) – each country's commitment to reduce national emissions and adapt to the impacts of climate change, aiming at limiting warming to 1.5 to 2 degrees C above pre-industrial levels. Countries have committed to update their NDCs every five years, informed by the global stocktake, and recent UNFCCC conferences of the parties (COPs) have suggested a shorter time frame for updates in order to be able to meet the targets set.

The ambitions of the parties rest in part on the national capacity and resource availability and the potential for scale up of domestic climate action. The ambitions are also informed by knowledge and information of the current context and potential for mitigation and adaptation, for instance expressed in analyses of the projected future energy demand, cost or savings of an energy transition and expected future costs of climate adaptation efforts. For LDCs, in particular, the capacities and resources are limited, and this leads to concerns that raised ambitions will come with substantial extra costs. The NDCP has proven to be a well-respected partner of these countries, and its ability to assist in developing realistic but ambitious NDCs, and assist in their implementation, entails that all parties get a better understanding of their own ability to contribute to the implementation of the Paris agreement and COP resolutions. The NDCP is not a formal part of the UNFCCC negotiations, but closely related to them, and the work of the NDCP is indirectly contributing to a more fair level playing field in the negotiations.

The recently published IPCC Sixth Assessment Report in 2023 highlights the urgency of the climate crisis and emphasizes the interconnectedness of human, natural, and climate systems. While doing so, the IPCC underscores the importance of cross-cutting, integrative policies, and solutions to support a global transition from a high-risk climate scenario to sustainable and climate resilient global development. Transformational change is needed to cut emissions and adapt to a changing climate, all while meeting development needs. Such change requires ground-breaking coordination to mobilize resources globally, with speed and scale. Based on the IPCC Report, the UN Secretary General stated that the 1.5-degree limit is achievable but will require a quantum leap in climate action. He underlined that COP28 will constitute the first global stock-take of the Paris Agreement and launch the process to prepare the next cycle of NDCs due in 2025, and that new updated NDCs must reflect the acceleration needed now, over this decade, and the next. It also places the long-term low greenhouse gas emissions development strategies (LT-LEDS), and the link to the shorter term NDCs at the centre. This burning platform sets the context for NDCP work in the years to come and constitutes the main justification for continued Danish support for NDCP.

At the end of COP27 in November 2022, nearly 170 countries, covering 91% of global emissions, communicated new or updated climate commitments⁹ to the UNFCCC, proving that the Paris Agreement's ambition cycle is working. Countries must now implement their current NDCs and simultaneously further raise their climate ambitions – both on mitigation and adaptation. Progress in developing countries is underway, with countries working to bolster national capacities to translate high-level climate plans into actionable mitigation and adaptation targets, with clear sectoral links, and embed these targets into investment plans. Governments are strengthening their enabling environments, creating the right conditions to attract finance from national, international, public, and private sources and engaging a broad base of stakeholders. In order for the implementation of the Paris Agreement to be successful, it is of key importance that the current NDCs are implemented. Furthermore, support for good quality NDCs is important for keeping the Paris Agreement within reach and raising global ambitions. The NDCP will be a key platform to secure this in the coming years taking into account the outcome of the global stocktake at COP28.

8

⁹ NDCP's overview of status of NDCs by country is found here.

In the context of the NDCP, many countries have completed the first 3 stages in the NDCP delivery model (summarised in Box 2.1) and are in the implementation phase, leading to a large number of implementation support requests to NDCP. The increase in requests is also caused by the increase in developing country members joining the Partnership – thus a testament to NDCPs traction. With donors and implementing partners continuing to respond to requests more or less at the same level as before, the Partnership response rate to requests is in effect declining. The declining response rate can be discouraging for developing countries' ambitions, in this important year of the Global Stocktake and COP 28, which in fact should lead to even higher ambition NDCs. There is thus a need to continue to engage and support NDCP and deliver on countries' requests.

The Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) has defined six quality criteria¹⁰, and the justification for this proposed Project against these criteria is briefly summarised in Box 2.2.

Box 2.2: Justification against OECD DAC Criteria

Relevance: The External Evaluation (March 2022) concluded that: "Partnership support has been relevant to country priorities and requests for support" and "The Partnership has been more relevant and useful for smaller developing countries than larger emitting countries with more complex NDCs" and "The Partnership's activities and services are also relevant to Development Partner interests, and the Partnership allows for efficient planning of aid and investments." The support is directly relevant to priorities of the Danish Development Strategy "The World We Share".

Internal and external coherence: The 2022 Evaluation concluded that: "Through its Partnership Plans and in-country facilitators, the Partnership has established a coordination mechanism that helps increase coherence and coordination among Implementing and Development Partners within countries, but there is still opportunity to further enhance collaboration to minimize duplication of work and break with competitive behaviour" and "Cross-sectoral integration of climate change in sector-specific policies and strategies is not new to most Implementing Partners. However, a key added value from the Partnership approach has been the promotion of integration through a single framework, highlighting coordination and complementarity". Coordination and synergy of NDCP support with other Danish multilateral and bilateral support will be strengthened.

<u>Effectiveness:</u> The 2022 Evaluation concluded that: "The Partnership has delivered in all aspects of effectiveness", and "Overall, the Partnership's operational model and approach is effective and efficient".

Efficiency: The 2022 Evaluation concluded that: "The Support Unit is perceived as highly responsive to Members" and "The relationship between the Support Unit and its hosts has evolved over time to improve efficiency."

<u>Impact</u>: It is central to the NDCP Work Program to support the integration of NDCs into overall development and sector policies and plans, as well as to mobilize climate finance and involve other stakeholders, including the private sector and civil society – and to demonstrate how climate policy impacts economic and social development, by engaging across government and wider social groups.

<u>Sustainability:</u> NDCP works in response to demand expressed through requests for support. Its membership-based nature and approach as a learning coalition facilitates capacity development and mutual learning among members, including through direct peer exchange, and monitoring and evaluation thus contributing to lasting benefits of support.

2.3 Results and lessons learned, Evaluation and Mid-Term Review of the NDC Partnership Work Program

Examples of results:

- Almost 80% of all developing country members received NDCP support for results based NDC Action Plans to translate their NDC priorities into actionable and measurable interventions.
- The PAF successfully allocated approx. USD 5.3 million toward unsupported ("last resort") country requests as of December 2022.
- As of December 2022, 65 countries have presented updated NDCs and an interactive website highlights and shares the experiences and lessons learned.
- With deployment of 90 embedded advisors across 38 countries plus the African Union, NDCP is on track to effectively and efficiently support countries and meeting its target of 110 embedded

¹⁰ Link to OECD Applying Evaluation Criteria Thoughtfully.

- advisors by 2025.
- Member countries provided with resources to fast-track the development, alignment, and enhancement of long-term low greenhouse gas emissions development strategies (LT-LEDS) and NDCs, with a view to ensuring further submissions due in 2025.
- In the most recent member survey 92% of country respondents agreed that they are on track to deliver on their mitigation and adaptation targets. To be noted that this % represents countries' perceptions of NDC progress rather than actual progress which the Support Unit does not examine. The data represents 49 responses out of 53 countries which responded to NDCP's most recent member survey. And as of February 2023, according to the Survey responses, 100% of countries responded that they submitted updated NDCs with increased mitigation and adaptation ambition (70% is the target for 2025).
- More practical examples of support and results: In Cambodia, NDCP has supported the development and annual update of national and subnational multi-hazard and climate risk assessments, including the identification of the most vulnerable communities. In Palestine, the NDCP has supported the development of 14 gender-responsive implementation plans across key sectors such as health, transport, waste, water, agriculture, energy of the NDC Partnership Plan. In Nigeria, NDCP is supporting an Energy Transition Plan (ETP) with net-zero targets by 2060, and a Net Zero Investment Plan that is facilitated by large-scale just transition financing.

Evaluation, MTR, and member surveys:

Lessons and issues have been identified through evaluation and review of the NDCP Work Program, member surveys etc. <u>Cutting across these the following can be observed</u>:

- The breadth and engagement of partnership members and partners should be increased and strategic support on how to engage new actors be provided. As the NDCP development partners are envisaged to deliver first and second resort on country requests, a deep and broad engagement of these is key.
- Member countries have indicated insufficient inclusion of local stakeholders, e.g. full inclusion across government, and outside government, Private Sector and Civil Society etc. - in the NDC process.
- Coherence between the NDC Partnership and other global and regional NDC support programmes is crucial to avoid overlaps and enhance synergies and complementarities.
- There has been mixed progress in mainstreaming gender in country engagement processes and Partnership initiatives, with some targets not being achieved.
- While the Support Unit has considerably increased it staff, it is still experiencing high workloads given the increase in country demand as well as emerging initiatives.
- Assessing the influence of knowledge and learning activities/products to inform country engagement planning remains challenging.

More details:

111010 0000000

Evaluation¹¹ and Mid-term Review of the NDCP 2018-2020 Work Program:

The key recommendations from an independent Evaluation in 2022 were that the breadth and engagement of members and partners should be increased; that alignment between NDCP plans and Implementing and Development partners planning and budgeting should be improved; that

¹¹ External Evaluation of the NDC Partnership 2018-2020 Work Program: Final Evaluation Report (30 March 2022), Baastel consultants Link. The Evaluation also assessed follow-up to the Mid-Term Review (MTR) of the NDCP Work Program 2018-2020 conducted by IOD PARC consultants and reported in March 2020. It was found that of the 9 MTR recommendations, 4 had been fully addressed, while 5 had been partially addressed and have according to the NDCP SU since been followed-up in revisions of the current Work Program.

NDCP should become a knowledge leader on NDCs; that sub-national engagement on NDC implementation should be enhanced; that coherence between the NDCP and other global and regional NDC support programmes should be improved; that NDCP should step up the implementation of the NDCs by providing strategic support on how to engage new actors; and that NDCP should increase its contribution to the Paris Agreement going beyond the contribution to ambition at the country level.

Annual member surveys:

Through the SU 2023 members survey, countries indicated insufficient inclusion of local stakeholders in the NDC process. The NDCP wish to strengthen whole-of-society approaches through a range of activities, including the NDCP Finance Strategy (featured as an exchange topic at the Global NDC Conference in June 2023), and through the Youth Engagement Forum in July 2023, and through new dedicated Canadian funding to strengthen gender mainstreaming. The whole-of-society approach will also be enhanced in coordination and information sharing, including a Climate Finance Bulletin.

Mid-term Review of the NDCP 2021-2025 Work Program:

An independent Mid-Term Review (MTR) of the NDC Partnership's 2021-2025 Work Program is currently underway (February-October 2023) through an external consultant. Denmark contributes financially to this MTR, which is intended to provide an independent mid-term assessment of progress and to inform the development of the post-2025 Work Program. This includes analysis along the Partnership's four defined Impact Pathways, programmatic assessment of NDCP main work streams (Country Engagement; Knowledge & Learning; Outreach & Governance; and Operations), and assessment of the Partnership's efforts in communicating results. Results will be broken down by different geographical and ODA economic categories to understand where the Partnership is adding the most value, and where improvements are needed. An early assessment of the PAF is also part of the Review. The findings of the MTR draft report is will be presented at the NCDP Steering Committee meeting in early October 2023¹² and Denmark will closely analyse MTR findings and recommendations and address and incorporate these in Denmark's continued engagement, including in its role as co-chair and in the stocktaking planned for 2025.

Regional convening for collective learning:

NDCP aims to host regional convening for collective learning and regional exchange on an annual basis. This will include regional Partnership facilitator retreats during Regional Climate Weeks organised by UNFCCC. Topic-focused knowledge exchange via Thematic Partner Discussions will also continue regularly, such as a convening on Paris Agreement Article 6 (carbon markets) in Q1 2023. In May/June 2023, the NDC Partnership with UNDP and GIZ co-organized the third Global NDC Conference¹³ convening country representatives and experts on NDC enhancement and implementation ahead of the next NDC cycle.

Key critical lessons/observations from Denmark's support:

• The balance between making NDCP support widely vs. selectively available is a point of discussion. Previously the NDCP finance mechanism (called CAEP, Country Action Enhancement Package) was available to all member developing countries, while the current PAF mechanism is the "last resort" that applies only if the "first and second resort" do not trigger a

¹² This will be too late to take into consideration in this Project Document before it has to be submitted to UPR by the deadline of 9 October (see PAP in Annex 8).

¹³ Hosted by the German Federal Ministry for Economic Affairs and Climate Action (BMWK) and co-organised with NDCP, GIZ, and UNDP, under the International Climate Initiative (IKI) see further information here (link).

- positive response from implementing partners. Thus, PAF is typically applied to the most challenging requests including from fragile states and SIDS. Some of these countries are difficult to reach by Denmark, as a small donor with a more limited embassy network, and support to PAF thus constitutes a meaningful alternative.
- As Denmark and most other bilateral donors do not have the ability for rapid and agile responses to requests for support from countries channelled through NDCP, options for support include contributions to the PAF (see above), or contributions to international organisations that can deliver on NDCP requests "second resort". In this regard, Denmark's model for support to IRENA, with a separate budget ring fenced for support to renewable energy requests identified through NDCP, is highly relevant.
- GDK has circulated country requests channelled through NDCP to Embassies of Denmark in relevant countries. As mentioned, donor bilateral country programmes often do not cater for rapid and agile responses. Thus, there has been limited responses from the embassies. In future, it will be relevant to target countries/embassies where the themes/topics of the request are in direct synergy with the themes/topics of the Country Programme or Strategic Sector Cooperation. For this reason, GDK will now also circulate NDCP country requests to SSC authorities, such as DEA. By the way, Denmark has taken an initiative to establish a bilateral donor group in NDCP facilitating exchange of experience and options for support to the Partnership. The group is meeting regularly.
- The role of NDCP in financing climate action remains a point of critical concern (including the balance between strengthening the enabling environment vs. development of bankable projects). Similar to many other programmes, there is tendency to seek to deliver on all demands in the value chain from policy analysis to actual investments. However, NDCP seems to be best placed to develop enabling environment for investments, incl. potential project idea identification, not mobilise, structure and facilitate finance.
- The previous Danish grant included a budget for a secondment. However, this secondment did not materialise a.o. due to the Covid pandemic, and the funds were instead allocated for an SU staff position as Senior Advisor, Climate Finance (not a Dane). The previous Danish grant included a budget for a mandatory Mid-term Review (MTR). These funds were allocated as a contribution to the ongoing joint MTR of the NDCP Work Plan 2021-2025..

2.4 Choice of implementing partner and cooperation modalities

From Denmark's perspective, NDCP's unique value proposition is to function as a clearing house and a coordination mechanism assisting ambitious developing countries to get assistance for streamlining, strengthening, and implementing/delivering on their NDCs in the very complex and fragmented international climate architecture, where most developing countries lack the capacity to operate in. Being co-hosted by UNFCC and linked to the COP, the NDC Partnership has legitimacy amongst ODA eligible developing countries. Furthermore, the NDCP promotes a whole-ofgovernment and whole-of-society approach to strengthening NDCs thereby ensuring mainstreaming across important sectors such as energy, industry, transport, and agriculture by engaging powerful ministries of finance or planning in addition to the often-weaker ministries of climate or environment. The Partnership supports iterative planning and budgeting that integrate climate change while engaging diverse stakeholders, thereby applying good governance and HRBA principles, including promoting governments' duty bearer role and the citizen's right holder role... The Partnership also facilitates concerted climate action involving other implementing partners/development institutions supported by Denmark (see Annex 10), including UN, MDBs, think tanks etc. and thus contributes to coherence in Danish international climate efforts. NDCP is "THE" NDC convening partnership, where all partners meet; discuss progress, challenges, and opportunities in relations to the NDCs and LT - LEDS; and agree on how to address these.

The NDCP is founded on ten guiding principles which all members (i.e. also Denmark) must sign up to: 1) Support country-driven processes; 2) Promote long-term climate action; 3) Enhance efficiency and responsiveness; 4) Build in-country capacity; 5) Improve coordination; 6) Enhance integration into national planning; 7) Advance adaptation and mitigation; 8) Align development and climate change; 9) Support multi-stakeholder engagement; and 10) Promote gender equality.

Denmark has supported NDCP since its establishment and plays a positive role as a trusted partner. Denmark's role as member of the Steering Committee since 2017 will be strengthened by assuming the role of Co-Chair, as mentioned earlier.

2.5 Alignment with Danish policies and priorities

Alignment with Danish development policy

The NDCP approach is a flexible, country-led engagement process to design and implement national climate and development action plans. This aim and approach is highly relevant to Danish priorities, policies, and strategies, as articulated in Denmark's Strategy for Development Cooperation "The World We Share", which in its objective 2 states that Denmark must Strengthen action to support climate change adaptation, nature, the environment and resilience in the poorest and most vulnerable countries" and that to support this objective, Denmark will among other things "Assume international leadership..." and actions to support this objective includes "Promote ambitious national climate action plans that enable developing countries and growth economies to transition from fossil fuels to clean energy sources...". The proposed support to the NDCP is clearly consistent with these priorities and with relevant Danida "How to-notes" 14.

Climate diplomacy and international processes

Support for the NDC-Partnership will also contribute to Danish ambitions on mainstreaming climate across development policies and programmes and create stronger climate-development links. The support is also fully in line with the Danish Government's Foreign and Security Policy Strategy (May 2023), which states that the climate crisis constitutes the 21st century's greatest challenge, requiring global cooperation and action and emphasizing that Denmark must continue to be at the forefront of the global climate action through its climate diplomacy efforts, continuing to assume a leading role in pushing for increased ambitions with regard to emission reduction efforts and adaptation to climate change, especially for the most vulnerable countries.

Supporting the Partnership provides Denmark with a platform for highlighting the links between the NDCs and the SDGs, and underline the importance of both adaptation and mitigation, as part of the NDCs. In this way, it further strengthens global Danish leadership, on SDG13 (climate action) and SDG7 (clean energy), as well as other SDGs. The Partnership is politically important for Denmark for the continued strong bridge-building role in the UNFCCC negotiations and to overcome the divide between the developing and developed countries. Denmark will be visible at NDCP-organized high-level events and other outreach activities at UNFCCC meetings (a.o. as cochair), including COPs and side-events. The support also further sustains and synergises Denmark's influence at key international high-policy platforms and networks on energy transition such as the G20, G7-led JET-Ps, the COP-processes, and the work within UN. NDCP's support for good quality NDCs is an important foundation for keeping the Paris Agreement within reach and raising global climate ambitions. Developing countries need to see concrete results gained from their NDCs if they are to continue strengthening their actions. Denmark's co-chairmanship with Rwanda (mentioned in Section 2.1) will be used to advance bilateral relations and to broader outreach to

_

¹⁴ How To Note on Energy Transition and Emission Reductions in Developing Countries <u>link</u> and How To Note on the Climate Adaptation, Nature and Environment <u>link</u>

Africa. The co-chairmanship can also be used to host NDC meetings in Denmark and bring key countries and partners together. The Danish engagement with the NDCP is an example of a Danish whole-of-government approach where the competencies from the MFA and MCEU are brought together in the co-chairman role.

Synergies with Denmark's bilateral and other multilateral cooperation

The Danish engagement with the NDC-Partnership can provide better coherence and synergies at country level between and among bilateral and multilateral partnerships supported by Denmark. GDK will together with Embassies of Denmark, the Danish Ministry of Climate Energy and Utilities (MCEU), and the Danish Energy Agency (DEA) pursue such synergies, where Danish country-level presence in NDCP member developing countries enables direct follow up, dialogue, and opportunities for achieving results on the ground¹⁵. This will constitute a more targeted approach than previously and seek to engage the bilateral Strategic Sector Cooperation (SSC) and Danish Energy Partnership Programme (DEPP) interventions in delivering on country requests within energy and climate mitigation.

In addition, this can include country-level activities of Danish-supported international/multilateral instruments and partners, such as the World Resources Institute (WRI), the Green Climate Fund (GCF), the Global Environment Facility (GEF), the Global Green Growth institute (GGGI), the International Renewable Energy Agency (IRENA), C40, the MDBs, and UN organizations and programmes such as UNEP (including the UNEP Copenhagen Climate Centre) and UNDP. Many of these international partners are members of the NDC-Partnership and contribute in different ways to NDCP-facilitated support. Specifically, with regard to WRI, which is both an NDCP hosting institution (and legal partner for Denmark's NDCP support) and implementing partner for other Danish support, it has been agreed that there will be an annual meeting between Denmark and WRI to discuss coherence, coordination and synergies. A Danish voluntary contribution to IRENA that was approved in mid-2023 includes an earmarked budget for supporting NDCP generated country requests within energy. Finally, synergies will also be sought with the Danish supported alliances and coalitions, such as BOGA and GOWA.

2.6 Poverty orientation and cross-cutting concerns

All the Partnership's members have agreed to the previously mentioned ten Guiding Principles of the Partnership, which highlight a commitment to equitable and inclusive development as well as the human rights implications of climate action for gender equality (Principle 10 is to promote gender equality). As specified in NDCP's Gender Strategy, gender is part of the broader socio-cultural context, as are other important criteria for socio-cultural analysis, including class, race, poverty level, ethnic group, sexual orientation, age, etc. It is likewise in line with Denmark's multi-dimensional poverty concept¹⁶ and the leaving no-one behind (LNOB) perspective. New dedicated Canadian funding will strengthen gender mainstreaming, including training activities for Focal Points, facilitators, and Support Unit staff on stakeholder engagement, how to plan for a gender analysis, gender inclusion, etc.; technical support to countries for gender-mainstreaming within climate policies; knowledge products to share key gender and climate change building blocks, such as a checklist for Focal Points, Facilitators and Support Unit staff to identify entry points for gender equality within NDC implementation; insight briefs; and hosting events and peer-to-peer exchanges on gender equality issues. Social inclusion has in spring 2023 been addressed by NDCP as part of

14

¹⁵ Table A1.1. in Annex 1 is a list of ODA eligible NCDP member countries. The table indicates in which countries there is also climate-related Danish bilateral development cooperation and thus potential for synergies.

¹⁶ Ref. Danida How-to-Notes.

the Raising Ambition Through Partnership webinar series for instance. NDCP is also committed to meaningful engagement with young people through the Youth Engagement Plan assisting governments in designing youth inclusive NDC processes at the country level and engaging youth across all phases of the NDC process. The Youth Engagement Forum in July 2023¹⁷ was held with the theme "Shaping Our Future" and aimed to empower young people to engage in long-term climate action by building young leaders' capacity, promoting dialogue on youth focused NDC planning and finance needs, and sharing best practices for youth engagement across the Partnership.

The Partnership's whole-of-society approach is a commitment to include a broad base of stakeholders in collective NDC planning and implementation, including representatives from government, sub-national, civil society, academia, the private sector, various identity groups or other groups. The NDCP country engagement process and its five "stages" was briefly summarised in Box 2.1. Partnership members commit to pursuing a whole-of-government and whole-of-society approach during the scoping stage, which entails a government-led participatory process to identify NDC-related needs across the different sectors. Scoping follows a whole-of-government consultative process, and NDCP supports countries to engage as comprehensively and effectively as possible with government branches and broader stakeholder groups. This includes supporting countries' efforts to advance climate action which prioritizes the interests of disadvantaged and underserved populations most vulnerable to climate impacts. Identifying all stakeholders that should take part in the Country Engagement process is a vital action within the scoping stage during which, government Focal Points organize meetings with in-country stakeholders, such as government ministries, including the national gender agency; implementing and development partners; civil society organizations; and the private sector. These meetings may be a workshop, series of bilateral discussions, or both.

In supporting the preparation of robust Long-term Low Emissions Development Strategies (LT-LEDS) and NDCs, the <u>Thematic Call</u> on LT-LEDS provides countries with resources and expertise to i) understand the societal and economic implications of long-term, low-emissions development, including how impacts differ across economic sectors and communities; ii) unpacking the concept of just transitions, and analysing what a net-zero reality would mean for workers and enterprises; and iii) bring together and build consensus with sectoral institutions (Ministries of Finance, Economy, Energy, etc.) who should eliminate policy barriers and create incentives to align with decarbonization pathways and resilience goals. Efforts to strengthen whole-of-society approaches are also promoted through the NDCP Finance Strategy.

The Global NDC Conference¹⁸ held in Berlin, Germany in May/June 2023 featured examples of multi-stakeholder approaches that promote inclusive participation. Human Rights Principles of participation, accountability, non-discrimination, and transparency (PANT) are also inherent in the NDCP whole of society approach and its emphasis on ownership, commitment, demand-led action, and transparency in support of an enabling environment and sustainable development outcomes.

The Denmark's support is strictly targeting ODA eligible developing countries including LDCs and SIDS, as well as major emerging economies (MEEs). The Partnership supports developing countries in a flexible and tailored manner, with strong emphasis on government ownership and building on existing processes and systems. As such, the in-country engagement approaches will differ from country to country to adapt to local realities and target groups. The NDCP Country Engagement

_

¹⁷ Link

¹⁸ From UNDP's Climate Promise website: "Participants noted that the Global NDC Conference stood out because it brought together more than just the standard set of climate actors. Joining countries in discussions were not only private sector and financial actors such as Multi Development Banks and institutional investors, but also civil society, research institutes, and representatives from youth, Indigenous groups and local communities, truly highlighting the power of multi-stakeholder collaboration".

<u>Strategy</u> provides further information. The approach to engaging in MEEs, is described in the <u>MEE Strategy</u>. From Denmark's perspective, the Partnership's emphasis on a whole-of society and social inclusion approach is key to ensuring that target groups that are most in need, are supported.

3. The Project

3.1 Project Objective

The project objective of Danish support is: ODA eligible developing countries supported in their efforts to accelerate NDC implementation, raise NDC ambition and quality, strengthen the enabling environment for mobilizing climate finance, and mainstream climate action into development plans and budgets, consistent with the goals of the Paris Agreement on Climate Change and climate-related SDGs.

This objective is <u>directly aligned with the current four impact pathways of NDCP</u> (see below ToC) and is reflecting the very current tangible challenges and opportunities in relation to both raising the ambition and implement climate action, and to secure broad based societal support and finance.

However, the objective is clearly also aligned with the overall impact statement (less current, more long term) in the NDCP ToC below: "Countries successfully reduce emissions, improve climate resilience, and advance sustainable development, with strong international support consistent with the achievement of the Paris Agreement and the 2030 Agenda for Sustainable Development".

3.2 Short summary description of the Project

The Project is a grant contribution to i) the NDCP SU operations for implementing the current 2021-2025 Work Program, as further specified in Annual Work Plans (AWPs)²⁰ and ii) to the NDC Partnership Action Fund (PAF)²¹, both strictly earmarked to ODA eligible countries/expenditures only. The contribution is further fully aligned with the Work Program while having a particular focus on selected KPIs in the NDCP results framework. In order to align Denmark's support with the NDCP Program Cycle, the project will also support NDCP though the following Program cycle (2026-2030) for which the Work Program is still to be developed.

The NDC Partnership delivery model through which Denmark's support is channelled, is briefly summarised²² in Box 2.1 in Section 2.1.

Through Denmark's role as Co-Chair, Denmark will also provide a significant input in-kind to the governance of NDCP and strategic development of the Partnership toward its new Work Program beyond 2025, which is also proposed to be supported though this project. As recommended by the Appraisal Team (see its recommendations and agreed follow-up in Annex 9) Denmark will encourage the NDCP Support Unit to develop a set of internal KPIs for measurement of the effectiveness and efficiency of the SU. This set of indicators should be developed prior to the next five-year Work Program.

The Danish priorities in context of the co-chairmanship are:

¹⁹ The NDCP Work Plan 2021-2025 results framework Impact 1.1 indicator is: Countries successfully reduce emissions, improve climate resilience, and advance sustainable development, with strong international support, consistent with the achievement of the Paris Agreement and the 2030 Agenda for Sustainable Development.

²⁰ As example, see the Summary of the NDC Partnership Support Unit's 2023 Annual Work Plan <u>link</u>. AWPs are prepared by the SU under the guidance of the Co-Chairs, mapping the SU's key commitments, establishing the necessary staff capacity, budget, procurement, and planned expenditures. AWPs are flexible and are reviewed regularly through the year, including quarterly by the SU with the Co-Chairs. The ongoing MTR will also assess the AWP.

²¹ Eligibility and procedures for PAF are briefly summarized in Box A5.3 under the budget notes in Annex 5.

²² For further details, please refer to NDCP <u>in-country engagement</u>, NDCP <u>knowledge and learning</u>, and NDCP <u>access to finance</u>

- Contribute to a <u>strong and coherent multilateral architecture</u> for preparing and financing climate action/investments as a foundation for sustainable development and for continued rise of ambitions, at country level, through NDCP strategic and coordinating role. This includes in context of Just Transition, and with attention to human rights principles.
- Enhancing the NDCP central role in the UNFCCC processes and follow up even further such as the global stocktake and ambition mechanism, the COP negotiations and the COP agreed work programmes, such as the mitigation and adaptation work programmes, and loss and damage. A top priority during the co-chairmanship will be the updating of the next round of NDCs between COP28 and COP30, informed by the global stocktake, and with a focus on transformational change within a range of sectors.
- Successful <u>facilitation of NDCP SC strategic discussions and decision making</u>, including on the next period's work programme. Strengthening the bridge-building and equal footed dialogue and alliances with developing countries, the ties with Rwanda and other not yet selected co-chair.
- Assist in <u>sharpening the NDCP</u> "niche" within finance even further (current deep dive to understand requests, mapping of other finance related delivery mechanisms, and elaboration of finance taxonomy), and possibly strengthening the division of labour with other finance institutions on downstream finance/investment work.
- Assist in <u>fine tuning the NDCP request model</u>, <u>if/when relevant/necessary</u>, including assessment and categorization of requests, and management of requests and of country expectations.

4. Theory of change and key assumptions

4.1 NDCP 2021-2025 Work Program and its ToC

2021-2025 Work Program

The 2021-2025 Work Program was designed in line with the Paris Agreement's five-year NDC submission and revision cycle. It is accompanied by a comprehensive Monitoring and Evaluation Framework, which enhances the learning processes that continually improve NDCP work and to hold the members collectively informed and accountable for the impactful implementation of the Partnership's work. It builds on the results and lessons of the 2018-2020 Work Program, and new priorities include: a focus on both accelerating implementation and raising ambition; a stronger focus on mobilizing members; the implementation of climate and development priorities such as strengthening knowledge, analysis, and institutional capacities to understand and manage climate risks or improving climate stressed water management, incl. exploitation plans for irrigation, livestock, energy, industry and drinking water supply; more action to mobilize finance; long-term (low greenhouse gas emissions development) strategies (LT-LEDS) as part of Thematic Calls. The Partnership Action Fund (PAF) as a new funding mechanism of the Partnership's 2021-2025 Work Program and launched at COP26.

Figure 4.1 shows the Theory of Change for the NDCP 2021-2025 Work Program (copied from the Work Program document link), to which the Danish supports aligns. As earlier noted, this project is also proposed to support the following NDCP Work Program (2026-2030), for which the ToC and results framework have not yet been developed. With Denmark as Co-chair during 2024-2025 when the new Program cycle with be developed and approved, Denmark will have significant influence on its planning and design. A specific Danish stocktaking in 2025 when the 2026-2030 NDCP Work Program has been defined, will ensure continued alignment of Denmark's support to the NDCP ToC and Results Framework. Denmark will in this connection seek to strengthen causality between outputs-outcomes-impact in the new NDCP Work Program ToC and seek to

ensure sustainability of NDCP results, including through more specific key assumptions in the ToC, that can be monitored closely.

Figure 4.1: Theory of Change for the NDCP 2021-2025 Work Program

			_	
IMPACT	OUTCOMES	INTERMEDIATE OUTCOMES	OUTPUTS	ASSUMPTIONS
Countries successfully reduce emissions, improve climate resilience, and advance sustainable development,	By 2025, member countries are on track or ahead of schedule to implement their NDCs with the support of the Partnership	Implementing and development partners accelerate and coordinate support so that member countries have the capacity	Implementing and development partners have the capacity and resources to respond with speed and flexibility to requests from countries through the Partnership	High level commitment from members and other stakeholders in line with the Guiding Principles of the NDC Partnership
with strong international support consistent with the achievement of the Paris Agreement and the 2030 Agenda for Sustainable Development	Member countries communicate new NDCs reflecting greater quality	and resources needed to implement and update their NDCs using a whole-of-society approach	Member countries have results-based, equitable, and inclusive NDC implementation plans in place, aligned with development and recovery plans	Availability of technical and financial resources and capacity building support from members
	greater quality and ambition by 2025 with the support of the Partnership, inspiring and informing others	Member countries have integrated NDC mitigation and adaptation targets into national and	Member countries have participatory NDC coordination mechanisms and resources for inclusive and transparent NDC implementation and updating	for NDC implementation and updating at the national and subnational levels.
		subnational development plans, policies, budgets, and recovery plans	Increased country access to knowledge and capacity development	Implementing and development partner members are willing to use country requests presented through the Partnership as a key element in
		Member countries receive increased investment flows towards climate action	Improved enabling environment established and public and private finance providers mobilized	their resource programming Members receiving support have cross-
			Implementing and development partners use Partnership data and insights to program support in alignment with NDC implementation plans	government commitment to the ongoing implementation and enhancement of their NDCs and to the work of the Partnership

4.2 Theory of Change for Denmark's support

The narrative ToC for the proposed Project is fully aligned with the ToC above and is summarised as follows:

If Denmark provides earmarked grant funding aligned to the NDC Partnership's Work Program 2021-2025 and beyond, in the following Program cycle, contributing to the NDCP Support Unit's operational budget and to the NDC Partnership Action Fund.

And *if* Denmark continues and reinforces its efforts to engage multilateral NDCP member partners that also receive Danish funding in responding to NDCP requests for support.

And if Denmark strives for synergy of its NDCP support with Danish bilateral cooperation on climate action.

And if Denmark takes an active role as Co-chair and member of the NDCP Steering Committee.

Then:

NDCP through its Support Unit will undertake a combination of Activities under its existing four work streams:

- O Country Engagement.
- o Knowledge and Learning.
- Outreach and Governance.
- o Operations.

And then:

NDCP will deliver Outputs in the following areas (in line with orange box of ToC above):

- ✓ Implementing and Development Partners will have capacity and resources to respond with speed and flexibility to country requests through the Partnership.
- ✓ Member countries have results-based, equitable, inclusive NDC Actions Plans in place, aligned with development and recovery plans.
- ✓ Member countries will have participatory NDC coordination mechanisms and resources for inclusive and transparent NDC implementation and updating.
- ✓ There will be increased country access to knowledge and capacity development.
- ✓ There will be an improved enabling environment, and public and private finance providers will be mobilized.
- ✓ And Implementing and Development Partners will use of Partnership data and insights to programme support in alignment with NDC Action Plans.

And then:

these NDCP Outputs will contribute to Intermediate Outcomes and Outcomes (in the blue boxes of ToC above) in the following areas:

- ➤ Member countries will be on track or ahead of schedule to implement their NDCs with Partnership support.
- ➤ Member countries will communicate new NDCs, reflecting greater quality and ambition, in line with Paris Agreement goals, with Partnership support, inspiring and informing others.
- ➤ Implementing and Development Partners accelerate and coordinate support so that member countries have the capacity and resources needed to implement and update their NDCs using a whole-of-society approach.
- ➤ Member countries will have integrated NDC mitigation and adaptation targets into national and subnational development policies, plans, budgets, and recovery plans.
- Member countries receive increased investment flows towards climate action.

And then:

Denmark's support will have contributed to impact along the NDCP's existing four impact pathways:

Accelerating NDC implementation.

- Raising climate ambition and quality.
- Increasing access to climate finance.
- Mainstreaming NDCs and SDGs into planning and budgeting.

And then:

ODA eligible developing countries have been supported in their efforts to accelerate NDC implementation, raise NDC ambition and quality, strengthen the enabling environment for mobilizing climate finance, and mainstream climate action into development plans and budgets, consistent with the goals of the Paris Agreement on Climate Change and climate-related SDGs. (i.e. the objective of Denmark's support Project).

4.3 Key assumptions and drivers for Denmark's support

Key assumptions for Denmark's support include: i) the four above-cited NDCP ToC assumptions; ii) all NDCP members adhere to the 10 partnership guiding principles and effectively apply whole-of-government and whole-of-society approaches with emphasis on social inclusion; iii) the NDCP Support Unit is capable of retaining/ recruiting qualified key staff to ensure adequate capacity; iv) NDCP is able to ensure additionality and synergies in a field with many actors and initiatives; v) Denmark allocates staff resources to continue to play an active role in the Steering Committee, not least during the tenure as Co-Chair. Drivers of impact as seen from a Danish perspective include the following: continued effective involvement of the large multilateral member institutions such as MDBs; effective linkages and synergies with other Danish multilateral and bilateral climate cooperation; effective and targeted NDCP SU communication of results and lessons, including using "the power of the example"; effective monitoring of assumptions and risk factors and timely remedial action when required.

5. Draft results framework

5.1 NDCP 2021-2025 Work Program KPIs

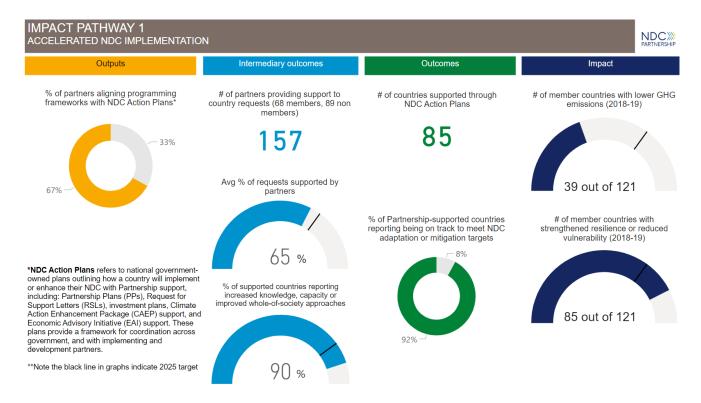
The NDCP Work Program Results Matrix includes a set of global key performance indicators (KPIs) for the NDCP corresponding with the desired results included in NDCP's Theory of Change, i.e. Outputs, Intermediary Outcomes, Outcomes, and Impact. As a supplement to Figure 4.1, the full Results Matrix with baselines, targets, status as of February 2022 and February 2023, and traffic signals is found in Table A3.2 in Annex 3. Progress reporting to the Steering Committee covers a total of 29 indicators,²³ each with a baseline (December 2020) and targets by December 2025. In addition, reporting encompasses the Partnership's cross-cutting work including outreach & governance and operational updates, and presents lessons learned.

Indicators are generally considered SMART²⁴. A traffic signal is used to indicate whether progress is on target or whether attention is required due to delays/critical issues. According to the SU presentation to the April 2023 SC meeting, 79% of 2021-2025 Work Program M&E indicators are on track. The NDCP "Impact Highway Progress Tracker" Dashboard (link) provides more detailed, updated information online. An example of how the dash board works for the impact pathways referred to in the ToC above is provided below:

20

²³ The NDC Partnership reports on 29 indicators at four levels: 3 impact indicators, 5 outcome indicators, 11 intermediary outcomes indicators, and 10 output indicators. This number does not include a total of 24 sub-indicators and other metrics that complement NDCP's reporting.

²⁴ Specific, measurable, achievable, relevant, and time bound.



5.2 Selected NDCP KPIs for Denmark's special focus

It is important to note that the M&E framework, associated KPIs, and progress reporting are all designed to guide and monitor the work of the Partnership's 200+ members as a global coalition, not the work of the Support Unit. Furthermore, it is important to note that NDCP's support is entirely demand driven, so while Denmark's support is earmarked to be fully ODA eligible, it is not possible to earmark the Danish contribution to specific countries among the Partnership's developing country members. Denmark will pay particular attention to the following²⁵ key performance indicators in the NDCP Results Matrix for the 2021-2025 Program cycle:

Table 5.1: KPIs for Denmark's special focus

KPI#	Level	Description
1.1.1	Impact	Number of member countries with reduced GHG emissions between 2021 and 2025,
		(compared on a year-on-year basis).
1.1.2	Impact	Number of member countries with enhanced adaptive capacity, strengthened resilience or
		reduced vulnerability by 2025 (compared on a year-on-year basis).
1.1.3	Impact	Number of developed country members have increased climate-related financing from
		2020 levels.
2.1.2	Outcome	% of member countries receiving Partnership support that reported being on track or
		ahead of schedule in meeting their NDC mitigation and adaptation targets.
2.2.2	Outcome	% of member countries receiving partnership support that submit an updated NDC with
		increased (adaptation and/or mitigation) ambitions.
4.2.1	Output	% of members countries receiving Partnership support that have validated NDC
		Partnership plans which are gender sensitive, gender aware, and gender responsive.

Denmark will also pay particular attention to the number of member countries' requests to NDCP vs. the number of requests supported, and that NDCP SU activities and request procedures are monitored closely.

²⁵ These are marked in Table A3.2.

Denmark will ensure the continued alignment of its support during 2026-2030 to the ToC and results framework KPIs for this next NDCP Work Program cycle. This will be assessed by the MFA Stocktaking in 2025 when the NDCP 2026-2030 Work Program has been defined.

6. Inputs/budget

6.1 Inputs and budget

Denmark will provide a grant of DKK 70.0 million for ODA eligible expenditures only, allocated as shown in Table 6.1. Note that due to rounding, some decimals in Table 6.1 may not add up. The budget allocation to PAF is about 30% of the total budget, as requested by the NDCP SU. It is noted that the PAF is a last resort mechanism, thus the majority of finance for countries will ideally be facilitated in first and second resort (see Box 2.1). More information about eligibility and process for PAF resources is found in Box 5.1.3 in Annex 5. The allocation of the Danish grant to the Support Unit Work Program budget and PAF, respectively, should be reassessed at critical milestones during implementation, including at the stocktaking and MTR, and reallocation of up to 25% of the resources to these two budget lines could be made if relevant.

Commitments will be made in 2023 with DKK 50.0 million and in 2024 with DKK 20.0 million.

The SU's expenditure categories are detailed in Annex 5 to this Project Document.

Since the NDCP is fully demand driven by country requests, and since the NDCP Results Framework and KPIs are designed to guide the work of the entire Partnership's 200+ members as a global coalition, not solely the Support Unit and the PAF, it is not possible to make an outcome or output based budget for the Danish contribution that reflects the overall ToC and outputs/outcomes, nor can it be earmarked to specific countries. However, the NDCP SU apply "functional" budget lines e.g. travel, staff, etc. and can/will report based on these. And the PAF budget line can/will be broken down in the various "windows" of support, as well as by country.

As earlier mentioned, Denmark will take on the role of Co-chair of the Steering Committee for 2 years (which requires staff inputs in-kind for 2024-2025). One person in MCEU is back stopping the co-chair; the co-chair will be Denmark's climate ambassador, and the Minister will be actively engaged on the international stage of NDCP as well. In GDK, at least one person follows and supports the contribution. In total this implies an increased level of staff resources compared to previously.

Table 6.1: Summary budget allocations

Budget item ²⁶	2024	2025	2026	2027	2028	2029	2030	Total
Support Unit Work Program ²⁷	6.31	6.41	6.20	6.30	5.80	6.30	6.30	43.62
Partnership Action Fund (PAF), pooled	3.00	2.90	2.86	3.00	2.96	3.00	3.00	20.72
financing mechanism								
Audit	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.28
Mid-Term Review (in 2028, contribution of		0.25			0.55			0.80
DKK 550,000, jointly with other donors) plus								
MFA Stocktaking ²⁸ (in 2025, DKK 250,000,								
administered by the MFA)								
Support costs (7%)	0.65	0.65	0.65	0.65	0.65	0.65	0.65	4.58
Total DKK million	10.00	10.00	10.00	9.99	10.00	9.99	9.99	70.00

An overview of current donor funding of the NDCP SU Work Program 2021-2025 and PAF 2021-2025 is shown in Table 6.2.

Table 6.2: Other donor funding for Work Program and PAF 2021-2025

Country	Funding 2021-2025 World Contributions (USD)	Hosts	Percentage of Total
Denmark	3,700,000	WRI	5.79%
Germany (BMZ)	3,450,000	UNFCCC	5.40%
European Commission	1,150,000	UNFCCC	1.80%
Germany (BMWK)	10,500,000	UNOPS	16.43%
Netherlands	10,000,000	UNOPS	15.65%
Norway	5,500,000	UNOPS	8.61%
Germany (BMZ)	3,671,660	WRI	5.75%
Sweden	2,400,000	WRI	3.76%
Ireland	515,000	WRI	0.81%
United Kingdom	18,942,320	WRI	29.64%
Canada	2,150,000	WRI	3.36%
United States	1,200,000	WRI	1.87%
	63,898,980		

PAF Fundraising 2021-2025:

Country	Contributions (USD)	Hosts	Percentage of Total
Denmark	1,800,000	WRI	4.04%
Germany (BMUB)	1,130,000	UNOPS	2.53%
Netherlands	10,000,000	UNOPS	22.43%
Norway	2,060,000	UNOPS	4.62%
United Kingdom	19,120,000	UNOPS	42.88%
Belgium	8,620,000	UNOPS	19.33%
Ireland	110,000	WRI	0.25%
Sweden	1,000,000	WRI	2.24%
United States	750,000	WRI	1.68%
	44,590,000		

²⁶ The allocation of the Danish grant to the Support Unit Work Program budget and PAF, respectively, should be reassessed at critical milestones during implementation, including at the stocktaking and MTR, and reallocation of up to 25% of the resources to these two budget lines could be made if relevant.

²⁷ To synchronise Denmark's support with the NDCP work program cycle, the contribution covers the remainder of the 2021-2025 Work Program cycle plus the full 2026-2030 NDCP Program Cycle.

²⁸ MFA stocktaking when NDCP Work Program 2026-2030 has been defined, with the purpose of making adjustments, as required for alignment of Danish support to the new 2026-2030 NDCP Theory of Change and Results Framework.

6.2 Financial management and reporting

The Danish grant contribution will be channelled to the NDCP through WRI, based on a donor agreement between WRI and the Ministry of Foreign Affairs of Denmark (MFA). The WRI administrative, financial and procurement rules and regulations, which are deemed appropriate, apply to the Danish funds.

Development partners are channelling funding to NDCP through various channels: Some, as Denmark, channel funding solely through WRI, others through UNOPS, and others in a mix between the two channels. UNOPS provides financial management, personnel, operational, and procurement services to the NDCP, and WRI and UNOPS jointly execute the pooled-funding mechanism, the Partnership Action Fund (PAF), with UNOPS acting as fund manager. UNOPS also undertakes some, but not all, procurement and staff recruitment for the Support Unit, on a case-by-case basis. UNOPS have no influence or control over how funds channelled through WRI are spent and accounted. The decision-making on budget allocation and spending lies solely with the Support Unit, led by the Global Director and the Management Team. Regardless of the funding source, the SU independently determines how the funds are spent based on the guidance by the Co-Chairs, Steering Committee, and the Work Program.

Due to the case of financial mismanagement in UNOPS in 2022, the MFA has specific requirements concerning grants where UNOPS is involved. As noted above in Table 6.2, some donors have chosen to channel funds through UNOPS, but Denmark will continue to channel funds through WRI. There is as such an indirect relationship to UNOPS in relation to this grant. Denmark will keep an attention to- and consult with other donor partners as relevant concerning their position and experience with UNOPS, and UNOPS will continue to provide updates, including on the progress of clean-up, to the SC. Further information on UNOPS' role in the NDCP is found in Annex 2.

As NDCP is not undergoing an audit (though WRI, including NDCP funding, is audited), Denmark will annually request and receive specific audited accounts for the Danish grant from WRI. A budget is set aside for this. The audited accounts must specify both income and expenditures of the Danish grant. The statements must provide the information necessary to allow for verification that the activities on which they are spent are ODA-eligible. The audit shall comprise of a financial audit including elements of compliance and performance. The basis for the audit must be International Standards for Auditing (ISAs) and the basis for the compliance and performance audit must follow relevant International Standards of Supreme Audit Institutions (ISSAIs). Denmark will also receive the NDCP's general progress reports.

Following the yearly financial reporting from WRI, Denmark will make the annual transfer of funds based on a payment request from WRI, which also includes budgets for the remaining project period. Funds will be transferred in the currency of the budget in the project document. WRI will return a letter or email acknowledging the receipt of funds.

A final audit covering the entire project period shall be submitted to the MFA maximum 6 months after completion of project. The statements shall clearly state the disbursements made by the Danish MFA as well as the outstanding balance at the time of reporting. Any unspent balance or any savings of project funds shall be returned to the Danish Ministry of Foreign Affairs (MFA). Positive interests accrued during the project period must be returned to the MFA. Any negative interests can be accounted for as expenditures and may be covered by the grant.

WRI is obliged to inform the Danish MFA immediately if any changes, including overspending of budget lines, or irregularities in the management of funds are foreseen or have occurred.

The MFA shall have the right to carry out any technical or financial mission that is considered necessary to monitor the implementation of the Project. After the termination of the support, the MFA reserves the right to carry out evaluation in accordance with this article. Any technical or financial missions or evaluation will be paid by the MFA.

7. Institutional and management arrangement

7.1 Institutional set-up

Host Institutions

The NDC Partnership's work is facilitated by the Support Unit (SU), the Partnership's secretariat, hosted by the UN Framework Convention on Climate Change (UNFCCC) and the United Nations Office for Project Services (UNOPS) in Bonn and the World Resources Institute (WRI) in Washington, D.C. USA. A Cooperation Agreement signed in October/December 2021 by the UNFCCC, WRI, and UNOPS governs this set-up, serving as the operational framework for host institutions of the SU and defining the decision-making responsibilities of the Global Director and the SU's Management Team based on the guidance of the Partnership's Co-Chairs and Steering Committee (SC) and the Partnership's Work Program. The host institutions provide office space and share back-office infrastructure (e.g., accounting systems, HR resources, etc.). Further information on the SU, UNFCCC, WRI, and UNOPS is found in Annex 2. All SU staff follow the general policies of the host institutions and is managed by the SU's Global Director. The SU team (see current staffing here) has grown from 7 members in 2016 to 67 as of May 2023, reflecting the rapid growth of the partnership and its membership base.

7.2 Governance and management

Steering Committee

The Partnership is guided by a Steering Committee comprised of Country Members (developed and developing nations) and Institutional Members, and meetings are facilitated and chaired by the two countries which serve as Co-Chairs. The Steering Committee consists of fourteen seats; five seats for developed countries (including Denmark since 2017- in a shared seat with Sweden) five seats for developing countries (including least developed countries (LDCs), small island developing states (SIDS), and early movers) and four seats for international organizations/multinational development banks (MDBs), including at least one UN organization and at least one MDB. The composition of the Steering Committee will be balanced both regionally and between climate/environment and finance/planning institutions. The rotation of the representatives will be staggered to ensure continuity. The standard term of appointment will be two years. The current SC membership can be seen here.

The host institutions of the Support Unit (WRI, UNFCCC, UNOPS) participate in the SC meetings in a permanent non-voting, ex-officio capacity. The Steering Committee approves the Work Program and the associated Monitoring & Evaluation Framework for the NDC Partnership; provides overall strategic direction, review progress reports, provide guidance on communication and planning of events by the SU. The Steering Committee will meet twice a year with up to two additional virtual meetings, if needed. The biannual meetings will take place approximately every six months in the spring and fall of the calendar year. Steering Committee meetings will be planned by the Support Unit under the guidance of the Co-Chairs and hosted in locations convenient to members.

Co-Chairs

Two Co-Chairs are chosen, one from a developed country and one from a developing country. The Co-Chairs serve as Chairs for meetings of the Steering Committee and Partnership Forums and are available to provide guidance to the Support Unit on issues related to overall strategy and the Work Program between Steering Committee meetings. The Co-Chairs also help represent and champion the work of the Partnership, incl. at Minister level at the COPs etc. Countries serving as Co-Chairs must be prepared to make time available to provide leadership and support for the Partnership. As earlier mentioned, Denmark will take up the SC Co-Chairmanship by 2024, to be announced at COP28 in November 2023. The Co-Chairmanship will be for 2 years The other Co-Chair is a developing country (Rwanda for the first year, and another country to be named for the next year).

8. Risk management

A short summary of key risk factors and mitigating measures is provided below, as seen from Denmark's perspective and including risk factors highlighted by the NDCP SU. A detailed risk management matrix seen from Denmark's perspective and consistent with Danida guidelines is found in Annex 4. This risk management matrix is also aligned to the risk factors and risk mitigation plan in Annex 2 (Risk Matrix) to the NDCP Work Program 2021-2025.

Contextual risks

There is a risk that climate is not a high priority if countries and partners consider climate change as a standalone issue that can be dealt with separately from sectoral and economic priorities. Crises or short-term shocks such as the Covid pandemic and Russia's invasion of Ukraine significantly impact climate policy and global food and energy markets, potentially diverting public funds from climate finance and ODA and the goals of the Paris Agreement. Given the multiple challenges and lack of funding, concerted action and collaborative approaches with efficient spending of limited resources are needed.

There is also a risk that main actors from the global North focus on fast energy transition in their own countries as well as MEEs, thus leaving smaller and poor countries, the ones that are most in need of support, behind. Hikes in energy costs are likely to lead to rising prices of goods and services, and high interest rates and real income losses. To mitigate this, NDCP's core mandate is to act together and collectively reply to country needs rooted in national ownership and priorities. The Partnership will underline that despite global crises and geopolitical challenges there is a unified response. This includes mainstreaming climate and scaling up support in country programming and alignment with national development and budgetary planning.

Programmatic Risks

There is a risk that members will find themselves unable to contribute to country requests in a timely manner and/or at sufficient scale due to internal or external factors, for instance other domestic donor priorities or international needs e.g. response to a global pandemic. Given the increase in requests from countries and needs, members are further encouraged to align their climate specific and country programming closer to such requests. NDCP outcomes at scale and lasting impact are highly dependent on keeping the major multilateral development institutions closely engaged, which requires constant attention to NDCP transaction costs and use of innovative mechanisms such as allocating funding for NDCP support directly with multilateral partners (the aforementioned IRENA example).

Institutional Risks

There is a risk that SU capacity is challenged by high demand which needs to be monitored closely.

And given the complex and dynamic landscape of many actors and initiatives, there is a risk of potential for overlap with other organisations and initiatives. To mitigate this risk, NDCP works closely with its partners and countries, but continued attention to additionality and synergy will be needed.

9. Closure

An exit strategy for Danish support to NDCP 2023-2030 will be discussed at the mandatory Danida Mid-term Review based on suggestions by the MFA/NDCP put forward to the MTR review team. Throughout the project support period Denmark will emphasise the close monitoring of sustainability of NDCP results, and if required engage in a coherent timely planning for either exit, transition or phase-over to new more relevant approaches and setups.

NDCP SU's final report to the MFA will be due in Q2 2031.

GDK's final results report will follow NDCP SU's final report to the MFA.

Closure of accounts, final audit (latest 6 months after project completion) administrative closure will be completed by mid-2031.

Annex 1: Context analysis

1. Poverty and inequality analysis

The Danida Approach Note on Fighting Poverty and Inequality emphasizes the multidimensional poverty concept, which does not reduce poverty to a question of income but defines poverty as lack of access to resources in a wider sense, such as education, health, natural resources (including water and land), energy, jobs, rights (including influence on decision-making processes), as well as personal security. The Note stresses that many groups are trapped in several dimensions of poverty, e.g. people with disabilities, indigenous peoples and vulnerable women and children. The climate crisis influences several of these poverty dimensions. The Note also mentions - as another objective of the strategy: "The World We Share" - that a much greater share of climate aid should be spent on climate adaptation to enhance resilience among poor and vulnerable people in the least developed countries.

Climate change and inequality: IPCC's Sixth Assessment Report (2022) found that: adverse impacts of climate change, development deficits and inequality exacerbate each other, and that existing vulnerabilities and inequalities intensify with adverse impacts of climate change. These impacts disproportionately affect marginalised groups, amplifying inequalities and undermining sustainable development across all regions. Over 3.3 billion people are living in countries classified as very highly or highly vulnerable. Observed societal impacts of climate change, such as mortality due to floods, droughts and storms, are much greater for regions with high vulnerability compared to regions with low vulnerability. The intersection of inequality and poverty presents significant adaptation limits, resulting in residual risks for people and groups in vulnerable situations, including women, youth, elderly, ethnic and religious minorities, indigenous peoples, and refugees. Climate change is likely to force economic transitions among the poorest group. The poor typically have low carbon footprints but are disproportionately affected by adverse consequences of climate change and also lack access to adaptation options. In many cases, the poor and most vulnerable people and groups are most adversely affected by maladaptation. Synergies between adaptation and mitigation exist, and these can have benefits for the poor.

<u>Vulnerable groups and how they are targeted (Leaving No One Behind)</u>: As specified in NDCP's Gender <u>Strategy</u>, gender is part of the broader socio-cultural context, as are other important criteria for socio-cultural analysis, including class, race, poverty level, ethnic group, sexual orientation, age, etc. from the perspective of leaving noone behind (LNOB) and in line with Denmark's multi-dimensional poverty concept. These considerations are applied in NDCP's country engagement, including ensuring inclusivity and representation at the scoping stage. However, the most recent member survey did reflect concerns indicating a lack of inclusion of local stakeholders in the NDC process.

Any risks that the project may cause harm to poor and vulnerable groups: The project supports technical assistance and capacity development, and will as such not cause harm to vulnerable groups but make them more resilient to climate change, and the support is based on a whole-of society approach with the intention of engaging local communities.

Climate related drivers of poverty and inequality:

The IPCC Sixth Assessment Report

Key documentation and sources used for the analysis:

Danida Approach Note on Fighting Poverty and Inequality (link)

Danida How to Note on Energy Transition and Emission Reductions in Developing Countries (link)

Danida How to Note on Climate Adaptation, Nature and Environment (link)

IPCC Sixth Assessment Report (link)

Any additional studies/analytic work needed? How and when will it be done?

No further studies required during formulation, but continued attention to NDCP's focus on multidimensional poverty and inequality as well as effective stakeholder engagement at sub-national levels should be given during project implementation, including in the MFA Stocktaking at the transition from the current NDCP Work Program to the new 2026-2023 Work Program and its ToC and KPIs.

2. Political economy and stakeholder analysis

How NDCP engages with key actors in the political economy: As further elaborated in the NDCP Country Engagement Strategy, the country demand-driven approach is key to ensure that interventions are rooted in national ownership and priorities. Upon joining the Partnership, country members nominate Focal Points (FPs) from both the Ministry of Environment or Climate and the Ministry of Finance or Planning to facilitate a whole-of-government approach and embed the NDCs into national environment and development plans, policies, and budgets. The Country Engagement process can be understood in five stages, the first of which is "scoping" and entails a government-led participatory process to identify NDC-related needs across the different sectors. Scoping follows a whole-of-government consultative process where NDCP supports countries to map and engage as comprehensively and effectively as possible with government branches and broader stakeholder groups in a whole-of-society approach.

Any stakeholders who are likely to hinder the project: As also mentioned in the risk analysis in Annex 4, there are vested interests and fossil fuels subsidy schemes working against climate action. Climate sceptics, land rights and compensation issues, and the not-in-my backyard syndrome can be a challenge in implementing climate change mitigation and adaptation infrastructure. NDCP works based on country requests reflecting a strong commitment by the beneficiary country, and the NDCP's whole-of-government and whole-of-society approach together with effective communication support are important mitigating measures.

<u>Stakeholder analysis:</u> As further described in Annex 2, the NDCP is open to countries and international institutions that are committed to ambitious implementation of NDCs and SGDs and who subscribe to the Partnerships' ten guiding principles. While membership is fundamental, the NDCP actively promotes engagement with non-members and it works directly with a diverse group of stakeholders including multilateral institutions, international initiatives, subnational actors and the private sector. The NDCP whole-of-society, whole-of-government approach that underpins its country engagement is essential for inclusiveness and concerted action among stakeholders.

Who stands to gain and who stands to lose from the project: All stakeholders engaged in whole-of-government whole-of society climate action supported by NDCP stand to gain, not least disadvantaged population groups and enterprises in LDCs and SIDS who suffer most from the consequences of climate change. NDCP supports rational planning and analyses of the costs of the green transition, which combined with international political pressures supports progressive forces. Vested interests in continued reliance on fossil fuels and resistance to a green transition from climate sceptics stand to lose.

Strategies (approaches, methods etc.) for engaging key stakeholders: One of the NDCP 10 guiding principles that all members must adhere to is to promote engagement from multiple stakeholders across ministries, institutions, and non-state actors. As mentioned above, Partnership members commit to pursuing a whole-of-government and whole-of-society approach during the scoping stage, which includes mapping of existing projects, areas of support and interests to best inform a preliminary needs assessment. NDCP encourages meaningful engagement of civil society and the private sector to harness the contribution that non-government sectors can make to adaptation initiatives and mitigation strategies at the national, sub-national and local levels. Meaningful engagement includes inviting key gender stakeholders to scoping meetings, for example the ministry or main agency responsible for gender equality or social equity and/or the UNFCCC gender FP and other identified stakeholders (e.g., women's organizations and local gender experts) working on gender equality and/or social inclusion. The NDCP 2023 membership survey reflected that for NDCP's KPI 3.1.4, 90% of countries reported increased knowledge, capacity or improved whole of society approaches for NDC implementation (84% in 2021) this includes 89% reporting improved whole-of-society approaches due to Partnership facilitation (73% in 2021). However, the 2023

membership survey also indicated a lack of inclusion of local stakeholders in the NDC process, so this needs to be a point of attention going forward.

Key documentation and sources used for the analysis:

Information from NDCP SU.

NCDP Country Engagement Strategy (link)

Any additional studies/analytic work needed? How and when will it be done?

No further studies required as part of project formulation, but continued attention should be given to effective engagement of stakeholders at sub-national level.

3. Fragility, conflict and resilience

The overview in Table A1.1 of the currently 98 NDCP ODA eligible member countries shows that 33 are LDCs, 14 are SIDS, 11 are institutionally and socially fragile, and 11 are in conflict.

Key drivers of conflict and fragility and resilience in relation to climate change: While conflict and fragility can have a range of underlying causes including historical and ethnic tensions, the effects of climate change are increasingly drivers of such problems, caused by heat and drought, flooding, related social exclusion and climate migration, etc. Conversely, the NDCP's emphasis on whole-of-society approaches to adaptation and mitigation actions including reliance on secure and sustainable energy sources can be drivers of resilience and robustness for social and economic development better able to withstand future crises.

Issues and concerns of relevance to Danish interest concerning fragility, conflict, humanitarian situations, security, and migration:

The Danida How-to-Note on Climate Adaptation, Nature, and Environment emphasizes the need for paying more attention to adaptation and sustainable development in the poorest and most fragile developing countries, where the contexts call for special focus on climate adaptation in areas characterised by fragility or conflict, with the aim of finding synergy between the climate adaptation and peacebuilding, stabilisation, development work and humanitarian interventions. Thus, climate adaptation may generally help pursue Denmark's foreign-policy interests in stability, security, as well as prevention of displacement and of irregular migration. Part of the Danish contribution to NDCP is for the PAF, which is a last resort, and hence likely to be applied in LDCs, SIDS and other countries with fragile or challenging political and socio-economic conditions and complex NDCs.

The World Bank Groundswell report found that climate change, an increasingly potent driver of migration, could force 216 million people across six world regions to move within their countries by 2050. The WB Vice President said quote: "The Groundswell report is a stark reminder of the human toll of climate change, particularly on the world's poorest—those who are contributing the least to its causes. It also clearly lays out a path for countries to address some of the key factors that are causing climate-driven migration". Climate change is a powerful driver of internal migration because of its impacts on people's livelihoods and loss of liveability in highly exposed locations. By 2050, Sub-Saharan Africa could see as many as 86 million internal climate migrants; East Asia and the Pacific, 49 million; South Asia, 40 million; North Africa, 19 million; Latin America, 17 million; and Eastern Europe and Central Asia, 5 million. Hotspots of internal climate migration could emerge as early as 2030 and continue to spread and intensify by 2050. The report also concluded that immediate and concerted action to reduce global emissions, and support green, inclusive, and resilient development, could reduce the scale of climate migration by as much as 80 percent.

Key documentation and sources used for the analysis:

Danida How-to-Note on Climate Adaptation, Nature, and Environment (link)

World Bank Groundswell Report (link)

Are additional studies/analytic work needed? How and when will it be done?

No additional studies required as part of project formulation.

4. Human Rights, Gender, Youth and applying a Human Rights Based Approach

Human Rights Based Approach (HRBA) Principles

The Human Rights Principles of participation, accountability, non-discrimination, and transparency (PANT) are inherent in the NDCP whole of society approach and its emphasis on ownership, commitment, demand-led action. Participation is inherent in the NDCP whole-of-society approach that includes supporting countries' efforts to advance climate action which prioritizes the interests of disadvantaged and underserved populations most vulnerable to climate impacts. Accountability mechanisms include a publicly accessible dashboard based om the NDCP KPIs and M&E system, annual membership surveys, progress reporting to the NDCP Steering Committee and to donors, and stage 5 of the country engagement process (result assessment and lesson learning) where Support Unit reviews country results and global trends to identify outstanding support gaps, success stories and lessons learned, sharing them through outreach products and events targeted at the Partnership's network. These include insights shared by in-country facilitators in their quarterly reporting. Non-discrimination is inherent in the NDCP whole-of-society engagement of relevant stakeholders, including at scoping stage, and in the gender equality. Transparency is provided through the above-cited publicly accessible dashboard the NDCP website and country engagement of relevant stakeholders including marginalised groups.

The UNFCC Sixth Assessment Report that was cited under section 1 above, also mentions that climate justice and rights-based approaches are increasingly recognised as key principles within mitigation and adaptation strategies and projects. Narrowing gender gaps can play a transformative role in pursuing climate justice.

Gender equality:

All the Partnership's members have agreed to the previously mentioned ten Guiding Principles, which highlight a commitment to equitable and inclusive development as well as the human rights implications of climate action for gender equality (Principle 10 is to promote gender equality). As specified in NDCP's Gender Strategy, gender is part of the broader socio-cultural context, as are other important criteria for socio-cultural analysis, including class, race, poverty level, ethnic group, sexual orientation, age, etc. from the perspective of leaving no-one behind (LNOB) and in line with Denmark's multi-dimensional poverty concept. Country engagement includes inviting key gender stakeholders to scoping meetings, for example the ministry or main agency responsible for gender equality or social equity and/or the UNFCCC gender FP and other identified stakeholders (e.g., women's organizations and local gender experts) working on gender equality and/or social inclusion. However, member surveys and review of the NDCP Work Program has indicated mixed progress in mainstreaming gender in country engagement processes and Partnership initiatives, with some targets not being achieved. A support gap analysis for gender equality that was submitted to the NDCP Steering Committee meeting in April 2023 found that gender quality requests (297 requests from 40 countries) made up about 7% of country requests, and 49% of these did not receive any support. Requests were mostly for cross-sectoral technical trainings, finance, and investment, and the gap report states that NDCP will give additional attention to supporting more gender-responsive climate policies including specific support on these topics through knowledge products and capacity development to develop gender responsible requests for support. New dedicated Canadian funding will strengthen gender mainstreaming, including training activities for Focal Points, facilitators, and Support Unit staff on stakeholder engagement, how to plan for a gender analysis, gender inclusion, etc.; technical support to countries for gender-mainstreaming within climate policies; knowledge products to share key gender and climate change building blocks, such as a checklist for Focal Points,

Facilitators and Support Unit staff to identify entry points for gender equality within NDC implementation; insight briefs; and hosting events and peer-to-peer exchanges on gender equality issues. Social inclusion has in spring 2023 been addressed by NDCP as part of the Raising Ambition Through Partnership webinar series for instance.

Youth:

NDCP is committed to meaningful engagement with young people through NDCP <u>Youth Engagement Plan</u> assisting governments in designing youth inclusive NDC processes at the country level and engaging youth across all phases of the NDC process. The Youth Engagement Forum in July 2023¹ was held with the theme "Shaping Our Future" and aims to empower young people to engage in long-term climate action by building young leaders' capacity, promoting dialogue on youth focused NDC planning and finance needs, and sharing best practices for youth engagement across the Partnership.

Key documentation and sources used for the analysis:

NDCP's Gender Strategy

NDCP Support Gap Analysis for Gender

NDCP Youth Engagement Plan

NDCP <u>Dashboard</u>

Are additional studies/analytic work needed? How and when will it be done?

No further studies required as part of project formulation.

5. Inclusive sustainable growth, climate change and environment

Overall risks and challenges to inclusive sustainable growth and development from the impact of climate change and environmental degradation: There are strong links between climate change and sustainable development, particularly for developing countries, and LDCs and SIDS are among the most adversely affected and least able to cope with climate related impacts on their social, economic, and natural systems affecting freshwater, food and energy security, human health and wellbeing (heat, air pollution, etc.), and housing and infrastructure (flooding, hurricanes, etc). Convening at the halfway point between the adoption of the 2030 Agenda for Sustainable Development and its 2030 deadline, the July session of the 2023 UN High-level Political Forum on Sustainable Development (HLPF) - while focusing on five SDGs - also found that overall, only 12% of SDG targets were on track. This echoed one of the conclusions in the UN Secretary General (UNSG's) SDG Progress report July 2023 "It is time to sound the alarm. At the midpoint on our way to 2030, the Sustainable Development Goals are in deep trouble. An assessment of the around 140 targets for which trend data is available shows that about half of these targets are moderately or severely off track; and over 30 per cent have either seen no movement or regressed below the 2015 baseline". The UNSG on 27 July made a statement when it became clear that July 2023 would be the hottest ever observed: "The era of global warming has ended and "the era of global boiling has arrived", the UN secretary general, António Guterres, has said after scientists confirmed July was on track to be the world's hottest month on record. "Climate change is here. It is terrifying. And it is just the beginning," Guterres said. "It is still possible to limit global temperature rise to 1.5C [above pre-industrial levels] and avoid the very worst of climate change. But only with dramatic, immediate climate action." "All this is entirely consistent with predictions and repeated warnings. The only surprise is the speed of the change. Guterres urged politicians to take swift action. "The air is unbreathable, the heat is unbearable, and the level of fossil fuel profits and climate inaction is unacceptable. Leaders must lead. No more hesitancy, no more excuses, no more waiting for others to move first. There is simply no more time for that". Clearly, Denmark's support to NDCP is fully consistent with this call for action.

Policies and strategies at national/regional/local level to ensure that development is inclusive and sustainable, avoid harmful environmental and social impacts and respond to climate change:

1

¹ Link

In supporting the preparation of robust Long-term Low Emissions Development Strategies (LT LEDS) and NDCs, the NDCP through the <u>Thematic Call</u> on LT-LEDS provides countries with resources and expertise to i) understand the societal and economic implications of long-term, low-emissions development, including how impacts differ across economic sectors and communities; ii) unpacking the concept of just transitions, and analysing what a net-zero reality would mean for workers and enterprises; and iii) bring together and build consensus with sectoral institutions (Ministries of Finance, Economy, Energy, etc.) who should eliminate policy barriers and create incentives to align with decarbonization pathways and resilience goals. Efforts to strengthen whole-of-society approaches are described above in part 2 of this annex.

Political will and institutional and human capacity to implement these policies and strategies: NDCP support is provided in response to country requests that reflect political will and commitment, as articulated in the 10 guiding principles that all members must adhere to.

Support to inclusive green growth and transformation to low-carbon and climate resilient economies: The NDC Partnership works directly with national governments, international institutions, civil society, researchers, and the private sector to fast-track climate change mitigation/adaptation and development action aligned to NDCs and SDGs. Through whole-of-society country engagement, knowledge and information sharing, and facilitation of access to finance, NDCP contributes to a just and inclusive green transition to low-carbon, resilient societies.

Any potential risk or negative impacts related to environment and climate change from the proposed project and how these may be mitigated: The support is for technical assistance and capacity development and except for GHG emissions from project-related travel, etc., it will as such have no negative impact on climate change and the environment. However, as also mentioned in the risk analysis in Annex 4, development of renewable energy and climate change adaptation infrastructure can have impact on local communities and environments and strengthening partner capacity and awareness on the importance of ensuring a whole-of society approach, including early engagement of stakeholders and local communities, will be important, also to overcome the not-in-my-backyard syndrome.

Any environmental impact assessment or similar required: This project does not fund physical infrastructure and will therefore not require EIAs or similar, but the NDCP country engagement and delivery model includes steps to ensure a structured and demand-lead approach to its value chain of services that takes account of national policies strategies and regulations related to environmental impact mitigation. Multilateral development banks and other implementing partners of the Partnership that deliver support for physical assets and developments requiring EIAs or similar will apply their/the recipient country's procedures where required.

Key documentation and sources used for the analysis:

SDG 13 Take urgent action to combat climate change and its impacts (link

IISD analysis of the July session of the 2023 UN High-level Political Forum on Sustainable Development (HLPF) (link)

UN Secretary General's SDG Progress report 10 July 2023 (link) and statement on 27 July 2023 on the climate crisis (link)

Are additional studies/analytic work needed? How and when will it be done?

No further studies required as part of project formulation.

6. Capacity of public sector, public financial management and corruption

<u>Capacity of the public sector for policy making, implementation of policies, enforcement of regulations and effective service delivery:</u> The project has a strong focus on capacity development of the public sector to increase ambitions on climate action and strengthen NDC implementation. The capacity of the public sector varies significantly over the 98 ODA eligible NDCP member countries.

Among the NDCP's 10 guiding principles that all members must adhere to, is to provide opportunities for enhancing and strengthening institutional and endogenous capacity in developing countries. Strengthening country capacity is core to the Partnership's work on finance and on other issues, with the goal that developing countries should have the internal resources needed to set and drive their own strategic direction. Country requests in this area centre around enhancing individual and institutional capacity, including through hiring specialists in climate-relevant subject matters, building capacity to develop and implement climate-related projects, and conducting trainings to enhance technical capacity and ensure the delivery of NDC and climate commitments. A significant part of NDCP capacity development work includes deploying embedded advisors to governments. Capacity development is also aimed at strengthening the enabling environments including the legal, regulatory, and financial context in which NDC action takes place and financing is deployed. Enabling macroeconomic, fiscal, and sectoral policies are key requisites for unlocking climate investments. Further information can be found in the NDCP Finance Strategy.

Anti-corruption measures: The Transparency International 2022 Corruption Perceptions Index (CPI) ranks 180 countries and territories by perceived levels of public sector corruption. NDCP member countries can be found on this list and there a wide range of PCI scores, which will not be detailed here. It is noted that NDCP support is demand driven based responding to country requests, that while Denmark's support is strictly earmarked to ODA eligible countries only, it cannot be earmarked to specific countries, and that Denmark's grant funds are not channelled through beneficiary country systems and procedures. Specific support activities in beneficiary member countries will to a large extent be carried out by Implementing Partners that apply their anti-corruption measures according to their due diligence procedures. And to enter into a funding agreement with WRI or UNOPS under PAF, Implementing Partners are required to complete a due diligence process that includes completing the WRI's Organizational Assessment (OA) or UNOPS' Financial Management Capacity Assessment (FMCA).

WRI is the accountable implementing partner for the Danish grant, and WRI's Code of Conduct, Anti-Bribery, Anti-Money Laundering, Corruption & Conflict of Interest Policy, and Whistle-blower Policy will apply.

As noted in Table 6.2, some donors have chosen to channel funds through UNOPS, but Denmark will continue to channel funds through WRI. There is as such an indirect relationship to UNOPS in relation to this grant. WRI and UNOPS jointly execute the pooled-funding mechanism, the PAF, with UNOPS acting as fund manager. UNOPS also undertakes some, but not all, procurement and staff recruitment for the Support Unit, on a case-by-case basis. UNOPS have no influence or control over how funds channelled through WRI are spent and accounted. Denmark will keep an attention to- and consult with other donor partners as relevant concerning their position and experience with UNOPS, and UNOPS will continue to provide updates, including on the progress of clean-up, to the SC. Further information on UNOPS' role in the NDCP is found in Annex 2.

Key documentation and sources used for the analysis:

NDCP Country Engagement Strategy (link); NDCP Finance Strategy (link); NDCP PAF (link)

The 2022 Corruption Perceptions Index (CPI) (link)

Email communication NDCP SU to GDK including on the whole-of-government approach and on UNOPS.

NDCP website on whole-of-society approaches (link)

References to WRI anti-corruption measures in the <u>Project Document for Denmark's support to WRI 2023-2028</u> and in the <u>Project Document for Denmark's support to NDCP 2020-2022</u>.

Are additional studies/analytic work needed? How and when will it be done?

No additional studies are required as part of project formulation.

7. Matching with Danish strengths and interests, engaging Danish actors and seeking synergies

Areas where we have the most at stake – interests and values:

Danish priorities, policies, and strategies are articulated in Denmark's Strategy for Development Cooperation "The World We Share", which in its objective 2 states that Denmark must Strengthen action to support climate change adaptation, nature, the environment and resilience in the poorest and most vulnerable countries" and that to support this objective, Denmark will among other things "Assume international leadership..." and actions to support this objective includes "Promote ambitious national climate action plans that enable developing countries and growth economies to transition from fossil fuels to clean energy sources...". In line with these priorities and as elaborated in the Danida How-to-Note on Energy Transition and Emission Reductions in Developing Countries, Denmark the clear objective of maintaining global SDG 7 leadership, promoting a fair and green energy transition, including access to clean energy, energy efficiency and cross-sectoral decarbonisation. Although alliance-building is crucial, and summits are important milestones, it is inbetween negotiations that objectives must be translated into action. In this regard, Danish development cooperation is both a driver and a catalyst that show the way, accelerating the green transition and raising ambitions in the NDCs. Denmark's support to NDCP is clearly aligned with these priorities (as also mentioned explicitly on page 13 in the Note). Similarly, the Danida How-to-Note on Climate Adaptation, Nature, and Environment reflects the clear and prominent objective in "The World We Share" of strengthening efforts for climate adaptation and resilience, and the Note further emphasizes that climate adaptation is an element in securing sustainable Danish development interventions that contribute to reducing poverty, particularly for the most vulnerable people. Further the Note emphasizes that Denmark will enhance its climate-adaptation engagements within the dedicated multilateral climate and environmental funds and programmes, and that climate adaptation must take centre stage in Danish climate diplomacy. Denmark's support to NDCP resonates well with these strategic priorities and provides Denmark with a platform for highlighting the links between the NDCs and the SDGs, and underline the importance of both adaptation and mitigation, as part of the NDCs. In this way, it further strengthens global Danish leadership, on SDG13 (climate action) and SDG7 (clean energy), as well as other SDGs. Support for the NDC-Partnership will also contribute to Danish ambitions on mainstreaming climate across development policies and programmes and create stronger climate-development links - a nexus that the Danish Minister for Development Cooperation and Global Climate Policy has emphasised, for example, in his article (in Danish) in "Ræson" on 4 July 2023 where he called for a paradigm shift, a more holistic approach that Denmark is taking a lead in. This was also the theme of the CONCITO "Conference on Integrating Sustainable Development and Climate Change" held in Copenhagen on 19 June 2023, attended among others by Chairperson of the Global Commission for the Economy and Climate, the Director of the NDC Partnership, the UNDP Administrator, a Deputy Director of IRENA and Danish and international experts.

The Danish Government's Foreign and Security Policy Strategy (May 2023), states that the climate crisis constitutes the 21st century's greatest challenge, requiring global cooperation and action and emphasizing that Denmark must continue to be at the forefront of the global climate action through its climate diplomacy efforts, continuing to assume a leading role in pushing for increased ambitions with regard to emission reduction efforts and adaptation to climate change, especially for the most vulnerable countries.

Where we can have influence through strategic use of positions of strengths, expertise and experience: The Partnership is politically important for Denmark in the continued strong bridge-building role in the UNFCCC negotiations and to overcome the divide between the developing and developed countries. Denmark will be visible at NDCP-organized high-level events and other outreach activities at UNFCCC meetings (a.o. as co-chair), including COPs and side-events. The support also further sustains and synergises Denmark's influence at key international high-policy platforms and networks on energy transition such as the G20, G7-led JET-Ps, the COP-processes, and the work within UN. Denmark's co-chairmanship with Rwanda (mentioned in Section 1.1 – see also below) will be used to advance bilateral relations and to broader outreach to Africa. The co-chairmanship can also be used to host NDC meetings in Denmark and bring key countries and partners together.

Where Denmark can play a role through active partnerships and where is there a need for Denmark to take lead in pushing the agenda forward: As member of the NDCP Steering Committee (and Co-chair during 2024-2025), Denmark will play a continued active role in the Partnership. Danish priorities in the co-chairmanship include:

- ➤ Contribute to a strong and coherent multilateral architecture for preparing and financing climate action/investments as a foundation for sustainable development and for continued rise of ambitions, at country level, through NDCP strategic and coordinating role. This includes in relation to Just Transition with attention to human rights principles.
- Enhancing the NDCP central role in the UNFCCC processes and follow up even further such as the global stocktake and ambition mechanism, the COP negotiations and the COP agreed work programmes, such as the mitigation and adaptation work programmes, and loss and damage.
- > Successful facilitation of NDCP SC strategic discussions and decision making, including on the next period's work programme. Strengthening alliances with developing countries, the ties with Rwanda and other not yet selected co-chair.
- Assist in sharpening the NDCP "niche" within finance even further (current deep dive to understand requests, mapping of other finance related delivery mechanisms, and elaboration of finance taxonomy), and possibly strengthening the division of labour with other finance institutions on downstream finance/investment work.
- Assist in fine tuning the NDCP request model, if/when relevant/necessary, including assessment and categorization of requests, and management of requests and of country expectations.

Danish comparative strengths:

As summarised in the Danida How-to-Note on climate adaptation, Denmark possesses a number of strengths in the areas of climate adaptation, including sustainable management of water resources (planning and mapping of water resources, water catchment, wastewater treatment, water supply and management), physical planning, coast protection, climate and meteorological data, production and local processing of food, environment, circular economy, energy-efficient buildings, waste management, health protection in food production, health and sanitation.

The <u>State of Green</u> showcases expertise and experience in the Danish resource base, connecting to more than 500 solution providers in the green transition, including private companies, utilities, research institutions, financial institutions, and public sector stakeholders.

The Danish Energy Agency's <u>Global Cooperation</u> highlights Denmark's expertise and experience in the green energy transition and how this is reflected in the currently 24 bilateral country partnerships.

Concrete opportunities for synergies through Danish foreign policy engagement, commercial engagement, trade relations and investment, Danish local and central authorities, civil society organizations, IFU and academia:

Denmark plays a strong role in international climate diplomacy, including in the recent G20 summit and the upcoming COP 28.

While the NDCP is not part of climate negotiations as such, the work of the NDCP is contributing to a level playing field in the negotiations.

Denmark supports Strategic Sector Cooperation in different sectors related to climate adaptation and mitigation. The synergies with Danish support through IFU include The <u>Danish Climate Investment Fund</u> (DCIF or <u>KIF</u>) that offers risk capital and advice for climate investments, the Danida Sustainable Infrastructure Finance Programme, <u>DSIF</u> that provides concrete opportunities for financing climate related infrastructure in support of NDCP member country climate action, and the <u>Danish SDG Investment Fund</u> that included support for climate action through private sector investments.

There can be synergies with climate action supported by Danish civil society organisations, such as <u>CISU</u> and <u>Global Action</u>.

Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through other multilaterals:

Membership of the NDC Partnership includes in addition to Denmark, 14 other major bilateral donor countries (<u>link</u>). Other donor funding for Work Program and PAF 2021-2025 is summarised in Table 6.2 in Chapter 6. The NDCP memberships/associate membership also comprises a long list of multilateral/international development institutions, several of which are supported directly by Denmark (see Annex 10). NDCP distinguishes between Development Partners (DPs) and Implementing Partners (Ips). NDCP defines DPs as countries that provides official financing administered with the promotion of economic development and welfare of developing countries as an objective. IPs are defined as any partner (member or non-member) that provides support to country requests

through the Partnership. As further described in the NDCP Partner Support Mechanisms document presented to the Steering Committee in April 2023, NDCP's DPs/IPs represent a wide variety of thematic expertise and institutional structures, and NDCP's unique value-added lies in its ability to pool and align these diverse resources in response to developing country member requests, in an agile, tailored and coordinated manner. This requires continuous coordination to maximise every partner's comparative advantage and avoid gaps and duplication of effort. The NDCP Partner Support Mechanisms document lists a number of mechanisms through which DPs and IPs support the Partnership's Country Engagement, including with emphasis on synergy and coordination. It is also noted that the Country Engagement Strategy's scoping stage includes mapping of other initiatives and coordination and that one of the Partnerships' ten Guiding Principles that all members must adhere to, is "Enhance coordination of NDC-related activities at global and country level, including in collaboration with existing coordination mechanisms". Denmark's support to IRENA is a good example of how to support NDCP climate action though dedicated funding to a multilateral partner. Donor coordination also takes place in the context of Steering Committee meetings, and Denmark's upcoming role as Co-chair can enhance coordination.

Key documentation and sources used for the analysis:

NDCP Partner Support Mechanisms, spring 2023 (link)

Danida How to Note on Energy Transition and Emission Reductions in Developing Countries (link)

Danida How to Note on Climate Adaptation, Nature and Environment (link)

Links to institutions and initiatives in the text above.

Are additional studies/analytic work needed? How and when will it be done?

No further studies are required as part of project formulation, but ongoing attention is needed to synergies with Denmark's bilateral climate-related cooperation in relevant countries (see Table A1.1 below) and to facilitating that multilateral development partners that are supported directly by Denmark (see Annex 10) respond to country requests through NDCP.

Table A1.1: List of ODA eligible NDCP member countries

According to its current <u>website</u> on members and membership, the NDC Partnership includes 123 country members of which the 98 listed below are eligible for Official Development Assistance (ODA) based on the classification by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) for 2022-2023 reporting.

GDK will together with Embassies of Denmark, the Danish Ministry of Climate Energy and Utilities (MCEU), and the Danish Energy Agency (DEA) pursue such synergies, where Danish country-level presence in NDCP member developing countries enables direct follow up, dialogue, and opportunities for achieving results on the ground. This will constitute a more targeted approach than previously and seek to engage the bilateral SSC and Danish Energy Partnership Programme (DEPP) interventions in delivering on country requests within energy and climate mitigation. Countries with climate-related bilateral cooperation with Denmark are marked in the table below.

#	ODA eligible member country of the NDC Partnership ²	OECD DAC classification ³ . SIDS ⁴ Conflict/institutional and social fragility ⁵	Climate related cooperation with Denmark
Afric	ca:		
1.	Benin	LDC/LM	
2.	Burkina Faso	LDC/L-and in conflict	Yes
3.	Burundi	LDC/L- and institutionally and socially fragile	
4.	Cameroon	Lower middle-income country– and in conflict	
5.	Central African Republic	LDC/L-and in conflict	
6.	Chad	LDC/L-and institutionally and socially fragile	
7.	Cote d'Ivoire	Lower middle-income country	
8.	Democratic Republic of Congo	LDC/L—and institutionally and socially fragile and in conflict	
9.	Equatorial Guinea	Upper middle-income country	
10.	Eswatini (former Swaziland)	Lower middle-income country	
11.	Ethiopia	LDC/L-and in conflict	Yes
12.	Gabon	Upper middle-income country	

² This list is based on the NDCP list of country members (website, July 2023) but only ODA eligible countries have been included here. On this NDCP website there is an icon/flag for each country with a link to detailed information about the country, including NDCP Focal Points, climate and NDC data, linkages between NDC and SDGs, and GHG emission data for key sectors. On the NDCP country pages (link) further information can be found for some countries on the stages of engagement with NDCP and

which implementing partners and donors provide support for specific countries.

³ OECD DAC 2022-2023 flows (<u>link</u>) LDCs are Least Developed Countries according to OECD DAC classification. The classifications L or LM refer to World Bank classifications low or lower-middle income.

⁴ When a country is also a Small Island Developing State (SIDS) this is noted – the list of SIDS can be seen here link.

⁵ World Bank FY23 List of Institutionally and Socially Fragile and Conflict-affected Situations:

https://thedocs.worldbank.org/en/doc/69b1d088e3c48ebe2cdf451e30284f04-0090082022/original/FCSList-FY23.pdf

13.	Ghana	Lower middle-income country	Yes
14.	Guinea	LDC/L	
15.	Guinea-Bissau	LDC/L-and institutionally and socially fragile	
16.	Kenya	Lower middle-income country	Yes
17.	Lesotho	LDC/LM	
18.	Liberia	LDC/L	
19.	Malawi	LDC/L	
20.	Mali	LDC/L-and in conflict	Yes
21.	Mauritania	LDC/LM	
22.	Mozambique	LDC/L-and in conflict	
23.	Namibia	Upper middle-income country	
24.	Niger	LDC/L-and in conflict	Yes
25.	Nigeria	Lower middle-income country-and in conflict	Yes
26.	Republic of Congo	Lower middle-income country	
27.	Rwanda	LDC/L	Yes
28.	Sao Tome and Principe	LDC/LM and SIDS	
29.	Senegal	LDC/LM	
30.	Sierra Leone	LDC/L	
31.	Somalia	LDC/L-and in conflict	Yes
32.	South Africa	Upper middle-income country	Yes
33.	Sudan	LDC/L-and institutionally and socially fragile	
34.	Tanzania	LDC/LM	Yes
35.	The Gambia	LDC/L	
36.	Togo	LDC/L	
37.	Uganda	LDC/L	Yes
38.	Zambia	LDC/LM	
39.	Zimbabwe	Lower middle-income country –and institutionally and socially fragile	
The	Americas:		
40.	Argentina	Upper middle-income country	
L	I	L	L

42. Bolivia Lower middle-income country 43. Brazil Upper middle-income country 44. Colombia Upper middle-income country 45. Costa Rica Upper middle-income country 46. Cuba Upper middle-income country 47. Dominica Upper middle-income country 48. Dominican Republic Upper middle-income country 49. Ecuador Upper middle-income country 50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country 56. Mexico Upper middle-income country	
44. Colombia Upper middle-income country 45. Costa Rica Upper middle-income country 46. Cuba Upper middle-income country 47. Dominica Upper middle-income country 48. Dominican Republic Upper middle-income country 49. Ecuador Upper middle-income country 50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country Country Upper middle-income country	
45. Costa Rica Upper middle-income country 46. Cuba Upper middle-income country 47. Dominica Upper middle-income country 48. Dominican Republic Upper middle-income country 49. Ecuador Upper middle-income country 50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country 47. Upper middle-income country 48. Dominican Republic Upper middle-income country 49. Ecuador Upper middle-income country	Yes
46. Cuba Upper middle-income country 47. Dominica Upper middle-income country 48. Dominican Republic Upper middle-income country 49. Ecuador Upper middle-income country 50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country and SIDS 66. Mexico Upper middle-income country	Yes
47. Dominica Upper middle-income country 48. Dominican Republic Upper middle-income country 49. Ecuador Upper middle-income country 50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country 56. Mexico Upper middle-income country	
48. Dominican Republic Upper middle-income country 49. Ecuador Upper middle-income country 50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country 56. Mexico Upper middle-income country	
49. Ecuador Upper middle-income country 50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country and SIDS 56. Mexico Upper middle-income country	
50. El Salvador Lower middle-income country 51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country and SIDS 56. Mexico Upper middle-income country	
51. Grenada Upper middle-income country 52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country and SIDS 56. Mexico Upper middle-income country	
52. Guatemala Upper middle-income country 53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country and SIDS 56. Mexico Upper middle-income country	
53. Haiti LDC/LM and SIDS—and institutionally and socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country and SIDS 56. Mexico Upper middle-income country	
socially fragile 54. Honduras Lower middle-income country 55. Jamaica Upper middle-income country and SIDS 56. Mexico Upper middle-income country	
55. Jamaica Upper middle-income country and SIDS 56. Mexico Upper middle-income country	
56. Mexico Upper middle-income country	
	Yes
57. Nicaragua Lower middle-income country	
58. Panama Upper middle-income country	
59. Paraguay Upper middle-income country	
60. Peru Upper middle-income country	
61. Republic of Suriname Upper middle-income country and SIDS	
62. Saint Lucia Upper middle-income country and SIDS	
63. Saint Vincent and the Grenadines Upper middle-income country and SIDS	
Asia:	
64. Armenia Upper middle-income country	
65. Bangladesh LDC/LM	Yes
66. Cambodia LDC/LM	
67. Georgia Upper middle-income country	Yes
68. Indonesia Lower middle-income country	Yes

69.	Kazakhstan	Upper middle-income country	
70.	Kyrgyz Republic	Lower middle-income country	
71.	Lao People's Democratic Republic	LDC/LM	
72.	Maldives	Upper middle-income country	
73.	Mongolia	Lower middle-income country	
74.	Myanmar	LDC/LM–and in conflict	
75.	Nepal	LDC/LM	
76.	Pakistan	Lower middle-income country	Yes
77.	Philippines	Lower middle-income country	
78.	Tajikistan	Lower middle-income country	
79.	Thailand	Upper middle-income country	Yes
80.	Vietnam	Lower middle-income country	Yes
Euro	ope:		
81.	Albania	Upper middle-income country	
82.	Montenegro	Upper middle-income country	
83.	North Macedonia	Upper middle-income country	
84.	Ukraine	Lower middle-income country-and in conflict	Yes
Mid	dle East and North Africa:		
85.	Iraq	Upper middle-income country-and in conflict	
86.	Jordan	Upper middle-income country	
87.	Lebanon	Upper middle-income country-and institutionally and socially fragile	
88.	Morocco	Lower middle-income country	Yes
89.	Palestine (West Bank/Gaza Strip)	Lower middle-income country	Yes
90.	Tunisia	Lower middle-income country	
Oce	l ania:		
91.	Fiji	Upper middle-income country and SIDS	
92.	Micronesia	Lower middle-income country and SIDS-and institutionally and socially fragile	
L	1		

93.	Papua New Guinea	Lower middle-income country and SIDS-and	
		institutionally and socially fragile	
94.	Republic of Nauru	Upper middle/high income country and SIDS	
95.	Republic of the Marshall Islands	Upper middle-income country and SIDS-and	
		institutionally and socially fragile	
96.	Samoa	Lower middle-income country and SIDS	
97.	Tonga	Upper middle-income country and SIDS	
98.	Vanuatu	Lower middle-income country and SIDS	

Annex 2: Partner assessment

A2.1 Brief presentation of partners

The NDC Partnership is open to countries and international institutions that are committed to ambitious implementation of nationally determined contributions (NDCs) under the Paris Agreement and the 2030 Sustainable Development Goals. From its start in 2016, the Partnership has grown into a global coalition with more than 200 members: 121 countries, of which 98 are ODA eligible developing countries, see Table A1.1), 50 institutional members, and 36 associate members, to create and deliver on ambitious climate action. The Partnership is country-driven, and membership is entirely member-initiated and voluntary. By joining the Partnership, members gain access to a global network of peer countries or institutions, technical experts and knowledge and resources to support their work in climate action. The Partnership's uniquely flexible platform provides members with the opportunity to achieve greater synergies and identify options for stronger, more ambitious climate action through collaboration, shared learning, support coordination, and the alignment of national and subnational initiatives. Details on the membership application process can be found here membership guidelines (where Annex 1 are the ten guiding principles that all NDCP members must adhere to).

Country members are expected to support the Partnership by engaging senior officials as focal points, sharing information on existing in-country initiatives and coordination efforts, and contributing to the development of aligned and tailored NDC implementation and enhancement processes. Country member focal points coordinate across their governments to identify these needs and bring them to a dialogue with the Partnership. At a member government's request, the Partnership engages in a five-stage, country-led process through the Country Engagement Strategy to coordinate, support, and deliver national priorities for NDC implementation.

Organizations that drive the development and delivery of large-scale global or national initiatives to provide in-country support, and/or provide infrastructure financing are encouraged to submit a letter of interest for institutional membership. Institutional members are expected to contribute technical expertise and implementation capacity, share information about support initiatives and country programs, and demonstrate early engagement in pipeline and project development.

In addition, the Partnership welcomes membership for non-state actors through associate membership. Associate members have access to all knowledge products and tools shared within the NDC Partnership and opportunities to contribute to their development and review, receive regular updates about NDC Partnership activities and opportunities to engage in global, regional, and country-level activities. Associate members will also receive access to information on needs and requests emerging from country partners for assistance. They are expected to share information and experiences with the wider Partnership and coordinate with new and ongoing engagement processes wherever possible.

While membership is fundamental, the Partnership actively promotes engagement with non-members and works directly with a diverse group of stakeholders including multilateral institutions, international initiatives, subnational actors and the private sector. The Partnership invites all committed stakeholders to seek opportunities to participate in both national, regional, and global activities hosted by the NDC Partnership and to utilize the knowledge tools and platforms available.

The NDC Partnership, in 2023 conducts a mapping exercise of selected climate initiatives and programmes supported by key Development and Implementing partners. This exercise aims to improve efficiency in the NDC Partnership's matchmaking of available technical and financial support with country NDC implementation needs, helping to ensure that the Support Unit is aware of partner budget and programming cycles. This exercise is focused on a sub-set of partners (30 total) to explore opportunities to deepen engagement with existing and potential members. Note: The results of the mapping may be reflected in the final Project Document for Denmark's support as relevant and if further information is provided by the NDCP SU.

A2.2 Summary of key partner features

Name of Partner	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
	What is the main business, interest and goal of the partner?	How important is the project for the partner's activity-level (Low, medium high)?	How much influence does the partner have over the project (low, medium, high)?	What will be the partner's main contribution?	What are the main issues emerging from the assessment of the partner's capacity?	What is the strategy for exiting the partnership?
NDC Partnership	To assist member	Low-medium –	High	Implement	NDCP Support Unit	No set exit strategy for
(NDCP), supported	countries in achieving	Denmark is not a large		Denmark's support,	staff capacity has been	Denmark's
through its Support	and raising ambitions	donor (aggregate		provide facilitation	an issue, but capacity	membership/ support
Unit (SU) anchored in	in relation to their	funding including this		and support in line	is increasing (from 7	to NDCP, but in the
WRI/UNFCCC	national climate	proposed		with NDCP Work	staff members in 2016	event of exit, the
secretariat/UNOPS	commitments and	contribution in the		Program.	to 67 as of May 2023).	Partnership should be
and with WRI as the	ensure financial and	order of USD 14				given ample lead time.
contractual partner for	technical assistance is	million, compared to			Of the 67, 22 staff	
Denmark.	delivered as efficiently	the USD 1.4 billion			members are based in	Throughout the
	as possible.	mobilised through			Washington D.C., 24	project support period
		NDCP action.			in Bonn, and 21	Denmark will
		However, Denmark			working remotely. 39	emphasise the close
		plays an active role in			staff members are	monitoring of
		the Steering			hosted through WRI	sustainability of
		Committee including			(both DC and Europe	NDCP results, and if
					offices), 24 through	required engage in a
					UNOPS, one through	coherent timely

		as Co-Chair during 2024-2025).			UNFCCC, and three are Secondees.	planning for either exit, transition or phase-over to new more relevant approaches and setups.
Country members	To serve their constituents and in relation to NDCP to accelerate NDC implementation, raise NDC ambitions, mobilise climate finance, and mainstream climate in national economic and social sustainable development.	High	High	Deciding and implementing NDC climate action. Sharing success stories and lessons learned with the Partnership. Helping achieve the commitment to the Paris Agreement. There are NDCP Focal Points in environment and finance ministries or similar.	Strength: Political will and influence Weakness: Capacity and resources to implement their NDCs Opportunities: To showcase political leadership and set examples to the rest of the world. Threats: Change in political will and competing priorities.	No set exit strategy, membership is country driven. Country members may become less active if there can be a change in administration and/or political will.

Institutional Members (UN agencies, multilateral development banks,	To deliver on their respective mission and role as NDCP members.	High	High	Responding to countries' specific requests	Strength: Technical as well as financial resources	No set exit strategy.
intergovernmental organisations, etc.).				Sharing success stories and lessons learned with the Partnership	Weakness: Other competing priorities	
Associate members (select non-state actors)	To deliver on their respective mission.	Medium to High	Medium to High	Respond to countries' specific requests. Sharing success stories and lessons learned with the Partnership.	Strength: Technical capacity; Understanding of local contexts; Network of local stakeholders. Weakness: Less flexibility in financial resources	No set exit strategy.

As mentioned in Section 7.1 the NDC Partnership's work is facilitated by the Support Unit (SU), the Partnership's secretariat, hosted by the UN Framework Convention on Climate Change (UNFCCC) and the United Nations Office for Project Services (UNOPS) in Bonn and the World Resources Institute (WRI) in Washington, D.C. USA. A Cooperation Agreement signed in October/December 2021 by the UNFCCC, WRI, and UNOPS governs this set-up, serving as the operational framework for host institutions of the SU and defining the decision-making responsibilities of the Global Director and the SU's Management Team based on the guidance of the Partnership's Co-Chairs and Steering Committee (SC) and the Partnership's Work Program. The three hosts are ex-officio members of the Partnership's Steering Committee and as such contribute to the strategic discussion and receive direct feedback on their role as hosts. Supplementary information is given below on UNFCCC, WRI, and UNOPS.

A2.3 Supplementary information on the UNFCCC Secretariat

The UNFCCC secretariat (UN Climate Change) is the United Nations entity tasked with supporting the global response to the threat of climate change. UNFCCC is the United Nations Framework Convention on Climate Change, which has near universal membership (198 Parties) and is the parent treaty of the 2015 Paris Agreement. The main aim of the Paris Agreement is to keep the global average temperature rise this century as close as possible to 1.5 degrees Celsius above pre-industrial levels. The secretariat was established in 1992 when countries adopted the UNFCCC. The original secretariat was in Geneva. Since 1996, the secretariat has been located in Bonn, Germany. The Secretariat structure can be seen here: link and details on divisions and senior staff can be seen here: link

A2.4 Supplementary information on WRI

The World Resources Institute was established in 1982 and is a global research organisation, delivering data, research, and concrete solutions for setting the world on a path to climate neutrality and natural restoration, while sustainably feeding the planet. The institute has mobilised high-level global coalitions on key topics, including food, cities, climate, and land use. WRI is a frontrunner in data and satellite monitoring of nature trends and a thought leader in building data infrastructure for transparent and accountable carbon markets. WRI has around 1,800 staff operating across 6 continents and in 50+ countries, with international offices in Brazil, China, Ethiopia, Europe, India, Indonesia, Kenya, Mexico, and the United States. More information on WRI can be found here: <a href="https://link.nih.min.

A2.5 Supplementary information on UNOPS

The United Nations Office for Project Services is headquartered in the UN City in Copenhagen, Denmark. UNOPS supports projects in over 80 countries around the world, providing infrastructure, procurement and project management services. Based on NDCP SU information, the following is noted regarding UNOPS' role in NDCP: UNOPS, in its role as a host-institution for the NDC Partnership's Support Unit (along with UNFCCC and WRI), provides the Support Unit with the following services: i) Grant and fund management. UNOPS executes project agreements (bilateral grant agreements) with NDC Partnership donors. As the NDC Partnership and its Support Unit is not a legal entity, the host institutions, such as UNOPS, assume legal responsibility to sign agreements, receive funds, register, and disburse funds – all in and in line with the NDC Partnership's Work Program and the Support Unit's annual Work Plans. UNOPS, alongside WRI, hosts the Partnership Action Fund (PAF) and as such manages sub-grants, disbursing funds to the Partnership's Implementing Partners (IPs). These funds are awarded through a competitive procurement process with the SU staff overseeing all the sub-grant process (from Calls for Proposals to closure) to ensure alignment with the Partnership's programmatic objectives. **ii) HR Services.** As with WRI, several SU staff are employed through UNOPS contracts. This includes a subset of SU Country Engagement, Knowledge & Learning and Outreach and Governance teams as well as of the Operations team, with experience in UNOPS fund, personnel, and procurement processes. However, all SU staff, regardless of their employment contract status, operate as one unit, led and managed by the Global Director and the SU Management Team. UNOPS' personnel support also includes office space for staff situated inside or outside of NDCP main offices in Bonn and Washington DC, as well as appropriate HR and IT support. <u>iii) Procurement services.</u> UNOPS provides some of the procurement support to the Partnership through delivery of goods and services. UNOPS mainly procures services for events (including COP

pavilion, Regional Climate Weeks), workshops and special services (ex: document translation and interpretation).

It is noted that UNOPS does not have any influence or control over how funds channelled through WRI are spent. The decision-making on budget allocation lies solely with the Support Unit, led by the Global Director and the Management Team. Regardless of the funding source, the SU independently determines how the funds are spent based on the guidance by the Co-Chairs, Steering Committee, and the Work Program. UNOPS receives 7.75% of indirect costs of total funds (channelled through UNOPS) to execute the aforementioned services.

Annex 3: Results framework

As mentioned in Section 5.1, the NDCP Results Matrix includes a set of global key performance indicators (KPIs) for the NDCP corresponding with the desired results included in NDCP's Theory of Change, i.e. Outputs, Intermediary Outcomes, Outcomes, and Impact. There is a total of 54 KPIs, each with a baseline (December 2020) and targets by December 2025. The NDC Partnership reports on 29 indicators at four levels: 3 impact indicators, 5 outcome indicators, 11 intermediary outcomes indicators, and 10 output indicators. This number does not include a total of 24 sub-indicators and other metrics that complement NDCP's reporting. To provide an overview that complements Figure 4.1: Theory of Change for the NDCP 2021-2025 Work Program, an overview is given below in Table A3.1 of the numbered titles of Impact, Outcomes, Intermediary Outcomes and Outputs and the number of KPIs underpinning each. The NDCP Monitoring and Evaluation (M&E) framework provides December 2020 baselines, February 2022 and February 2023 status, 2025 targets, and progress assessment according to the "traffic signal" approach where a green bullet signals on / ahead of targets, an amber triangle signals attention is required, and a red square signals that progress is seriously behind targets. The M&E Indicator Data as of February 2023 are copied below in Table A3.2. The NDCP "Impact Highway Progress Tracker" Dashboard (link) provides additional information that is too detailed to include here. It is also noted that at the Dashboard, the KPIs are clustered under the NDCP impact pathways of: 1. Accelerated NDC Implementation; 2. Raised NDC ambition and quality; 3. Mobilizing finance for climate action; 4. Mainstreaming NDCs and SDGs; and a group of Supplementary M&E indicators; also, the last page of the Dashboard contains a "full set progress tracker" that lists KPIs by level.

Table A3.1: Summary overview of NDCP results framework

Results level:	Results framework Impacts, Outcomes, Intermediate Outcomes, Outputs	Total # of KPIs ⁶
Impact	1.1 Countries successfully reduce emissions, improve climate resilience, and advance sustainable development, with strong international support consistent with the achievement of the Paris Agreement and the 2030 Agenda for Sustainable Development	3
Outcome	2.1 Member countries are on tract or ahead of schedule to implement their NDCs with Partnership support	10
	2.2 Member countries communicate new NDCs, reflecting greater quality and ambition in line with Partnership support	2
Inter mediate Outcome	3.1 Implementing and development partners accelerate and coordinate support, so member countries have the capacity and resources to implement and update their NDCs using whole of society approach	7
	3.2 Member countries integrate NDC mitigation and adaptation targets into national and subnational development plans, policies, budgets, and recovery plans	5
	3.3 Member countries receive increased investment flows towards climate action	5
Output	4.1 Implementing and development partners have capacity and resources to respond with speed and flexibility to country request through the Partnership	1
	4.2 Member countries have results-based, equitable, inclusive NDC Action Plans in place, aligned with development and recovery plans	1

⁶ Indicators and sub-indicators and other metrics.

or inclusive and transparent NDC implementation and updating	
.4 Increased country access to knowledge and capacity development	7
.5 Improved enabling environment established, and public and private finance providers mobilized	8
.6 Implementing and development partners use Partnership data and insights to program support aligned with NDC Action Plans	1
	5 Improved enabling environment established, and public and private finance roviders mobilized 6 Implementing and development partners use Partnership data and insights to

Table A3.1: 2021-2025 Work Program M&E Indicator Data (February 2023)

Source: NDCP SU, July 2023 – this table is also found as the Annex in the "2021-2025 Work Program - Progress Report in Full" to the April 2023 Steering Committee Meeting. The Partnership reports on data on a year-to-year basis where cumulative data collection is not feasible. For impact level indicators, NDCP reporting is subject to the methodologies and timeframes used by external platforms such as Climate Watch, The Notre Dame Global Adaptation Initiative (ND-GAIN) and the Stockholm Environment Institute (SEI). Table 5.1 listed the KPIs to which Denmark will pay particular attention in the 2021-2025 Program cycle. These are highlighted by light green shading in the table below.

Indicator	Baseline (Dec 2020)	Feb 2022	Feb 2023	2025 Target	Progress	
Impact 1.1: Countries successfully reduce emissions, improve climate resilience, and advance sustainable development with strong international support consistent with the achievement of the Paris Agreement and the 2030 Agenda for Sustainable Development 8						
1.1.1 # of member countries with reduced GHG emissions reported between 2021 and 2025 (compared on a year-on-year basis)	31 (2017-18)	32 out of 118° (2017-18) [of which 16/76 Partnership-supported developing countries reduced emissions]	39 out of 121¹0 (2018-19) [of which 23/79 Partnership-supported developing countries reduced emissions]	70		
1.1.2 # of member countries with enhanced adaptive capacity, strengthened resilience, or reduced vulnerability by 2025 (on a year-on-year basis)	41 (2018- 2019)	42 out of 118 ¹¹ (2018-2019) [of which 29/76 Partnership-supported developing countries strengthened adaptive capacity]	85 out of 121 ¹² (2019-2020) [of which 77/79 Partnership-supported developing countries strengthened adaptive capacity]	70		

⁷ Indicators which are reported on a year-to-year basis are: 1.1.1, 2.1.2, 2.1.3, 3.1.4, 3.1.5, 3.2.1, 3.2.2, 3.3.2, 4.1.1, 4.3.1, 4.4.1, 4.4.2, 4.4.3a, 4.4.3b, and 4.6.1.

⁸ Progress for Impact indicator 1.1 is not reported as data availability is pre-2020. Until more timely data is available, the Support Unit will only report on the latest available numbers, without making an assessment of progress.

⁹ Data source: Climate Watch (CAIT)

¹⁰ Data unavailable for Palestine and North Macedonia. Data source: <u>Climate Watch (CAIT)</u>

¹¹ Data source: Notre Dame Global Adaptation Initiative

¹² Data not available for European Commission, Palestine, Nauru, Marshall Islands, and Saint Vincent and the Grenadines for 2019 and 2020. Data source: Notre Dame Global Adaptation Initiative

Indicator	Baseline (Dec 2020)	Feb 2022	Feb 2023	2025 Target	Progress
1.1.3 # of developed country members who have increased climate-related financing from 2020 levels	11	12 out of 18 (or 66% of developed member countries) ¹³ (2018-2019)	9 out of 18 (or 50% of developed country members) ¹⁴ (2019-2020)	18	
Outcome 2.1: Member countries are on track or al	nead of schedule	to implement their NDCs w	ith Partnership support		
2.1.1 Total # of (unique) member countries receiving Partnership support through NDC Action Plans ¹⁵ , disaggregated by support through:	74	76	85	N/A	
2.1.1 a. government-approved Request for Support Letters (RSLs)	20	26	34	N/A	
2.1.1 b. Partnership Plans (in final draft form, government-approved or under implementation)	30	38 (including 4 revised Partnership Plans)	48 (including 7 revised Partnership Plans)	60, including 30 revised PPs	
2.1.1 c. Climate Action Enhancement Package (CAEP)	67	67	67	N/A	
2.1.1 d. # of member countries receiving support (technical or financial) through Thematic Call for LT-LEDS and NDC Alignment, Update and Enhancement	0	N/A	33	60	•
2.1.1 e. Economic Advisory (EA) support ¹⁶	10	31 (inclusive of the African Union Commission)	31 (inclusive of the African Union Commission	N/A	
2.1.1 f. Economic advisors	N/A	N/A	52	40	
2.1.1 g. Investment Plans	4	8	11	30	
2.1.2 % of member countries receiving Partnership support that reported being on track or ahead of schedule in meeting their NDC mitigation and adaptation targets ¹⁷	N/A	86%	92%	60%	•

¹³ Data source: Aid Atlas.

¹⁴ Data source: Aid Atlas.

¹⁵ NDC Action Plans are national government-owned plans outlining the process a government will undergo to implement or enhance their NDC, supported by the Partnership; this includes Partnership Plans, Request for Support Letters, CAEP support, Economic Advisory support, and NDC investment plans.

16 This indicator counts the number of countries who have received economic advisors.

¹⁷ The data source for all indicators with an asterisk is the 2023 members survey

Indicator	Baseline (Dec 2020)	Feb 2022	Feb 2023	2025 Target	Progress
2.1.3 % of Partnership-supported countries reporting transformational change due to Partnership support (transformational change defined in terms of scalability, sustainability, critical mass, and GHG Emission reduction potential) *	N/A	49% (23 out of 47 country respondents)	78%	70%	
Outcome 2.2: Member countries communicate ne	w NDCs, reflect	ing greater quality and ambit	tion in line with Partnership s	upport	
2.2.1 % of member countries receiving Partnership support that submit an updated NDC with improved quality	0%	100%		100%	•
2.2.2 % of member countries receiving Partnership support that submit an updated NDC with increased (mitigation and/or adaptation) ambition	0%	100%		70%	•
Intermediate Outcome 3.1: Implementing and dev capacity and resources to implement and update t				s have the	
3.1.1 Average % of country requests (channeled through the Partnership) that have been supported by partners	50%	68%	65%	70%	
3.1.2 Total # of partners providing support to requests by member countries, disaggregated by members and non-members	137 in total (Members and Non- members)	145 in total (68 members; and 77 non-members)	158 in total (69 members; and 89 non-members)	Members:70 Non- members: N/A	
3.1.3 # of major emerging economy (MEE) members being supported by the Partnership	6	7	718	8	
3.1.4 % of member countries receiving Partnership support reporting *:	60%	84%	90%	80%	
3.1.4 a. Increased knowledge or capacity for NDC implementation *	60%	93%	84%	80%	
3.1.4 b. Improved whole-of-society approaches due to Partnership facilitation *	60%	73%	89%	80%	

¹⁸ Major emerging (member) economies supported are: Argentina, Indonesia, Mexico, Nigeria, Pakistan, South Africa, and Thailand.

Indicator	Baseline (Dec 2020)	Feb 2022	Feb 2023	2025 Target	Progress	
3.1.5 % of countries reporting that Partnership support inspired or influenced improved NDC implementation, raised ambition, or led to a follow up action *	N/A	85% (40 of 47 supported- country survey respondents)	72%	80%		
Intermediate Outcome 3.2: Member countries into development plans, policies, budgets, and recover		igation and adaptation target	s into national and subnation	al		
3.2.1 % of member countries receiving Partnership support that have integrated NDC measures into the next cycle of national/subnational/sectoral development plans and/or budgets *	30%	67%	71%	60%		
3.2.1 a. National/subnational/sectoral*	33%	93%	93%	60%		
3.2.1 b. National/subnational budgets *	24%	67%	68%	60%		
3.2.2 % of member countries supported by the Partnership that mainstreamed low carbon climate resilient investment projects in their development plans (national or subnational) and/or budgets (national or subnational) *	N/A	65%	47%	60%		
3.2.3 % of member countries receiving Economic Advisory Initiative (EAI) support that have integrated NDC priorities into economic recovery plans	0%	100%	100%	90%	•	
Intermediate Outcome 3.3. Member countries receive increased investment flows towards climate action						
3.3.1 # of investment projects financed through the members of the Partnership (disaggregated by adaptation and mitigation)	N/A	N/A	32619	150		
3.3.2 % of member countries receiving Partnership support who have improved domestic enabling environments *	N/A	83% (33 of 40 country survey respondents)	82%	90%		

¹⁹ This indicator is updated once a year and will be updated in August 2023. This data corresponds to August 2022.

Indicator	Baseline (Dec 2020)	Feb 2022	Feb 2023	2025 Target	Progress
3.3.3 Total USD value of assistance provided to member countries by implementing and development partners within the Partnership's framework	N/A	Approx. USD 1 billion (through Dec 2020)	USD 1.4 billion ²⁰	USD 11.5 billion	
3.3.3. a. Technical Assistance	USD 0.7 billion	Approx. USD 1 billion (as of Dec 2020); TBD (Jun 2022)	USD 1.4 billion	USD 1.5 billion	
3.3.3. b. Project Financing (grants only)	N/A	TBD (Jun 2022)	TBD	USD 10 billion	
Output 4.1: Implementing and development partnership	ers have capacit	y and resources to respond w	ith speed and flexibility to co	untry requests	
4.1.1 % of implementing and development partner members that have aligned country programming frameworks with country needs identified through NDC Action Plans *	33%	56%	67%	50%	•
Output 4.2: Member countries have results-based plans	, equitable, inclu	sive NDC Action Plans in pla	ace, aligned with developmen	nt and recovery	
4.2.1 % of member countries receiving Partnership support that have validated NDC Partnership Plans which are gender sensitive, gender aware, or gender responsive	84%	86%	89%	100%	
Output 4.3: Member countries have participatory implementation and updating	NDC coordinati	on mechanisms and resource	es for inclusive and transparer	nt NDC	
4.3.1 % of member countries receiving Partnership support that have engaged key stakeholder groups ²¹ in NDC planning and implementation consultation *	70%	96%	89%	100%	•
4.3.2 % of member countries with an In-country facilitator supported by members for a minimum one-year period	N/A	59%	58%	N/A	

²⁰ KPI captured the Amount of USD mobilized by members as a direct contribution to the Partnership's work and is collected annually by June for the Fall Progress Report ²¹ Stakeholders include different government ministries, subnational government, national gender agency, private sector, and civil society groups (including youth groups, women's organizations, indigenous peoples or other minority groups).

Indicator	Baseline (Dec 2020)	Feb 2022	Feb 2023	2025 Target	Progress
4.3.2 a. For countries developing or implementing Partnership Plans	50%	N/A	71%	90%	
4.3.2 b. For all other countries without partnership Plans	N/A	24%	24%	N/A	
Output 4.4: Increased country access to knowledge	ge and capacity o	levelopment			
4.4.1 # of knowledge products produced, or convenings held that make use of knowledge gaps identified through the Partnership *	N/A	23	27	50	
4.4.2 % of implementing and development partner members that supported capacity development or knowledge exchange through Partnership engagement (per calendar-year)	N/A	N/A	57%	80%	
4.4.2 a. # of IP/DP members supporting capacity development (non-COP-related support)	N/A	N/A	29	N/A	
4.4.2 b. # of IP/DP members supporting COP-related events	N/A	N/A	39	N/A	
4.4.2 c. # of IP/DP members supporting capacity development in response to an RSL/PP	N/A	N/A	9	N/A	
4.4.3 a. # of media hits and instances of coverage	186 per year	N/A	899	1,450	
4.4.3 b. Social media growth and engagement	N/A	N/A	Twitter: 10,400 Facebook: 23,631 LinkedIn: 8,677 Instagram:1,115 YouTube: 424	86,594	
Output 4.4: Increased country access to knowledge	ge and capacity of	levelopment		•	
4.5.1 Total # of PINs prepared or under preparation with government and partners (cumulative)	11	23 (of which 12 new PINs under preparation since Jan 2021)	25	70	
4.5.1 a. # of government-approved Project Information Notes (PINs)	11 PINs prepared as of Dec 2020)	9 PINs in 6 countries	14 PINS in 8 countries	50	

Indicator	Baseline (Dec 2020)	Feb 2022	Feb 2023	2025 Target	Progress
4.5.1 b. # of PINs promoted through outreach and active engagement with members and other partners	0	9 (out of 9 approved PINs)	14	50	
4.5.1 c. # of PINs that received institutional support for further development (e.g., feasibility studies, project structuring, financing)	0	3 (out of 9 approved PINs, valued at USD 75.7 million) ²²	5	25	
4.5.2 # of embedded advisors supported through the Partnership, disaggregated by:	3	81	99	110	
4.5.2 a. # of major emerging economies with at least one embedded advisor supported through the partnership	1	1	3	8	
4.5.2 b. # of advisors disaggregated by type	3	73 (of which 33% in Finance; 25% in Planning; 41% in other ministries)	99 ²³ (of which 19 Finance; 52 Economic; 28 Sectoral)	N/A	
4.5.2 c. % of advisors disaggregated by gender	100% M	78% M; 22% F	72% M; 28% F	50:50	
Output 4.6: IP/DPs use Partnership data and insi-	ghts to program	support aligned with NDC A	action Plans		
4.6.1 % of implementing and development partners that use Partnership data and insights (from kNook, peer exchanges, knowledge products, or the Knowledge Portal) to program support for NDC Action Plans *	N/A	37% (11 out of 30 of survey respondents) *	70%	60%	

²² PINs from Cote d'Ivoire, Rwanda, and Uganda. ²³ KPI 4.5.2 was updated in September 2022 to: Advisors will be disaggregated by the following types: 1) economic or finance advisors, 2) sectoral advisors, 3) central bank advisors, and 4) other advisors (such as private sector advisors, subnational advisors, or others)

Annex 4: Risk management

Note: <u>This risk management matrix is seen from Denmark's perspective</u> and is consistent with Danida Guidelines. The Partnership's 2021-2025 Work Program is accompanied by a comprehensive Monitoring and Evaluation (M&E) Framework presented in Annex 1 and a Risk Matrix in Annex 2 to the Work Program. The Risk Matrix in Annex 2 aims to identify potential risks associated with the three key sections of the Work Program and the identified risks and their probabilities are tracked and adjusted over time. The risk matrix below has been developed based on the NDCP risk matrix and supplementary information from the SU. It is noted that the NDCP risk typology (delivery and delay risks, implementation risks, coordination risks, investment risks, climate as non-priority risks, operational and political risks, expectation risks, and quality risks) and probability and impact levels (high/medium/lon) are different from Danida's risk classification. However, the NDCP Work Program risk factors and mitigation actions are all summarised and reflected below where relevant, using Danida risk classification. The risk matrix below also reflects contextual, programmatic and operations risk factors in NDCP's most recent (2021) narrative progress reporting to Denmark, but it is noted that the NDCP progress reporting and presentations to the Steering Committee meeting in April 2023 are silent on risks.

Contextual risks ²⁵ :					
Risk Factor	Likelihood	Impact	Risk response	Residual	Background to assessment
				risk	
Without immediate action to enhance and	Almost	Significant	The NDCP works with member country	Major	IPCCC's reports clearly show the
deliver on the Paris Agreement target of	certain		Governments and stakeholders and		urgency of the climate crisis. The
keeping global warming below 1.5 degrees			Implementing and Development Partners, to		extreme weather events
C above pre-industrial levels this target will			provide analysis and mobilise concerted action		experienced around the world in
not be achieved with devastating global			to facilitate scaled-up and accelerated support		July 2023 are alarming.
consequences.			for effective climate action.		
There is a risk that climate action is not	Likely	Major	NDCP partners must adhere to the	Major	Climate change may be seen as a
given high priority if countries and partners			Partnerships' ten guiding principles ²⁶ which		standalone issue, particularly in
consider climate change as a standalone			include enhancing integration into national		times of multiple energy, finance,
issue that can be dealt with separately from			planning and decision-making processes and		and food security crises or
sectoral and economic priorities, especially			promoting engagement from multiple		unexpected shocks such as the
in challenging times.			stakeholders across ministries, institutions, and		Covid pandemic which can divert
			non-state actors. NDCP actively supports		public priorities and funding as
			efforts to engage key stakeholders beyond the		well as ODA from climate action
			institutions responsible for climate or		

_

²⁴ Risk categories of contextual, programmatic, and institutional risks (as explained in other footnotes in this Annex). Danida guidelines use the following levels for likelihood: almost certain, likely, unlikely, rare; and for impact: and residual risk: significant, major, minor, insignificant.

²⁵ This category covers the range of potential adverse outcomes that may arise in a particular context, including the risk of harm beyond the immediate context or the country's borders and may include governance failure (e.g. the failure of effective public financial management or law enforcement); competition for resources; natural hazards; and pre-existing socio-political tensions. (Danida Guideline to Risk Matrix 2018).

²⁶ See Annex 1 in the NDCP Membership Guidelines

			sustainable development issues and build further understanding of linkages between climate change impacts and opportunities for economic development and sectoral priorities and plans, including as part of support for green recovery strategies.		and the goals of the Paris Agreement.
Global economic turmoil may negatively impact investment in transformational change in key sectors such as energy and agriculture and reduce resources for ODA and climate finance.	Likely	Major	NDCP strengthens efforts in converting NDC Action Plans into Investment Plans and aligning NDC implementation with core development planning and budgeting processes, fast tracking support to implementing green recovery plans, and encouraging members to further step up and make faster and larger investments on projects that directly support delivering on NDC targets, including blended finance mechanisms to crowd-in private finance. NDCP member countries ensure active Focal Point contacts from the Ministry of Finance, Economy, Planning, or Investment, and ensure that both Focal Point Ministries engage relatively equally with the Partnership. In-country engagement now includes additional focus on engaging Central Bank representatives and parliamentarians, among others. The Partnership further strengthens engagement of the private sector in country engagement processes.	Minor	Global economic turmoil from crises in energy and food related to Russia's invasion of Ukraine and other factors may lead to hikes in energy costs and interest rates, setting back efforts toward transformational change in key sectors of the economy.
If countries and partners fail to bring together NDCs and SDGs in a common framework, this could result in potential coordination challenges and resource inefficiency.	Likely	Minor	NDCP contributes to the global agenda on strengthening synergies between NDCs and SDGs (see footnotes). And from the early stage of engagement with NDCP, member countries are encouraged to bring NDCs, SDGs, national	Minor	As stated by the UN "The 2030 Agenda for Sustainable Development and the Paris Agreement are intrinsically linked, and one cannot be achieved without the other" Yet an

²⁷ Concept note for the Fourth Global Conference on Strengthening Synergies Between the Paris Agreement and the 2030 Agenda for Sustainable Development held in New York on 16 July 2023 under the heading "Delivering a Just Transition through Climate and SDG Synergies" and the First Global Report on Climate and SDG Synergies titled "Synergy Solutions for a World in Crisis: Tackling Climate and SDG Action Together" (link).

	4	1		T	NIDOD HILL DIM
			adaptation plans, the financing for		NDCP Technical Brief ²⁸
			development agenda, and other key strategic		mentioned that only 2% of
			climate related documents together in a		country requests through the
			common framework, linked directly to national		NDCP for NDC enhancement
			development plans, medium long-term		and implementation support
			strategies, and budgeting frameworks.		explicitly mentioned SDGs.
There is a risk that main actors from the	Likely	Major	NDCP's core mandate is to act together and	Major	There is an issue in balancing
global North focus on fast energy transition			collectively reply to country needs rooted in		support for climate change
in their own countries as well as MEEs,			national ownership and priorities. The political		mitigation in major emerging
thus leaving smaller and poor countries, the			leadership of the Partnership will use this		economies (MEEs, where a large
ones that are most in need of support,			narrative and thereby underline that despite		emission reduction potential can
behind.			global crises and geopolitical challenges there is		be attractive to donors and may
			a unified response. The PAF has been		not necessarily result in requests
			introduced in 2021 as a last resort mechanism.		for NDCP support) vs. climate
			NDCP's membership Guiding Principle 7 is to		action/ adaptation in smaller
			advance the adaptation and mitigation		poorer LDCs and SIDS with
			objectives of developing countries and the		more complex NDCs and more
			synergies between these objectives.		limited institutional capacity.
Insufficient political buy-in in member	Unlikely	Major	NDCP interventions are entirely demand	Minor	Climate action requires strong
countries could risk hampering effective			driven based on requests from member		political buy-in in the face of
climate action supported by NDCP.			countries where there is buy-in and		competing demands on limited
eminute neuton supported by 1 (2 SI)			commitment. Guiding Principle 1 for NDCP		resources that can be challenging
			members is ensuring that support responds to		in the current geopolitical
			developing countries' priorities and		situation with multiple energy,
			requirements.		finance, and food security crises.
Vested interests and fossil fuels subsidy	Likely	Significant	NDCP's whole of government/whole of	Minor	While there is growing
regimes can hamper efforts to ensure a level	Linery		society approach includes Through awareness-	1,111101	recognition of the negative
playing field and increase the level of			raising and capacity development, support the		consequences of fossil fuels
ambition on climate action.			momentum toward the green energy transition		subsidies, reform is controversial,
ambition on chinate action.			demonstrating the multiple benefits of RE		changes in subsidy schemes have
			deployment and the avoidance of fossil-based		led to social unrest in many
			stranded assets, etc. IRENA's role as an NDCP		countries, and there are strong
			member can be useful.		vested interests.
If alimate action is asserted advantally effect	Liboly	Maior		Maior	
If climate action is seen to adversely affect	Likely	Major	Demonstrating the socio-economic benefits of	Major	If climate action including energy
jobs or other socio-economic aspectsit can			the climate action and energy transition is		transition is not perceived as just,
fail to receive political and societal support.		ĺ	increasingly important, ensuring a focus on	ĺ	

_

²⁸ For the Third Global Conference on Strengthening Synergies Between the Paris Agreement and the 2030 Agenda for Sustainable Development held in Tokyo in July 2022

Apprehension among local residents and advocacy groups could hamper effective and timely climate action.	Likely	Minor (for this project)	inclusiveness, equality and climate and energy related job creation, as well as other benefits e.g. in health. Strengthen partner capacity and awareness on the importance of ensuring a whole-of society approach including early engagement of stakeholders and local communities. This project does not include physical developments on the ground.	Insignificant	inclusive, and equitable, there are risks of societal opposition. The "not-in-my-backyard" (NIMBY) is an issue in many countries when planning deploying renewable energy solutions and could also be a factor in climate adaptation measures requiring construction of new infrastructure facilities.
Programmatic Risks ²⁹ :					
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Programmatic progress and results could be affected by political instability or unrest.	Unlikely	Minor	The demand driven NDCP approach is key, building on expressed commitment and demand by member countries and the NDCP delivery model builds upon a number of process steps that can mitigate this risk though an inclusive and participatory approach.	Minor	Some NDCP member countries are fragile and/or in conflict. Moreover, since the NDCP PAF is a last resort, it is likely to be applied in LDCs and other countries with challenging political and socio-economic conditions and complex NDCs.
Changes in Focal Points of countries and institutions can result in delays and interruptions of members' collaboration with NDCP. Moreover, frequent changes in countries' political leadership can impact continuity of engagement with and could shift country priorities related to climate change.	Likely	Major	The NDCP is demand driven and partner capacity is a factor in responses to requests for support, coupled with NDCP capacity development support. The SU maintains a well-functioning customer relations management system, suggests that every member has day-to-day contact persons in addition to Focal Points that receive regular Partnership information, and follows up with those members that are generally not responsive or have only a single	Minor	Staff changes in partner institutions can affect programmatic progress and results.

_

²⁹ This category covers include two kinds of risk: (1) the potential for a programme to fail to achieve its objectives; and (2) the potential for the programme to cause harm in the external environment. With regard to (1), the risk factors for programme failure include many of the contextual risks outlined above, as well as institutional and political factors. But there are many other reasons for potential programme failure, including inadequate understanding of the context or flawed assessment of what needs to be done; management and operational failures; and failures of planning and co-ordination. Risk is also associated with new or innovative programme approaches (although there may also be risk in failing to innovate). (Danida Guideline to Risk Matrix 2018). The categorisation of likelihood, impacts, and residual risk is also consistent with Danida guidelines.

r					
If NDC Action Plans are developed, validated, and launched, but do not attract adequate support, countries could question their usefulness for resource mobilization.	Unlikely	Major	contact point. Focal Points do not generally hold political positions; however, shifts may occur. SU staff and engaged members maintain close working relations with working level staff in Focal Point ministries and work together to ensure continued involvement with new governments in the Partnership's processes. With support from facilitators, coordination committees and Focal Points, implementation will be discussed and tracked on a regular basis. Focal Points will ensure that Ministries of Planning, Finance, and key line ministries continue to be involved and have ownership over implementation, including regular reporting on progress as well as needs and gaps. Partners provide regular inputs to the facilitator on implementation of indicated support as	Major	While NDCP support is demand driven it is essential that there is strong national ownership to NDC Action Plans.
There is a risk that implementing partners and development partner members may not contribute to country requests in a timely manner and/or at sufficient scale due to internal or external factors, for instance other domestic donor priorities or international needs e.g. response to a global pandemic.	Likely	Major	aligned with the implementation plan. This needs to be closely monitored by the SC NDCP outcomes at scale and lasting impact are highly dependent on keeping the major multilateral development institutions closely engaged, which requires constant attention to NDCP transaction costs and use of innovative mechanisms such as allocating funding for NDCP support directly with multilateral partners (such as the case of Denmark's support to IRENA). Denmark will work actively in this regard, also with other multilateral development institutions that Denmark supports directly. NDCP SU's mapping exercise aims to improve efficiency in the NDC Partnership's matchmaking of available technical and financial support with	Major	Given the increase in requests from countries and needs, it is increasingly important donors and implementing partners to align their climate specific and country programming closer to such requests and to bring down transaction costs/time. The NDC Partnership, in 2023 conducts a mapping exercise of selected climate initiatives and programmes supported by key Development and Implementing partners.
			country NDC implementation needs, helping to ensure that the SU is aware of partner budget and programming cycles.		

The PAF provides a last resort mechanism for fulfilling country requested NDC support but needs to be adequately funded. Over the long 7-year implementation period, the demand for PAF could change. Institutional risks ³⁰ :	Likely	Minor	NDCP has been stepping-up support for the PAF, but this needs to be monitored to ensure a relevant balance between support for the SU operations budget and PAF, respectively. The split between allocation of the Danish grant to PAF and SU operations budget, respectively, should be reassessed at critical milestones during implementation, including at the stocktaking and MTR, and reallocation of up to 25% of these resources could be made if relevant.	Minor	There is a balance between resource allocation for PAF as such and other SU operations while emphasising that PAF is a last resort mechanism.
Risk Factor	Likelihood	Impact	Risk response	Residual	Background to assessment
Hisk I actor	Likemiood	Impact	Risk response	risk	Background to assessment
The support needs of countries greatly exceed the support NDCP partners can deliver.	Likely	Major	Clear communication from NDCP about its value proposition as a convener, facilitator, and provider of technical assistance and capacity development support (and facilitator of access to finance including through a finance strategy but not a climate finance mechanism as such). Be clear that the Work Program, M&E framework, associated KPIs, and Progress Reports are all designed to guide the work of the Partnership's 200+ members as a global coalition, not solely the work of the Support Unit. Countries will continue to be encouraged to focus and prioritize requests so support can be directed to priorities and gaps. Members will work together to crowd in private sector investments and further optimize the use of resources. This needs to be closely monitored by the SC. The Danish engagement and influence among others via its co-chairmanship will be instrumental in highlighting this issue and seek to ensure that request procedures and	Major	Demand for support is increasing and exceeds the Partnership's technical and administrative support capacity. Important to manage expectations of what NDCP can deliver and on the distinction between contribution and attribution of results to the SU and to the wider NDCP membership and to Denmark's specific support.

³⁰ This category includes "internal" risk from the perspective of the donor or its implementing partners. It includes the range of ways in which an organisation and its staff or stakeholders may be adversely affected by interventions, e.g. damage to a donor's reputation if it fails to achieve its objectives, or from financial/fiduciary failure (Danida Guideline to Risk Matrix, 2018).

			NDCP responses are closely monitored against		
			the relevant KPIs and targets.		
There is a risk that SU capacity is challenged by high demand.		Major	SU capacity now established at 67 staff and needs to be monitored closely. This needs to be closely monitored by the SC. The Danish engagement and influence among others via its co-chairmanship will be instrumental in highlighting this issue and seek to ensure that SU effectiveness and efficiency in executing its work plans are closely monitored.	Major	SU capacity has been a challenge but is improving. Denmark has through the previous grant to NDCP supported one SU staff position.
If the project fails to deliver its expected results or there are significant delays in delivering committed support, it will reflect negatively on the NDCP hosting partners UNFCCC WRI and UNOPS and the Support Unit – and on the MFA and MCEU.	Unlikely	Significant	This needs to be closely monitored by the SC. The SU tracks progress using the Work Program KPIs and reports to the Steering Committee (SC) and via the Dashboard and regular progress updates. A continued focus on monitoring and evaluation is key and Denmark will play an active role in this regard as co-chair for 2024-2025, including placing strong emphasis on effective communication of results and achievements to key audiences. An MFA Stocktaking will be undertaken in 2025 in the transition between the two NDCP cycles and in assessing how Denmark's support is aligned to the NDCP Work Program 2026-2030. Attention should be given to SMART KPIs and realistic targets.	Major	This project is strategic and high-profiled, and the project partners' reputation is important in ensuring delivery against agreed KPIs/ targets and in setting realistic targets, also in the transition from the NCDP 2021-2025 Work Program cycle to the following 2026-2030 cycle that will also be supported by this project. It is important to bear in mind that the KPIs/targets are collectively for the Partnership as a whole (and its 200+ members) and that there is not a direct attribution link at output/ outcome levels to Denmark's specific financial contribution.
Partners and countries could be insufficiently coordinated to deliver effectively on NDC implementation. NDCP data and analysis could be insufficient to inform accelerated and coordinated member action. The project could risk duplicating activities and and/or fail to recognise interfaces and potential synergies with other initiatives in a crowded arena.	Unlikely	Minor	The SU keeps partners regularly informed about in-country engagement progress and other relevant developments, through regular emails calls and reports as well as knowledge exchanges and platforms (Dashboard, Knowledge Portal). Development and implementing partners improve coordination between their country/regional offices and the SU. NDCP supports developing country members in establishing and strengthening in-	Minor (for this project if there is focus on coherence and synergy)	The project will operate in a crowded and extremely dynamic field with many development partners and – sometimes – competing initiatives, and while

			country coordination mechanisms, including		
			through sustained funding for at least several		
			years of operation if the need exists. In-		
			country facilitators further support the		
			government on partner and inter-ministerial		
			coordination. The NDCP's extensive		
			membership includes key development		
			institutions in the global architecture for		
			climate action, which provides good		
			1		
			opportunities for synergy and avoidance of		
			overlap through interaction in a wide range of international fora.		
Th 1 - 4 - 6 4 - C 4 II-i4 1	T 11:11	Minan		Minor	UNOPS has joined the
The co-hosting of the Support Unit by		Minor	Denmark has chosen WRI to be the	Minor	,
three different organisations and SU staff in			implementing and financial agreement partner		Partnership as a new co-host of
different geographical locations could be			and no Danish funds are channelled through		the Support Unit and grant
challenging and the role of UNOPS has			UNOPS. However, the effectiveness and		manager for PAF, and while the
necessitated safeguards.			efficiency of this set-up needs to be monitored		cooperation agreement between
			closely.		UNFCCC WRI and UNOPS
					regulates this set-up, there have
					been new processes to learn to
					achieve maximum efficiency. The
					case of financial mismanagement
					in UNOPS in 2022 has raised
					concerns and necessitated
					safeguards.

Annex 5: Budget notes

WRI cost categories:

Brief information is provided below in Table A5.1 on the 14 cost categories used in WRI's internal budgeting software.

Additional budget notes:

- i) Since the NDCP is fully demand driven by country requests, and since the NDCP Results Framework and KPIs are designed to guide the work of the Partnership's 200+ members as a global coalition, not solely the Support Unit and the PAF, it is not possible to make an outcome or output based budget for the Danish contribution, nor can it be earmarked to specific countries.
- ii) The Project Document for Denmark's support to NDCP during 2020-2022 used the draft NDCP 2021-2025 Work Program Budget as the basis, with a breakdown by work streams of I. Knowledge and Learning; II. Country Engagement; III. Outreach and Governance; IV. Communications; V Operations; (plus aa separate budget line for WRI Indirect Expenses). The 2021 NDCP Interim Financial Report to Denmark had a breakdown by these work streams I-V.
- iii). It is also noted that the PAF was only launched in late 2021 at COP 26 and was therefore not an expenditure category reported on in 2021.
- iv) The Summary of the NDC Partnership Support Unit's 2023 Annual Work Plan, December 2022, now operates with the work streams and budget structure for 2023 that is summarized in Box A5.1 below. While there is no direct connection between this budget structure (used only for SU annual work plans) and the NDCP ToC/ pathways/ KPIs, this structure could potentially be used for NDCP reporting to Denmark.

Box A5.1: WRI cost categories

- 1. **Personnel:** Salaries of key personnel within the Support Unit and the PAF who are working on delivering the outputs and outcomes of the project.
- 2. Fringe Benefits: Fringe benefits including employer-paid medical and dental insurance, leave, payroll taxes, disability, etc. for WRI staff working on the project.
- **3.** Occupancy: Office space and utilities for staff working on the project billed per staff hour, based on the type of workstation occupied.
- **4. Project-Related Office Services & Supplies:** Supplies, office maintenance and services for staff working on the project.
- 5. Research Expenses (Consultants): Payments to experts and consultants working on the project for compensation and travel. Research will be partly funded through the PAF, as part of the 2021-2025 work plan. Through the PAF NDCP provides countries with access to technical and financial resources, and the widest possible range of the Partnership members can respond rapidly to the needs of developing country members. PAF will provide support through two funding mechanisms- Window 1 (Research Expenses) and Window 2 (Subgrants see item 12 below).
- **6.** Conference Expenses: Conferences costs (e.g. venue, participants travel).
- 7. **Publications: A** WRI cost category (e.g. used in the financial reporting on Denmark's previous grant to NDCP), but the SU has informed that it will not apply in this project.
- **8. Communications:** In-house website design and media training project related costs.
- 9. Travel: Travel expenses including train, plane, taxi, hotel, meals, and related expenses for WRI staff incurred for project activities.
- 10. Project-Related Electronic Network: Office-related costs for electronic network, equipment and software maintenance, and related servicing maintenance costs incurred by the project as well as project-related costs associated with WRI's IT support contractor, Ricoh.
- 11. Research Materials & Quality Assurance: Costs of the WRI Research, Data and Innovation office which works to promote excellence in WRI's research through publication and data product reviews, quality control, staff monitoring and development, strategic planning, and promoting synergies and innovation between similarly themed projects. This category also includes costs for tools utilized by the Research Data & Innovation (RDI) team such as Editorial Manager and WRI's research library.
- 12. Subgrants: Subgrants to project partner organizations that will help deliver the outputs and results of the project. Subgrants and Research will be funded through the PAF (launched at COP 26, November 2021), as part of the 2021-2025 work plan. As noted under item 5 above, support under PAF is through two funding mechanisms- Window 1 (Research Expenses) and Window 2 (Subgrants). In Window 2, subgrants are selected through the call for proposals process. Member institutions respond to countries' request for support through the submission of a proposal. Proposals are evaluated by a selected Evaluation Committee and then need to receive country approval. Partner organizations that are selected will then undergo WRI's due diligence process before a subgrant can be set up.
- 13. Other Direct Costs: Other direct costs include telecommunications expenses for staff working on the project, billed per staff hour and a CO₂ fee billed to all projects on a per staff hour basis reflecting electricity use and commuting emissions as well as a CO₂ fee on contract and non-WRI subgrant expenses over USD 100,000. These costs fund WRI's sustainability programming, allowing WRI and its partners to "walk the talk" when it comes to sustainability. Carbon tax fees are used to support sustainability projects, including partner sustainability, that directly reduce environmental impacts of WRI operations to achieve science-based targets of 46% emissions reduction by 2030.
- **14. G & A Expenses:** General and administrative (G&A) expenses are WRI organization-wide costs including senior management, accounting, human resources, grants management and subrecipient monitoring, audit and legal services and corporate insurance.

Box A5.2: The SU Annual Work Plan 2023 activity groups and budget structure.

1-Country Engagement:

- Country Level Engagement (demand-driven support for the 5 stages in the country engagement cycle (further described in Box 2.1 and Annex 1) and leveraging PAF resources for unfulfilled country requests)
- Programmatic Activities (collaboration with implementing and development partners, Thematic Call on LT-LEDS and NDC alignment, PAF implementation, MEE engagement, greater engagement at regional level, implementation of NDCP Finance Strategy).

2-Knowledge and Learning:

- ➤ <u>Knowledge management/kNook</u> (primarily the NDCP Knowledge Management System (kNook) and <u>Online</u> Partnership Management tool
- ➤ <u>Knowledge Products / Analytical</u> (support gap summaries, scoping reports, gender reviews, mapping implementing partner programming cycles, best practice and guidance documents, annual flagship report The Partnership in Action)
- Knowledge Portal (the Portal helps countries to accelerate climate action by providing quick and easy access to data, tools, guidance, good practice, and funding opportunities)
- Knowledge Convenings (virtual and in-person knowledge exchanges, webinars, peer-to-peer exchanges, Youth Engagement Forum, finance roundtables with private sector and sub-national actors).
- Monitoring and Evaluation (reporting related to the NDCP's M&E Framework and Dashboard, messaging and visual presentations).

3-Outreach and Governance:

- ➤ <u>Governance</u> (SU support for Steering Committee, Co-Chairs, reports, presentations, logistics, seeking strategic guidance in advancing NDCP Work Program).
- Member Engagement (strengthening of SU communication and collaboration with NDCP members, including onboarding and management of member database)
- Communications (website, social media, publications
- Events (logistics for flagship event s(co) organized by SU, including Regional Climate Weeks, Global NDC Conference, and COP)
- Development (fundraising and grant reporting, but carried out by direct staff time, this no additional cost budgeted)

4-Operations:

(a total budget for activities related to both strategic and administrative support)

Furthermore, the Annual Work Plan budget has a separate category for <u>SU staff costs</u> covering the currently 74 staff members and the budget is subdivided into the 4 SU units.

The <u>Management Fees</u> (10% of the budget for the four work streams plus SU staff costs) for the host institutions (WRI, UNFCCC, UNOPS) are also budgeted.

Box A5.3: PAF eligibility and steps

PAF resources are deployed to respond to country requests for support, but countries cannot apply for these resources directly. Instead, the resources are made available to Implementing Partners, who are NDC Partnership Institutional and Associate Members, to deliver the requested support under the leadership of the NDC Partnership government Focal Points. PAF resources are deployed in line with the NDC Partnership's Country Engagement Strategy through the following steps: 1. The NDC Partnership receives requests for support from a Country Member and circulates the country support needs to the full membership. 2. Members respond, and the Partnership leverages its members' available capacities, technical expertise, and resources to align support with country needs through existing programs or projects. 3. When the Partnership needs to supplement support offerings from members, or address unsupported requests to meet a country's needs, the country's request will be considered for PAF support. All unsupported countries' requests can be considered for PAF. During this process, the Partnership may reach out to governments to revise and prioritize those unsupported requests and consolidate a list of PAF's eligible requests. PAF eligibility differs per funding window:

Window 1: Facilitation support

NDC Partnership developing Country Members can request facilitation support at any time. These requests are circulated to the full membership monthly, inviting fully funded offers of support in line with the Partnership's Country Engagement Strategy. If no member responds, In-Country Facilitators will be hired through PAF based on TOR advertised on a rolling basis on the NDC Partnership's Job Openings & RFPs page for direct recruitment.

Window 2: Technical assistance and scoping support

The NDC Partnership developing Country Members can request technical assistance and scoping support from the NDC Partnership at any time. These requests are circulated to the full membership monthly, inviting funded offers of support in line with the Partnership's Country Engagement Strategy. If no member responds, requests for support can then be considered for PAF. The NDC Partnership Support Unit will work with developing Country Members to first revise and prioritize the unsupported requests and confirm which requests should be included in quarterly Call for Proposals (CFPs). The CFPs are circulated to all NDC Partnership Institutional and Associate Members. Institutional and Associate Members of the NDC Partnership, who have completed the due diligence requirements with the World Resources Institute (WRI) and/or the United Nations Office for Project Services (UNOPS), are eligible to apply for PAF resources in response to the quarterly CFP issued through Window 2. Interested members can apply for grants to support one, several, or all requests listed in the CFP. For each request, members are required to submit a complete application package that includes a Technical Proposal and a Financial Proposal.

All funding decisions, through Windows 1 and 2, are made through an evaluation committee responsible for reviewing the proposals received from Implementing Partners in response to country requests. Evaluation committees are formed at the country level and include Support Unit staff, and in some cases government Focal Points, the In-Country Facilitator, or external experts.

Annex 6: List of supplementary materials

Document title	Source and internet
	link where available
NDCP "Impact Highway Progress Tracker" Dashboard	NDCP <u>link</u>
GDK internal back-to-office report from NDC-P Steering Committee meeting,	GDK
London, 17-19 April 2023	(link N/A)
Combined presentations to Day 1 of Steering Committee meeting, London, 17-19 April 2023	NDCP <u>Link</u>
Combined presentations to Day 2 of Steering Committee meeting, London, 17-19 April 2023	NDCP <u>Link</u>
Steering Committee meeting, London, 17-19 April 2023 Day 2 Session 2 Rwanda Finance presentation	NDCP <u>Link</u>
2021-2025 Work Program, Progress Report in Full	NDCP
NDC Partnership Steering Committee, spring 2023	(link N/A)
2021-2025 Work Program - Abbreviated Progress Report, NDC Partnership	NDCP
Steering Committee, spring 2023	(link N/A)
NDC Partnership Action Fund (PAF) – Progress	NDCP
Summary, NDC Partnership Steering Committee, spring 2023	(link N/A)
2023 Support Unit Annual Work Plan Summary,	NDCP
NDC Partnership Steering Committee, spring 2023	(link N/A)
Support Gap Summary for Gender, NDC Partnership Steering Committee,	NDCP
spring 2023	(link N/A)
Global Support Trends Analysis, NDC Partnership Steering Committee, spring	NDCP
2023	(link N/A)
Key Partner Support Mechanisms, NDC Partnership Steering Committee,	NDCP
spring 2023	(link N/A)
NDC Partnership Finance Strategy Implementation Update, NDC Partnership	NDCP
Steering Committee, spring 2023	(link N/A)
NDC Investment Planning Guide (January 2023)	NDCP
	(link N/A)
Finance at the NDC Partnership - Insight brief -March 2023	NDCP
	(link N/A)

2022 Associate Membership Engagement Review, NDC Partnership Steering	NDCP
Committee, spring 2023	(link N/A)
Support trends across the NDC Partnership, August 2022	NDCP
	(link N/A)
WRI regular audit reports FY 202, 2021, 2022	NDCP WRI
	(link N/A)
Denmark Support to NDC Partnership 2021 Interim Financial Report	NDCP
	(link N/A)
NDC Partnership 2021 Narrative Grant Report for Denmark	NDCP
	(link N/A)
NDC Partnership members (March 2023, provided that website info is updated)	NDCP <u>Link</u>
NDC Partnership Governance (March 2023, provided that website info is updated)	NDCP <u>Link</u>
NDC Partnership Support Unit staff (March 2023, provided that website info is updated)	NDCP <u>Link</u>
NDC-Partnership update at conclusion of COP27 (23 November 2022)	NDCP <u>Link</u>
NDC Partnership Fact Sheet (December 2020)	NDCP <u>Link</u>
NDC Partnership Climate Action Enhancement Package (CAEP)	NDCP <u>Link</u>
NDC Partnership status and summary content of NDCs by country	NDCP <u>Link</u>
NDC Partnership Knowledge and Learning Strategy (September 2022)	NDCP <u>Link</u>
NDC Partnership Energy & NDCs Insight Brief (April 2022)	NDCP <u>Link</u>
NDC Partnership Small Island Developing States (SIDS) Insight Brief	NDCP <u>Link</u>
NDC Partnership Country Engagement Strategy (updated April 2022)	NDCP <u>Link</u>
NDC Partnership Work Program 2021-2025	NDCP Link
External Evaluation of the NDC Partnership 2018-2020 Work Program: Final	Baastel consultants
Evaluation Report (30 March 2022)	Link
Inclusive Growth and Climate Change: Lessons Learned from the NDC	NDCP <u>Link</u>
Partnership	
Project Document for Danish support to NDCP 2020-2022	MFA <u>Link</u>
Conclusions from UPR meeting 26 November 2020	MFA <u>Link</u>

Concept Note for Danish support to NDC-P 2020-2022 and comments from	MFA link N/A
MFA departments FRU, ELK, HCE, GJL	
NDC Partnership Gender Strategy (September 2019)	NDCP <u>Link</u>
Danida Open Aid re support to NDCP	MFA <u>Link</u> and <u>link</u>
	and <u>link</u>
Denmark's strategy for development cooperation "The World We Share",	MFA link
August 2021	IVII II <u>IIIIK</u>
114gust 2021	

Annex 7: Plan for communication of results

What?	When?	How?	Audience(s)	Responsible
(the message)	(the timing)	(the mechanism)		
Denmark is NDCP Co-Chair during 2024- 2025	After fall 2023 Steering committee meeting and at COP 28 in November 2023		The Danish resource base and international partners	MFA/GDK and MCEU
Key summary project information, selected results targets and results updates against targets	When project approved and updated regularly/annually	•	The Danish resource base and taxpayers.	MFA/GDK
Support from Denmark to NDCP 2023-2030 approved. Denmark contributes to NDCP 2023-2030 to support ODA eligible developing countries in their efforts to accelerate NDC implementation, raise NDC ambition and quality, strengthen the enabling environment for mobilizing climate finance, and mainstream climate action into development plans and budgets, consistent with the goals of the Paris Agreement on Climate Change and climate-related SDGs. Results and impact stories with country examples based on NDCP SU inputs/results reporting.	When donor agreement signed. During implementation as soon as available.	MFA/Danida website and newsletters. World's Best News campaign. Websites of Embassies of Denmark in countries where NDCP responds to country requests, particularly when there are synergies with Denmark's bilateral cooperation	The Danish resource base, international partners, and partners in NDCP member countries	MFA/GDK and embassies

Denmark contributes to NDCP 2023-2030	From the approval of the	MCEU website.	Danish resource base	MCEU
to support ODA eligible developing countries in their efforts to accelerate NDC implementation, raise NDC ambition and quality, strengthen the enabling environment for mobilizing climate finance, and mainstream climate action into development plans and budgets, consistent with the goals of the Paris Agreement on Climate Change and climate-related SDGs. Examples of synergies between Danish	project and throughout the project duration and	MCEU website. State of Green. Danish Energy Agency in cases where there are concrete synergies with DEA energy partnership cooperation.	Danish resource base and Danish taxpayers. International development partners.	MCEU
support to NDCP and Denmark's multilateral and bilateral climate and energy cooperation.				
Contribution from Denmark to NDCP 2023-2030 approved. Substantive messages related to key results and lessons achieved with support from Denmark along NDCP impact pathways.	When donor agreement signed	NDCP website news NDCP workshops, events, webinars, conferences, press releases	NDCP members and partners, staff of NDC host institutions	NDCP SU

Annex 8: Process action plan

Activity	Timing	Responsible
Final Concept Note for public consultation and comments by MFA Departments	1 June 2023	GDK with formulation consultant
Public consultation phase	Mid-June	ELK
Presentation to the Danida Programme Committee	27 June	GDK
Draft Project Document for appraisal	9 August	GDK with formulation consultant
Appraisal	11 August- mid September	External consultant to GDK
Debriefing of Appraisal Team based on draft Appraisal Report	13 September	GDK
Final Appraisal Report	19 September	Appraisal Team
Final Project Document submitted to the secretariat for the Council for Development Policy	9 October	GDK
NDCP Steering Committee meeting expected to confirm Denmark as new Co-Chair for 2 years with effect from end 2023	October	NDCP SC
Key findings and recommendations of the Mid-term Review of the NDCP 2021-2025 Work Program (too late for influencing the final Project Document for Denmark's support before submission to the Council for Development Policy)	October (tbc)	NDCP SU
Presentation to the Council for Development Policy	26 October	GDK
Approval by the Danish Minister for development cooperation	Mid- November	Minister
Approval by the Finance Committee of the Danish Parliament, if applicable	Late November	Finance Committee
Commitment of 1st tranche of funding (DKK 50 million)	Q4 2023	GDK

Start of project implementation	Q1 2024	NDCP
Meetings in the NDCP Steering Committee	Per agreed schedule	NDCP
Commitment of 2 nd tranche of funding (DKK 20 million)	Q4 2024	GDK
Stocktaking when NDCP Work Program 2026-2030 defined, recommending adjustments as required of alignment of Danish support to the new Theory of Change and Results Framework	Late 2025	MFA
Mandatory Mid-term Review (jointly with other funders, as possible)	Q4 2028	MFA
Completion of project implementation period	Q4 2030	NDCP
Final audit (6 months after project completion)	Mid-2031	NDCP/WRI
Final Results Report within MFA	Mid 2031	GDK

Annex 10: Key NDCP member institutions that are also supported directly by Denmark

Membership of the NDC Partnership can be found here (link).

NDCP institutional members that are also directly supported by Denmark include those on the list below. It is noted that while the list is not exhaustive, it is indicative of where it may be particularly relevant for Denmark to work actively to encourage NDCP member organisations to respond to country requests. Knowledge products produced by multilateral and intergovernmental development agencies and international non-governmental organisations supported directly by Denmark could also be useful in supporting capacity development for NDC action.

NDCP Members:

- World Bank Group linkages could include the World Bank Energy Sector Management Assistance Program (ESMAP) that is directly supported by Denmark. The World Bank is also an NDCP Steering Committee member.
- The African Development Bank (AfDB) linkages could include the AfDB Sustainable Energy Fund for Africa (SEFA) that is directly supported by Denmark.
- The World Resources Institute (WRI), which is <u>supported directly by Denmark</u>, most recently with a new grant for 2023-2028 to promote and accelerate food systems and cities transitions, as well as national climate actions in ODA-eligible countries, with a primary focus on sub-Saharan Africa.
- The International Renewable Energy Agency (IRENA) the <u>most recent Danish support to IRENA</u> for 2023-2027 includes a separate budget of DKK 13 million for IRENAs response to NDC Partnership energy requests. IRENA is also an NDCP Steering Committee member.
- The United Nations Development Programme (UNDP) this could include synergies with the <u>UNDP Climate Promise</u>. UNDP is also an NDCP Steering Committee member.
- The United Nations Environment Programme (UNEP) this could include linkages and synergies with the UNEP Copenhagen Climate Centre (UNEP CCC) that is supported directly by Denmark.
- International Union for Conservation of Nature (IUCN) that is supported directly by Demark.
- The Global Green Growth Institute (GGGI) that is supported directly by Denmark.

NDCP Associate Members:

- C40 Cities <u>supported directly by Denmark.</u>
- The International Institute for Sustainable Development (IISD) the IISD <u>Global Subsidies</u> <u>Initiative is supported directly by Denmark.</u>