

# 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 low-emission, 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.

**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 mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%	100%	100%	0%	0%
<b>Total green budget (DKK)</b>	<b>70.0</b>	<b>70.0</b>	<b>0</b>	<b>0</b>

**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 43.7 million
Contribution to NDCP Partnership Action Fund (PAF)	DKK 21.0 million
Mid-Term Review (contribution, jointly with other donors)	DKK 0.6 million
Support costs (7%) of direct costs	DKK 4.7 million
<b>Total</b>	<b>DKK 70.0 million</b>

<b>File No.</b>	2022 – 27616									
<b>Country</b>	Global (ODA-eligible)									
<b>Responsible Unit</b>	GDK									
<b>Sector</b>	Climate change									
<b>Partner</b>	NDC Partnership									
<i>DKK million</i>	2023	2024	2025	2026	2027	2028	2029	2030	Total	
<b>Commitment</b>	70									
<b>Projected disbursement</b>	0	10	10	10	10	10	10	10	70	
<b>Duration</b>	2023-2030									
<b>Previous grants</b>	DKK 5 million 2016-2018; DKK 9 million 2018-2020; DKK 35 million 2020-2023									
<b>Finance Act code</b>	§06.34.01.70									
<b>Head of unit</b>	Karin Poulsen									
<b>Desk officer</b>	Lone Bøge Jensen & Merete Villum Pedersen									
<b>Reviewed by CFO</b>	Katja Thøgersen									

**Comment:** The total budget is funded through two commitments of DKK 50.000.000 in 2023 and DKK 20.000.000 in 2024.

**Relevant SDGs** [Maximum 1 – highlight with grey]

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life Below Water	 Life on Land	 Peace & Justice, Strong Institutions	 Partnerships for Sustainable Development	

**Ministry of Foreign Affairs of Denmark (MFA)  
NDC Partnership**

**Danish Support to the NDC Partnership 2023 – 2030**

**Concept Note/Early draft Project Document  
to the Danida Programme Committee**

**26 May 2023**

MFA file number Ref: F2 2022 – 27616

<b>Abbreviations and acronyms</b>	
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)
CO2	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 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
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 transparency
PAP	Process action plan
PD	Project document
PIN	Project Identification Note

SC	Steering Committee
SDG	Sustainable Development Goal
SEAH	Sexual exploitation, abuse, and harassment
SEFA	African Development Bank Sustainable Energy Fund for Africa
SEforALL	Sustainable Energy for All
SIDS	Small island developing states
SMART	Specific, Measurable, Achievable, Relevant, and Time-Bound
SSC	Strategic sector cooperation
SU	Support Unit for the NDGP
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
UNFCCC	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 USD = 6.84 DKK; 1 DKK=0.15 USD<sup>1</sup>

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<sup>1</sup> Danish National Bank official exchange rate as of 16 May 2023:  
[https://www.nationalbanken.dk/en/statistics/exchange\\_rates/pages/default.aspx](https://www.nationalbanken.dk/en/statistics/exchange_rates/pages/default.aspx)

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# 1. Context, strategic considerations, rationale, and justification

## 1.1 Introduction and Background

This Concept Note/early draft Project Document describes from Denmark's perspective the proposed Danish grant contribution of DKK 70 million to the NDC Partnership (NDCP) for 2023-2030.

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. 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, 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 developing and developed countries, and more than 80 implementing development partner institutions (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, SE4ALL, and WRI)<sup>2</sup>. 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.

Based on requests to the NDCP, the membership offers a coordinated tailored package of expertise and technical assistance including capacity development support<sup>3</sup>). 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 2023<sup>4</sup>, 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 1.1.

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<sup>2</sup> The Project Document for Denmark's support to NDCP will have an overview. Meanwhile, NDCP membership can be seen at this [link](#).

<sup>3</sup> 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.

<sup>4</sup> Factual information in the present document is generally updated based on the [NDCP presentations](#) to the Steering Committee meeting in April 2023 and related NDCP documentation.

### Box 1.1: 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 Plans (see footnote in Section 2.2 for further information).

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 country demand-driven approach is key to ensure that interventions are rooted in national ownership and priorities. 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.

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 global climate 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 windows: 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 of conflict, or utilised for challenged themes.

The Country Engagement cycle comprises 5 stages: i) *Scoping* a government-led participatory process to identify NDC-related needs across the different sectors; ii) *Needs assessment phase that* 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) *Design or strengthening* 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) *implementation phase*. 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) *Result assessment and lesson learning*. 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.

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”.

## 1.2 Context, 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 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 COP's has suggested a shorter time frame for updates in order to be able to meet the targets set.

The recently published IPCC Sixth Assessment Report in 2023 highlighted the urgency of the climate crisis and emphasized 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 take 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. 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 commitments<sup>5</sup> 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 funding from national, international, public, and private sources and engaging a broad base of stakeholders.

In the context of the NDCP, many countries have completed the first 3 stages in the NDCP delivery model (summarised in Box 1.1) 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 criteria<sup>6</sup>, and the justification for this proposed Project against these criteria is briefly summarised in box 1.2.

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<sup>5</sup> NDCP's overview of status of NDCs by country is found [here](#).

<sup>6</sup> [Link](#)

### Box 1.2: 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” and the new

**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.

**Effectiveness:** 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.”

**Impact:** 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.

**Sustainability:** 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.

### 1.3 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 meeting its target of 110 embedded 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.
- 92% of member countries receiving support are on track to deliver on their mitigation and adaptation targets, and 70% of the member countries receiving support submit updated NDCs with increased mitigation and adaptation ambition.
- In terms of more practical examples of support and results: In Cambodia, NDCP has supported the development and annually 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. Cutting across these the following can be observed:

- The breadth and engagement of 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 a lack of inclusion of local stakeholders 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 its 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:*

#### *Evaluation<sup>7</sup> 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 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 a lack of 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 (that will be 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-September 2023) through an external consultant under NDCP SU management. 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 will include 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. An MTR draft report is expected by July 2023, providing the opportunity for GDK to be informed by emerging key findings and conclusions of this MTR in the finalisation of the draft Project

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<sup>7</sup> 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.

Document for Denmark's support before appraisal in August 2023.

### *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 with a convening on Paris Agreement Article 6 (carbon markets) in Q1 2023. In May 2023, the NDC Partnership with UNDP and GIZ will co-organize the third Global NDC Conference, which will aim to convene 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) were available to all member developing countries, while the current PAF mechanism is the “last resort” that applies only if the “first and second resort” does not trigger a 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 donors often do not have ability 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 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** (not just enabling environment) 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 investments. However, NDCP seems to be best placed to develop enabling environment for investments, incl. potential project idea identification, not mobilise and facilitate finance.
- The previous Danish grant included a budget for a **secondment**. However, this secondment did not materialise a.o. due to the 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, and it is positive that this can be undertaken as a jointly supported effort.

## **1.4 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 that most developing countries lack the capacity to operate in. Being co-hosted by UNFCCC and linked to the COP, the NDC-Partnership has legitimacy amongst ODA eligible developing countries. Furthermore, the NDC-P promotes a whole-of- government 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 promoting the individual well-being and human rights of the people. The Partnership also facilitates concerted climate action involving other implementing partners'/development institutions supported by Denmark, 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; 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.

### **1.5 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<sup>8</sup>.

#### *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 21<sup>st</sup> 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

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<sup>8</sup> How To Note on Energy Transition and Emission Reductions in Developing Countries [link](#) and How To Note on the Climate Adaptation, Nature and Environment [link](#)

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 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.) 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.

#### *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 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.

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. In context of IRENA, an earmarked contribution to IRENA supporting NDCP generated country requests within energy is underway.

### **1.6 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. from the perspective of leaving no-one behind (LNOB) and in line with Denmark's multi-dimensional poverty concept<sup>9</sup> Social inclusion has in spring 2023 been addressed by NDCP as part of the Raising Ambition Through Partnership [webinar series](#) for instance. NDCP is also committed to meaningful engagement with young people through NDCP [Youth Engagement Plan](#). They may also assist governments in designing youth inclusive NDC processes at the country level and engaging youth across all phases of the NDC process.

As earlier mentioned, efforts to strengthen whole-of-society approaches will be promoted through the NDCP Finance Strategy that will be featured as an exchange topic at the Global NDC Conference in June 2023, during the Youth Engagement Forum in July 2023 and through new dedicated Canadian funding to strengthen gender mainstreaming. Human Rights Principles of participation, accountability, non-discrimination, and transparency (PANT) are also inherent in the NDCP whole of society approach

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<sup>9</sup> Ref. [Danida How-to-Notes](#).

and emphasis on ownership, commitment, demand-led action, and transparency in support of an enabling environment and sustainable development outcomes.

The targets for Denmark's support are strictly 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 [Strategy](#) provides further information. The approach to engaging in MEEs, is described in the [MEE Strategy](#). 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.

## 2. The Project

### 2.1 Project Objective

The project objective<sup>10</sup> for 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 directly aligned with the current four impact pathways of NDCP (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 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"*.

### 2.2 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)<sup>11</sup> and ii) to the NDC Partnership Action Fund (PAF), 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 through 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, was very briefly summarised<sup>12</sup> in Box 1.1 in Section 1.1.

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 cycle beyond 2025, which is also proposed to be supported through this project.

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<sup>10</sup> 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.*

<sup>11</sup> As example, see the Summary of the NDC Partnership Support Unit's 2023 Annual Work Plan [link](#). 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.

<sup>12</sup> For further details, please refer to NDCP [in-country engagement](#), NDCP [knowledge and learning](#), and NDCP [access to finance](#)

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

- 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.
- Enhancing the NDCP central role in the UNFCCC processes and follow up even further - such as the global stock take 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.

### 3. Theory of change and key assumptions

#### 3.1 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. The Partnership's work 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 3.1 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 cycle (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 will be developed and approved, Denmark will have significant influence on its planning and design.



Figure 3.1: 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, with strong international support consistent with the achievement of the Paris Agreement and the 2030 Agenda for 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 and resources needed to implement and update their NDCs using a whole-of-society approach	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	
			Member countries have results-based, equitable, and inclusive NDC implementation plans in place, aligned with development and recovery plans		
	Member countries communicate new NDCs reflecting 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 subnational development plans, policies, budgets, and recovery plans	Member countries receive increased investment flows towards climate action	Member countries have participatory NDC coordination mechanisms and resources for inclusive and transparent NDC implementation and updating	Availability of technical and financial resources and capacity building support from members for NDC implementation and updating at the national and subnational levels.
				Increased country access to knowledge and capacity development	
				Improved enabling environment established and public and private finance providers mobilized	Implementing and development partner members are willing to use country requests presented through the Partnership as a key element in their resource programming
	Implementing and development partners use Partnership data and insights to program support in alignment with NDC implementation plans	Members receiving support have cross-government commitment to the ongoing implementation and enhancement of their NDCs and to the work of the Partnership			

### 3.2 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 four work streams:

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

- *And then* NDCP will deliver Outputs in the following areas:

- ✓ 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 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 *four impact pathways* of:
  - 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 the Project).

### **3.3 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; as well as an addition. 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: 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.

## 4. Draft results framework

### 4.1 NDCP 2021-2025 Work Program KPIs

The aforementioned 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. In addition, reporting encompasses the Partnership's cross-cutting work including outreach & governance and operational updates, and present lessons learned. Progress reporting cover a total of 54 indicators, each with a baseline (December 2020) and targets by December 2025. Indicators are generally considered SMART<sup>13</sup>. The full Results Matrix is 7 pages long and thus too comprehensive for the present Concept Note for Danish support. 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.

### 4.2 Selected NDCP KPIs for Denmark's special focus

Denmark will pay particular attention to the following key performance indicators in the NDCP Results Matrix for the 2021-2025 Program cycle:

Table 4.1: 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 implementing and development partner members have increased climate-related financing from 2020 levels.
2.1.2	Impact	Number of member countries receiving partnership support that reported being on track or ahead of schedule in meeting their NDC adaptation/mitigation targets
2.2.2	Impact	Number of member countries receiving partnership reports that submit an updated NDC with increased adaptation/mitigation ambitions
4.2.1	Output	% of members countries receiving NDCP support that have validated NDCP 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.

Denmark will ensure the continued alignment of its support during 2026-2030 to the ToC and results framework KPIs for this next to the NDCP Work Program cycle.

## 5. Inputs/budget

### 5.1 Inputs and budget

Denmark will provide a grant of DKK 70.0 million for ODA eligible expenditures only, allocated as shown in Table 5.1. The SU's expenditure categories will be detailed in the Project Document. Note that due to rounding, some decimals in table 5.1 may not add up.

Denmark will also take on the role of Co-chair of the Steering Committee for 2 years (which requires staff inputs in-kind for 2024-2025).

Table 5.1: Summary budget allocations

Budget item	2024	2025	2026	2027	2028	2029	2030	Total
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<sup>13</sup> Specific, measurable, achievable, relevant, and time bound.

Support Unit Work Program <sup>14</sup>	6.3	6.3	6.3	6.3	5.9	6.3	6.3	43.7
Partnership Action Fund (PAF), pooled financing mechanism	3.0	3.0	3.0	3.0	3.0	3.0	3.0	21.0
Mid-Term Review (contribution, jointly with other donors)					0.6			0.6
Support costs (7%)	0.7	0.7	0.7	0.7	0.7	0.7	0.7	4.7
Total DKK million	10.0	10.0	10.0	10.0	10.0	10.0	10.0	70.0

An overview of current donor funding of the NDCP SU Work Program 2021-2025 and PAF 2021-2025 is shown in Table 5.2.

Table 5.2: Other donor funding for Work Program and PAF 2021-2025

<b>Support Unit Funding 2021-2025 Work Program:</b>			
<b>Country</b>	<b>Contributions (USD)</b>	<b>Hosts</b>	<b>Percentage of Total</b>
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%
	<b>63,898,980</b>		

<b>PAF Fundraising 2021-2025:</b>			
<b>Country</b>	<b>Contributions (USD)</b>	<b>Hosts</b>	<b>Percentage of Total</b>
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%
	<b>44,590,000</b>		

## 5.2 Financial management and reporting

The Danish grant contribution will be channelled to the NDCP SU 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 apply to the Danish funds, while adhering to the minimum requirements stipulated in the Ministry of Foreign Affairs' Guidelines for Financial Management and conditions specified for the grant that must be considered an integral part of the conditions for this grant.

<sup>14</sup> To synchronise Denmark's support with the NDCP work program cycle, the contribution covers the remainder of the 2021-2025 Work Program cycle (i.e. since the grant will be approved in late 2023, disbursements will be in 2024-2025) plus the full 2026-2023 NDCP Program Cycle.

It is noted that WRI and UNOPS jointly execute the pooled-funding mechanism, the Partnership Action Fund (PAF), with UNOPS acting as fund manager. UNOPS also undertakes procurement and staff recruitment for the Support Unit.

Denmark will annually receive audited accounts for the Danish grant from WRI. The audited accounts must specify both payments 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. 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. Funds will be transferred in the currency of the budget in the project document. WRI will return a letter of email acknowledging the receipt of funds.

Financial reporting requirements: A final statement of accounts/audit (covering the entire project period) shall be submitted maximum 3 months after completion of project. Statement of accounts shall be drawn up to the same level of detail as is done in the budget of the project document and (reflect any agreed changes made. The statements shall clearly state the disbursements made by the Danish MFA as well as the outstanding balance at the time of reporting. The statements shall be signed by WRI management and shall include a bank statement and a bank reconciliation. Any unspent balance or any savings of project funds shall be returned to the Danish Ministry of Foreign Affairs (MFA)

Obligation to report on changes and irregularities: 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.

## **6. Institutional and Management arrangement**

### **6.1 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 United Nations Office for Project Services (UNOPS) in Bonn and the World Resources Institute in Washington, D.C. USA. The host institutions provide office space and share back-office infrastructure (e.g., accounting systems, HR resources, etc.). 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.

### **6.2 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 run 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).

## **7. 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 will be included in the full Project Document.

#### *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 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 political leadership of the Partnership will use this narrative and thereby 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.

## Annex 1: Preliminary Partner Assessment

### A1.1 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 103 are developing and 18 developed, 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](#).

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 spring 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 and the results of the mapping may be reflected in the final Project Document for Denmark’s support as relevant and available.

### A1.2 Summary of key partner features

<b>Name of Partner</b>	<b>Core business</b>	<b>Importance</b>	<b>Influence</b>	<b>Contribution</b>	<b>Capacity</b>	<b>Exit strategy</b>
	<i>What is the main business, interest and goal of the partner?</i>	<i>How important is the project for the partner’s activity-level (Low, medium high)?</i>	<i>How much influence does the partner have over the project (low, medium, high)?</i>	<i>What will be the partner’s main contribution?</i>	<i>What are the main issues emerging from the assessment of the partner’s capacity?</i>	<i>What is the strategy for exiting the partnership?</i>
NDC Partnership (NDCP), supported through its Support Unit (SU) anchored in WRI/UNFCCC secretariat/UNOPS and with WRI as the contractual partner for Denmark.	To assist member countries in achieving their national climate commitments and ensure financial and technical assistance is delivered as efficiently as possible.	Low-medium – Denmark is not a large donor (aggregate funding including this proposed contribution in the order of USD 14 million, compared to the USD 1.4 billion mobilised through NDCP action. However, Denmark plays an active role in the Steering Committee including as Co-Chair during 2024-2025).	High	Implement Denmark’s support, provide facilitation and support in line with NDCP Work Program.	NDCP Support Unit staff capacity has been an issue, but capacity is increasing (from 7 staff members in 2016 to 67 as of May 2023). Of the 67, 22 staff members are based in Washington D.C., 24 in Bonn, and 21 working remotely. 39 staff members are hosted through WRI (both DC and Europe offices), 24 through UNOPS, one through UNFCCC, and three are Secondees.	No set exit strategy for Denmark’s membership/ support in the event of exit, give the Partnership ample lead time.

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, intergovernmental organisations, etc.).	To deliver on their respective mission and role as NDCP members.	High	High	Responding to countries' specific requests  Sharing success stories and lessons learned with the Partnership	Strength: Technical as well as financial resources  Weakness: Other competing priorities	No set exit strategy, but there may be competing institutional priorities that take precedence.
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.

## Annex 2: Process Action Plan

Activity	Timing	Responsible
Final Concept Note to ELK for public consultation	1 June 2023	GDK
Public consultation phase	Mid-June	ELK
Presentation to the Danida Programme Committee	27 June	GDK
Draft Project Document for appraisal	31 July	GDK
Appraisal	August	External consultant to GDK
Finalisation of Project Document based on appraisal recommendations	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
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
Expected timing of commitment	Q4 2023	GDK
Start of project implementation	Q1 2024	NDCP
Meetings in the NDCP Steering Committee	Per agreed schedule	NDCP
Mandatory Mid-term Review (jointly with other funders, as possible)	Q4 2028	MFA
Completion of project implementation period	Q4 2030	NDCP
Final Results Report within MFA	Early 2031	GDK