

Overview of Nationally Determined Contributions (NDCs) and related EBRD activities

THE PARIS AGREEMENT AND NDCs

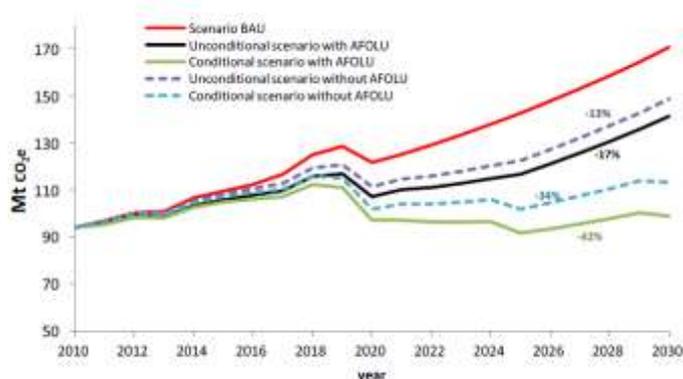
At COP 21 in Paris in 2015, Parties to the UNFCCC1 reached a landmark agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low carbon future. The parties agreed to “transform their development trajectories so that they set the world on a course towards sustainable development, aiming at limiting warming to 1.5 to 2 °C above pre-industrial levels”.

COP24 Katowice Outcomes

The aim of COP24 was to agree the Rulebook for the implementation of the Paris Agreement, which has been successful to a large degree. Negotiators from 196 countries and the EU worked for two weeks on the so-called Katowice Climate Package. The rules for implementing the Paris agreement were mostly agreed, starting a new international climate regime under which all countries will have to report their emissions and progress towards meeting the **NDCs**. The decisions resulting from these negotiations can be found on <https://unfccc.int/katowice>.

All the EBRD’s countries of operations signed² the Paris Agreement.

According to Article 4 of the Paris Agreement, each country has to outline and communicate its post-2020 climate actions, known as their Nationally Determined Contributions (NDCs). **NDCs embody efforts by each country to reduce national greenhouse gas (GHG) emissions and adapt to the impacts of climate change.** Each NDC reflects the country’s ambition for reducing emissions, taking into account its domestic circumstances and capabilities. For instance, the chart below shows Morocco’s emissions reductions targets by 2030 under various scenarios:



Source: Morocco NDC.

Note: AFOLU stands for Agriculture, Forestry and Other Land Use.

A [New Climate Economy report](#) (2016) estimated that the world needs to invest up to USD 6 trillion a year, instead of the present USD 3.4 trillion, in order to reach the two degrees target. Some EBRD COOs expressed their climate finance needs in the NDCs:

Mitigation: Cumulative USD 170 Mn



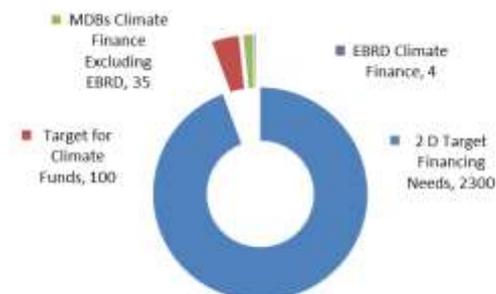
Adaptation: Cumulative USD 52 Mn



Climate finance has been a central element of the climate negotiations and is often **associated with the target figure of mobilising USD 100 billion a year by 2020 by developed countries for developing countries.** In the Paris Agreement this target was further reinforced, with a goal to raise the target after 2025 and that this funding would come from a “**wide variety of sources**, public and private, bilateral and multilateral, including alternative sources of finance.”

The mobilisation of the private sector is a key element of the implementation and financing of NDCs. Out of the USD 3.4 trillion mentioned previously, USD 1.28 trillion is delivered by the private sector. Bridging the financing gap requires much more private sector engagement. Blending³ Development Financial Institutions’ capital with private sector finance, in innovative ways, has a large mobilisation potential, for example, institutional investors in OECD countries alone held USD 90 trillion in assets in 2014.

The climate finance gap is huge, as is the financing opportunity; MDBs financing is today only a fraction of the needs.



Source: New Climate Economy, 2017 joint report on MDBs Climate Finance.

¹ United National Framework Convention on Climate Change

² 24 Countries of Operations ratified and put the Paris Agreement into force.

³ “Making Blended Finance Work for the Sustainable Development Goals”, OECD, 2018.

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THE RELEVANCE OF NDC

The EBRD is committed to supporting its COOs with the development and implementation of their NDCs⁴.

The quality and the granularity of the NDCs are expected to increase with each updated NDC submission (every five years). NDCs will ultimately reflect the countries' strategic orientations and as a result *will take a more central role in the Bank's own Country Strategies and Sector Strategies when it comes to supporting the GET activities in its COOs.*

The extent to which the Bank takes NDCs into account in its operations will also be *instrumental when mobilising private sector and donor financing.* Climate impacts become important for financiers and donors (incl multilateral climate funds) and are increasingly focusing on measuring the impact and delivering the NDCs will be a condition to accessing this financing.

The NDC will also play a key role in the further formation of the international carbon market. As carbon markets require discipline and robustness to maintain environmental integrity, the NDC administration, such as registries, inventories and accounting rules become increasingly important.

THE NDC SUPPORT PROGRAMME

EBRD's NDC Support Programme specifically targets providing assistant to activities that will directly support the development and implementation of NDCs through two main aspects:

1) **Providing support to countries to further develop, implement and strengthen their NDCs** through e.g assisting the revision of the NDC, developing sector action plans/roadmaps in line with a sector target under the NDC, improving Monitoring, Reporting, Verification (MRV), introducing climate finance tracking and/or conducting policy/legal analysis and developing appropriate laws and regulations to align with NDCs;

2) **Engaging with private sector on NDCs** by providing platforms for discussions and recommendations for policy-makers, as well as knowledge-sharing and creating stronger narrative around NDCs.

NDC PARTNERSHIP



The NDC Partnership is a coalition of countries and institutions working to mobilise support and achieve ambitious climate goals while enhancing sustainable development. The EBRD supports the NDC Partnership, as being a key

platform for international co-operation on the topic of NDCs. Made up of developing, developed countries, and international institutions, the partnership:

- Facilitates **technical assistance** and **knowledge sharing**
- Creates and disseminates **insightful knowledge products** that fill information gaps
- **Promotes enhanced financial support** for NDC implementation

The EBRD is a member and implementing partner to the [NDC Partnership](#), and shares information through the Partnership on the on-going activities under the NDC Support Programme to contribute towards concerted and coordinated efforts of the international community working on NDCs. *It is important to engage on this topic in a meaningful way so that the broader international community (EBRD shareholders, donors, NGOs) see EBRD as playing an active role in the NDC area.*

The EBRD's active participation and engagement with the Partnership provides important opportunities for it to engage with other key stakeholders in COOs and provide support in areas identified by COOs as priority.

ONGOING EBRD ACTIVITIES

Ukraine NDC update

The Bank's NDC Support Programme is assisting the Government of Ukraine in updating its NDCs ahead of the next NDC submission. The update aims at developing tailored GHG emissions pathways and scenarios, both at a national and sectoral level, and in line with the country's sustainable development aspirations and climate action ambitions.

It also includes the identification of specific climate change adaptation actions, as well as the policies and market mechanisms that will facilitate an efficient and effective achievement of Ukraine's targets. The climate scenarios will then be translated into climate finance needs. The update also intends to clarify the climate legislations relative to carbon budgets and the enhancement of transparency and accountability through the design of integrated MRV systems.

The activity is sponsored by the Swedish International Development Cooperation Agency (SIDA).



⁴ Please refer to the joint-MDBs statements made at COP21 and One Planet Summit (2018). The importance of NDCs is also featured in EBRD's country and sector strategies.

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Other NDC support activities

Following the EBRD's initial support to Kazakhstan in developing its intended NDC (iNDC) in 2015, the EBRD is currently working on carbon market and renewable energy policy dialogue in connection with the renewable energy investment programme that is co-financed with the Green Climate Fund.

Through the NDC Partnership, the Government of Mongolia has requested for support to the Ministry of Finance in developing and implementing climate finance tracking and monitoring tools, which the EBRD has agreed to provide.

[A policy/legal gap analysis for the selected SEMED countries](#) (Morocco, Jordan and Tunisia) was also conducted in cooperation with the Centre for International Sustainable Development Law (CISDL)

CONTACTS

For more information on the EBRD NDC Support Programme, feel free to get in touch with the Energy Efficiency and Climate Change (E2C2) Department, Climate Analytics & NDCs unit.

Operational Leader of NDC Support Programme:

Sung-Ah Kyun, Principal, Climate Analytics and NDCs
(Kyuns@ebrd.com)

Alternative contact:

Jan-Willem van de Ven, Head Climate Finance and Carbon Markets (vandevej@ebrd.com)