

POLICY BRIEF

ENABLING AMBITIOUS CLIMATE ACTION IN ASIA-PACIFIC – WHAT PROGRESS, WHAT NEXT?

The Asia-Pacific region is at a critical stage of its development. Accelerated economic growth has brought remarkable social benefits for the region's poor, however, those achievements are on the backbone of the fragile regional ecosystems' health. The impacts of growing climate risks require decisive responses to ensure resilience as well as decarbonization.

Based on the 2015 Paris Agreement, the current expression of the response to climate change of each UN member state is through their Nationally Determined Contributions (NDCs). This policy brief presents the state of ambition of NDCs across Asia and the Pacific region and enabling factors that can help countries raise ambition and implementation based on a review and analysis carried out by ESCAP, UNEP and Greenwerk.

The Need For Enhanced Climate Action In Asia-Pacific

There is significant evidence that countries in Asia-Pacific urgently need to accelerate climate action.ⁱ

In particular, the region's cumulative emissions reached a record of 36.7 GtCO₂ in 2019.ⁱⁱ By the end of 2020, despite the COVID-19 pandemic, Asia-Pacific emissions rose to just below 35 GtCO₂ - close to the 2019 record. Moreover, regional emissions are projected to grow to 50 GtCO₂ in 2060.ⁱⁱⁱ

By July 2021, 11 Asia-Pacific countries had announced carbon neutrality targets by 2050 or 2060^{iv} but there were still 38 other countries in the region that had yet to consider or make such pledges. Other NDC commitments of Asia-Pacific countries collectively fall short of keeping the global temperature rise below 2°C or keeping it 1.5°C or the available global climate budget of 400 GtCO₂, aligned with net-zero emissions in 2050 (see **Figure 1**).

Multilateral Climate Policy Is Aimed At Increasing Climate Action

The Paris Agreement marked the most important milestone of multilateral climate policy of the last 20 years and will be at the core of international climate action for the decade ahead. It is characterized by a high degree of flexibility through its approach of NDCs, paired with a so-called ambition raising mechanism. The NDCs provide countries with the opportunity to communicate nationally defined climate targets in the areas of mitigation, adaptation and beyond, accompanied with information on suggested measures and local processes for defining, implementing and evaluating these actions.

Some countries have started to engage in implementing their NDCs and the respective climate action at domestic level. However, when looking forward to

NDC implementation over the next decade, it is crucial to understand the various factors that enable effectiveness and impact of countries' respective climate action.

NDCs In Asia-Pacific: Level Of Ambition, State Of Implementation

The first assessment of the Asia-Pacific region's NDCs outline that the countries' current measures are not sufficient to attain the temperature target set in the Paris Agreement.^{vii}

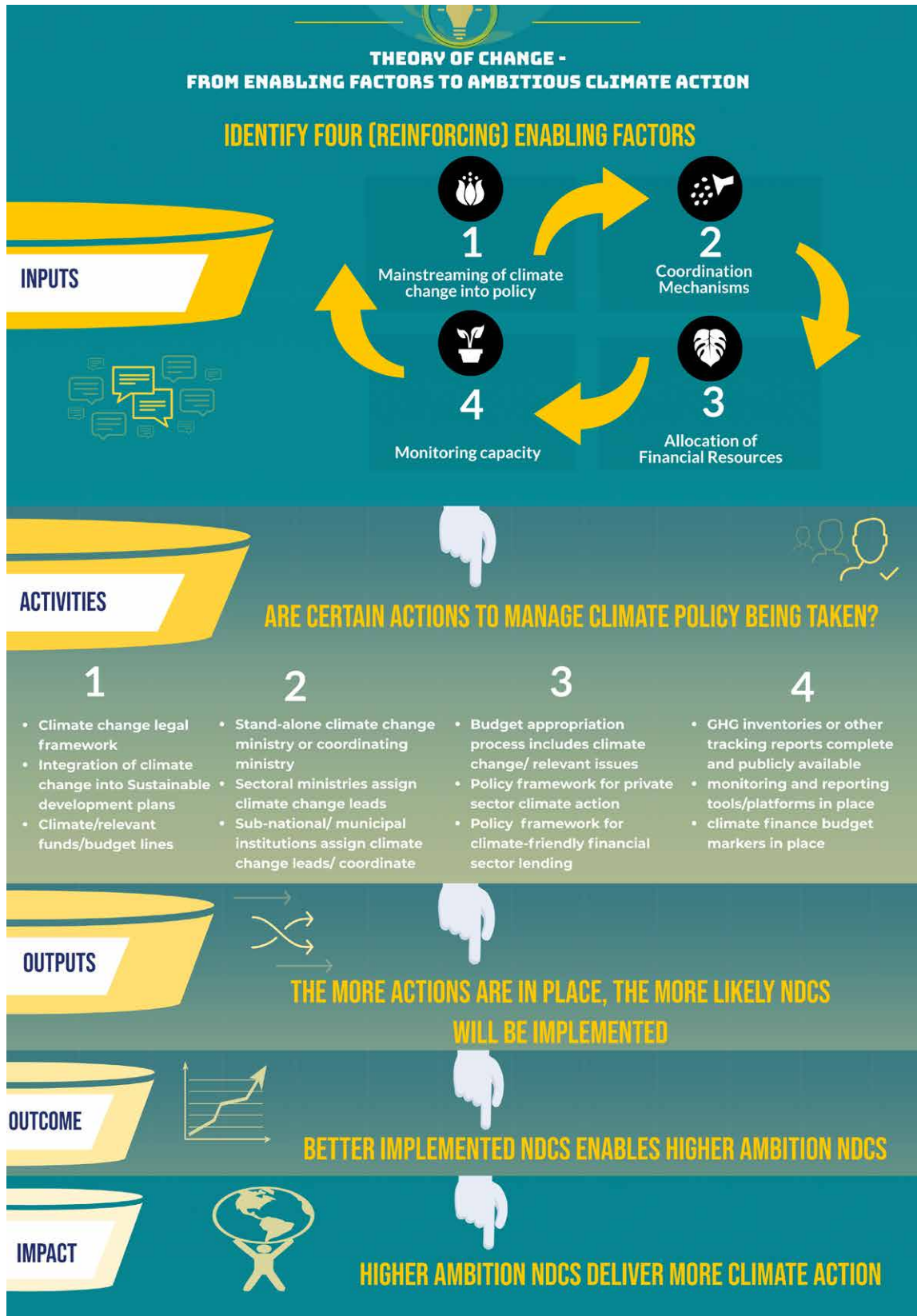
There are several potential underlying reasons behind the performance of Asia-Pacific countries in terms of NDC implementation, before and post-COVID-19. An understanding of these can provide insights into recommendations for the way forward.

A Theory Of Change For Understanding NDC Implementation

It is important to have a clear methodological framework to assess the readiness of countries in the Asia-Pacific region to implement current NDCs and for increasing the readiness for raising ambition in the NDC reviews for 2021 and beyond.

The **"Theory Of Change"** (TOC) behind this methodology is shown in Figure 3, which visualises the factors/categories, their relationship and interlinkages to the intended long-term outcome - to generate ambitious and impactful climate change action.

Figure 3: A theory of change for four “enabling factors” for NDC implementation



The Four Enabling Factors Explained

The TOC/methodology is anchored on **four enabling factors**, which when analysed individually and together provide an objective basis to estimate the readiness of developing countries in the Asia-Pacific region to implement their current NDCs and initiate more ambitious, far reaching pledges in the next five years (2021-2025) for an accelerated implementation of the Paris Agreement.

Enabling Factor 1. Mainstreaming Climate Change Into National Development Policies

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

Enabling Factor 2. National Coordination

Having channels of consultation with various stakeholders, especially other ministries within the government, as well as a clear high-political support from the Head of State or Prime Minister level with a direct line of reporting from the specific climate change ministry or department is critical for further advancing the climate action agenda. Establishing a coordination mechanism for consultation and engagement of sectoral ministries and subnational authorities in the NDC review and update is key to delivering NDCs as well as ramping up ambition according to local situation and conditions. Also, ensuring that policy-making institutions have a basis for coordination with stakeholders, financial institutions such as central and development banks as well as private sector representatives, industry associations, scientific community, and locally civil society groups is equally vital.

Enabling Factor 3. Climate Finance And Investments

Implementation of many climate change actions and commitments is not possible without setting national financial budgets – including for sectoral and local climate action. Therefore, the better the domestic budgeting – including of climate funds – as well as wider engagement with the private sector, the more chances exist for implementing NDCs and raising ambition in their updates. Moreover, given the current functioning of the multilateral system, the more concrete the budgetary planning, the higher are the opportunities for countries to gain access to new climate financing from multilateral and bilateral donors.

Enabling Factor 4. Monitoring And Review Of NDC Implementation

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

Assessment Methods And Preliminary Findings And Insights

For all four categories of enabling factors a rating ranging from 0 to 3 was applied -with 0 meaning no data and 3 reflecting the most significant effort calibrated to the various enabling factors. The individual scores were then summed to one cumulative index, which provided the basis for categorising the countries as:

- **nascent:** when scored between 0 to 0.5
- **engaged:** when scored between 0.6 to 1.5
- **capable:** when scored between 1.5 to 2;
- **effective:** when scored between 2.1 to 3.

The methodology and assessment of progress supports reflection on two different dimensions.

First, it helps to focus on analysing how far a country has developed the four enabling factors and provides a summary of the readiness of countries in the Asia-Pacific region to implement and raise the ambition of future NDC reviews (including in and beyond 2021), with comparisons at the regional and subregional levels. Second, it helps in understanding whether the status of each country in each enabling factor is correlated with other enabling or external factors, and what this might mean for further action and related support required.

Assessment Dimension 1: How Ready Are Countries To Implement And Raise The Ambition Of NDCs?

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

The initial assessment suggests countries in the Asia-Pacific region have - at least - laid the foundations of national climate/NDC mainstreaming.

Fiji and **Vietnam** are two case study countries that have mainstream their climate action in national legal and development frameworks can inform NDC implementation processes in other countries.

HOW WELL ARE NATIONAL INTEGRATION AND COORDINATION MECHANISMS SUPPORTING NDCS?

The analysis suggests that countries in the Asia-Pacific region are laying the foundations for coordination of NDC actions, but more can certainly be done.

A role model in this regard is **Mongolia**, which is creating an enabling environment to direct public as well as private actors into low-carbon investment – as well as getting several projects by the Green Climate Fund (GCF) approved to support this process.

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

The analysis suggests that countries in the Asia-Pacific region are not yet laying the foundations for financial integration of NDC actions, and thus more must be done to achieve this.

Bangladesh is an example of a country that has managed not only to interlink its NDCs, NAP and SDG goals in a joint governance structure but also establish a flexible, domestic financing landscape.

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

Last but not least, the initial assessment reveals that 35 countries in the region need to make significant efforts to effectively comply with the Enhanced Transparency Framework under the UNFCCC (ETF), a large number of these being in the South-West Asia subregion and among the Pacific SIDS.

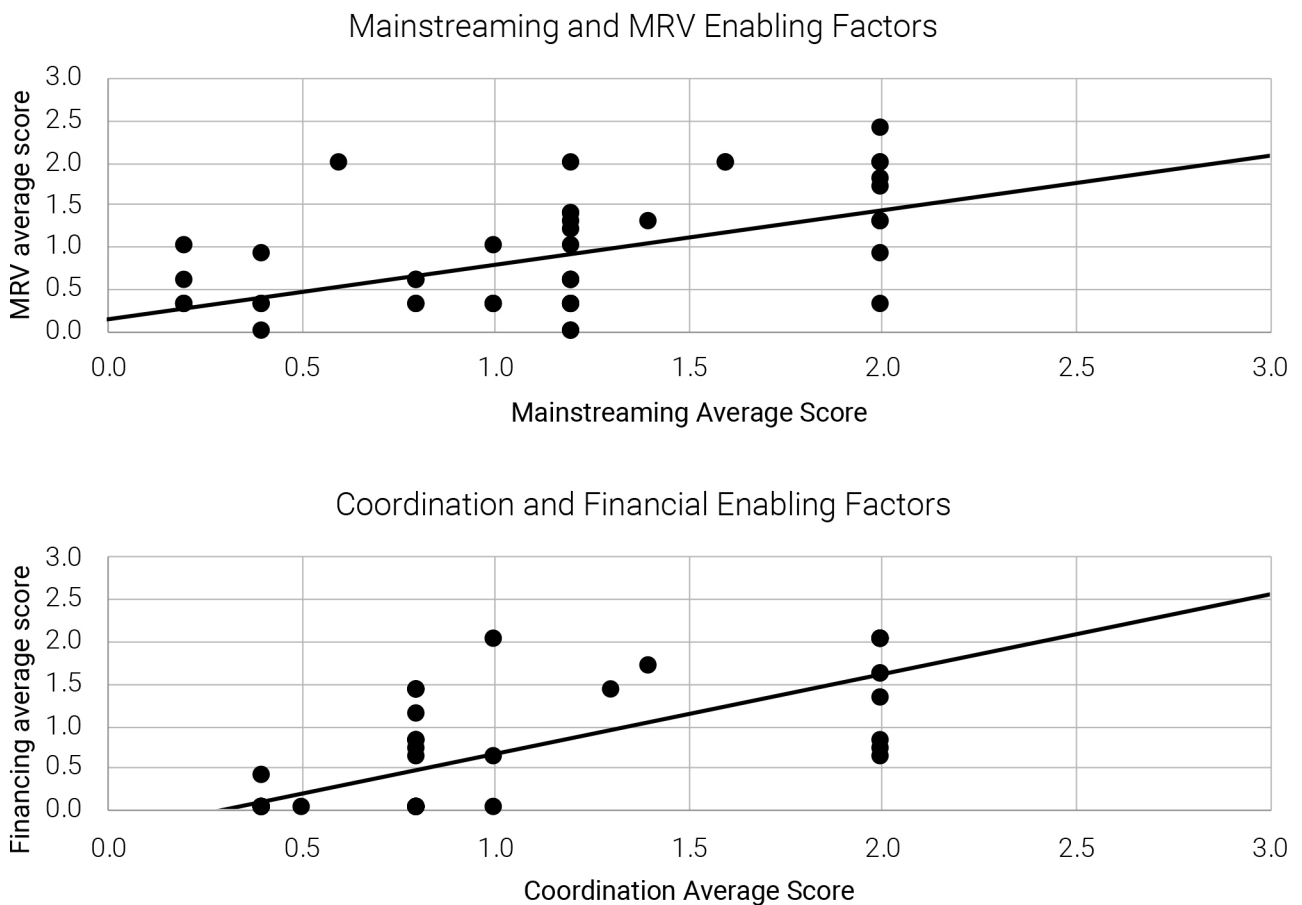
Georgia is an example of a country establishing a strong institutional and monitoring framework for meeting its NDC targets – and acts as a role model in this regard.

ASSESSMENT DIMENSION 2: ARE COUNTRIES' ENABLING FACTORS CORRELATED WITH OTHER EXTERNAL FACTORS?

Besides the issue of how far countries have advanced with their enabling conditions for implementation and ambitious review of the NDCs, the questions arises of *whether the factors themselves are correlated and/or whether there are other additional factors* that have influenced the pattern the enabling factors as well as the implementation records for NDC in the countries and the sub-regions.

As shown in **Figure 4**, there is some correlation between certain types of enabling factors and others that influenced the implementation of the NDCs in the region. This suggests that several enabling factors are interconnected and interdependent. If so, this means that once countries have put in place at least one or two enabling factors - or simply specialized in certain types of enabling factors such as monitoring, or financial frameworks, other enabling conditions will evolve and develop faster.

Figure 4: The relationship between different enabling factors



Source: ESCAP

A Path That Requires Acceleration

The findings from this analysis generally underscore that most countries are lagging in terms of readiness for NDC implementation with significant differences at sub-regional level. Supporting Asia-Pacific countries in advancing readiness across the four categories of mainstreaming, institutional arrangements, resource mobilization as well as monitoring and review of climate action is imperative for the region.

Sub-regional and regional cooperation offers a good opportunity for equalising the level of the playing field and creating an enabling mutually supportive climate in true spirit of multilateral solidarity. The countries that are ahead of others in their subregions would benefit from sharing experience and supporting those who are lagging, since climate change and its impact do not know boundaries.

A significant acceleration of implementation of NDCs and ambitious NDC reviews can be achieved in partnership with neighbouring countries, especially if they share the same ambition.

References

- i. ESCAP, UNDP, ADB. 2020. Asia and the Pacific SDG Progress Report 2020
- ii. UNEP. 2019. Emissions Gap Report, 2019
- iii. Ibid.
- iv. At the time of writing, July 2021 - they are: Bhutan (already carbon negative), China (2060), Fiji (2050), Japan (2050), Maldives (2030), Laos (2050), Marshall Islands (2050), Nepal (2050), New Zealand (2050), Singapore (unclear, soon after 2050), Republic of Korea (2050) - complete list available at <https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/>
- v. This graph covers the 28 Asia-Pacific Countries with absolute emissions targets.
- vi. ESCAP. 2020. Economic and Social Survey of Asia and the Pacific 2020. URL:<https://www.unescap.org/sites/default/files/publications/Economic%20and%20Social%20Survey%20of%20Asia%20and%20the%20Pacific%202020%20Towards%20sustainable%20economies.pdf>
- vii. A report by the UNFCCC Secretariat finds that aggregate emission reductions communicated in the initial round of NDCs do not fall within the range of least-cost 2°C scenarios defined by the Intergovernmental Panel on Climate Change (IPCC). UNFCCC Secretariat 2016