



# Aligning Stimulus Measures with NDCs

NDC   
PARTNERSHIP

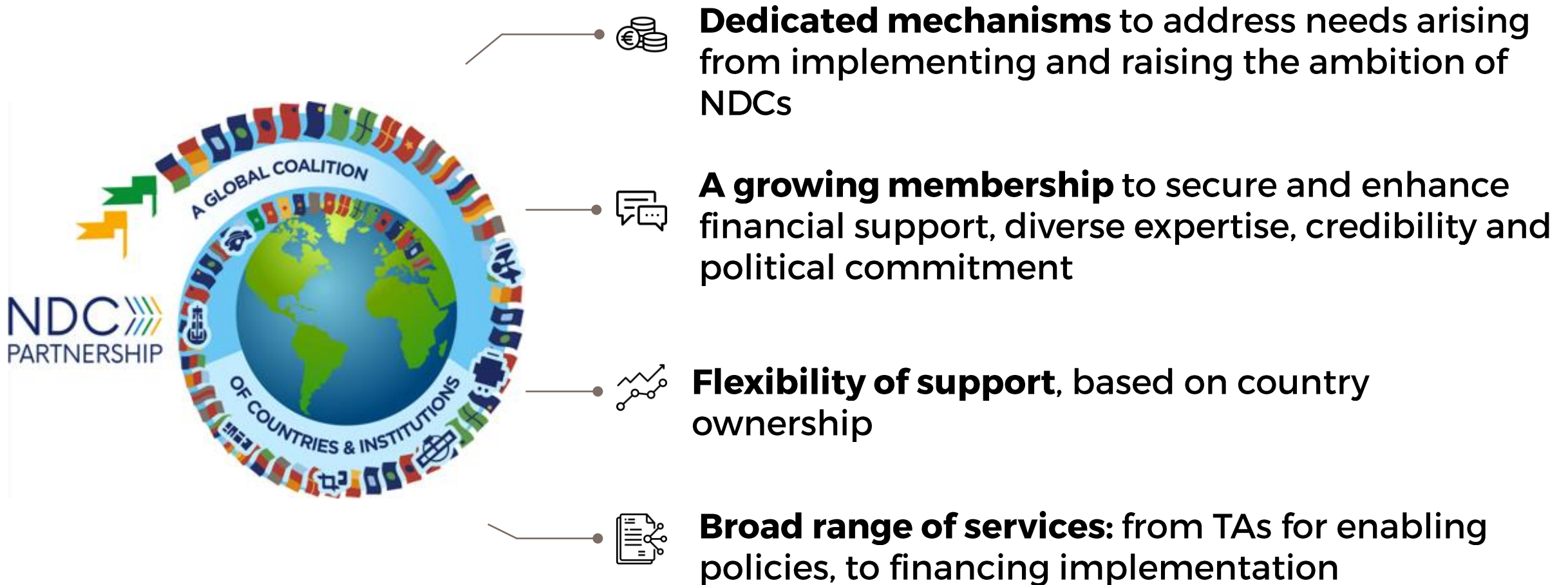
# CONTENT

- Intro to the NDC Partnership
- NDC Partnership Economic Advisory Initiative
- Country example: Insights from Indonesia

# THE NDC PARTNERSHIP'S RESPONSE TO THE PANDEMIC

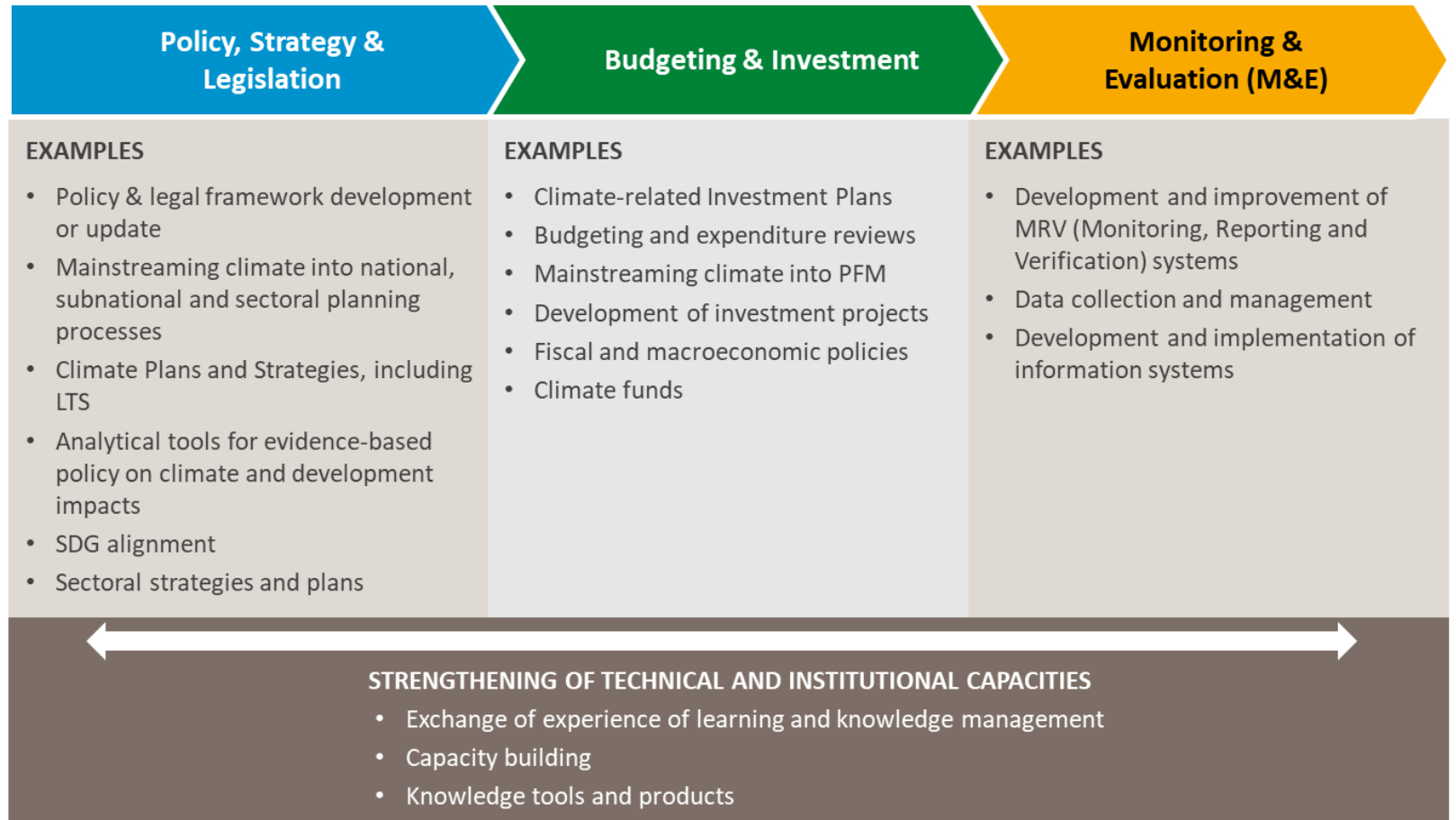
# THE NDC PARTNERSHIP IN CONTEXT

## CREATING MOMENTUM FOR LONGER TERM, ENHANCED ACTION



# MOBILIZING CLIMATE AND DEVELOPMENT ACTION ACROSS GOVERNMENT AND SOCIETY

- **Responding to requests for support** from country members.
- **Coordinating, aligning and maximizing support** among members.
- **Bringing climate and development goals together** within broader sustainable development agendas by turning NDCs from stand-alone documents into national policies and implementation plans.
- Engaging with a **wide range of stakeholders**: 50% of member focal points surveyed report improved internal coordination on NDC related action.



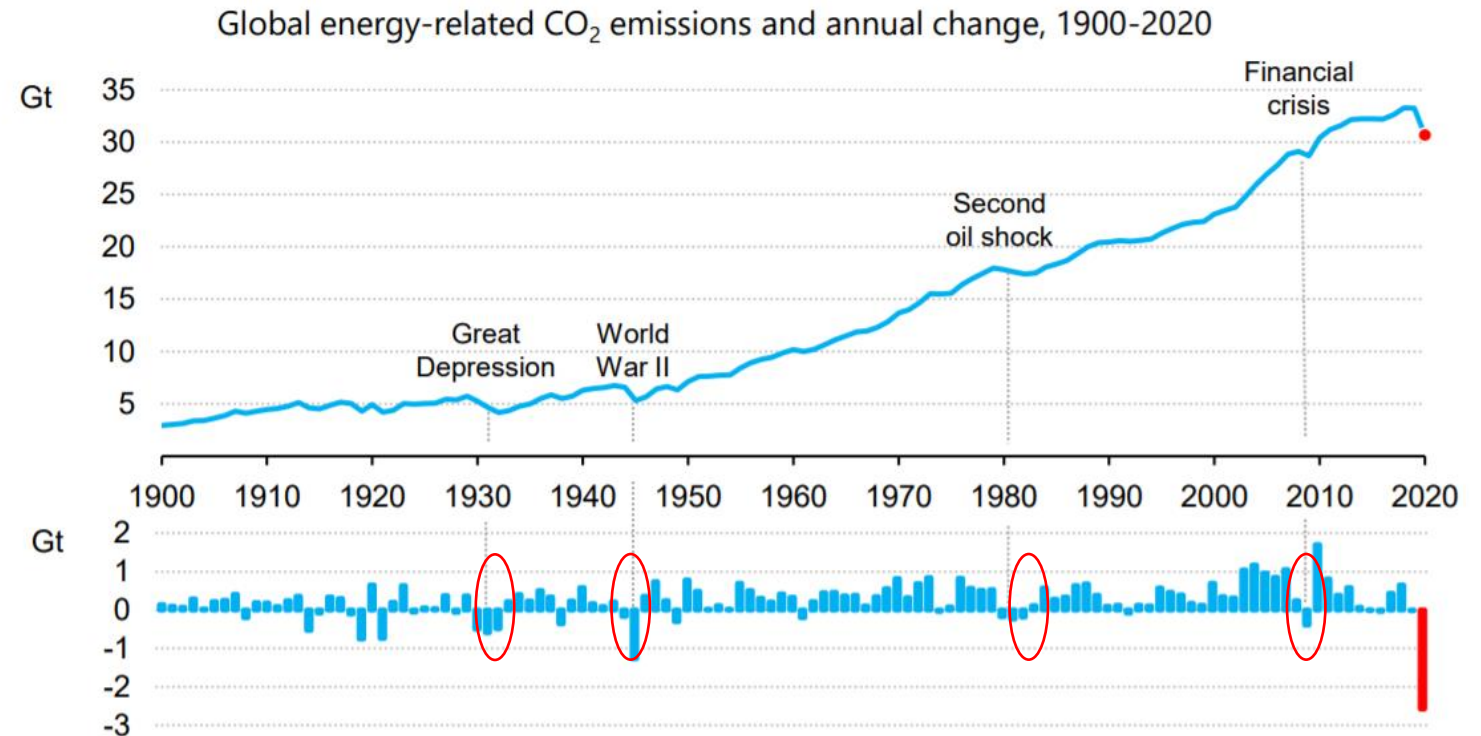
Follow our [introduction to the Country Engagement Process](#) for more information

# INSIGHTS FROM AN EARLY 2020 SURVEY WITH MEMBERS

1. **Reduced climate spending** due to the expense of COVID-19 responses, alongside capital flight, revenue loss, and increased debt.
2. **Quality, ambition and revision timeline of NDCs are at risk** due to the challenges of collecting and validating data; maintaining communications and decision-making processes; and convening stakeholders.
3. **Stimulus packages may include NDCs**, presenting an enormous and immediate opportunity to promote a 'green growth' agenda in developing countries.
4. **Technical assistance is urgently needed**, and all Ministry of Finance or Planning respondents indicated their governments would benefit from an embedded economic advisor.
5. **Countries are eager to learn from each other**, particularly on strategies for deploying special fiscal instruments for economic recovery.

# LESSONS LEARNED FROM PREVIOUS ECONOMIC RECESSIONS

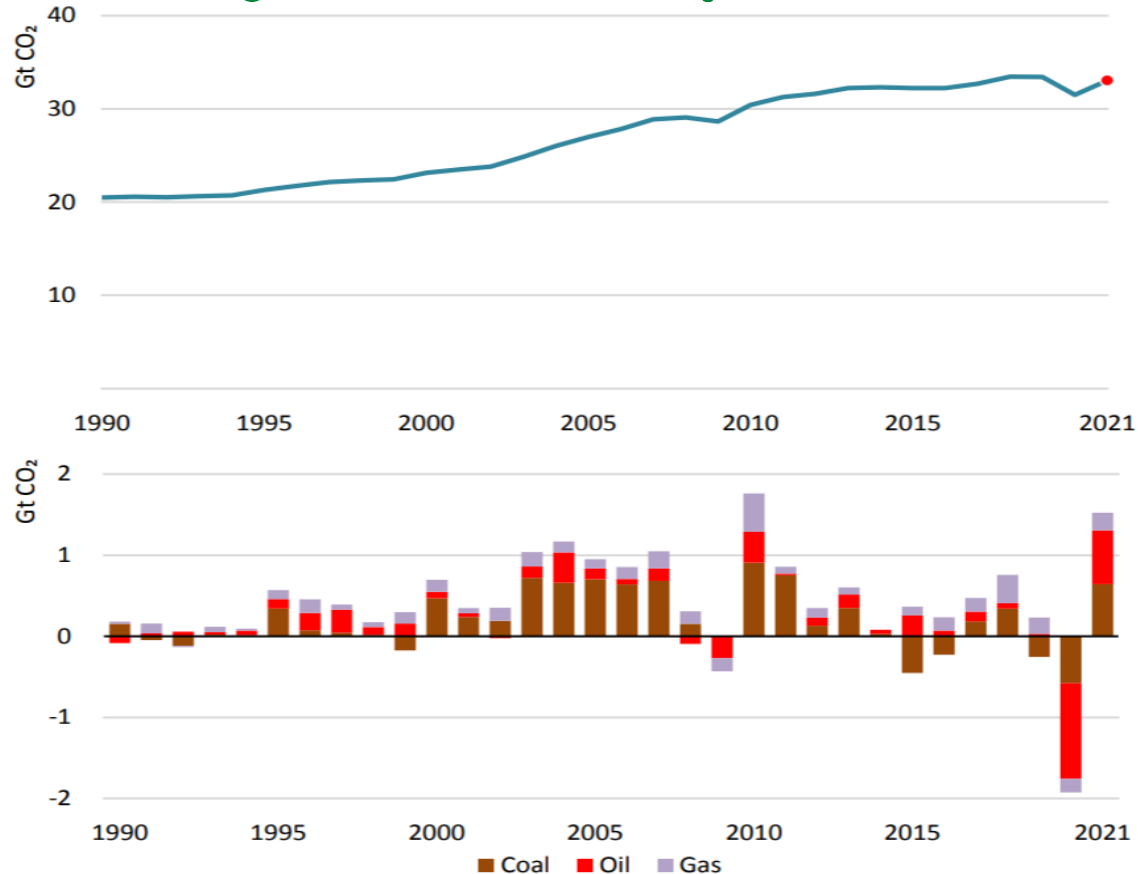
- Past declines in emissions caused by crises always bounced back quickly:
  - Energy related **CO2 emissions declined by 0.4%** during the 2008 global financial crisis. But the economic recovery period saw a constant rise in GHG emissions
- Maintaining a downward trend in CO2 emissions post COVID-19 will require a concerted global political effort



Sources: Obani & Gupta, 2020; IEA, 2020

# GLOBAL ENERGY-RELATED EMISSIONS

Global energy-related CO2 emissions, 1990-2021, and change in CO2 emissions by fuel, 1990-2021



- Global CO2 emissions declined by 5.8% in 2020, or almost 2 Gt CO2.
- CO2 emissions fell further than energy demand in 2020 as the pandemic hits demand for oil and coal hard while renewables increased.
- Still, CO2 reached its highest ever average annual concentration in the atmosphere of 412.5 parts per million in 2020 – around 50% higher than pre-industrial revolution.
- In 2021, global energy-related CO2 emissions are projected to rebound and grow by 4.8%.
- The increase of over 1.5 Gt CO2 would be the largest single increase since the carbon-intensive economic recovery from the global financial crisis.

Source: International Energy Agency, 2021



# ECONOMIC ADVISORY INITIATIVE

## CLIMATE ACTION AT THE HEART OF COVID-19 RECOVER PLAN

### Scope of Work

	Assessing impact of new macro-economic situation on climate;
	Supporting cost analysis of new NDCs, considering impact;
	Designing fiscal instruments to stimulate green growth;
	Incorporating low-carbon / climate resilient shovel-ready projects into stimulus plans;
	Adapting global recommendations for stimulus to national contexts.

**Deployed 46 advisors in 30 countries**, of 58 requested in 34 countries and the African Union, with support from 13 partners

**Completed support by 12 advisors in 10 countries**, with follow-on support underway or under discussion



Belgium



Germany



Netherlands



Norway



Sweden

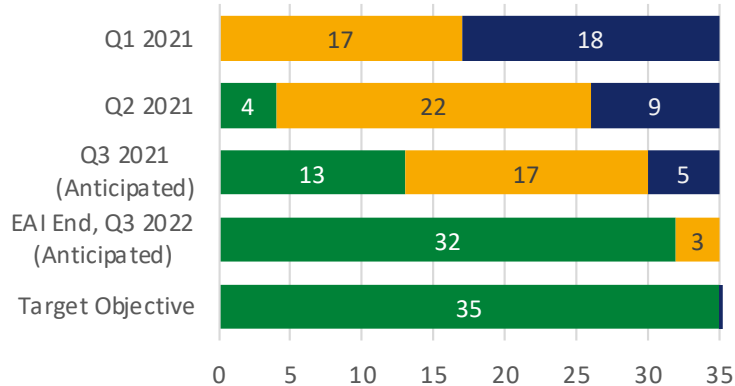


United Kingdom

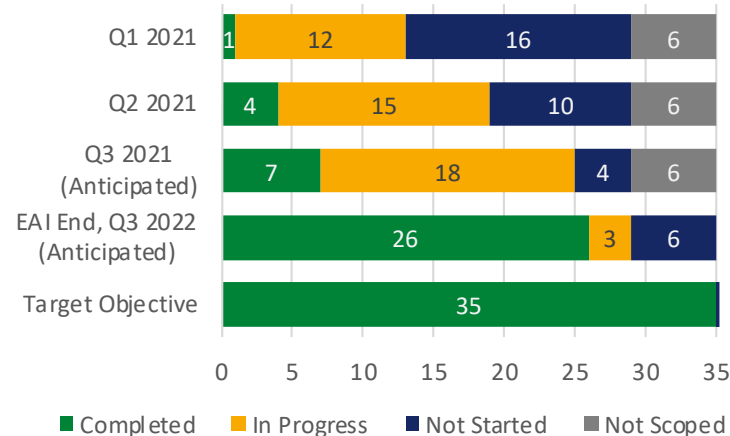


# ECONOMIC ADVISORS' THREE KEY SUPPORT AREAS

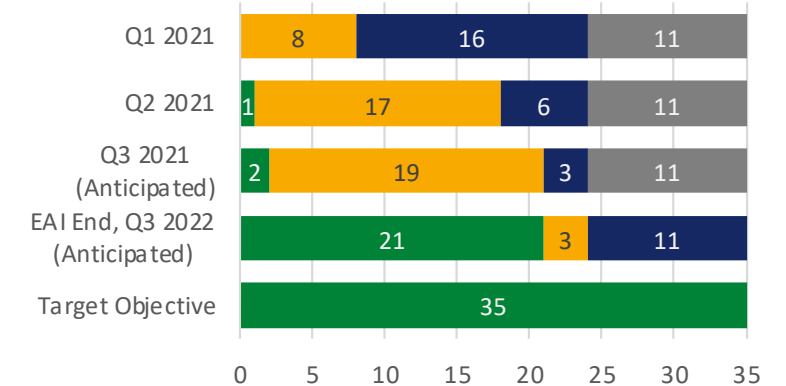
## National Planning and Budgeting



## Project Pipelines and Preparation



## Climate Finance



**Liberia's** advisor integrated climate in its revised NDP and new ERP, which recommends 50+ climate actions, including establishing an environmental unit in the Ministry of Finance & Development Planning.

**Colombia's** advisor helped develop of a Sustainable Recovery Strategy and 40+ recommendations on infrastructure, bioeconomy, and nature-based solutions.

**Jordan's** advisors worked alongside the World Bank to inform the finalization of a new US\$500 million loan for a Program-for-Results project.

**Eswatini's** advisor supported the preparation of projects on NDC-NDP alignment, climate risk, eco-industrial parks, LPG, and ethanol fuel blending.

**Costa Rica's** advisor is identifying financing sources and mechanisms for blue economy and regenerative agriculture recommendations.

Advisors in at least **five countries** are looking into introducing carbon pricing as part of their recovery responses.

# EMERGING THEMES AND CHALLENGES

## Supporting Emerging Themes and Sectors:

- Social Equity and Inclusion
- Digital Economy
- Sustainable Government Procurement
- Key sectors: energy, agriculture, infrastructure, transport

Challenges	Solutions
Limited fiscal space and resource mobilization	Private finance, FY22/23 budgets, NDC action plans, carbon pricing, and fiscal policies/instruments (e.g. green bonds, debt-for-nature swaps)
Restrictions on travel and in-person meetings	Pair national advisors with international advisors and coordinate closely with in-country partners and NDC Partnership facilitators
Climate action not yet mainstreamed or perceptions that green recovery is not important and/or too expensive	Scenario modelling of green vs. brown investments, capacity building on climate mainstreaming, strengthen laws and institutions, and sustained engagement with ministries of finance and planning

# INSIGHTS FROM INDONESIA

# 2021-2024 GREEN RECOVERY ROADMAP FOR INDONESIA

## Key Outcomes:

1. To see green recovery initiatives acknowledged as priorities in national development planning and budgeting processes.
2. To ensure there are sufficient funding pathways secured to sustain longer-term green economy development.

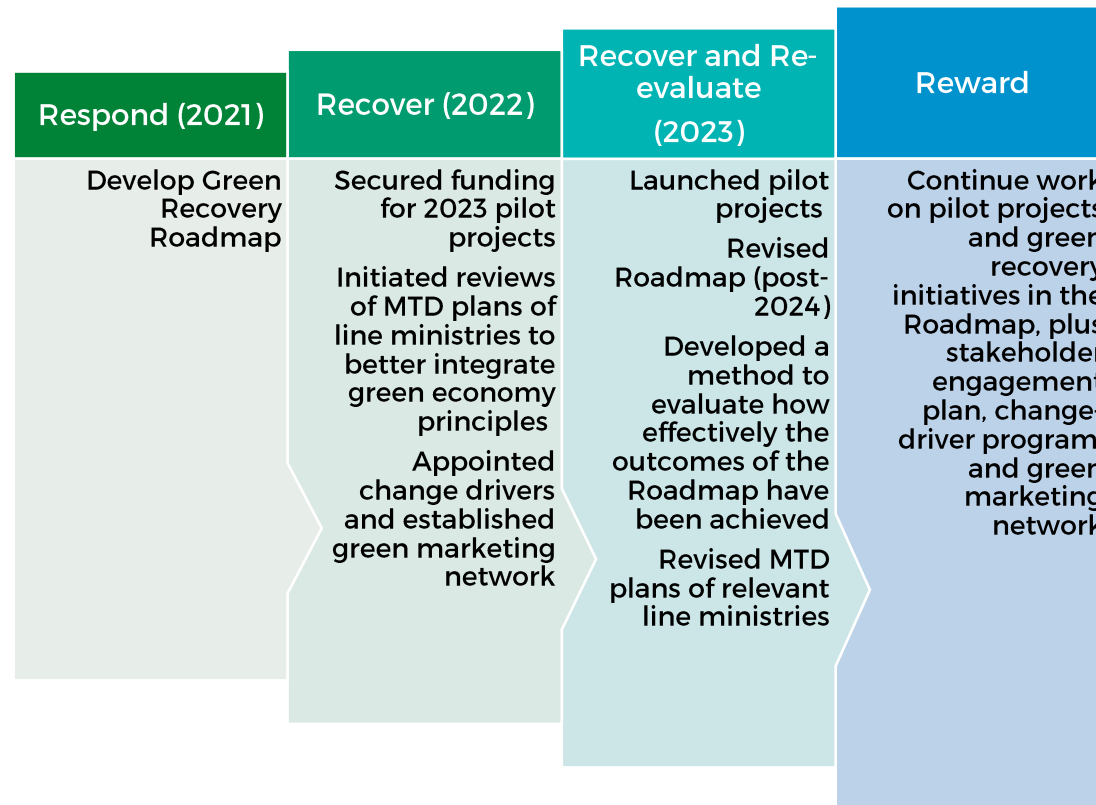
The Roadmap has an **action plan**, which includes 12 actions and 8 milestones. The action plan includes:

- **Four phases:** 2021 (Respond), 2022 (Recovery), 2023 (Recovery and Re-evaluate), and 2024 (Reward)
- **A Stakeholder Engagement Plan**
- **Three sector-specific pilot projects**, on rooftop solar, waste management, and plantation rejuvenation



# GREEN RECOVERY ROADMAP ACTION PLAN

## PHASES, ACTIONS, AND MILESTONES



## SECTOR-SPECIFIC PILOT PROJECTS

### Stimulus for 7,500 waste sector MSMEs to develop performance improvements (Rp 3.57 trillion / USD 250 million)

- Estimated to increase waste recycling up to 60,000 tons/day, create 112,500 new job opportunities between 2022 and 2024, and avoid 158 MtCO<sub>2e</sub> over 20 years
- Proposed to be financed through the PEN, through the Government Work Plan (RKP) 2022

### Rooftop solar for at least 70 government buildings, 14MW installed capacity (Rp 210 billion / USD 15 million)

- Estimated to save Rp 411.4 billion / USD 29 million per year in electricity costs for 25 years, involve at least 700 jobs in the construction phase, and avoid at least 339,624 tCO<sub>2e</sub> in total over 25 years
- Propose that costs are appended to the regular budget of the Ministry of Energy and Mineral Resources

### Plantation Rejuvenation Program (Rp 6.7 trillion / USD 475 million)

- Aims to increase crop productivity and farmer incomes and reduce negative impacts of deforestation
- Estimated to support 172,000 jobs, increase plantation production up to 15%, and sequester 277 MtCO<sub>2e</sub>
- Propose that costs are allocated from the PEN (*like the 2021 Mangrove Cluster Plantings project*)

## KEY TAKEAWAYS

- **Inclusion of green recovery principles in Indonesia's National Economic Recovery Program** should remain a crucial aspect of the Governments' focus in addressing the immediate impacts of COVID-19.
- Green recovery initiatives must be **aligned with the objectives of the country's sustainable development agendas** at different temporal and spatial planning scales.
- Developing a stakeholder support plan is important to encourage governance policies and practices to support long term **green economy ecosystem**
- Establishing the **longer-term sustainable funding mechanism is necessary** to a strong and supportive green economy ecosystem.
- Focus on **micro, small, and medium enterprises** is necessary to help these businesses to transition to low-carbon pathways in a just and equitable manner
- **The advisory support is crucial** to supporting national economic development and planning agencies such as BAPPENAS as they engage in a rapidly evolving post-COVID-19 budgeting context.



## Keep in touch!



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