



REGIONAL SNAPSHOT

LATIN AMERICA AND THE CARIBBEAN



THE STATE OF CLIMATE AMBITION

JUNE 2022

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UNDP's Climate Promise is the largest global offer on NDC support, covering over 120 countries and territories, representing 80 percent of all developing countries globally – including 40 least developed countries, 28 small island developing states, and 14 high emitters – to enhance their Nationally Determined Contributions under the global Paris Agreement. Delivered in collaboration with a wide variety of partners, it is the world's largest offer of support for the enhancement of climate pledges. Learn more at climatepromise.undp.org and follow at [@UNDPClimate](https://twitter.com/UNDPClimate).

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INTRODUCTION

The Latin America and the Caribbean (LAC) region is considered a “biodiversity superpower,” with one of the greatest endowments of natural capital in the world¹ with a total of 46.5 percent of forested land area². The region is home to 650 million people³, highly diverse, with wealth and prosperity coexisting alongside vulnerability and extreme poverty. Of the 33 countries in LAC, 16 are Small Island and Developing States (SIDS), one is a Least Developed Country, and four are high-emitters. Average per capita income is USD 7,243⁴. Overall, the region is characterized by high inequality and low growth and the COVID-19 pandemic is predicted to have largely wiped out decades of progress. The region is responsible for 8.1 percent of global greenhouse gas (GHG) emissions, of which Argentina, Brazil, Mexico and Venezuela contribute 5.7 percent⁵. Countries benefit from almost universal access to electricity (98.5 percent of the population in 2020⁶). In Latin America, more than a quarter of primary energy comes from renewables – twice the global average⁷. While the power sector is characterized by a high dependence on hydropower, diversification to wind and solar energy is beginning. Conversely,

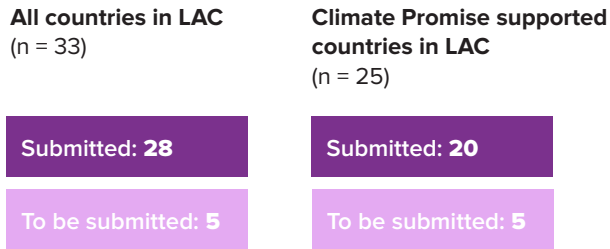
the Caribbean power sector is heavily dependent on imported fossil fuels and has some of the highest electricity costs in the world⁸.

Climate change is an issue for all countries in the region, impacting food and water security, forcing people to migrate and worsening inequalities and poverty. The region suffers from extreme weather events, like droughts and floods, including glacial melts and glacial lake outbursts, which hamper economic development and impact energy and water security. According to the [IPCC 6th assessment report](#), mean temperatures have very likely increased in all sub-regions and will continue to increase at rates greater than the global average. In addition, relative sea level rise is extremely likely to continue in the oceans around the region which will lead to coastal flooding in low lying areas and shoreline retreat along most sandy coasts.

The analysis below provides a regional perspective that builds upon, and updates the information, from UNDP’s NDC Global Outlook Report 2021: [The State of Global Ambition](#), published in October 2021.

NDC SUBMISSION STATUS

FIGURE 1
NDC submission status in LAC region,
as of 15 June 2022



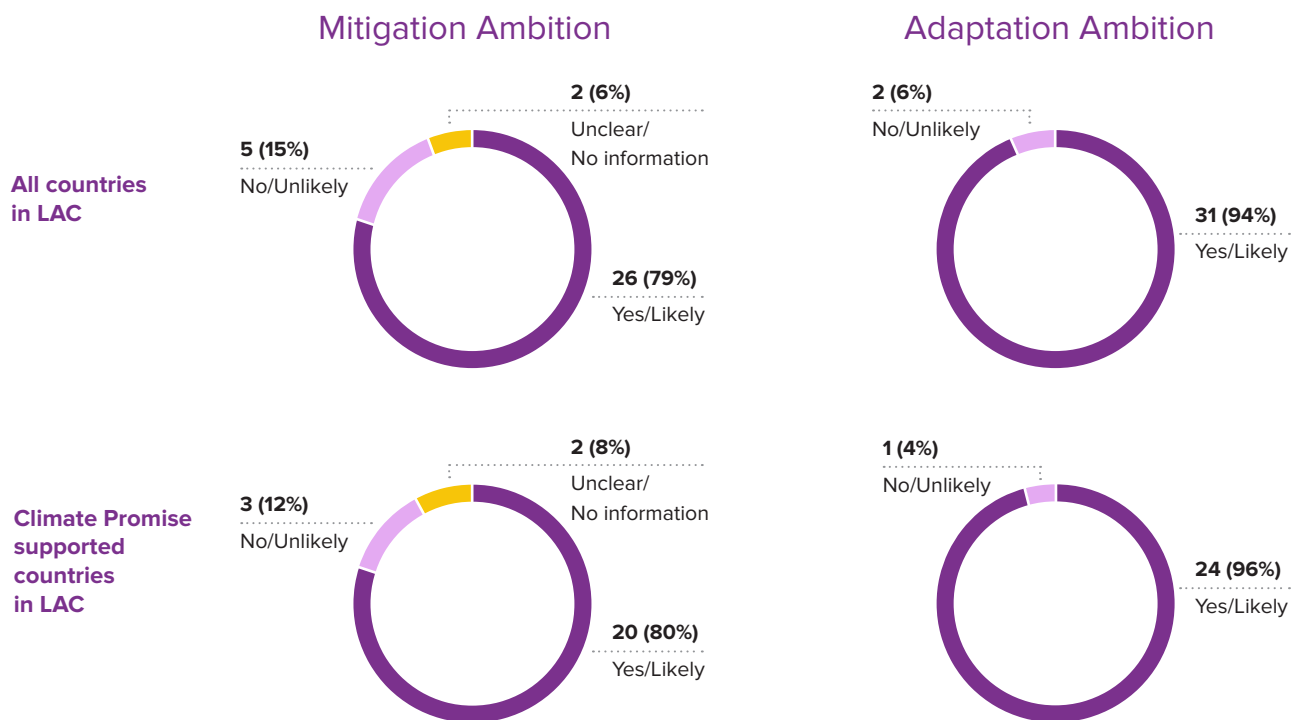
Of the 33 countries in the region, 25 (76 percent) received support through UNDP’s Climate Promise to prepare second-generation NDCs⁹. Of these, 20 (80 percent) have communicated their enhanced NDCs to the UNFCCC. Of the five countries remaining to submit, **Dominica, Saint Vincent & the Grenadines** and **Trinidad and Tobago** are expected to submit during the third quarter of 2022, while a submission from **The Bahamas** is expected later in the year. It is not clear when **Guyana** will submit an updated NDC.

NDC AMBITION INTENTIONS

Regionally, Climate Promise supported countries were more likely to raise adaptation ambition than mitigation ambition (Figure 2). Although both were strong, countries raising adaptation ambition in

their enhanced NDCs stood at 96 percent while mitigation ambition was at 80 percent. This trend was also mirrored for the region overall.

FIGURE 2
NDC mitigation and adaptation enhancement intentions in LAC region





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As seen in Figure 3, three-quarters (75 percent) of Climate Promise supported countries chose to raise **mitigation ambition** in their second-generation NDCs by adding new sectors with mitigation potential or expanding the scope of original NDC sectors (75 percent). Other common pathways were to increase GHG emission reduction targets (70 percent) and/or to increase the scope of unconditional mitigation targets (65 percent). Just over half the countries (55 percent) raised ambition by covering all GHGs or including new GHGs, such as short-lived climate pollutants (SLCPs) – indicating this could be an area of improvement in future NDCs.

The most common **adaptation enhancement** – selected by all Climate Promise countries – was to strengthen alignment of the NDC with National Adaptation Plans (NAPs) or other adaptation-planning processes and instruments. A significant majority (95 percent) also increased sectoral coverage or scope within original NDC sectors and/or included clearer adaptation targets. Over two-thirds (70 percent) also included targets and provisions for a monitoring and evaluation system.

FIGURE 3

Selected mitigation and adaptation ambition pathways of Climate Promise supported countries in LAC

Mitigation Pathways

- 15 (75%) Add new mitigation sectors or increase scope within existing sectors
- 14 (70%) Increase GHG emission reduction targets
- 13 (65%) Increase scope of unconditional mitigation targets
- 11 (55%) Cover all GHGs or include new GHGs including SLCPs

Adaptation Pathways

- 20 (100%) Align with NAP or other adaptation planning processes or instruments
- 19 (95%) Increase adaptation sectoral coverage or scope within existing sectors
- 19 (95%) Include clear adaptation objectives in line with the Paris Agreement including in a form of Adaptation Communications
- 14 (70%) Include quantitative or qualitative targets and provisions for a monitoring and evaluation system



Colombia

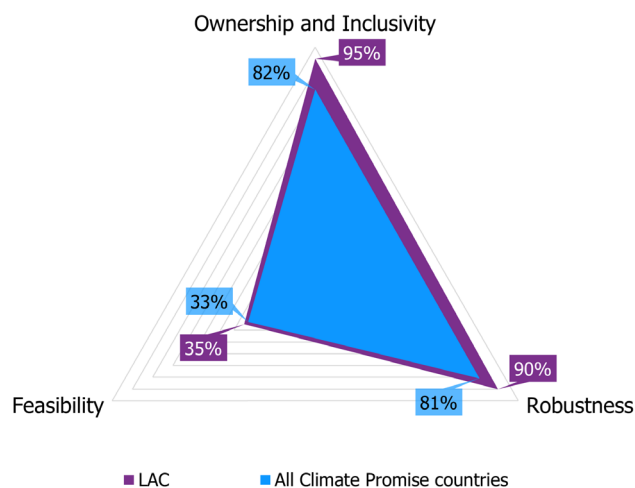
COMPREHENSIVE APPROACH TO CLIMATE AMBITION

The Colombian [NDC](#) is an excellent example of how to present a complete and ambitious NDC. The revised NDC includes a mitigation target that is not only more ambitious than the previous one, equivalent to a 51 percent reduction in emissions from a revised baseline scenario by 2030, compared to a 20 percent reduction in the first NDC, but also encompasses carbon neutrality by 2050. The goal is accompanied by more than 148 mitigation measures and 30 adaptation targets, including limiting the gross annual deforestation rate to a maximum of 50,000 hectares by 2030, and the commitment to generate carbon budgets in 2023. It also contained a commitment to strengthen and develop carbon pricing mechanisms and a new and comprehensive analysis on gender, just transition, circular economy, and impacts of COVID-19. In addition, Colombia developed guidelines for making comprehensive climate change plans for the implementation of the NDCs at both sectoral and territorial levels. Likewise, they developed a whole series of tools to incorporate a gender approach in the implementation of the NDC, which were gathered in a toolbox available through the [Ministry of the Environment](#).

The quality of an NDC is arguably as important as its ambition. Higher-quality NDCs are more likely to lead to successful implementation and signal the government’s intention to be accountable for turning pledges into actions. Under the Climate Promise, UNDP developed a Quality Assurance Checklist that allows governments and/or other practitioners to systematically review opportunities to improve NDC quality against three dimensions: *i) Robustness, ii) Feasibility, and iii) Ownership and Inclusivity*. Using this checklist, UNDP undertook an in-depth analysis of second-generation NDCs submitted by Climate Promise supported countries, scoring NDCs based on a percentage of criteria that were met¹⁰.

As seen in Figure 4, the LAC region scored higher than the global average on all three dimensions of NDC quality. The ownership and inclusivity dimension is the highest-scoring dimension for the region, at 95 percent – and significantly higher than the global average of 82 percent. This implies there are lessons to be learned from the region on designing meaningful and inclusive NDC revision processes. Robustness also scored highly for the LAC region, at 90 percent, vs 81 percent globally. NDC feasibility dimensions were slightly higher regionally than the global average (35 percent vs 33 percent), indicating that this is a key area needing improvement as countries now pivot to NDC implementation.

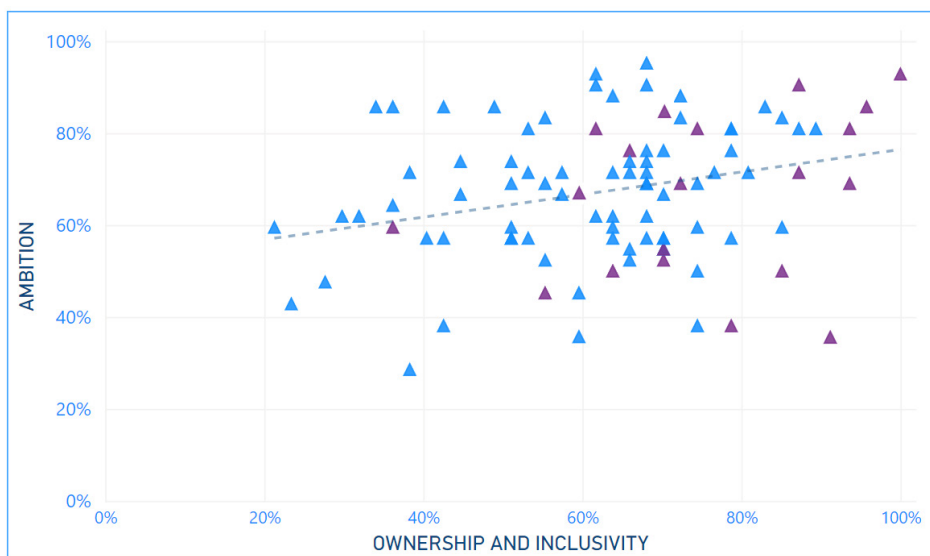
FIGURE 4
Assessment of submitted Climate Promise supported NDCs against three dimensions of NDC quality: LAC vs global average



Source: UNDP analysis

Overall, NDCs from the LAC region showed a positive correlation between higher ownership and inclusivity and increased ambition (Figure 5). However, there remains a variance within the region that may be due to differing national circumstances and contexts, but is also likely due to other factors that impact ambition (e.g., political will).

FIGURE 5
Mapping NDC ambition to inclusive approaches: LAC vs global average



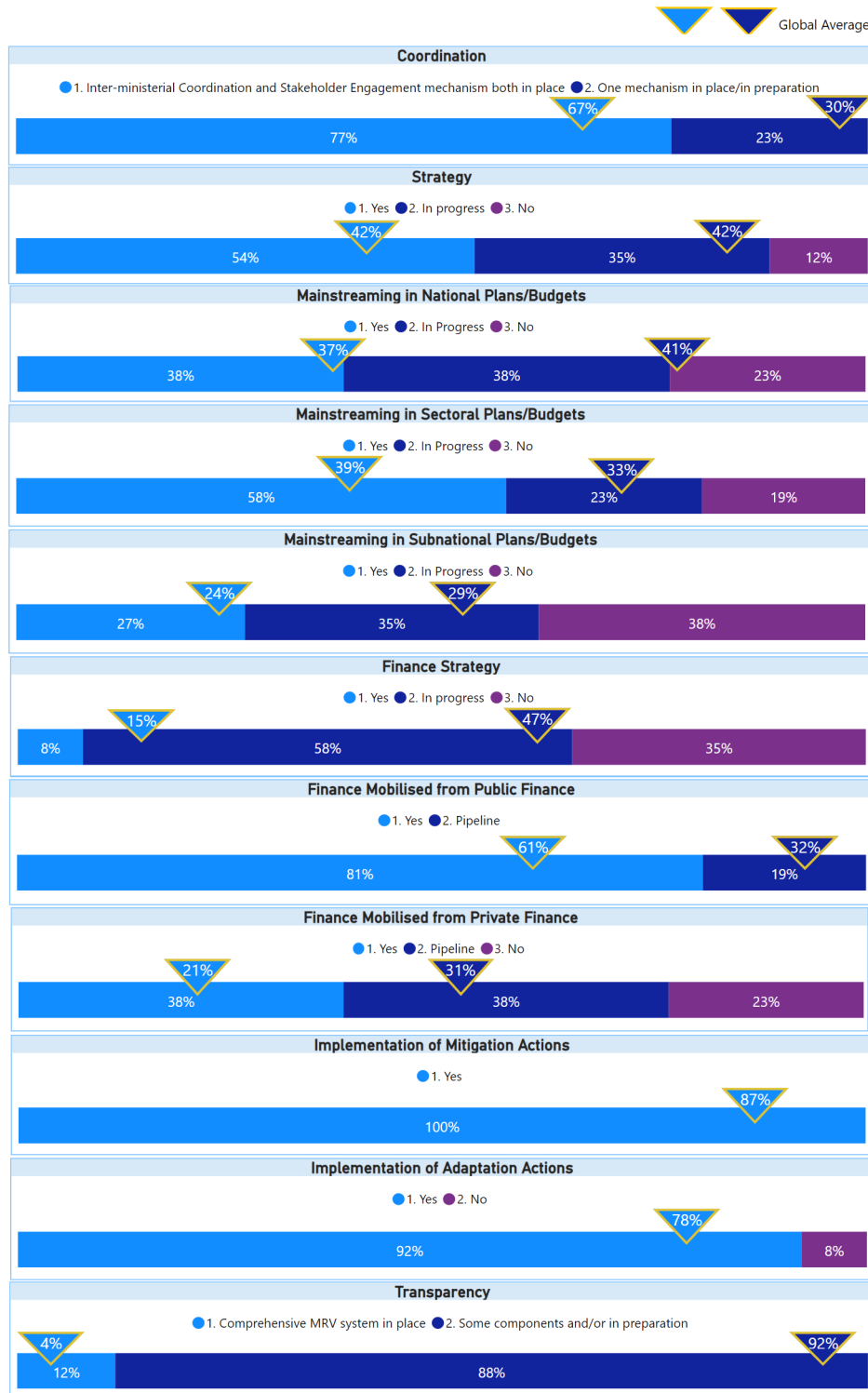
UNDP analysis. Note: Purple triangles represent the 20 Climate Promise supported LAC countries which have communicated new/updated NDCs as of 15 June 2022.

NDC IMPLEMENTATION READINESS

In 2019, UNDP defined and began monitoring seven “building blocks” for effective NDC implementation that are based on UNDP’s experience and lessons

learned from supporting countries throughout the NDC cycle¹¹. Figure 6 compares progress in the LAC region against the global average (triangles).

FIGURE 6
Progress on key NDC systems and architecture: LAC vs global average



Source: UNDP analysis. n = 24 for LAC responses. Global averages are shown in the triangles.



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Regional progress on putting in place the foundational “building blocks” of NDC implementation is, in almost every case, more advanced than the global aggregated results reported by 122 countries.

- LAC countries have made good progress on establishing **NDC institutional coordination and stakeholder engagement mechanisms** with 77 percent of countries indicating both of these are functioning (compared to the global average of 67 percent), while the remaining 23 percent of countries in the region have at least one mechanism in place.
- Over half of LAC countries (54 percent) have **NDC implementation plans** – further along than the global average of 42 percent. A further 35 percent of LAC countries are in the process of developing NDC implementation plans, leaving only 12 percent still to do so.
- **Mainstreaming** in the region has been strongest at the sectoral level, at 58 percent, and is well ahead of the global average of 39 percent. This is followed by the national level, (38 percent) and then the sub-national level (27 percent) – just slightly ahead of global averages.
- In terms of finance, the region is ahead of the global average on **mobilizing finance**, with 81 percent of LAC countries accessing public finance (vs 61 percent globally) and 38 percent accessing private finance (vs 21 percent globally). Only eight percent of LAC countries have **finance strategies** in place (compared to 15 percent globally), but a further 58 percent are in the process of developing them. This represents a key opportunity for countries to address weaknesses identified for NDC feasibility quality dimensions.
- LAC countries are well-advanced and ahead of global averages **implementing mitigation and**

adaptation activities, with the former being implemented by 100 percent of countries and the latter by 92 percent.

- Twelve percent of countries in LAC already have comprehensive MRV systems (compared to four percent globally), while the rest of the region (88 percent) is in the process of strengthening systems, showing the region’s commitment to **transparency**.

Areas of support identified by LAC Climate Promise supported countries

The findings of the NDC implementation survey and NDC quality assessments are aligned with future support needs that have been identified by Climate Promise supported countries in LAC¹². Support to finance NDC implementation was the most often mentioned area of support needed in the LAC region with 44 percent of countries noting this gap. **Argentina, Costa Rica, and Grenada** requested support to transform NDC targets into bankable projects, while **Antigua and Barbuda** seek funding to build the local capacity required for effective NDC implementation. **Honduras** wants to prepare an NDC investment plan, while **Panama** aims to mainstream climate change in public investments and consolidate its portfolio of green projects as part of the country’s public and public-private investment plan. Many countries (36 percent) indicate they require support with setting up robust, institutionalized MRV systems, including: **Bolivia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Paraguay, and Peru**. Countries in the region also aim to build upon the stakeholder coordination and engagement gains made during the NDC revision process. In the **Dominican Republic**, they would like to design and implement a National Action Strategy for Climate Empowerment, while in **El Salvador** they seek to strengthen inter-sectoral coordination mechanisms to facilitate the achievement of NDC targets.



Chile

COMMITTED TO CLIMATE JUSTICE AND CARBON EQUITY

Chile's NDC was submitted in April 2020 in the context of the COP25 presidency and has served as a reference for other NDCs in the region. It has innovative sections such as presenting a social pillar with commitments on which the implementation of the NDC must rest to guarantee a fair transition and sustainable development in Chile. Another innovative section is the "Integration" component where key measures are presented for the implementation of the NDCs that integrate both adaptation and mitigation, creating synergies that contribute to a harmonious development of the country. These comprehensive measures include circular economy, land use, land-use change and forestry (LULUCF), and ocean commitments. This NDC also stands out for having an ambitious unconditional goal in absolute terms and is also one of the few countries in LAC with a carbon emissions budget for the 2020-2030 period, which reflects the mid-point on the road of its commitment to being carbon neutral by 2050. Finally, it is important to point out that this NDC is based on a comprehensive evaluation of mitigation measures that include abatement costs analysis, which provided clarity surrounding the NDC's goals and economic impact on society, helping to facilitate its acceptance.

HIGHLIGHTS OF CLIMATE PROMISE SUPPORT TO DATE

Finance and investment

In the LAC region, around nine countries were supported to develop financing strategies or conduct assessments and studies to inform budgeting and financing frameworks. Approximately five countries are promoting forms of innovative finance, such as carbon pricing and trading systems. In **Peru**, the President ratified a [bilateral agreement](#) with Switzerland to pilot implementation of Article 6.2 of the Paris Agreement related to carbon markets. In **Chile**, UNDP supported the government and worked with the Ministry of Finance to develop a climate finance framework which was made official in March 2022 and is now part of the National Budget Law. This finance framework was developed using a suite of UNDP climate finance tools and makes it mandatory for all sectoral ministries to include climate finance tracking considerations in their budgeting exercises. This will ensure the appropriate budget allocation for the implementation of the NDC, their Long-Term Strategies and 2050 Net Zero roadmaps.

Transparency

Approximately 12 countries were supported to update their MRV systems and around eight countries are taking measures to improve their GHG Inventory systems. For example, in **Honduras**, a team of specialists reviewed the national GHG inventory and 2020 biennial update report to conduct trend analysis of different NDC sectors. In turn, some findings and gaps have been redressed to have the appropriate information to develop future projections, following the guidelines of the IPCC. Further improvements are necessary in the national GHG inventory to provide more accurate projections.

Policies, institutions and capacity building

Roughly 23 countries reported progress on assessments and analyses of baselines and scenarios, target reviews and updates in priority sectors. In **Guatemala**, a cost-benefit analysis was carried out that looked at four mitigation options prioritized in the industrial processes and solid waste sectors: the capture of methane in landfills, advanced composting, energy efficiency, and generation of renewable electricity for self-consumption.



Recommendations were presented and validated by representatives of the private sector and staff from the Climate Change Directorate and the Comprehensive Solid Waste and Waste Management Directorate.

Societal ownership and inclusivity

Across the region, around 23 countries have adopted a whole-of-society engagement approach to NDC revision and implementation. In **Panama**, the [Academia Climate Change for Young Leaders 2021](#) brought 40 young people from different parts of the country to participate. The Academy was launched in 2018 by the Climate Change Directorate of the Ministry of Environment, in conjunction with UNDP and the Konrad Adenauer Stiftung Foundation, to provide young people with the opportunity to strengthen their personal leadership skills and professional climate change knowledge.

Many LAC countries have also greatly strengthened gender dimensions in their second-generation NDCs, including all 20 NDCs submitted thus far from LAC Climate Promise supported countries.

STRONG POLITICAL WILL FOR ALIGNING NDC WITH SDGS

Belize's commitments in its updated NDC and Low-Emissions Developed Strategy (LEDS) demonstrate the leadership of SIDS in stepping up ambition in line with the SDGs. Following the 2020 general election, Belize implemented an ambitious agenda ("Manifesto for Change") for sustainable development and climate change. This resulted in the new Ministry of Sustainable Development, Climate Change and Disaster Risk Management and the promotion of Belize as a green and sustainable country. Such changes highlight the years of work the government undertook to identify Belize's vulnerabilities and articulate the importance of climate change to the country's sustainable development pathway.

Additionally, the NDC and LEDS development processes were more open and transparent. In particular, the review and alignment of NDC targets with the country's sustainable development agenda were followed at the political level where a wide participation of stakeholders was encouraged. Capacity building with different stakeholders strengthened their participation in the process. As a result, Belize shifted from action only commitments in its first NDC to a quantifiable reduction target and clear links to SDGs. Importantly, NDC targets are aligned to national development plans, including LEDS.

UNDP, together with key partners of the NDC Partnership, was instrumental in supporting the NDC revision process and was the main partner to support the development of Belize's LEDS. This included an SDG investor mapping process which aimed to explore investment opportunities from the updated NDC and the new LEDS, as well as the national mitigation strategy and action plan. In November 2021, an SDG Investor Map was presented at the National Investor Forum, which attracted more than 1,500 private sector investment entities.



Carbon markets

At COP26 in Glasgow, a decision was finally made on the rules to operationalize the carbon markets under the Paris Agreement (Article 6). The Latin American region, especially those countries with large extensions of forests, welcome carbon markets as an important means to achieve greater ambition in their NDCs, strengthen long-term decarbonization strategies and contribute to sustainable development. UNDP has formed the Carbon Market Task Team and participates in initiatives such as the Voluntary Carbon Markets Integrity Initiative (VCMI) to provide technical assistance to countries in this regard. Areas of support include how to harmonize voluntary markets with regulation supportive of the implementation of the NDC, developing the necessary infrastructure and regulation to be able to carry out transactions and strengthening capacities in measurement, reporting and verification (MRV).

Results-based payments for REDD+

Results-based payments for REDD+ remain an important source of finance for tropical forest countries. A total of seven countries in the Latin American region have accessed REDD+ results-based payments from the Green Climate Fund since 2019, a total of approximately USD 400 million. These

are valuable resources that are being reinvested in the implementation of these countries' NDCs, with a focus on the forest sector. In many countries in the Latin American region, part of the resources will also be used to invest in filling the gaps to access international private climate finance through voluntary carbon markets as noted above.

Voluntary Carbon Footprint Programmes

Voluntary Carbon Footprint Programmes pioneered by countries such as [Chile](#) and [Peru](#) with UNDP support are now being more widely promoted by governments in the Latin American region as a tool to engage the interest and awareness of the private sector in participating in the implementation of the NDC and long-term decarbonization strategies. Furthermore, they can also serve as a catalyst to apply other measures for climate change management, such as carbon pricing mechanisms (e.g., national voluntary carbon markets and tax incentives), renewable energy certificates, conditional public purchases, and/or incorporating cities and sub-regions into national programmes. As there is a demand from Latin American countries to replicate these experiences, UNDP has a forthcoming implementation guide that will draw upon the experiences and lessons learned in the region.





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Sustainable taxonomies for the private sector

In order to help financial actors and companies determine which activities qualify as environmentally sustainable, increasingly countries around the world and in the LAC region have developed, or are on the way to developing, official definitions of sustainable finance as well as classification systems (taxonomies) of economic activities and investments that incorporate their own environmental objectives, focusing mainly on the climate change goals established in the Paris Agreement. As part of the Interagency Technical Committee (CTI) of the Forum of Ministers of the Environment of LAC, the Working Group on Sustainable Finance Taxonomies in LAC (LAC Taxonomies Working Group) was created, which is made up of UNDP, the United Nations Environment Program (UNEP), the World Bank Group, the Economic Commission for Latin America (ECLAC), the International Monetary Fund (IMF), the Inter-American Bank of Development Bank (IDB), Development Bank of Latin America (CAF), and the Food and Agriculture Organization of the United Nations (FAO). The LAC Taxonomies Working Group aims to develop a common framework of sustainable

finance taxonomies for the LAC region, based, in this initial phase, on climate change activities. This common framework will serve as a guide for the development and harmonization of specific national taxonomies in the region.

Blue economy

Increasingly, SIDS countries in the LAC region are including concrete ocean, blue carbon, and blue economy activities into their NDCs. In doing so, these countries are recognizing the role of marine and coastal ecosystems in achieving NDC emission reduction targets and adaptation and mitigation goals. **Antigua and Barbuda's** enhanced NDC has committed to protect "all remaining wetlands, watershed areas, and seagrass bed areas with carbon sequestration potential," acknowledging the climate mitigation benefits of blue carbon ecosystems. In the **Dominican Republic**, noting their "blue carbon" sequestration potential, their NDC includes actions to conserve and restore mangroves. The costing of **Belize's** mitigation actions in the LULUCF sector has included USD 2.6 million for "blue carbon market" activities.

ENDNOTES

- 1 [UNDP, 2019. UNDP in Latin America and the Caribbean - A Partner for Sustainable Development.](#)
- 2 [Based on World Bank data 2020, Latin America & Caribbean | Data \(worldbank.org\)](#)
- 3 [Based on World Bank data 2020, Latin America & Caribbean | Data \(worldbank.org\)](#)
- 4 [Based on World Bank data 2020, Latin America & Caribbean | Data \(worldbank.org\)](#)
- 5 Based on 2018 Climate Watch (CAIT) data, including Land Use, Land-Use Change and Forestry sector.
- 6 [World Bank, 2020. World Bank Global Electrification Database from "Tracking SDG 7: The Energy Progress Report."](#)
- 7 [Latin America and the Caribbean \(irena.org\).](#)
- 8 [Sustainable Energy For All \(2020\). The Recover Better With Sustainable Energy Guide for Caribbean Countries.](#)
- 9 These countries are: Antigua and Barbuda, Argentina, Bahamas, Belize, Bolivia (Plurinational State of), Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Mexico, Panama, Paraguay, Peru, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Uruguay.
- 10 Global results were first published in UNDP's [State of Climate Ambition Report \(2021\)](#) with data from 67 countries. This information has been updated to include data from 96 of the 99 submitted NDCs (as of 15 June 2022) from Climate Promise supported countries. Three countries that submitted interim NDCs were not included in this update. For more detailed information on the methodology used, please refer to the 2021 report.
- 11 A UNDP survey on NDC implementation readiness obtained 133 developing country responses in 2019 and 122 developing country responses in 2021. The 2021 data included responses from 24 of the 25 LAC countries supported under the Climate Promise.
- 12 Data comes from 85 percent of Climate Promise countries who responded to a question on future support needs as part of 2021 Q4 reporting.



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