

A full-page background image showing a man in a dark blue jacket, a black beanie, and a black face mask operating a red tractor in a field. The tractor is pulling a tillage implement, and the ground is covered with dry straw or mulch. The background is a green, hilly landscape.

Aligning NDCs with Green Recovery

GUIDANCE FRAMEWORK

A step-by-step guidance note for country practitioners:

Designing and assessing COVID-19 green recovery and green economy options that build on NDC processes and incorporate climate action

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About NDC Support Programme

The NDC Support Programme provides technical support for countries to pursue an integrated, whole-of-society approach that strengthens national systems, facilitates climate action and increases access to finance for transformative sustainable development. The programme helps countries address financial barriers by deploying a structured approach to scaling up sectoral investments and putting in place a transparent, enabling investment environment. Beyond direct country support, UNDP facilitates exchanges and learning opportunities on NDC implementation at the global and regional levels by capitalizing on our close collaboration with the UNFCCC and other strategic partners. The programme, which contributes to the NDC Partnership, is generously supported by the German Federal Minister of the Environment, Nature Conservation and Nuclear Safety (BMU), the German Federal Ministry of Economic Cooperation and Development (BMZ), the European Union, and the Government of Spain.

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This is a living document and it recognizes that a wide range of approaches could be developed within national contexts considering specific national circumstances. Hence, the framework presented do not present firm guidelines but are intended to be adapted and adjusted according to the country's needs.

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1. Background

The COVID-19 pandemic requires all levels of government to act under great uncertainty and significant economic, fiscal and social pressure. With new waves of infection appearing in many countries since mid-2020 and variants emerging, governments are confronted by their limited ability to sequence policy action.

Nearly two years into the COVID-19 pandemic, the world is experiencing a protracted and divergent recovery. The latest budget increases allocated to environmentally positive recovery measures amount to only 21 percent of the total sums allocated to COVID-19 economic recovery. This means that 79 percent of this funding fails to consider environmental dimensions or, worse, reverses progress on some of them: 10 percent is specifically identified as mixed or negative for the environment and the remaining 69 percent, while not identified as having direct environmental impacts, is unlikely to be environmentally benign. This calculation shows that the recovery will follow a business-as-usual path, rather than bringing us closer to the green transition needed.¹

Urgent action is thus required to accelerate the recovery process, while using the opportunity to accelerate the transition to green and resilient economies. Such action would hold warming to below 1.5°C, while also advancing the goal of more equitable and inclusive societies.

Nationally Determined Contributions (NDCs) and related climate change plans (e.g., National Adaptation Plans and Long-Term Low GHG Emission Development Strategies) can guide countries' recovery efforts by helping to green these economic stimulus plans. Countries' climate pledges already outline a transition to green and resilient pathways that can help spur economic growth and job creation, while aligning with national development objectives and the Sustainable Development Goals (SDGs). Recovery plans can take guidance from the NDCs' long-term trajectory, incorporate NDC targets and strategies, and simultaneously leverage NDC enhancement processes (including stakeholder consultations, socio-economic and sectoral assessments) and modelling. Green recovery plan investments in recovery packages intended to boost economies - in areas such as renewable energy, energy efficiency and ecosystem protection - can spur delivery of the NDCs. These types of recovery measures both accelerate climate transformation directly and play a critical role in laying the foundation and building support for more ambitious NDCs for 2030.

As countries work to transform national climate pledges through the NDCs into concrete and ambitious actions in the context of COVID-19, they need targeted knowledge, capacity and resources to better align recovery efforts with strategic climate action.

¹ Organisation for Economic Co-operation and Development, "Focus on Green Recovery, available at <https://www.oecd.org/coronavirus/en/themes/green-recovery>.

2. Objective

The objective of this document is to present a step-by-step framework to support countries to design and assess green recovery and green economy options that build on NDC processes and incorporate climate action.

The following framework aims to:

- help practitioners use existing tools to align NDC measures and climate policies with COVID-19 recovery plans and measures and to streamline financing for key programs;
- help formulate processes to develop sustainable recovery plans by guiding the selection of NDC and other climate measures based on their economic, environmental, and social dimensions; and,
- provide practical implementation guidance by addressing political engagement, financial feasibility and monitoring of green recovery plans.

The framework is organized as follows: definitions of the main concepts are presented first, followed by step-by-step guidance with references to key tools that can help countries align NDC and recovery packages.

By proposing a process that guides countries in formulating sustainable recovery plans, the framework takes a step beyond developing an inventory of relevant tools for aligning NDC measures and climate policies with COVID-19 recovery plans and measures. Indeed, it offers recommendations as to when and how these tools could be used, identifies gaps, and proposes additional tools and methodologies to address them.

TIMING AND SEQUENCING ARE IMPORTANT

Timing is key when applying the framework, whose purpose is to enable inclusion of climate-aligned actions in country recovery packages. Timeliness also implies anticipating legislative and administrative obstacles that could decrease the recovery measures' effectiveness. It is thus useful to distinguish among the temporal phases: immediate response, recovery and post-pandemic. Although countries are starting to move beyond their emergency response to COVID-19, the pace of this movement varies based on the level of COVID-19 infections. And with the possibility of new variants, the timescale for achieving a green recovery from the global COVID-19 pandemic cannot be known with confidence.

Together with already limited resources, countries tend to choose recovery measures with lower capital costs, short lead times, or large immediate employment benefits that undermine long-term sustainable development. This makes it more difficult for them to reach long-term transition objectives by locking in technologies and infrastructure that do not help countries on a trajectory towards net zero emissions by 2050 or through five-year NDC cycles. The unprecedented speed at which recovery plans are being designed also risks leaving behind vulnerable populations. This again underscores the unique value of NDCs and long-term strategies (LTS) in providing guidance for the long term. The decisions taken now will have implications for decades to come. The urgent focus on short-term needs should not lead us to overlook opportunities to achieve long-term goals.

3. Main concepts

Green stimulus and green recovery

Green stimulus and green recovery can be defined in several ways. However, all definitions describe processes that seek to restore economic activities while also favouring the “greening” of production and consumption processes. Both concepts thus refer to packages of environmental, regulatory and fiscal reforms that can help to restore prosperity after the COVID-19 pandemic. This guidance defines green recovery as **“A holistic and inclusive response to the COVID-19 crisis that mainstreams climate change considerations into short-term economic recovery and promotes climate-neutral and climate-resilient economic transformation aligned with the goals of the Paris Agreement and the 2030 Agenda for Sustainable Development.”** This definition assumes a common understanding of what the suggested economic transformation means in different countries. Each country must explore this on its own.

Nationally Determined Contributions

The NDCs that countries submitted under the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC) represent climate action pledges that seek to limit global warming to well below 2°C - preferably to 1.5 °C - over pre-industrial levels.

NDCs articulate how a country will contribute to the Paris Agreement’s global goals, including climate-related targets, policies and measures that governments will implement in response to climate change and to contribute to global climate action.

NDCs (and their related program and strategy documents) constitute a basket of measures that could be accelerated and strengthened by recovery plans. Countries report on their national greenhouse gas (GHG) reduction and adaptation efforts through their national communications (NCs) and biennial update reports (BURs). NCs provide information on GHG inventories, measures to mitigate and facilitate adequate adaptation to climate change, and any other information that a Party considers relevant to achieving the Convention’s objective. BURs provide an update of the information presented in NCs, particularly regarding national GHG inventories, mitigation actions, constraints and gaps, including support needed and received.

The National Adaptation Plan (NAP) process enables Parties to formulate and implement NAPs as a way to identify medium- and long-term adaptation needs and to develop and implement strategies and programmes to address them. It is a continuous, progressive and iterative process that follows a country-driven, gender-sensitive, participatory and fully transparent approach.²

Tools

Tools referred to in this guidance note support countries in designing and assessing green recovery and green economy options that build on NDC processes and incorporate climate action using specific methodologies. The support might relate directly to the mitigation and/or adaptation objectives of national climate strategies and NDCs or in pursuit of other goals - including those related to the green economy, circular economy or biodiversity - that are indirectly aligned with previous climate strategies (actions or measures supported by green or circular economy objectives that have climate benefits).

Reference may also be made to other tools that support countries in applying this framework, such as documents (reports, briefs or notes), websites and techniques (econometric models or indicator tables), learning and e-learning materials, financing facilities and discussion groups. Readers should familiarize themselves with the background documents to these tools as they could be important for highlighting opportunities and needs and mobilizing decision-makers.

² United Nations Climate Change, Adaptation and Resilience, Workstreams, “National Adaptation Plans,” available at <https://unfccc.int/topics/adaptation-and-resilience/workstreams/national-adaptation-plans>.

4. Step-by-step framework

The interactive web version of the framework is available [here](#)

This framework includes five steps:

STEP I. Understanding the context and country needs;

STEP II. Assessing the sustainability of actions;

STEP III. Securing social and political support;

STEP IV. Implementing and financing green recovery strategies and related measures; and,

STEP V. Monitoring and evaluating a green recovery

The objective of each step is described briefly at the beginning of each section. The main milestones associated with each step are then synthesized and highlighted (visual illustration with numbered boxes). The main tools that will be helpful in achieving each milestone are specified next, with hyperlinks included to simplify access. A visual canvas that practitioners can use is then presented. It is intended to provide very practical guidance by relying on a visual guideline and displaying underlying tools, using a simple colour-coding:

- Visual guideline is in **black**;
- **Blue boxes** are activities;
- **Red boxes** are issues to be dealt with; and,
- **Green boxes** are key consolidated outputs.

Key questions that should be addressed are noted with a purple question mark - **?**. Additional topics that should be discussed are also highlighted using dotted arrows. The text that follows the visual canvas caption provides greater detail on how to navigate and use the map/canvas.

STEP I

Understanding context and needs

This first step requires a prior solid understanding of the country's social (including gender equality and social inclusion dimensions), environmental and economic context and its climate change-, development- and COVID-19-related strategies and policies.

OBJECTIVE: Identify and evaluate relevant climate-/COVID-19-/national development-related strategies and policies produced at the country level and evaluate them against the government's COVID-19 strategy. Those strategies and policies include NDCs, NAPS, national development plans, LTSs, green growth strategies, other national climate change priorities, the national climate plan and national gender and climate policies/plans.

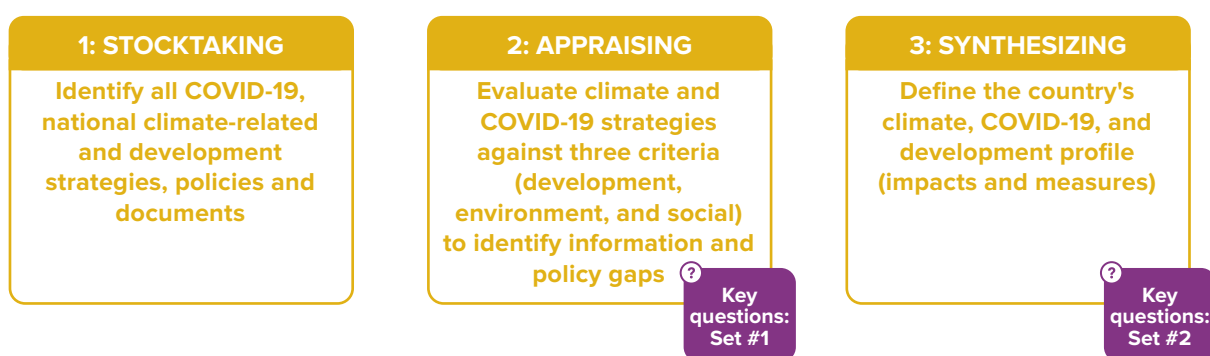
BENEFITS: These documents and their objectives are inter-related and must therefore be considered holistically. For instance, transformation and decarbonization strategies articulated in NDCs and LTSs can be valuable inputs in setting strategic directions for an inclusive, resilient and sustainable recovery.³ Because climate strategies reveal the government's political will to pursue a green transformation, analysing those strategies will help to understand the government's environmental and national development priorities and intentions.

³ Coalition of Finance Ministers for Climate Action, "Better Recovery, Better World: Resetting climate action in the aftermath of the COVID-19 pandemic," 10 July 2020, available at <https://www.financeministersforclimate.org/news/better-recovery-better-world-resetting-climate-action-aftermath-covid-19-pandemic>.

OUTPUT/OUTCOME: When this step is completed, countries should be able to identify how the COVID-19 crisis has affected the national economy, including its economic, environmental and social dimensions (taking a gender and intersectional approach to the latter). This step should also help to define the actions that will be required to achieve a green recovery and how NDCs (or a national climate action plan) can contribute to this objective.

Below figures present the Step I key milestones, tools, reports and key questions associated with this step.

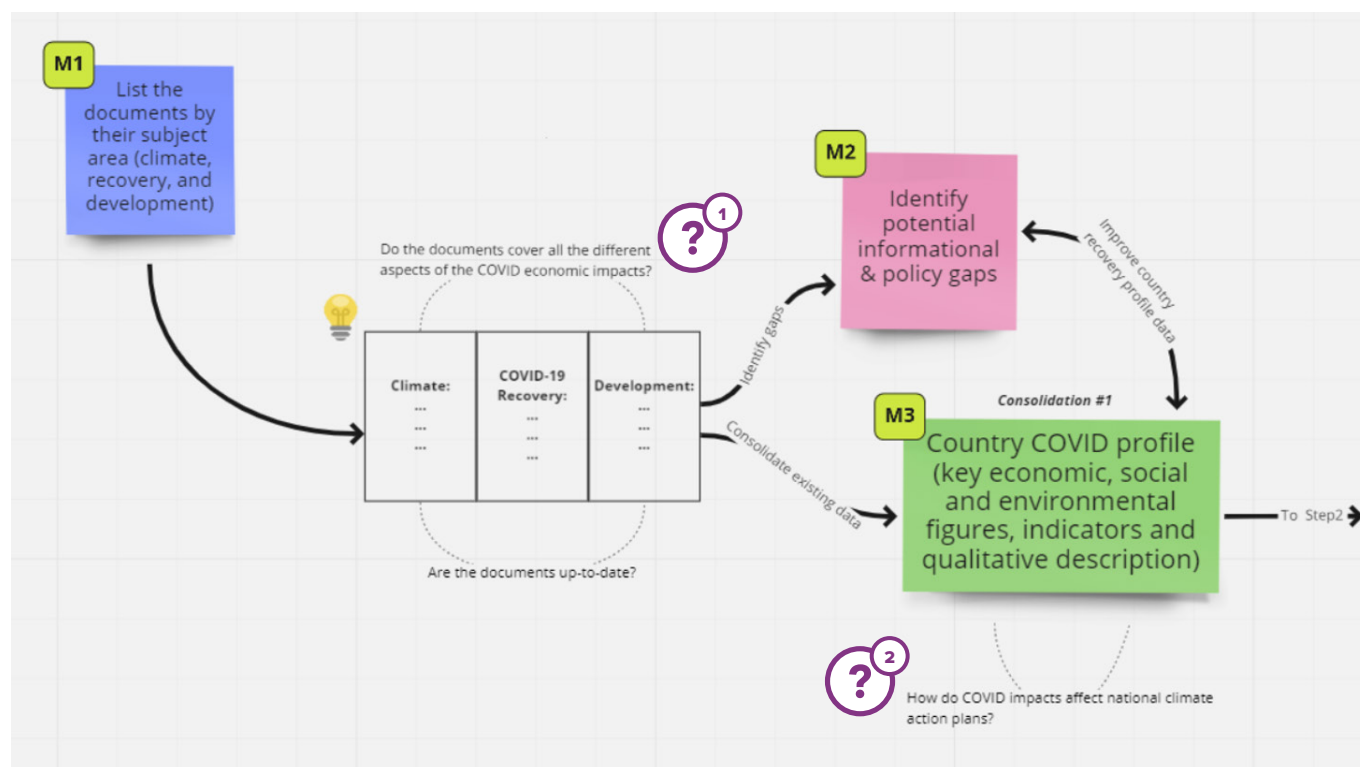
1-1. Key milestones



1-2. Tools and resources

1: STOCKTAKING	2: APPRAISING
COVID-19 <ol style="list-style-type: none"> National Documents (e.g., COVID-19 stimulus package, COVID-19 response plan, economic recovery plan) <p>-Global reference: Global Recovery Observatory</p>	<ol style="list-style-type: none"> Tools for assessing COVID-19 socioeconomic impact Digital Socio-Economic Impact Assessment (UNDP) Gender Responsive Socio-Economic Assessment of COVID-19 Impacts (UNDP) The Economic Impacts of COVID-19 and Gender Inequality: Recommendations for Policy Makers (UNDP) Tools for assessing COVID-19 impacts on enterprises (ILO guidelines and template) Gender Analysis (UNDP)
CLIMATE <ol style="list-style-type: none"> Nationally Determined Contributions (All NDCs (unfccc.int)) Long-term strategies (Communication of long-term strategies UNFCCC) National green growth strategies National Adaptation Plans Biennial Update Reports (BURs) 	
DEVELOPMENT <ol style="list-style-type: none"> National documents (national development plan/strategy) 	

Canvas caption - 1-3. Workflow



1-3. Navigating the workflow

To follow this step-by-step procedure requires evaluating the key climate strategic documents (including the NDCs, NAPS, LTS, green growth strategies and other national climate change priorities and the national climate plan) against the government's country-level COVID-19 strategies. If the former are lacking, country officers must determine whether other documents or initiatives exist that could be used as the basis for creating such strategic documents. These tools and documents can then be used as the basis for strategic discussion on recovery issues and help define and validate the strategic documents.

All strategic documents available must be **categorized by their subject area**: climate, COVID-19 recovery or development. They should also be assessed to determine whether they are up-to-date. The following key questions should be addressed.



SET 1 QUESTIONS

- What are the economic consequences of the COVID-19 crisis for GDP and employment? By sector? By region (urban vs rural, main administrative regions)? By gender?
- What are the economic consequences for the availability of key economic resources (energy, human capital, information and intermediary goods)?
- What are the consequences for the quality and availability of key strategic infrastructure (water delivery, transport, energy and communications)?
- What are the consequences for access to public services and information (education, culture and health)?

- What are the consequences of the COVID-19 crisis for inequality (GINI coefficient, poverty index and the gender inequality index)?
- What are the consequences of the COVID-19 crisis for specific population groups (children, young adults, women and people with disabilities)?
- What are the consequences of the COVID-19 crisis for population health status (life expectancy, mortality by gender and age group, and mortality by main disease)?
- What are the environmental consequences of the COVID-19 crisis?

Based on the answers to these questions, countries can determine how the **gaps** identified can be addressed by referring to tools and resources listed above.

By synthesizing all the strategic documents, country practitioners should be able to determine the **country's COVID-19 profile** (key economic, social and environmental figures, indicators and qualitative description).



SET 2 QUESTIONS

- Has the COVID-19 crisis changed how natural resources are used/allocated?
- Has the COVID-19 crisis modified pollutant emissions and waste production?
- Has the COVID-19 crisis reduced the level of abatement activities and environmental services (including waste collection and recycling activities)?
- What strategies/plans/reforms/programs were planned when the COVID-19 crisis emerged?
 - Economic strategy and macro-economic and sectoral policy reform, including fiscal and subsidy reform
 - Social programs/plans: gender responsiveness, poverty reduction, education
 - Environmental strategies and plan: climate
 - Global strategy: SDGs, vision
- To what extent were the previous strategies/plans/programs/reforms implemented?
- What level of resources were devoted to the earlier strategies before the crisis (see public and private expenditure review, budget tagging)?
- What resource allocation trends/changes have been observed (increasing attention/budget/resources)?
- What are the main challenges that explain the failure to implement strategies/plans/programs/reform?

In general, countries should be able to explain how COVID-19's impacts have affected national climate action plans and identify opportunities to use those plans to support their recovery. When all these stages have been completed, the country should have a good understanding of its climate and COVID-19 profile and the gaps in the current strategies (data and policies) and can then move ahead to Step II.

STEP II

Aligning climate-COVID-19 recovery

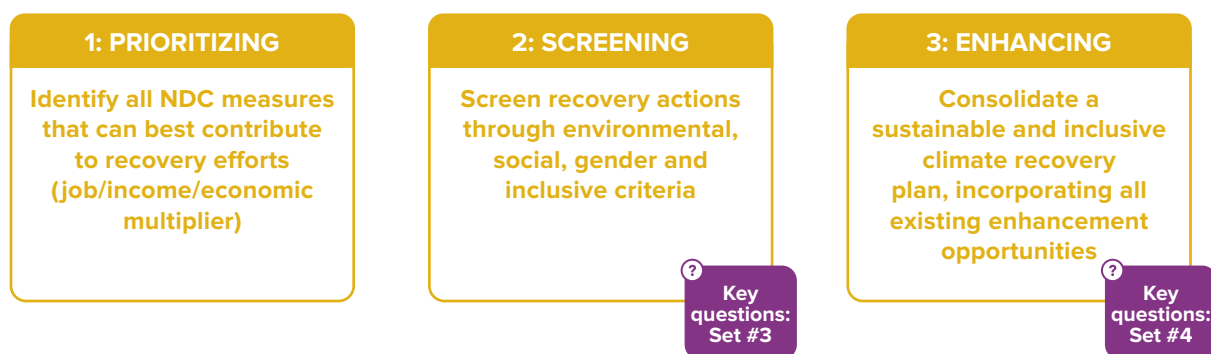
OBJECTIVE: The COVID socio-economic impacts and the recovery needs identified must be understood as offering opportunities to support climate action. Step II also enables countries to review/screen their short-term responses and long-term recovery plans to identify inconsistencies with and opportunities to advance NDC targets, decarbonization and resilience goals.

BENEFITS: The design of COVID-19 recovery plans should incorporate several considerations: the long-run economic multiplier; contributions to the productive asset base and national wealth; speed of implementation; affordability; simplicity; impacts on inequality; and other political factors.⁴ Countries will not have to start from scratch in designing these recovery measures. COVID-19 recovery plans can incorporate NDC targets and strategies, while also leveraging NDC enhancement processes, including stakeholder consultations, socio-economic and sectoral assessments, and modelling, to strengthen systems that pave the way for long-term sustainable development. Alignment allows these co-benefits to be captured. Policymakers should proactively identify potential co-benefits during policy design and select implementation measures that maximize impact. This step is critical to ensuring that: COVID-19 recovery measures support climate objectives; these recovery measures leverage the NDC development and enhancement process; and NDCs are incorporated into the realities and challenges of a COVID-19 recovery.

OUTPUTS: By the end of this process, countries should be able to assess the contribution of NDC measures and other climate actions to recovery objectives (including economic growth, job creation and social protection). Likewise, COVID-19 recovery plans can be assessed based on their contributions to environmental sustainability and social impacts.

The key milestones, tools, reports and questions associated with this step follow.

2-1. Key milestones



⁴ Hepburn, C., O'Callaghan, B., Stern, N., Stiglitz, J., and D., Zenghelis (2020). "Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?" Smith School Working Paper 20-02, Forthcoming in the Oxford Review of Economic Policy 36(S1), available at <https://www.smithschool.ox.ac.uk/publications/wpapers/workingpaper20-02.pdf>.

2-2. Tools and resources

1: PRIORITIZING

1. Green recovery benefits assessment tool (UNDP): Evaluating NDC measures against their contribution to green recovery
2. Green economy modelling tools (UNEP): Modelling is a useful tool that: (a) establishes a relationship between policy targets and relevant environmental, economic and social dimensions; (b) projects the impacts of policy measures in advance; (c) analyses the effects of existing policies; and (d) identifies synergies and cross-sectoral impacts among policy choices

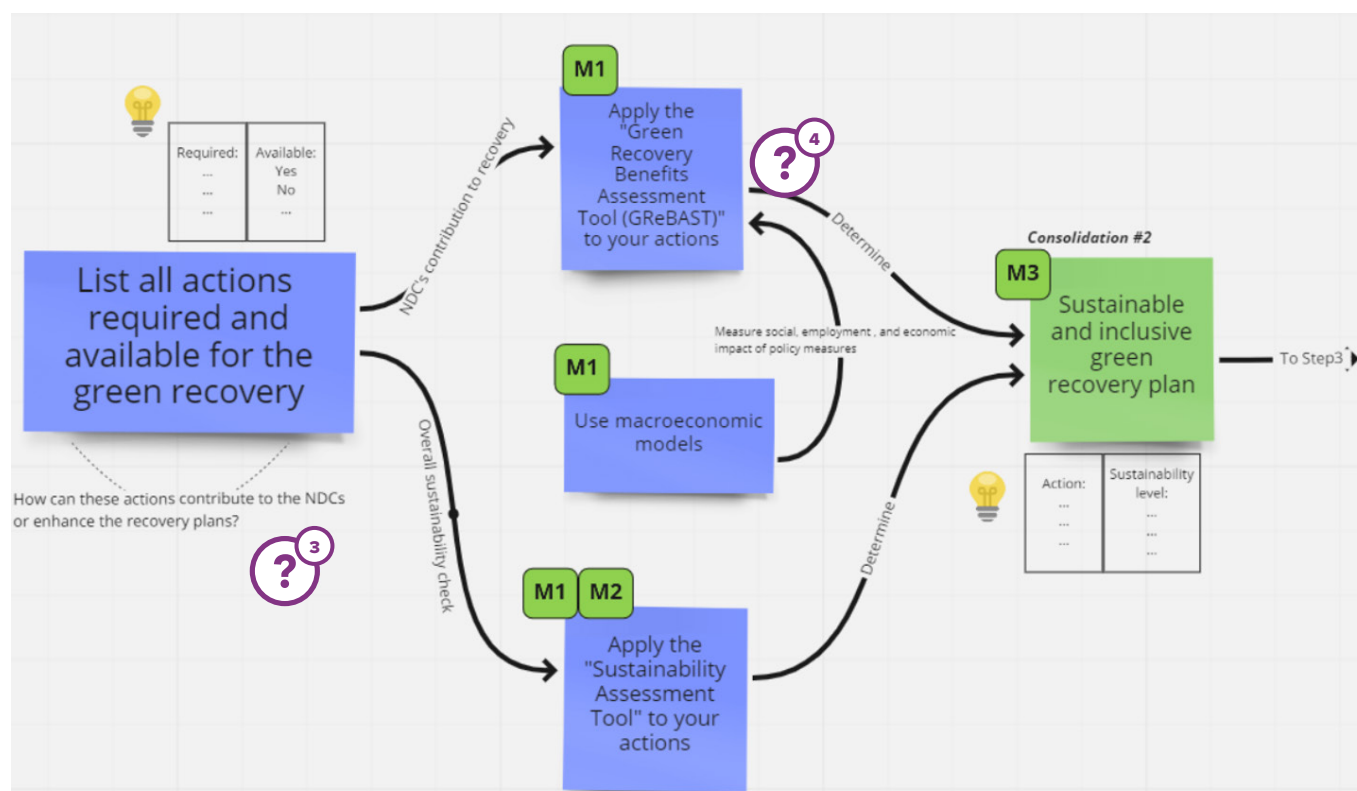
Examples of macroeconomic models

3. Green Jobs Assessment Model (ILO): A methodological approach to measure the job creation potential of NDC measures and other climate policies
4. Integrated Green Economy Modelling Framework (UNEP): This methodology integrates three of the main modelling techniques used for green economy policy assessment to refine the impact analysis of green policies and investments in the economy

2: SCREENING

5. Sustainability assessment tool: based on indicators that, when quantified, make it possible to rate the recovery measures
6. Gender Analysis and NDCs: Short Guidance for Government Stakeholders (UNDP)
7. COVID-19 Global Gender Response Tracker (UNDP)

Canvas caption - 2-3. Workflow



2-3. Navigating the workflow

A **list of concrete actions** must be identified based on the consolidated country profile document. These actions must be categorized by their economic, environmental and social impacts. The following questions should be answered.



SET 3 QUESTIONS

- What are the potential climate actions (selection criteria: “do no harm” principle or part of a climate strategy document)? Which are directly aligned with NDCs?
- What are their expected economic, social (including closing gender gaps) and environmental co-benefits?
- To what extent do the available evidences/national data and/or experiences support these actions?
- Do non-climate recovery measures have negative or positive climate consequences?

One way to enable alignment is to consider the existing NDCs and other climate strategies and identify measures that will best contribute to COVID-19 recovery efforts (for example, economic multiplier or job creation). Another way is to identify recovery measures that will contribute to climate action and that also offer an opportunity to promote gender and inclusive criteria. **The green recovery benefits assessment tool (GReBAST)** and the **sustainability assessment tool** help define priorities by assessing and weighing the extent to which actions promote sustainability (evaluated in environmental, economic and inclusive terms), each tool using its own assessment approach. For instance, the sustainability assessment tool (Box below) aims to inform indicators that can help rank the measures by their economic, environmental and social impacts. When the available data is insufficient to provide the indicators themselves, a panel of experts must discuss their content. An expert assessment process would then be used to determine an initial list of priority measures. In time, data must be produced to ensure that the actions implemented are monitored and followed up (see Steps IV and V).

- **OPTION 1:** NDC measures and other climate actions can be screened using the GReBAST. This tailor-made tool is best suited for judging the economic impacts of different climate actions (NDC measures), based on the country data available. This assists with the prioritization process.

Country example: Vietnam / Related tool: Green jobs assessment modelling

- **OPTION 2:** This involves applying the sustainability assessment tool proposed in this guidance framework. It is better suited for all types of actions (economic or climate) and for countries with less data because it operates via stakeholder assessment protocols (multi-criteria analysis). It can help to improve understanding of the economic, environmental and social co-benefits that the measures create, which also contributes to the prioritization process. NDC measures should be screened to determine which can best contribute to recovery efforts (job/income/economic multiplier). Recovery measures should be screened using environmental, social, gender and inclusive criteria.

SUSTAINABILITY ASSESSMENT TOOL

The sustainability tool is intended to support countries in selecting recovery measures that are aligned with environmental, economic (including climate) and social objectives. The tool relies on indicators that, when quantified, make it possible to rate the recovery measures. Those measures with the highest ratings are the most relevant based on the economic, environmental and social objectives that the tool considers.

The tool is appropriate for rating measures or actions, whatever their main objective. For example, it might be used to determine whether a particular recovery action (for example, increasing agricultural or energy subsidies) is consistent with the country's environmental and social objectives or whether a particular climate or social measure (for example, subsidizing renewable energy devices) has a positive impact on job creation or innovation.

As with any evaluation tool, this one relies highly on the availability of data. However, when data and previous analysis are lacking, the tool might also be used to support a stakeholders' evaluation. (In a participatory evaluation of actions, the process relies on sharing the key stakeholders' perceptions and knowledge, not on available data and statistics.)

The tool is based on indicators that can help determine the extent to which a given measure aligns with economic, environmental and social objectives. Its relevance is thus linked to the appropriate definition of objectives and selection of indicators. As the objectives may vary in importance based on national and regional specificities, the tool has been designed so that it can adapt easily to different contexts.

These two tools will help identify some of the gaps - for example, lack of data or of inclusive criteria - that must be addressed to build a sustainable, inclusive and gender-responsive recovery plan. The most relevant/sustainable climate (and NDC) actions are identified and retained for the recovery plan's implementation step. Unsustainable recovery actions are also identified and excluded.

When this **sustainable and inclusive recovery plan** has been developed, it can be supplemented by referring to general tools/documents that are already available.



SET 4 QUESTIONS

- What is the multiplier effect of these actions (benchmark comparison)?
- What are their impacts for job creation and unemployment (benchmark comparison)?
- Which impacts could be extended or anticipated?
- Do the actions address the social challenges facing the country?
- Are the actions gender responsive?
- Do the actions take into account the position of marginalized minorities (accessibility, fairness and equal rights)?
- Do the actions reduce poverty and inequalities, including gender inequalities?

When these stages have been completed, the country can move forward to Step III.

STEP III

Securing societal and political support

The pandemic has exacerbated inequality. Lower-paid workers - including the informally employed, women, immigrants, and low-skilled workers - have been hit particularly hard. Over the medium and long term, rising inflation, particularly for food prices, and pandemic-related disruptions in education may increase within-country inequality further. Guiding the global recovery towards a more equitable development path requires a comprehensive stakeholder consultation to address the specific needs of those vulnerable populations.

OBJECTIVE: To ensure participatory approaches to recovery planning that integrate, into recovery packages, the just transition principle, whole-of-society approaches, gender equality and women's leadership drawn from NDC planning and implementation. This step also aims to build a stronger case in support of a green recovery that can be presented to decision-makers and relevant stakeholders.

BENEFITS: Ensuring societal and political support through stakeholder consultation and advocacy will increase the chances of delivering key measures and achieving a just transition towards a green economy. This step also helps to identify and advocate for NDC measures that target improvements for women, youth, indigenous populations and other vulnerable groups.

OUTPUT/OUTCOMES: At this stage, all stakeholders, including key decision-makers, have been informed of the importance and benefits of a green recovery and are ready to support green recovery measures.

The key milestones, tools, reports and associated with this step are presented below.

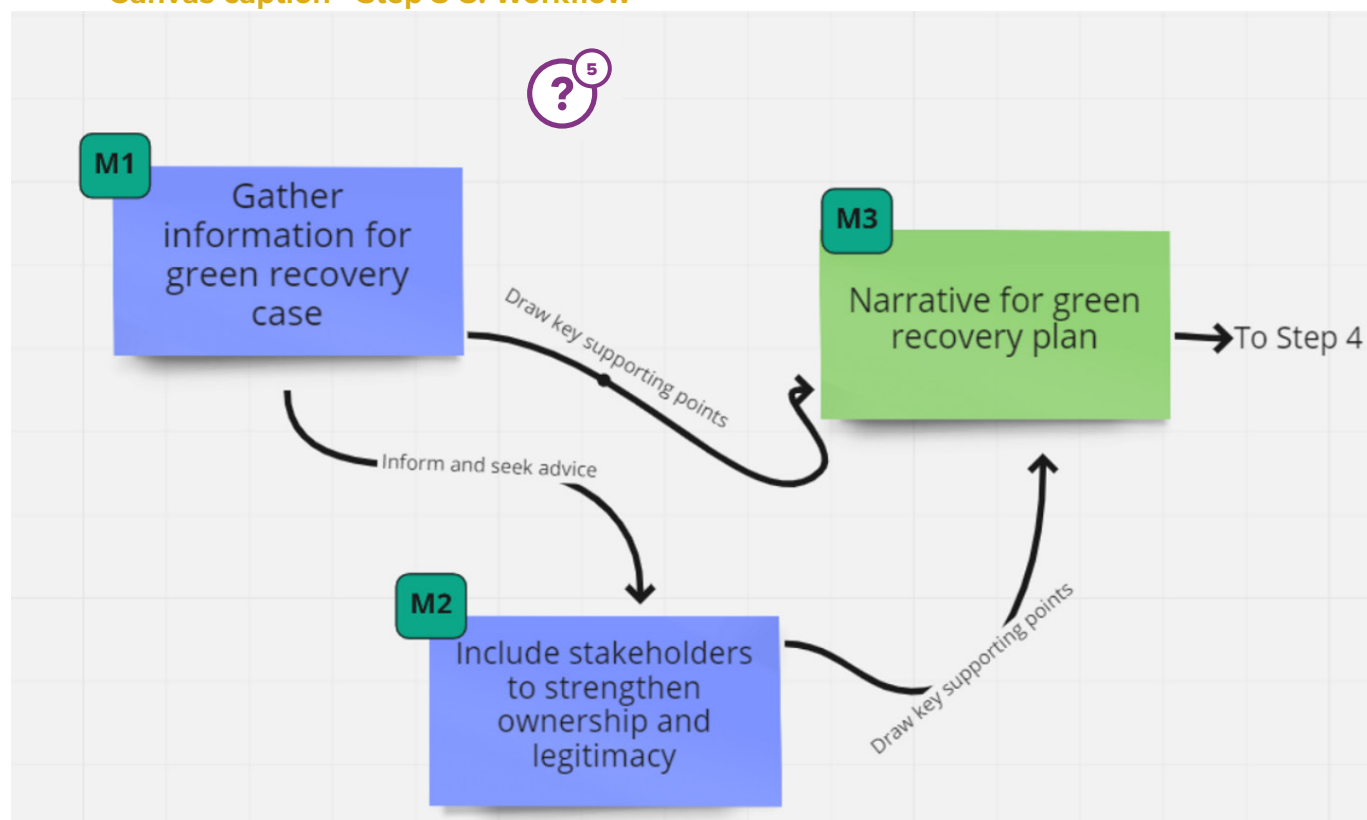
3-1. Key milestones



3-2. Tools and resources

1: MAPPING	2: CONSULTING	3: ADVOCATING
Advocacy paper in favour of green recovery 1. Building Back Better: A Sustainable, Resilient Recovery after COVID-19 (OECD) 2. Using NDCs to inform Green Recovery (UNDP)	3. Guidelines for a Just Transition (ILO) 4. Guide for Social dialogue (ILO) 5. Framework for Enhancing Gender and Poverty Integration in Climate Finance (UNDP) 6. Stockholm +50 Meeting: Guidelines for National Stakeholder Consultations (UNDP) 7. Gender Inclusion: Towards gender-inclusive recovery (OECD)	Communication tool 8. Dear World Leaders (UNDP) 9. UNDP People's Climate Vote (stakeholder engagement platform): public opinion survey on climate change

Canvas caption - Step 3-3. Workflow



3-3. Navigating the workflow

This step will support the implementation phase by consolidating the social and political acceptability of the sustainable and inclusive climate recovery plan. The first task will be to **gather information for the green recovery case**.



SET 5 QUESTIONS

- What is public opinion regarding climate change/COVID-19?
- What political obstacles might still pose obstacles to priority measures?
- What are the administrative and legal pitfalls?
- Who is engaged? Who has endorsed? Which stakeholders have contributed?
- Are actions enshrined in legal framework/law?
- Which ministry led the process?

At this stage, **the stakeholders - from civil society to social and financial partners - must be informed and their advice sought**. This consultation phase will help strengthen the implementation process by ensuring social acceptability.

An inclusive and participatory NDC enhancement process and its platforms can inform recovery decisions on just transition, inclusiveness, and gender responsiveness. Governments could use NDC stakeholder consultation platforms and review NDC measures that target improvements for women, youth, and other vulnerable groups while contributing to recovery efforts. For example, policies that target a just transition for pandemic-affected workers and communities can be built into both recovery strategies and NDCs.

WHAT IS A JUST TRANSITION AND WHY IS IT IMPORTANT IN THE CONTEXT OF GREEN RECOVERY?

The International Labour Organization explains a just transition as: “greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind (ILO). A Just Transition involves maximizing the social and economic opportunities of climate action, while minimizing and carefully managing any challenges – including through effective social dialogue among all groups impacted, and respect for fundamental labour principles and rights.”⁵

According to The Just Transition Initiative, “Examining green recovery interventions through the lens of a just transition can help assess whether systemic inequalities are being addressed, and which recovery policies can best mitigate losses and distribute gains fairly across society... A deep and complex transformation is required to achieve both social inclusion and distributive justice in responding to the urgent challenges of climate change and COVID-19 recovery. This may require fundamental changes to existing social and economic systems that are potentially incompatible with sustainable development and social equity... When policymakers have a singular focus on rapid action, there is a risk that recovery plans will create uneven benefits and costs, exclude important voices from the decision-making process, or lack a transformative approach and ambitions.”⁶

Previous reflections should generate key supporting points to **establish a supporting narrative for the green recovery package**. Key arguments in favour of a green recovery are identified in the box below and should be highlighted with country-specific data and cases (see Step I for available data and Step V for additional requirements).

A GREEN RECOVERY PACKAGE...

- can boost job creation (in comparison to fossil fuel investments) and lead to stronger economic growth on the long run;
 - favours a better return on investment and reduces financial risks;
 - benefits from strong public support (EU, South Korea, Japan, US government)
 - is timely, as scientific evidence supports the need to act now (climate and biodiversity crises). It helps preserve biodiversity, thus reducing risks to societies and economies (including future pandemics risks);
 - can improve social cohesion if linked to just transition plans, with other social co-benefits such as better health;
 - helps countries become more resilient to future crises, (especially developing countries that are often particularly vulnerable to physical and transitional climate risk); and,
 - supports green leapfrogging.
-

At the same time, **all potential pitfalls remaining** - i.e., political, legal, financial and administrative - must be identified to address the issues and delete any actions that are not feasible.

5 ILO, Just transition, “Frequently Asked Questions on just transition,” available at https://www.ilo.org/global/topics/green-jobs/WCMS_824102/lang-en/index.htm#:~:text=A%20Just%20Transition%20means%20greening,and%20leaving%20no%20one%20behind.&text=Ensuring%20a%20just%20transition%20is,at%20all%20levels%20of%20development.

6 Just Transition Initiative, “A Just Green Recovery from COVID-19,” available at https://www.climateinvestmentfunds.org/sites/cif_enc/files/knowledge-documents/justgreenrecovery_covid19.pdf.

STEP IV

Financing and implementing

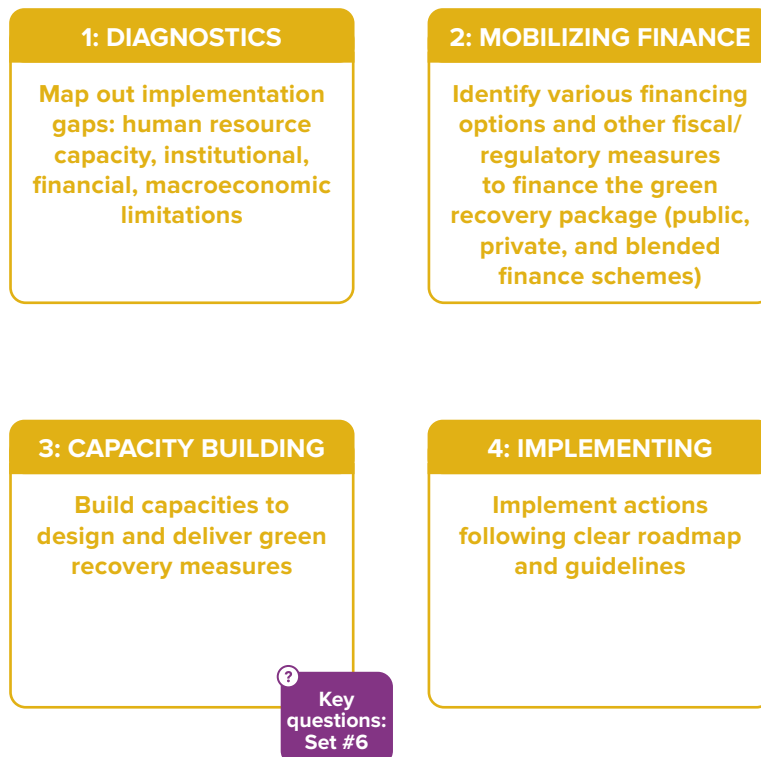
It is important to ensure that the large sums of public and private finance currently channelled into economic stimulus packages are used to put countries on net-zero emission pathways. We must also note the significant divergence between advanced economies, on the one hand, and emerging markets and developing countries, on the other, in terms of impact and capacity to respond. Not all countries have the fiscal space to act on large expansionary policies. Thus, it is important to examine NDC financial landscapes and identify gaps and opportunities to mobilize additional resources. The ongoing process of devising NDC financial strategies can inform decisions regarding how to align public finance management with green recovery and attract private finance, using climate finance management tools and fiscal policies.

OBJECTIVE: The objective of this fourth step is to ensure that enabling conditions are met so that the identified actions can be implemented in sustained fashion.

OUTPUTS/OUTCOMES: Existing tools and institutional arrangements intended to increase cooperation among stakeholders (particularly between ministries of finance and environment) and to mobilize additional resources (as required to green the recovery) must be leveraged. In addition, the implementation phase must focus on building the capacities needed to implement the recovery package through training and institutional support.

The key milestones, tools, reports and questions associated with this step follow.

4-1. Key milestones



4-2. Tools and resources

1: DIAGNOSTICS	2: MOBILIZING FINANCE
<ol style="list-style-type: none"> 1. Assessing Institutional Capacity (Assessing an institution's capacity to address climate change issues) (USAID) 2. Investment & Financial Flow Assessment: Assessing financial needs (UNDP) 3. Framework for Enhancing Gender and Poverty Integration in Climate Finance (UNDP) 	<p>Public finance management and planning</p> <ol style="list-style-type: none"> 4. Green budgeting tool (Green Budget Tagging) (OECD) 5. Climate Public Expenditure Review (Climate Public Expenditure and Institutional Review) (UNDP) 6. Climate Change Financing Framework (UNDP) 7. Integrated National Financing Framework (UNDP) 8. Resource guide for NDC finance (LEDs GP) 9. Green Procurement guidance (OECD) 10. Framework for Enhancing Gender and Poverty Integration in Climate Finance (UNDP) <p>Private finance</p> <ol style="list-style-type: none"> 11. De-risking Renewable Energy Investment (UNDP) 12. Private Climate Expenditure Review (UNDP) 13. Voluntary National Carbon Footprint Initiatives (UNDP) 14. Internationally Transferred Mitigation Options (IMTOs) and other cooperative approaches under Article 6.2 (S&P Global) <p>National climate funds</p> <ol style="list-style-type: none"> 15. Blending Climate Finance Through National Climate Funds (UNDP) <p>Fiscal policy and other regulatory measures</p> <ol style="list-style-type: none"> 16. Carbon Tax Guide: A Handbook for Policy Makers (OECD) 17. Green Recovery for Practitioners: Fiscal Policies for a Sustainable, Inclusive and Resilient Transformation (GIZ) 18. Guide to Environmentally Related Taxation for Policy Makers (OECD) 19. Green Bonds: Guidelines (ICMA) <p>Blended finance and other innovative finance</p> <ol style="list-style-type: none"> 20. Debt for Climate Swaps (CPI) 21. Carbon Payment for Development (CP4D) Facility (UNDP)

3: CAPACITY BUILDING

- 22. [Learning for a green recovery \(PAGE\)](#)
- 23. [PAGE Academy on the Green Economy \(PAGE\)](#)

4. IMPLEMENTING

Institutional arrangements

Strengthening engagement with Finance Ministers for Climate Action

- 24. [Coalition of Finance Ministers for Climate Action and Helsinki principles](#)
- 25. [Scaling up UNDP engagement with Ministries of Finance on the SDGs and Climate Action in the context of COVID-19 \(UNDP\)](#)

Implementation roadmap

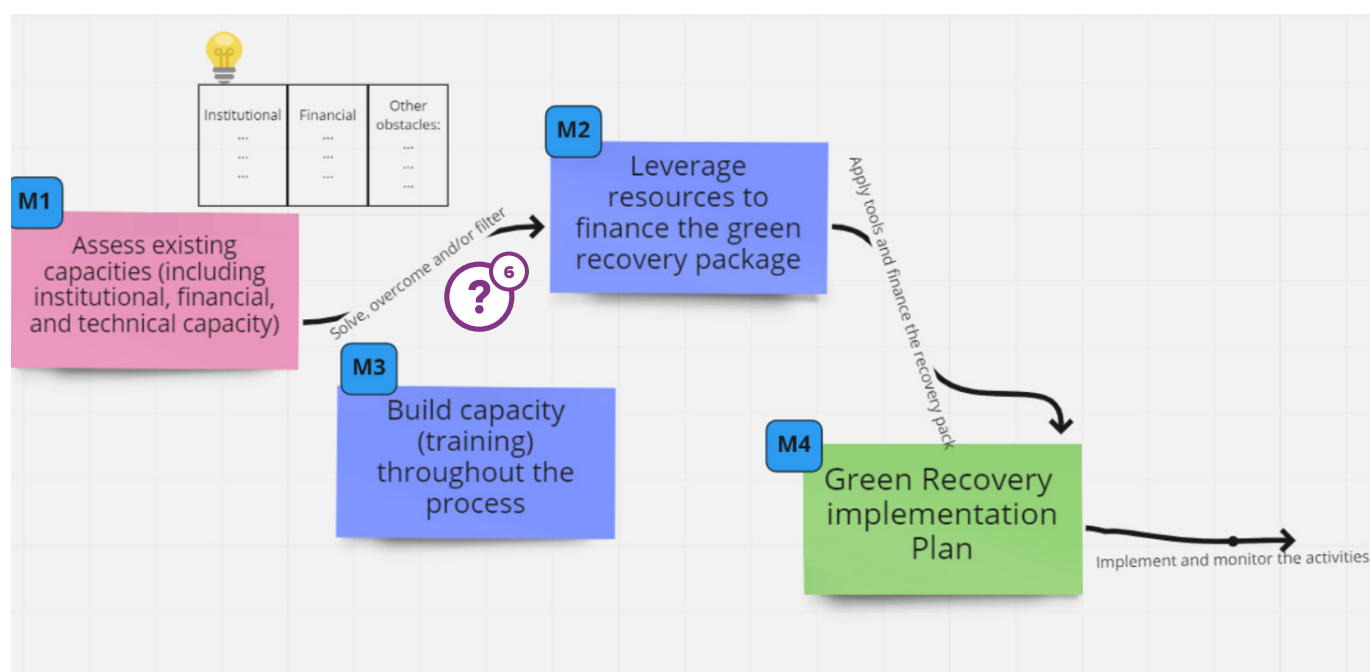
- 26. [Planning for NDC implementation: A Quick Start Guide \(CDKN\)](#)
- 27. [Implementing Nationally Determined Contributions \(NDCs\) \(UNEP DTU\)](#)
- 28. [Framework for Enhancing Gender and Poverty Integration in Climate Finance: The framework proposes the approach to integrate gender equality and poverty reduction in climate finance. \(UNDP\)](#)

Country examples

Example of NDC financing Strategy: [Kenya](#)

Example of NDC Implementation/Roadmap: [Fiji](#)

Canvas caption - 4-3. Workflow



4-3. Navigating the workflow

By the end of the third step, the remaining political, legal, financial, and administrative pitfalls have been identified. The task now is to map them so that any remaining obstacles can be solved, overcome or filtered out. Capacity assessments and country financial landscapes should be highlighted at this stage.



SET 6 QUESTIONS

- Which actions require additional resources?
- Does the human/technical capacity exist to support implementation of the planned measures?

Financial resources allowing the proper execution of measures should then be leveraged through public, private, and blended financing schemes. Methodologies for assessing the climate dimension of existing budgetary allocations (climate expenditure review) and documents identifying resources that could be mobilized for climate action and facilitating their capture have been inventoried and should be referred to at this stage (see Table 4-2).

The guidance documents below can serve that purpose:

1. Green budgeting and procurement tools

Countries can leverage NDC finance mechanisms for designing fiscal stimulus and mobilizing additional revenue. As part of the NDC enhancement process, many countries are strengthening public climate finance management systems, including by implementing green budgeting and conducting climate expenditure reviews, to assess costs and finance gaps and attract investment. Green budgeting can inform tax and recovery spending decisions. In the context of budget management systems, where it can be difficult to track how budget policy impacts cross-cutting goals, green budget tagging allows countries to identify those expenditures and revenues that help or harm efforts to meet green objectives. In addition, climate financing frameworks and investment plans already set out opportunities and strategies to mobilize resources and engage with the private sector that can be used to raise revenue for COVID-19 recovery. Likewise, NDCs that are aligned with green recovery measures are more financially viable and implementable. Public procurement⁷ is more crucial than ever, as most recovery spending will be channelled through this process. As public procurement accounts for a substantial portion of the taxpayers' money, governments are expected to carry it out efficiently and with high standards of conduct in order to ensure high quality of service delivery and safeguard the public interest.⁸ Governments should therefore integrate circular economy principles more thoroughly in their public procurement processes and should require procurement for a range of products, including energy efficient ones.

2. Private finance tools (including debt-for-climate swaps⁹ and national catalytic funds)

This involves assessing the opportunities for recovery policies, including a review of the policy, legal and financial landscape, to strengthen private climate-related investments. The private sector can be mobilized to invest in green projects with development benefits and contribute to COVID-19 recovery. Innovative financing tools, such as debt-for-climate swaps, are another example that show the alignment of NDCs and COVID-19 recovery finance. National climate funds can mobilize, pool and blend both domestic and external sources to finance climate actions.

At the same time, **key elements from the supporting narrative established previously for the green recovery package** should be leveraged to promote a **green recovery package that has political support**. This will increase the chances of obtaining the necessary finance.

Once the necessary resources have been obtained for this politically supported green recovery package, it should be implemented.

⁷ Public procurement refers to the purchase by governments and state-owned enterprises of goods, services and works.

⁸ <https://www.oecd.org/gov/public-procurement/>

⁹ Debt-for-nature swaps were developed in 1984 to limit the external debt crisis of developing countries while helping to address environmental degradation and pollution. These swaps are based on a simple mechanism: debtor nations that seek to protect their natural resources benefit from debt reduction by swapping their external obligations against programmes that protect and responsibly develop natural resources.

STEP V

Monitoring and Evaluation

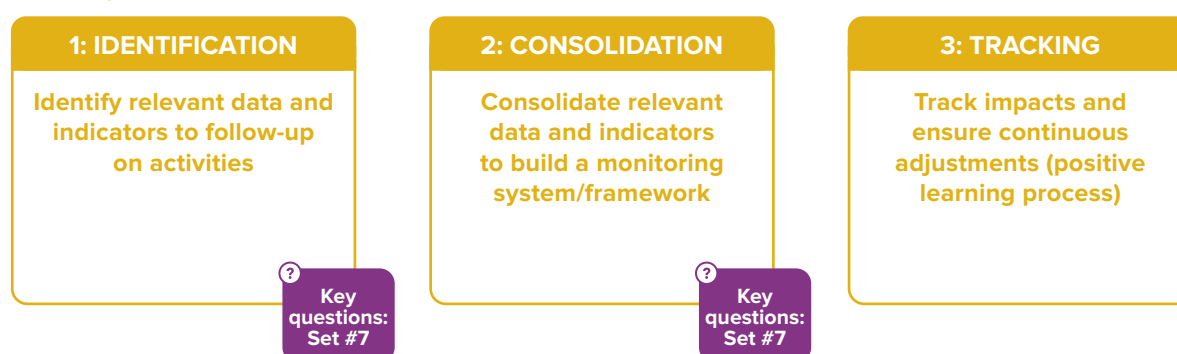
OBJECTIVE: The objective of this final step is to create a coherent monitoring system. Existing green recovery monitoring tools provide an interesting basis for identifying indicators (and key data to collect) through data points that can allow comparison of content and performance among recovery plans from different regions and countries.

BENEFITS: Building a system of indicators to track the impacts of the actions and adapt them will contribute to continuous improvement and ensure an ongoing positive learning process. In particular, identifying the measures' effectiveness, timeliness and progress will help adjust policies and (re)allocate resources. Better tracking and evaluation of and communication regarding the green recovery pathway will galvanize the needed political and societal buy-in, while allowing knowledge sharing and enhancing capacities for future reporting.

OUTPUT: A consolidated system of indicators that relies on existing metrics and indicators to evaluate the outcomes of green recovery programs.

The key milestones, tools, reports and related questions follow.

5-1. Key Milestones

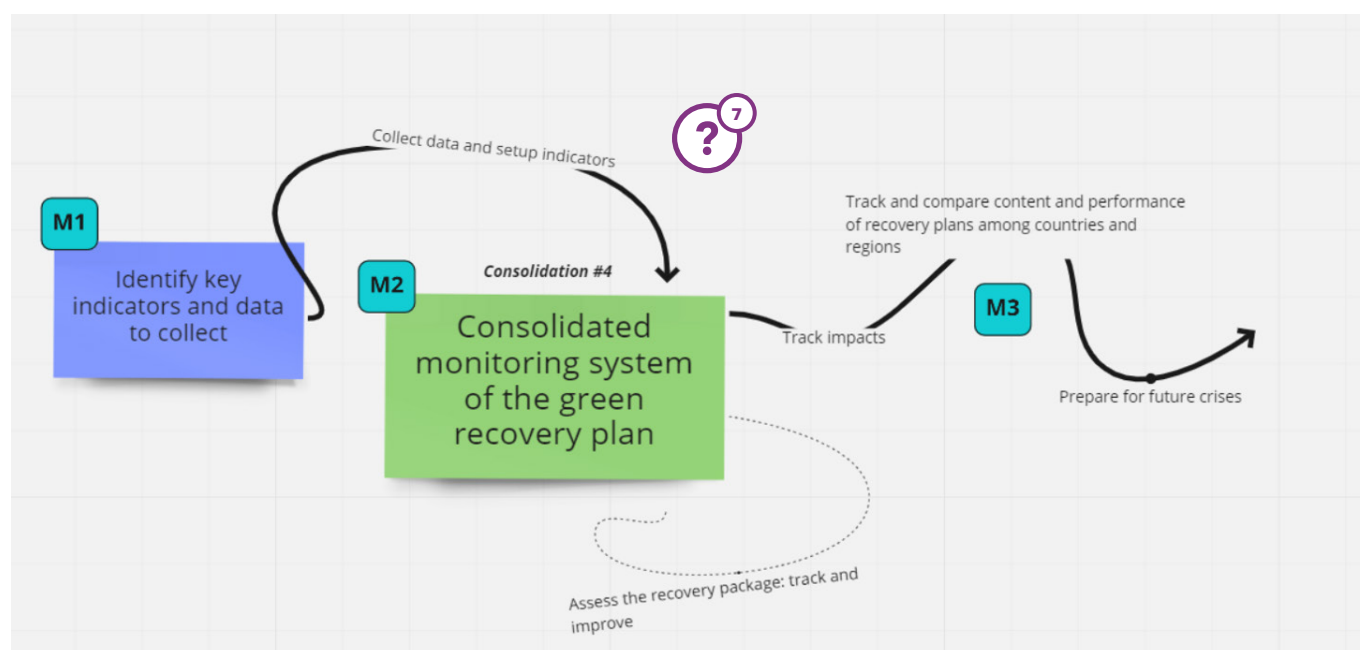


5-2. Tools and resources

1: IDENTIFICATION	2: CONSOLIDATION	3: TRACKING
<ol style="list-style-type: none">1. Tool to assess sustainability levels of measures: <u>Sustainability assessment tool</u>2. <u>Gender-responsive indicators: gender and NDC planning for Implementation (UNDP)</u>3. <u>Green Recovery theory of change and indicators (World Bank Climate Support Facility)</u>	<ol style="list-style-type: none">4. <u>The Green Economy Progress Measurement Framework Methodology (PAGE)</u>: proposes a method for measuring progress that monitors changes in key variables, taking into account global thresholds that should not be surpassed and utilizing achievable targets selected to help countries to move in the right direction through policy intervention	<ol style="list-style-type: none">6. <u>Assessment of COVID-19 stimulus by G20 countries and other major economies in relation to climate action and biodiversity goals: Greenness of Stimulus Index (GSI)</u>: The Greenness of Stimulus Index (GSI) assesses the effectiveness of the COVID-19 stimulus efforts by G20 countries and other major economies in ensuring an economic recovery that takes advantage of sustainable growth opportunities, and builds resilience through the protection of the climate and biodiversity

1: IDENTIFICATION	2: CONSOLIDATION	3: TRACKING
	<p>5. <u>Green Recovery theory of change and indicators (World Bank Climate Support Facility)</u>: This technical note supports the elaboration of the impact and outcomes narrative of green recovery. It does this by describing a theory of change for green recovery, together with impact and outcome indicators for assessing progress</p>	<p>7. <u>Green recovery theory of change and indicators (World Bank Climate Support Facility)</u></p> <p>8. <u>COVID-19 Global Gender Response Tracker</u>: The COVID-19 Global Gender Response Tracker monitors responses taken by governments worldwide to tackle the pandemic, and highlights those that have integrated a gender lens. It captures two types of government responses: women's participation in COVID-19 task forces and national policy measures taken by governments</p>

Canvas caption - 5-3. Workflow



5-3. Navigating the workflow

Relevant indicators for assessing the performance of recovery packages must be identified. The green recovery theory of change (ToC), prepared by the Technical Working Group (TWG)¹⁰ on green recovery monitoring and evaluation, offers a M&E framework for achieving a green recovery from the global COVID-19 pandemic (see Figure 1). It starts by identifying the long-term goal, together with the intended impacts. Both the goal and impacts are set as national objectives to which international partners can

¹⁰ The Climate Support Facility (CSF) is a multi-donor trust fund managed by the World Bank's Climate Change Group. The CSF has two strategic priorities, including a Green Recovery Initiative (GRI) that aims to help countries build a low-carbon, climate-resilient recovery from COVID-19. The facility has created a technical working group (TWG) on green recovery M&E to support knowledge development for the robust M&E of green recovery efforts.

contribute. The outcomes and outputs then relate, with increasing granularity and definition, to agency-supported activities. Data points that enable comparison of content among countries and/or regions should be gathered and filtered. Once this is achieved, additional/lacking **key data should be identified and collected** to **consolidate a full monitoring system of the green recovery package**.

The data collection process requires time and structure. However, timeliness is key, which may require taking certain shortcuts, including using proxy data. There may be ways to link to the sustainability assessment tool (Step II), as it offers a template to define indicators for the economic, environmental and social dimensions of each action/measure.

The recovery package itself - including the process of building and implementing the package - must also be assessed.

At the same time, **capacity building must be addressed** through training and resource deployment (see also Step IV). This will contribute to continuous improvement and ensure a constant positive learning loop.

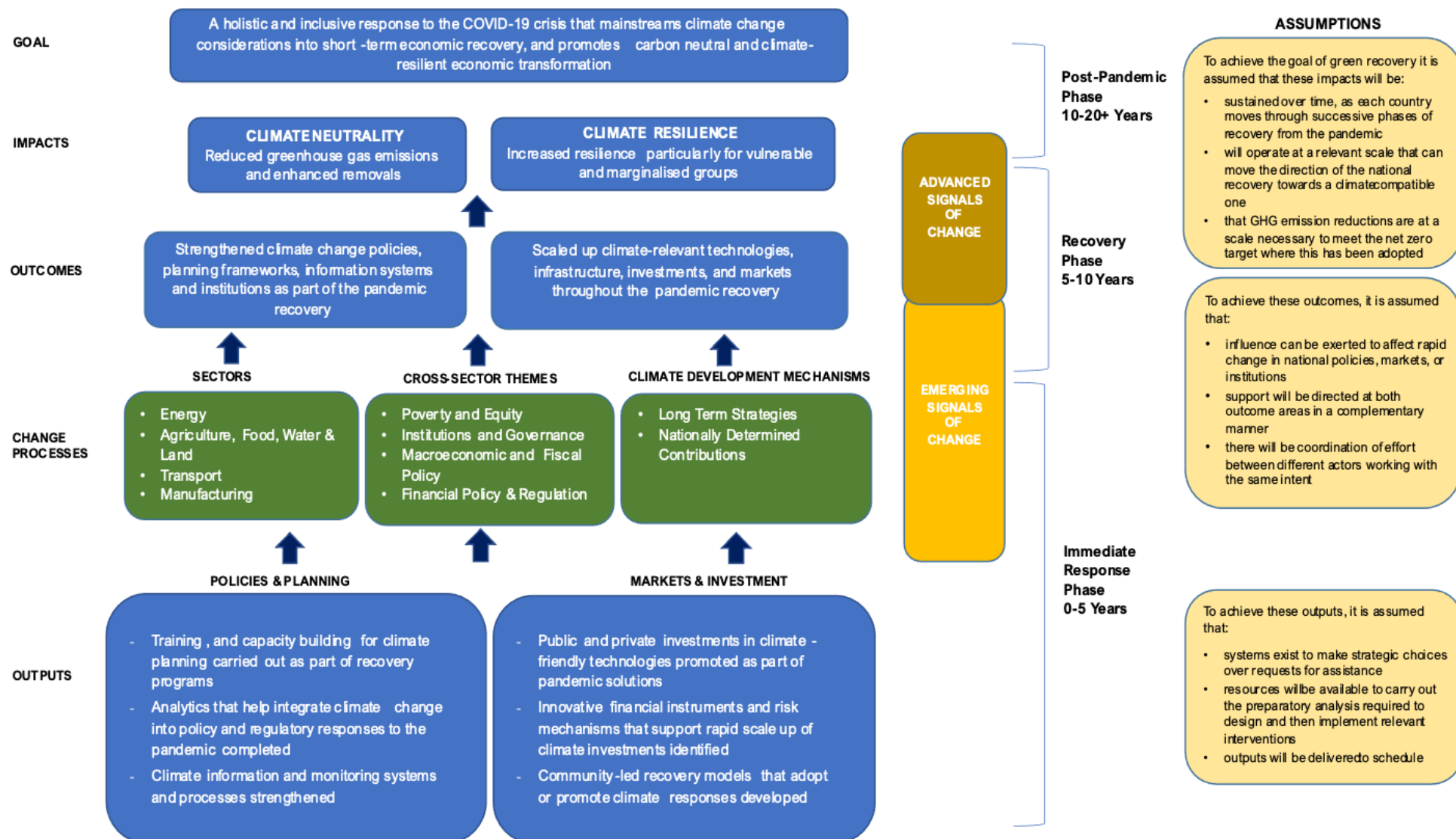


SET 7 QUESTIONS

- Do sufficient monitoring indicators exist to assess the climate-development impacts of actions/policies?
- Is a monitoring/reporting/verification system in place?
- How do these relate? How do they address the issues/recommendations outlined above? How do we ensure they are not running in parallel?

A robust approach at this final step will help improve the management of future crises and lay the groundwork for a green economy transition.

Figure 1. Green Recovery Theory of Change (Example)



Climate Promise

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