UNITED NATIONS DEVELOPMENT PROGRAMME

# NDC Insights Series



Issue No. 1

### February 2025



#### **About UNDP**

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet. Learn more at <u>undp.org</u> or follow at <u>@UNDP</u>.

#### **About UNDP's Climate Promise**

UNDP's Climate Promise is the UN system's largest portfolio of support on climate action, working with more than 140 countries and territories and directly benefiting 37 million people. This portfolio implements over US\$2.3 billion in grant financing and draws on UNDP's expertise in adaptation, mitigation, carbon markets, climate and forests, and climate strategies and policy. Visit our website at <u>climatepromise.undp.org</u> and follow us at <u>@UNDPClimate</u>.

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### Latest trends and insights

Despite geopolitical headwinds, momentum continues to build on NDCs globally, with most countries showing commitment to high-quality submissions ahead of COP30, and a few champions already emerging. The following updates illustrate the current progress on NDCs globally, with more details shared further in the document.



#### 18 NDCs submitted to date, with more to come

As of 28 February 2025, **18 countries** have submitted their new national climate pledges, or Nationally Determined Contributions (NDC), for the 2025 cycle under the Paris Agreement, including **five G20 countries**, **five Small Island Developing States (SIDS)** and **two BRICS**. Momentum continues to build, with 90% of countries still planning to submit this year and demonstrating commitment to delivering high-quality NDCs that recognize the economic opportunities and development benefits of ambitious climate action.



#### NDCs are expanding to align with the Global Stocktake

Developing countries largely remain committed to robust NDCs, building on the previous NDC, and expanding scope and engagement to align with the Global Stocktake (GST). Over 30 UN Agencies have come together to support developing countries through the Climate Promise 2025. In 115 countries, UNDP is the technical lead, bringing together UN expertise from across the system to provide joint support to partners.



### Emerging trend: Countries are integrating climate and nature through their NDC processes

NDCs are being leveraged to align biodiversity and climate targets and policies – these synergies can unlock mutual progress towards achieving the targets of the Paris Agreement and the Montreal-Kunming Global Biodiversity Framework. UNDP is supporting at least **35 countries** to deliver this policy coherence and alignment.



#### **Country spotlight**

**Uruguay:** Renewable energy champion setting a new benchmark for an ambitious, high-quality NDC that integrates nature and sustainable finance. Uruguay is already advancing climate and nature integration through state financing, issuing sustainability-linked bonds, advancing tax policies, and establishing a dedicated climate and nature fund.

**Ecuador:** Setting its first economy-wide greenhouse gas (GHG) target, featuring circular economy, sustainable mobility and integration of climate and nature through a REDD+ (Reducing Emissions from Deforestation and Forest Degradation) approach

# **NDC** submission status

On the eve of the 10<sup>th</sup> anniversary of the Paris Agreement, countries' new national climate pledges, or NDCs, will provide a critical test for whether the world is on track to limit global temperature rise to 1.5°C. As of the official UNFCCC formal submission deadline (10 February 2025), only 13 countries put forward their NDC, with five more submitted by the end of February.<sup>1</sup> However, the momentum has increased over the past ten months – up from around two-third of parties signaling intent to submit a new NDC this year to now 90 percent of parties. This trend demonstrates continued commitment to the Paris Agreement and recognition of the economic and development opportunities associated with ambitious climate action. While some countries are facing delays due to shifts in government leadership, many are taking time to ensure they put forward high-quality, robust and ambitious plans rather than rushing to meet the early deadline. The cut-off date for inclusion in the UNFCCC's annual NDC synthesis report is September 2025.

Analysis of the **18 NDCs submitted to date** reveal a few key observations:

- SIDS continue to lead by example, demonstrating commitment to climate ambition, such as the Marshall Islands and St. Lucia.
- Viable pathways for ambition in emerging economies and oil-producing countries are demonstrated in new pledges from Brazil and the United Arab Emirates.
- New NDCs from major economies present mixed levels of ambition. While the UK set an ambitious benchmark well before the formal February deadline, Canada and Japan, along with other developed nations like New Zealand, could have delivered greater ambition given their historic responsibility and/or economic capabilities. The US's submission is largely symbolic due to their official withdrawal from the Paris Agreement post-submission. Many are keeping a close eye on major economies like Australia, the EU and China, that have yet to submit their new NDCs, and opportunities for countries to revise and resubmit more ambitious pledges before COP30.

## Insights from Climate Promise 2025:

NDC preparation in developing countries

Direct engagement with developing countries on their NDC preparation reveals both challenges and opportunities with the process. Achieving a meaningful and comprehensive process of developing these plans, including securing stakeholder buy-in and identifying opportunities for implementation, is challenging for all countries, especially those with more limited capacity and resources. At the same time, many are using the NDC process to mobilize key actors – both within government and outside – to help define national climate priorities and viable pathways that limit warming, strengthen resilience and drive economic and social development.

**Many countries are taking stock** of implementation progress of their current NDC to identify gaps and opportunities to raise ambition and enhance action in their new NDC. This includes linking NDC processes to the ongoing finalization of **Biennial Transparency Reports** (BTRs) and strengthened Monitoring, Reporting and Verification (MRV) systems. This further highlights the strong connection most countries see between raising ambition and accelerating implementation, and the need to pursue both simultaneously. Many countries are ensuring NDC preparation processes embed efforts for **improving feasibility for implementation**, for example, through better costing and financial gap assessment, and by identifying financial instruments and investment opportunities, including carbon market mechanisms.

Aligned to the guidance from the first <u>Global Stocktake</u>, most countries aim to cover all sectors and GHG gases to deliver an **economy-wide GHG emission reduction**, while maintaining a strong focus on enhancing adaptation and resilience, particularly by **aligning with National Adaptation Plan (NAP) processes**. There is also an increasing trend in countries assessing technical and financial needs related to **loss and damage**. Another strong focus of many NDC preparation processes is enhanced **gender equality and social inclusion**, with efforts to undertake targeted analyses, and whole-of-society stakeholder engagement. Mandated by the <u>UN Secretary-General</u>, and leveraging the <u>Climate Promise</u> <u>2025</u>, the UN system has come together to support developing countries. UNDP is leading this process, bringing together **over 30 UN agencies** to provide support to countries as they prepare their new NDCs. This provides an opportunity to bring diverse expertise and stakeholders working on a range of themes – from trade to humanitarian issues, health to agriculture, climate data to peace and security – to enhance the quality and robustness of NDCs. UN Country Teams across 115 countries have been mobilized to streamline joint support to governments, coordinated through the Resident Coordination Offices (RCOs) and with technical facilitation through UNDP Country Offices. **UNDP is directly supporting 82 countries (including three G20, 21 Least Developed Countries (LDCs) and 17 SIDS)** as a contribution to the UN system effort and as an active member of the NDC Partnership.

## **Emerging trend:**

NDCs as a vehicle to align biodiversity and climate targets

The case for integrating nature and climate action is clear. Nature offers substantial climate mitigation potential and can significantly reduce climate risks. At the same time, social and economic development, poverty eradication, food production and human rights protection are all contingent upon stable biogeochemical conditions and respecting planetary boundaries. Α nature-positive economy also presents huge economic opportunities and job creation.

- Nature-based solutions can deliver a 26 percent reduction in the intensity of climate and weather-related hazards and provide cost savings of at least US\$104 billion in 2030 and \$393 billion in 2050.<sup>2</sup>
- Nature-positive transitions can generate up to \$10.1trillion in annual business value and create 395 million jobs by 2030.<sup>3</sup>
- Every dollar spent on ecological restoration can generate up to \$30 in economic benefits.<sup>4</sup>

Integrating nature into the heart of the Paris Agreement and ensuring climate considerations inform the Kunming-Montreal Global Biodiversity Framework (GBF) is essential. Decarbonization must be coupled with inclusive conservation and ecosystem management to achieve the Paris Agreement goals and the Sustainable Development Goals.

Through UNDP's support to NDC preparation, **35 countries are making a focused effort to link climate and nature in their new NDC targets and measures.** This number is expected to grow as consultations on NDC support under the Climate Promise 2025 are finalized.

Insights from experience has highlighted several entry points where NDC preparation processes can further strengthen climate-nature linkages, leading to higher ambition and better quality of NDCs.

# **O1 NDC** implementation stocktakes identifying gaps and opportunities for coherence

Analyzing progress on land use, forestry, biodiversity and ecosystems within both mitigation and adaptation components offers insights for simultaneously strengthening and aligning climate and biodiversity targets. For example, **Ghana** has undertaken an assessment as part of the NDC stocktake to review progress and implementation of nature and biodiversity targets and measures, including REDD+.

# Assessment of sectoral target 02 alignment through digital tools

Countries are increasingly using digital tools, including artificial intelligence (Al), to understand alignment gaps between climate and nature targets. **The Dominican Republic** plans to use a human-centered Al tool, supported by UNDP, to identify overlapping priorities and objectives within nature and climate targets, resulting in recommendations for increased alignment and the identification of nature-based solutions.

# **03** Analysis and target setting that aligns biodiversity, land and climate policy instruments

More than 30 countries are working towards coherence across the three Rio conventions (climate, biodiversity and desertification), ensuring alignment between NDCs, National Biodiversity Strategies and Action Plans (NBSAPs) and Land Degradation Neutrality (LDN) commitments. **Colombia** continues to champion its leadership in climate and nature integration to ensure greater alignment of its new NDC with its NBSAP and LDN. **Panama** is also aiming for integrating climate, nature and land degradation commitments in its new NDC, by identifying synergies in key areas such as ecosystem restoration and forest protection.

#### **O4** MRV systems to align climate and nature

Some countries are leveraging the review and strengthening of MRV systems or monitoring and evaluation frameworks to promote climate-nature linkages. In this sense, countries can articulate MRV for climate with the national biodiversity-focused monitoring frameworks such as the Global Biodiversity Information Facility, to enhance coherence between climate and biodiversity reporting. In its review of its GHG inventory and MRV system, **Tanzania** is aligning projected ambition with identified nature-based solutions and targets.

#### Financing instruments for better coherence 05

Countries are identifying financing needs and exploring instruments and resource mobilization opportunities for NDC implementation that focus on nature. Sovereign bonds, carbon markets, and blended finance, can play a role in scaling up nature-based solutions within NDC implementation. **Guatemala** plans to design and implement financial solutions and mechanisms supporting both biodiversity conservation and climate change mitigation and adaptation efforts, while **Cuba** will examine financing options through blue carbon mechanisms.

### **06** Stakeholder engagement to maximize synergies

Several countries target actors leading or actively engaged in nature-related policy and planning processes as part of NDC processes. In **Jordan**, consultations on NDC progress related to land, water and biodiversity sectors will directly engage government officials that lead the development, implementation and reporting of the NBSAP. **Sri Lanka** is faciliating a dialogue among the CBD, UNCCD, and UNFCCC focal points to identify common priorities and entry points for integrated work and collaboration on climate and nature linkages.

### Gender and social inclusion 07

Countries are using a gender and social inclusion lens to link climate and nature. **Uzbekistan** has identified women's grassroots organizations, Indigenous Peoples and local communities as key advocates for nature and climate linkages and is ensuring their meaningful contributions inform the development of NDC targets and policy measures for mitigation and adaptation sectors.

## **Country spotlight: Uruguay**

Renewable energy champion setting a new benchmark for an ambitious, high-quality NDC that integrates nature and sustainable finance



Uruguay's <u>third NDC</u> shows notable progression compared to its second NDC, reaffirming its commitment to net-zero emissions by 2050. This NDC includes an economy-wide absolute emissions cap in 2035 for each GHG and ensures emissions peak at or below this level, reflecting the highest achievable ambition given national circumstances. While targets for carbon dioxide ( $CO_2$ ), methane ( $CH_4$ ), and nitrous oxide ( $N_2O$ ) remain the same, the hydrofluorocarbon (HFC) reduction target has tripled to 30 percent by 2035 (from 10 percent by 2030), compared to a 2020-2022 baseline.

**Responding to the first Global Stocktake and to the need to a transition away from fossil fuels in line with 1.5°C pathways**, Uruguay emphasizes its leadership in renewable energy, having achieved **94 percent renewable electricity generation** (2017-2023), surpassing IRENA's global projection of 91 percent by 2050.<sup>6</sup> Uruguay also sets specific targets for the livestock and land use and forestry sectors, alongside measures for all sectors including sustainable mobility and methane intensity reduction in agriculture and food production.

Uruguay has updated its adaptation targets for 2035, while maintaining the objectives from its Second Adaptation Communication and accelerating progress in implementing its sectoral NAPs for coastal zones, cities, agriculture, health and energy. The third NDC **strongly aligns climate action with biodiversity conservation as evidenced by its convergence with the NBSAP.** It incorporates ecosystem-based approaches and biodiversity considerations into financial instruments such as the Sovereign Sustainability-Linked Bond. The new NDC underscores Uruguay's continued commitment to **gender equality, social inclusion and just transition,** contributing to **the sustainable development agenda**.

To support implementation, Uruguay is developing **sectoral roadmaps to guide investments** and has **integrated climate considerations into state financing instruments**, including issuing its <u>first</u> <u>Climate Change Sovereign Sustainability-Linked Bond</u> and advancing **tax policies**. A **Climate and Nature Fund** is also being established.

**Uruguay's third NDC benefited from a strong partnership and UN system support.** UN agencies, including UNICEF, UN Women, FAO, IOM, UNIDO and WHO, contributed valuable expertise in areas such as youth engagement, agriculture, migration, industry and health. **UNDP played a key role** in providing technical support for key assessments, gender integration, inclusive stakeholder engagement, and climate integration into economic policy and financial instruments such as the <u>Sovereign Sustainability-Linked Bond</u>. UNDP also supported the integration of circular economy actions and assessing readiness for carbon markets under Article 6.2 of the Paris Agreement. **UNDP will continue to support Uruguay to implement its climate policies and measures outlined in the third NDC through the Climate Promise and related initiatives**.

### **Country spotlight: Ecuador**

Setting its first economy-wide GHG target, featuring circular economy, sustainable mobility and integrating nature through its REDD+ results-based finance



Ecuador's <u>second NDC</u> includes for the first time an economy-wide GHG target, covering all sectors and GHG gases. Ecuador commits to an unconditional GHG emission reduction of 7 percent (8,800ktCo<sub>2</sub>eq) and an additional conditional reduction of 8 percent (10,600ktCO<sub>2</sub>eq) by 2035 against business-as-usual scenario. The new NDC includes a new gas – HFC – and has expanded sectoral coverage, aligning with the long-term decarbonization strategy 2070.

Ecuador commits to maintaining its relatively ambitious achievement at well over 80 percent of renewable energy share. Addressing energy security challenges caused by recent severe droughts is a priority, with plans to diversify its renewable sources including hydroelectricity (currently at just 2 percent). Promoting energy efficiency, especially in the transport sector, is also a high priority. The new NDC has strengthened nature integration through its national REDD+ results-based finance and promotes a nature-positive economy through circular economy and sustainable mobility. Adaptation measures have been enhanced with the inclusion of a national vision for the health sector and a specific section for the Galapagos, along with updated information on impacts, risks, and vulnerabilities. Energy efficiency projects are prioritized to ensure the resilience of the energy sector and needs and priorities on loss and damage are elaborated. The NDC effectively integrates gender, social inclusion, intergenerational and intercultural approaches, in line with national strategies.

Ecuador's second NDC demonstrates **stronger quality and clarity** through improved methodologies and modelling for each sector, as well as transparent progress reporting **aligned with the Enhanced Transparency Framework**. The emission reduction target reflects the country's social, economic, and productive characteristics, integrating short, medium, and long-term actions.

Improved feasibility is evident in the fully costed NDC, totaling US\$6.5 billion (27 percent unconditional and 73 percent conditional), which is the first time such costing has been undertaken. The new NDC also identifies carbon market opportunities under Article 6. The development of the Ecuador's second NDC showcases the UN system's valuable support under the Climate Promise. UNDP played a key role in providing technical assistance and coordinating UN entities like FAO, UNICEF, UNIDO, WHO, IOM, and UNHCR in close collaboration with the RCO.

### Endnotes

- The 18 submissions include: Andorra, Brazil, Canada, Cuba, Ecuador, Japan, Maldives, Marshall Islands, Montenegro, New Zealand, Saint Lucia, Singapore, Switzerland, United Kingdom, United Arab Emirates, Uruguay, United States of America and Zimbabwe. The UNFCCC tracks new NDC submissions for the 2025 cycle on a dedicated <u>NDC 3.0 page</u>.
- 2. IFRC and WWF (2022), Working With Nature to Protect People.
- 3. Nature-positive transitions across three socio-economic systems covering a third of the global economy and twothirds of all jobs: i) food, land and ocean use; ii) infrastructure and the built environment; and iii) extractives and energy. World Economic Forum (2020), <u>New Nature Economy Report II: The Future Of Nature And Business</u>.
- 4. FAO and UNEP (2021), <u>Becoming #GenerationRestoration: Ecosystem Restoration for People, Nature and Climate</u>.
- 5.NBSAPs refer to those under the <u>Kunming-Montreal Global Biodiversity Framework</u> and LDN commitments are national voluntary targets set under the <u>UN Convention to Combat Land Desertification</u>.
- 6. IRENA (2023), World Energy Transitions Outlook 2023: 1.5°C Pathway.



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