SNAPSHOT LEAST DEVELOPED COUNTRIES (LDCs)



THE STATE OF CLIMATE AMBITION

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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.

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INTRODUCTION

<u>Least developed countries</u> (LDCs) are low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and can have limited levels of human assets

Globally there are currently 46 countries¹ recognized as part of the LDC group – 30 in Africa, four in the Arab States, 11 in Asia and the Pacific, and one in the Caribbean region – collectively constituting around 880 million people, or 12 percent of the world population. Eight are Small Island Developing States (SIDS).

Despite only accounting for 3.3 percent of global greenhouse gas (GHG) emissions,² LDCs face some of the greatest impacts from climate change. This is reflected in the fact that over the past half-century, more than two-thirds of deaths worldwide caused by climate-related disasters occurred in LDCs (IIED, 2021).

LDCs are particularly vulnerable to climate change by nature of their geographic location, economic structure and labor market composition, and limited adaptive capacity (ILO, 2022). Many LDC's economic activity is based in primary sectors, such as agriculture, making them particularly dependent on stable climate conditions. A changing and unreliable climate coupled with a lack of production and export diversification increases LDC's vulnerability to external shocks, trade imbalances, and the accumulation of external debt (ILO, 2022). Notably, almost half of LDCs have active conflicts, underscoring the interconnectedness of peace, social justice, and the environment (ILO, 2022). This complex context means LDCs have challenges accessing dedicated international support measures such as preferential market access and development finance instruments, limiting their ability to effectively mitigate and adapt to climate change (UN-OHRLLS, 2021).

SIDS that are LDCs face particular challenges, battling more frequent and intense extreme weather events but also slow onset impacts because of sea level rise.

Recognizing the risks, LDCs and SIDS are working together to prioritize climate action and advocate on the world stage for common challenges, such as their heightened vulnerability to climate change impacts.

Relative to their size and number, their influence is considerable. The UN Secretary General's recent <u>call</u> for financing Loss and Damage (L&D), at the 2022 Petersburg Climate Conference in Germany, was a significant success by the LDC group together with SIDS

In the lead-up to COP27, the LDC group developed the <u>Dakar LDC Ministerial Declaration on Climate Change</u>. This declaration reiterates common and agreed positions of LDCs on a variety of climate related themes including adaptation, L&D, finance, capacity building needs, and gender.

At COP27, as a direct result of SIDS' and LDCs' efforts to continuously advocate for action and funding to address L&D, a new L&D fund was established, as part of new and/or strengthened funding arrangements for L&D. Recommendations for operationalization of the new fund will be submitted by a Transitional Committee by COP28.

Highlighting the importance of adaptation in LDCs, some countries have joined the global <u>Adaptation</u> <u>Action Coalition</u>, which aims to accelerate action to achieve a climate-resilient world by 2030.

Meanwhile, more than a dozen LDCs are represented in the <u>Coalition of Finance Ministers for Climate Action</u> – showing high-level leadership and commitment to promote national climate action through fiscal policy and financing solutions.

than 50% of the world's extremely poor and just 1.3% of the world total economy.

UNCTAD, 2020

The <u>Least Developed Countries Expert Group</u> (LEG), established in 2001, provides technical guidance and support to LDCs on the formulation and implementation of National Adaptation Plans (NAPs), National Adaptation Programmes of Action (NAPAs), and the implementation of the <u>LDC Work Programme</u>.

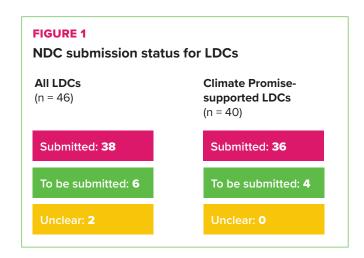
Many LDCs have set ambitious emissions-reduction targets in their NDCs. However, limited capacity and constrained resources present challenges to ensuring a just and sustainable transition and to building resilience to their disproportionate exposure to climate change impacts.

The analysis below provides insights of the LDC group 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



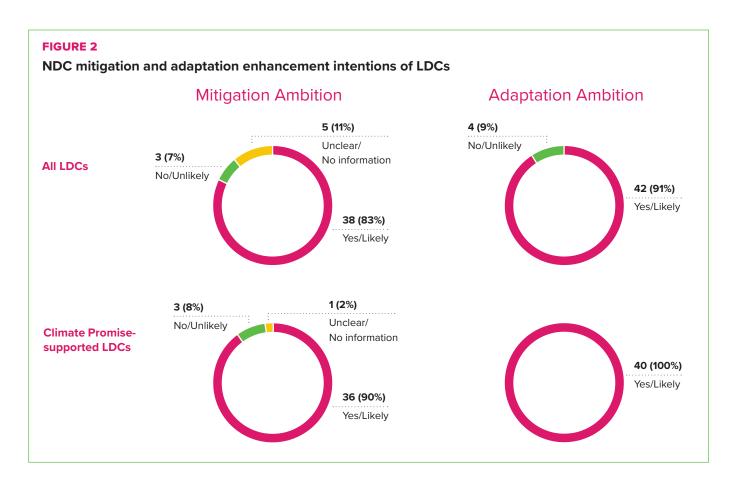
Of the world's 46 LDCs, 40 (87 percent)³ received support through UNDP's Climate Promise to prepare second-generation NDCs.

Of these, 36 (90 percent) had submitted enhanced NDCs as of 19 December 2022 (including an interim NDC from **Togo**) (Figure 1). Four Climate Promise-supported countries (**Afghanistan**, **Kiribati**, **Lesotho**, and **Madagascar**) plan to submit updated NDCs in 2023.

NDC AMBITION INTENTIONS

All 40 Climate Promise-supported countries (100 percent) that submitted or plan to submit their revised NDC are enhancing the adaptation component – an obvious and critical priority given LDC's increased vulnerability to climate change impacts and their socioeconomic status.

Commendably, 90 percent of Climate Promisesupported countries, despite their insignificant historical contribution to GHG emissions, are also raising their mitigation ambition (Figure 2). This is higher than the overall group of LDCs, of which 83 percent are raising mitigation ambition.





As seen in Figure 3, the most common means by which LDCs raise mitigation ambition is adding new mitigation sectors or increasing scope within sectors featured in their initial NDCs (94 percent) followed by increasing their GHG emission reduction targets (86 percent).

Noticeably, 78 percent of Climate Promise-supported countries increased the scope of their *unconditional* mitigation targets, signaling stronger national support to plan for and finance mitigation action.

In terms of adaptation, almost all Climate Promisesupported LDCs aligned their adaptation targets to National Adaptation Planning (NAP) processes (97 percent) while most increased the scope and sectors for adaptation (94 percent). The other key pathway being undertaken is to define clear adaptation objectives (92 percent). Only 42 percent cover all GHGs or add new ones for mitigation and similarly, only 42 percent include quantitative or qualitative targets for adaptation, implying these could be entry points for further enhancement of ambition in future NDCs.

FIGURE 3

15 (42%)

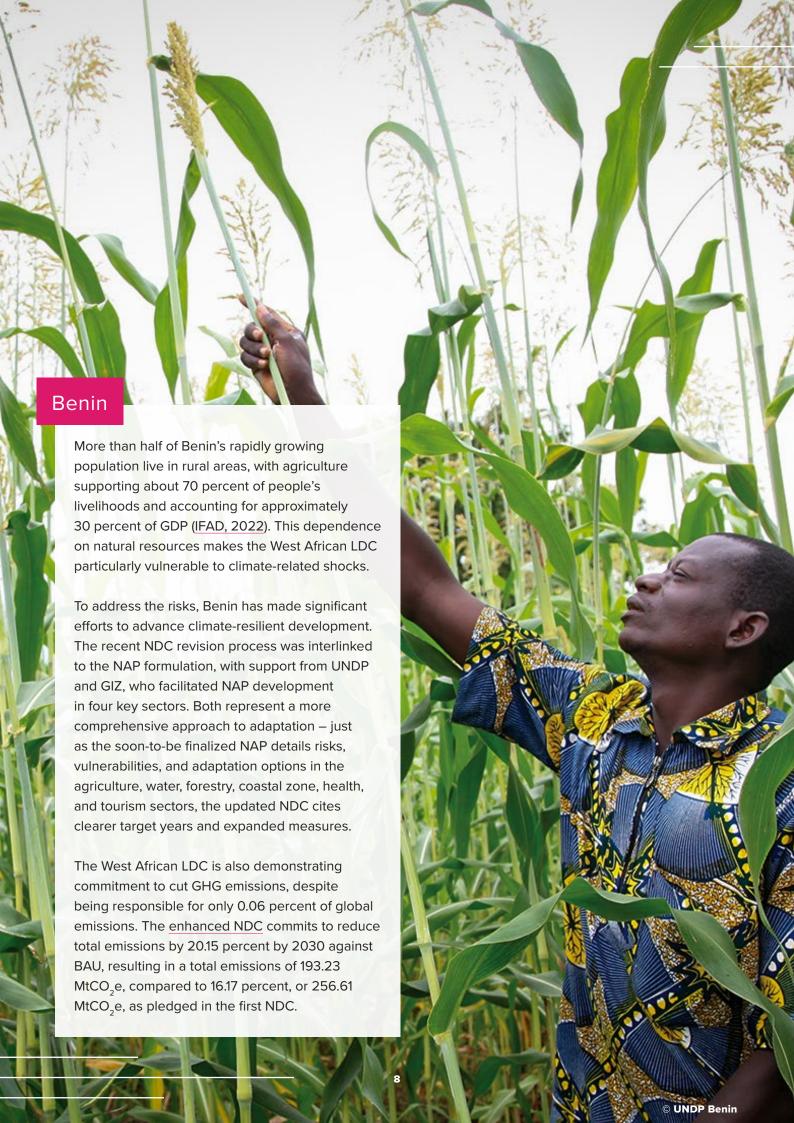
Selected mitigation and adaptation pathways of Climate Promise-supported LDCs

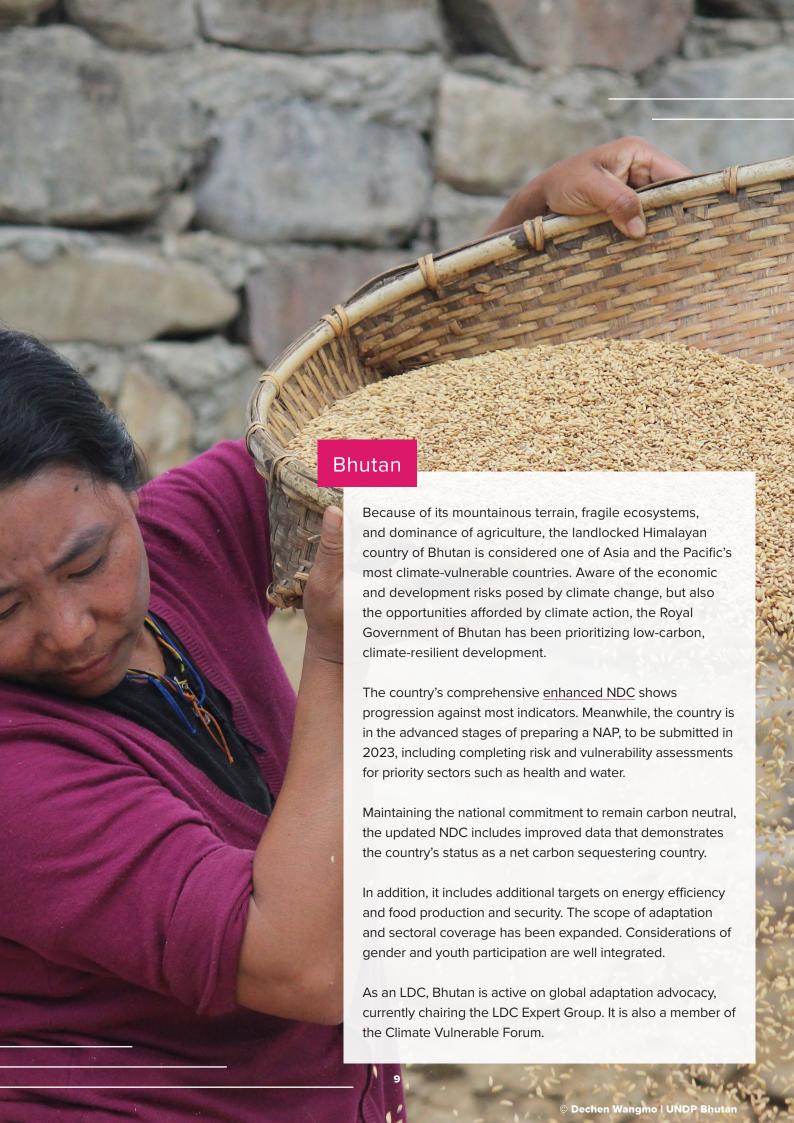
Mitigation Pathways

34 (94%)	Add new mitigation sectors or increase scope within existing sectors
31 (86%)	Increase GHG emission reduction target
28 (78%)	Increase scope of unconditional mitigation targets
1F /439/\	Cover all GHGs or include new GHGs

including SLCPs

	Adaptation Pathways	
	35 (97%)	Align with NAP or other adaptation planning processes or instruments
ts	34 (94%)	Increase adaptation sectoral coverage or scope within existing sectors
	33 (92%)	Include clear adaptation objectives in line with the Paris Agreement including in a form of Adaptation Communications
	15 (42%)	Include quantitative or qualitative targets and provisions for a monitoring and evaluation system

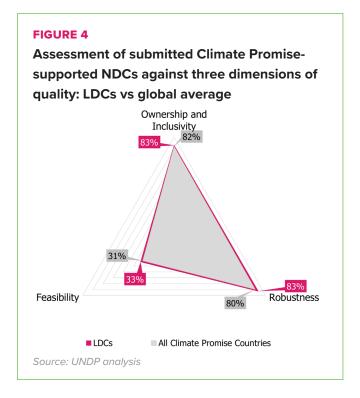




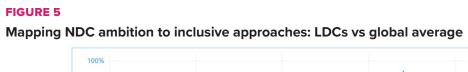
The quality of an NDC is arguably as important as its ambition. Higher-quality NDCs are more likely to lead to successful implementation and signal the government's intention to be accountable for turning pledges into actions.

Under the Climate Promise, UNDP developed a Quality Assurance Checklist that allows governments and 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 indepth analysis of second-generation NDCs submitted by Climate Promise-supported countries, scoring NDCs based on a percentage of criteria that were met.⁴

As illustrated in Figure 4, LDCs scored at and above the global average across the three quality dimensions. The strongest dimensions were 'Robustness' and 'Ownership and Inclusivity', both met by 83 percent of countries' NDCs (compared globally to 80 percent and 82 percent, respectively). While countries were weakest on implementation feasibility of their NDCs (33 percent) they still scored higher than the global average (31 percent). This will therefore be an important area for improvement in the next round of NDCs in order to attract investment.

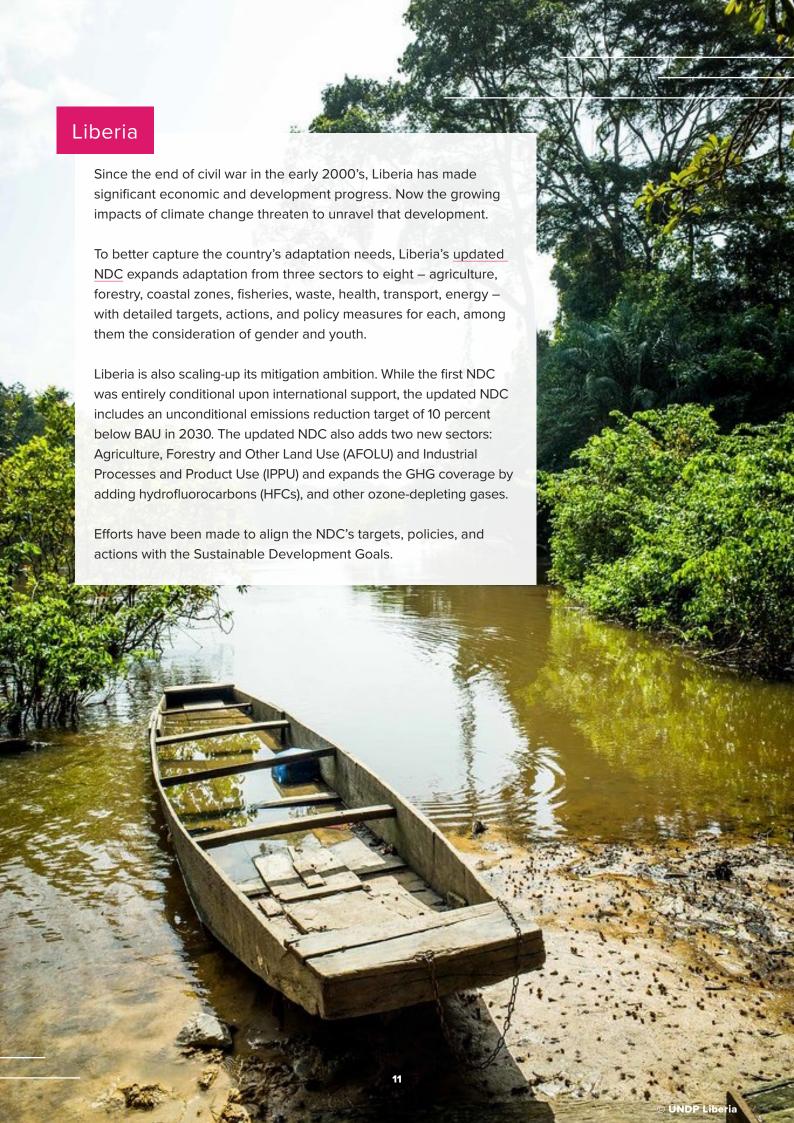


In line with previous global findings, UNDP analysis shows a positive correlation between NDCs that were more inclusive and those that have higher rates of ambition (Figure 5). However, there remains a wide variance that may be due to differing national circumstances and contexts, but also other factors that impact ambition (for example, political will).





Source: UNDP analysis. Note: Pink color triangles represent the 36 Climate Promise-supported countries from LDCs for which UNDP completed an NDC Quality Assurance Review.

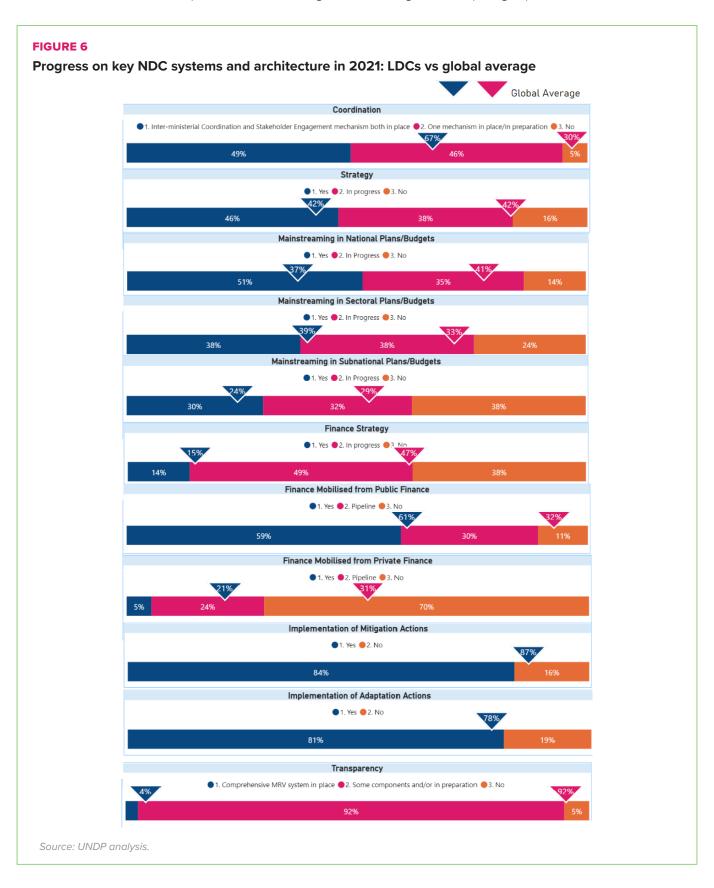




NDC IMPLEMENTATION READINESS

In 2019, UNDP defined and began monitoring seven building blocks for effective NDC implementation that are based on UNDP's experience and learnings

from supporting countries throughout the NDC cycle. Figure 6 compares LDC progress against the global average in 2021 (triangles)⁵.





In most cases, the progress in LDCs in putting in place the foundational building blocks of NDC implementation is generally on par with the global aggregated results reported by 122 countries.

- In terms of key coordination and engagement mechanisms, almost 50 percent of LDCs report having these in place versus 67 percent of countries globally, but 46 percent of LDCs have NDC implementation strategies in place versus 42 percent globally.
- On mainstreaming, LDCs are mostly ahead of the global average – with 51 percent having mainstreamed NDCs into national plans and budgets (versus 37 percent globally), 38 percent into sectoral plans and budgets (versus 39 percent globally), and 30 percent into sub-national plans and budgets (versus 24 percent globally).
- The LDC group slightly lags the global average on mobilizing finance, with 59 percent of countries accessing public finance (versus 61 percent globally) and only 5 percent accessing private finance (versus 21 percent globally).
- In terms of implementation of actions, LDCs are on par with global averages at 84 percent for mitigation actions and 81 percent for adaptation actions, compared to 87 percent and 78 percent globally.
- On transparency, only 5 percent of LDCs indicate
 they still have not begun work on putting in place
 essential measurement, reporting, and verification
 (MRV) systems compared to 4 percent globally.
 Importantly, 92 percent of LDCs are in the process
 of or plan to strengthen MRV components showing
 commitment to improving climate transparency.

Support needs identified by LDCs under the Climate Promise

The three most-requested areas of support to enable Climate Promise-supported LDCs to effectively turn NDC commitments into action include:

- Financial and investment planning and/or securing financing;
- Improving transparency and MRV systems; and
- Strengthening NDC coordination and engagement.

Among LDCs, 40 percent of countries indicate that they need support to finance NDC implementation. For most this means support to mobilizing finance in general, with some specifying support for turning NDC targets into bankable projects in accordance with the requirements of different financing mechanisms (**Burundi** and **Malawi**).

Regarding transparency, 35 percent of countries indicate they need support to strengthen and fully operationalize MRV systems. In the **Democratic Republic of Congo**, they require support to track and report on the progress of NDC implementation whereas in **Nepal** they need to establish a coordination mechanism for their MRV system.

When it comes to strengthening NDC governance, 28 percent of countries indicated this was an area where further support was needed. In **Chad**, they lack a NDC coordination structure and, importantly, do not have clear focal points within ministries. Meanwhile **Benin**, needs support to operationalize the institutional framework for the implementation of the NDC to ensure the participation of all stakeholders.

Somalia

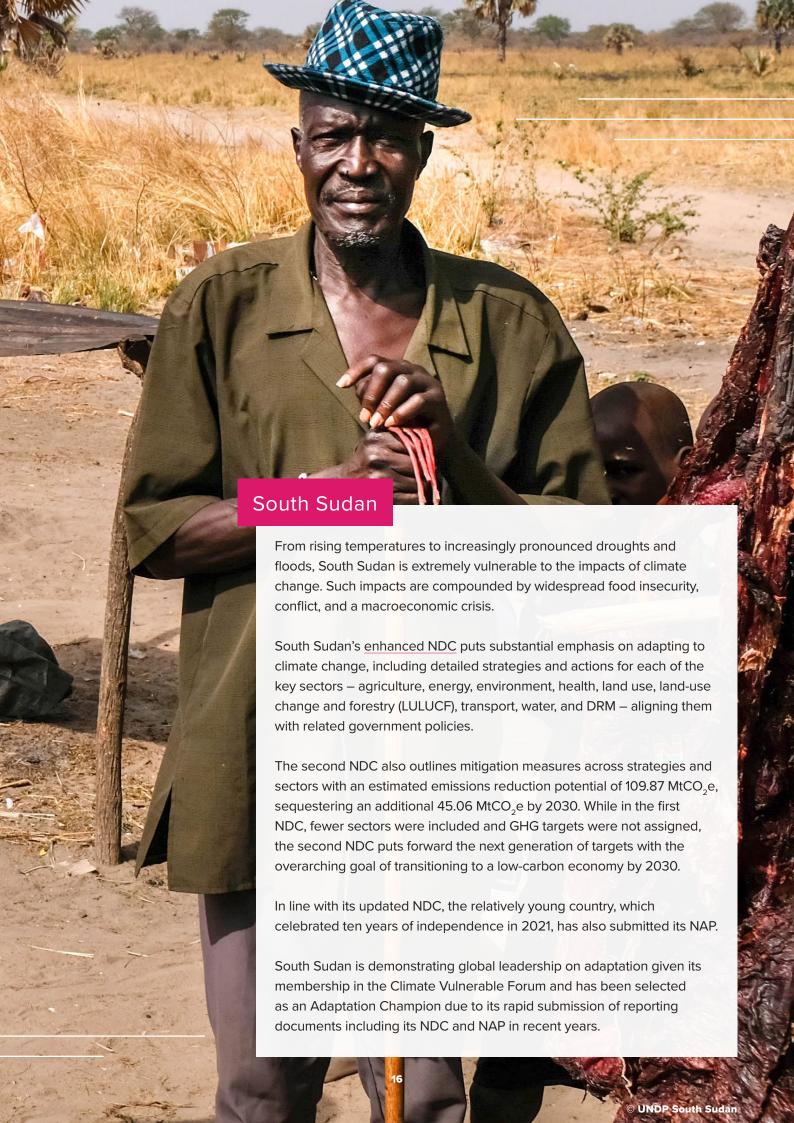
As a country struggling with protracted conflict and intersecting environmental crises, including climate change and natural resource degradation, climate action is key to ongoing peace and stability in Somalia.

The country has made climate change adaptation and resilience top national imperatives and has significantly advanced its adaptation actions. The country's <u>updated NDC</u> includes sector-specific adaptation components with reference to agriculture, water, health, Disaster Risk Management (DRM), coastal zone, energy, forestry, settlement, infrastructure, and transport.

The updated NDC also significantly raises mitigation ambition. Whereas Somalia's first NDC only included activities, their enhanced NDC has now set a conditional emissions reduction target of 30 percent, against the BAU estimate of 107.39 $\rm MtCO_2e$ by 2030, with expanded sectoral coverage and gases (CO $_2$, CH $_4$, N $_2$ O). This new mitigation target is divided into quantifiable targets in five sectors: agriculture, energy, forestry, transport, and waste. Detailed adaptation actions and means of implementation have also been added.

The country has initiated its NAP process and has begun implementing a Green Climate Fund-financed NAP readiness project to enhance its capacity, establish legal and institutional frameworks, and further define its medium- and long-term adaptation actions in priority sectors.





Loss and Damage (L&D)

Some LDCs highlight that there are limits to adaptation, therefore more focus on L&D is needed as these unavoidable climate impacts require specific action. For low-income countries like LDCs who are unable to borrow on equitable terms to recover from each new disaster, and who are often unable to access the finance needed to adapt before shocks occur, L&D can saddle these countries with unsustainable debt, adding to their already heavy debt burdens (IIED, 2021).

At COP27, Parties agreed to establish a new loss and damage fund as part of new funding arrangements to address climate-related L&D for climate vulnerable countries. Developing countries have made it clear that more support is needed from richer countries and external sources to address increasing L&D. Many climate-vulnerable countries, in particular SIDS and LDCs, have been instrumental in advocating for new L&D funding arrangements. The new fund is expected to provide additional, adequate, and predictable finance for L&D, from response to recovery. It will be critical that this finance does not add to debt burdens and is accessible to those communities who will need it the most.

Among the 40 LDCs supported by the Climate Promise, **7 countries specifically emphasized the need for L&D in their new/updated NDCs** (Angola,

Central African Republic, Guinea, Niger, Cambodia, Myanmar, Nepal).

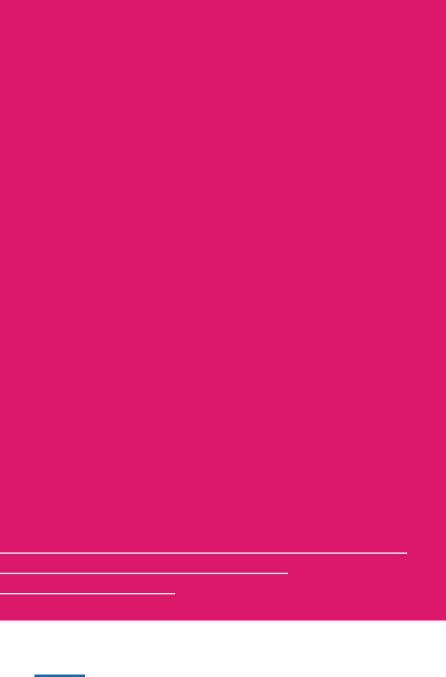
While in many cases, contents on L&D in countries' NDCs are less concrete and not directly action-oriented, the inclusion of L&D shows a trend that LDCs are increasingly recognizing this as an important topic.

For example, **Myanmar**'s updated NDC not only includes L&D in its adaptation section, but also as a separate annex specifically speaking to Disaster Risk Reduction (DRR) and L&D. The government is improving its disaster L&D data collection and has established a database for archiving such data. The updated NDC stresses the importance of DRR and L&D investments for reducing people's exposure to climate change-related disasters. It includes proposed actions such as risk-informed land-use zoning and enforcement of building codes in urban and rural areas, promotion of climate-smart agricultural practices, and the introduction of risk-transfer products including disaster insurance.

As climate impacts increase in severity and frequency, concern for L&D is only expected to heighten for LDCs as they struggle to finance and recover from compounding shocks. This is already being reflected by the Climate Promise-supported LDCs that have identified L&D as a key gap to be addressed in their next round of NDCs.









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