



Climate Action Network

CAN Briefing for NDC guidelines on features, information, requirements, and accounting

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Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1300 members in over 120 countries. www.climatenetwork.org

1. Introduction

The Ad Hoc Working Group on the Paris Agreement (APA) is in a crucial phase of finalising implementation guidelines under Item 3 on the APA agenda during the COP24 in December 2018. In this paper, we outline proposals from CAN for these guidelines to assist countries in the development of ambitious NDCs that help them on their sustainable development and low-emission paths. The proposals do not constitute an exhaustive list of elements in comprehensive NDC guidelines but are elements that CAN want to stress the importance of in current negotiations.

CAN recognizes that the NDCs include various elements beyond mitigation but the discussion below focuses on mitigation aspects mainly.

2. Features of NDCs

The most important feature of NDC is what the name stands for: it is nationally determined. However, in order to better pursue the purpose of the Paris Agreement (PA), CAN believes there certain features to which further guidance should be given:

- NDCs should have a common five-year time frame
- All NDCs should include unconditional components and can include conditional components
- NDCs are an important element of national development plans and should contribute to sustainable development and other important development objectives as poverty reduction
- To be effective to fulfil the Paris Agreement NDCs should be in the framework of long-term climate strategies
- Development and implementation of NDCs should be inclusive

2.1 Five-year common time frames

Parties should set common time frames at CMA 1-3 in line with Article 4.10 of the Paris Agreement to enhance consistency and comparability of NDCs, the assessment of collective efforts, including equity. Harmonizing the timeframe of NDC with the cycle of the global stocktake and the communication of NDCs every five years outlined in Article 4.90 of the Paris Agreement , **five year common timeframes for NDCs should be included in the NDC guidelines**. Five-year common time frames should be adopted for the implementation period starting from 2031. The NDCs for the period from 2031- 2035 should be communicated in 2025. The five-year timeframes allow better than ten-year timeframes to harness rapidly evolving real-world opportunities and incentivize early action. It enables the best synchronization with the Paris climate regime and its cycles, while it maintains political accountability and avoids lock in low ambition.

2.2 Conditional contributions as a basis for collaboration

CAN believes that parties should be strongly encouraged to not only offer strong unconditional contributions but also to **share in their NDCs the specific barriers that prevent them from achieving even more with their NDCs**. The conditions for finance and technology would signal areas and levels of further support.

Specifically, developing countries' conditional components should indicate their needs for finance, technology and capacity building support and possible emission reductions that can be achieved through such support.

2.3 NDCs should feature poverty eradication and sustainable development

To be effective in practice, NDCs shall be integral parts of the national developments and be integrated into the national development strategies and in the implementation of Sustainable Development Goals (SDGs). Only then will they be fully embraced nationally. For this to happen, the NDCs themselves should enhance sustainable development, and reduce poverty in developing countries. This should be included as features or context of the NDCs.

It can be included with references to the Paris Agreement art. 2.1 and/or art 4.1 (4.1 states that Parties aim for greenhouse emission peaking and reductions in the context of sustainable development and efforts to eradicate poverty).

In the Co-Facilitators "Additional tool under item 3 of the agenda" of 6/8 2018, poverty eradication is mentioned in a proposed reference to Paris Agreement art. 2.1.

In that document and also in the "Additional tool under item 3 of the agenda" of 6/8-2018m it is mentioned as a possible new feature: "...NDCs to be in line with domestic development or poverty eradication strategies" (line 53).

Based on this we propose that as a feature of NDCs is included "NDCs to be in line with domestic sustainable development and poverty eradication strategies".

2.4 NDCs should be in the framework of long-term climate strategies

To be effective tools to meet the objectives of the Paris Agreement, NDCs should be made in the framework of the National Long-term Strategies for emission reductions and climate resilience. Therefore we propose to include this as a feature of NDCs

In the “Additional tool under item 3 of the agenda” of 6/8-2018 this is mentioned as a possible new feature: “Low carbon and climate resilience development strategies” (line 44) and alternatively “Low carbon long-term development strategies” (line 45)

Based on this we propose as a new feature that “NDCs are developed in the framework of low carbon (or low greenhouse gas emission) and climate resilient long-term development strategies”

2.5 NDCs should be inclusive in development and implementation

The involvement of stakeholders, including civil society is important for the success of an NDC, both for reaching its climate objective and for the NDC to be part of sustainable development of the country. This involvement is both important in the development, for instance with inclusive stakeholder consultations, and when implementing the actions in the NDCs. **Parties should involve stakeholders, including civil society in the development and implementation of the NDCs become part of the features of NDCs.**

3. Information to facilitate clarity, transparency and understanding

Article 4.8 of PA and Decision 1/CP.21 define the basic elements of information that Parties “may” include in NDCs. NDCs are essential “nationally determined” but the contents and the quality of information to be presented are key to facilitating understanding of NDCs among Parties and observers and are thus essential for building trust and confidence in the PA. For instance, Parties’ willingness to implement ambitious climate action is sometimes dependent on their expectations about how ambitiously other Parties will implement climate action. In light of this, a direction of improvement has to be shown for information to be provided by Parties in their NDCs while it would be difficult and undesirable to set mandatory, universal information requirements for NDCs at this point.

CAN believes the direction of improvement should be shown for the following areas (the list is not exhaustive):

- Information to specify emission pathways and clear metrics indicating the baseline assumptions used in the contribution
- Fairness and ambition indicators
- The Intended use of international markets
- Renewable and energy efficiency targets and fossil fuel phase-out
- Participation of civil society, indigenous peoples, and affected local communities in the design and implementation of the NDC
- Respect for and promotion of human rights, including the rights of indigenous peoples, gender equality
- Relations to sustainable development, poverty eradication and long-term climate strategies, just transition, food security, ecosystem integrity and the protection of biodiversity, and intergenerational equity
- Conditions

3.1 Information to specify emission pathways

To achieve the purpose of the PA, it is essential to accurately understand the status of Parties’ efforts and Parties should be encouraged to provide the information to specify emission pathways in as much detail as possible. Existing NDC targets lack standardization which hinders comparability. Target years

vary between 2025, 2030 or 2035 as mentioned above. The base year or reference for emissions reductions suffers from even greater discrepancies, varying between 1990 to 2013, or using a business-as-usual (BAU) scenario. Importantly, negative-emissions assumptions are often obscure. The NDCs would greatly benefit from using standardized metrics, reference points and target years. Countries would benefit from clearly establishing their roadmap to 100% renewable energy by 2050 at the latest in their NDC as one crucial prerequisite for achieving the 1.5 °C objective. However, due to the political challenges that exist around standardization, **at the least, parties should aim to provide clear information on the references for emissions reductions.**

3.2 Fairness and ambition

Decision 1/CP.21 already states that Parties may include how they consider their NDCs to be fair and ambitious. To deepen understanding and support comparability, **Parties should be further encouraged to provide detail and indicators for how their NDC is fair and ambitious.** To give two examples: If the country uses emissions per capita as an indicator of fairness, then it should be encouraged 1) to explain why it chooses emissions per capita as an indicator and 2) to indicate the year and the source of its statistics. Alternatively, if a country uses a capacity indicator, it should explain exactly how it understands and calculates capacity and carefully specify the statistics that it uses. **If the country uses more than one indicator of fairness and ambition, then the methodology by which these indicators are combined should be explained.**

3.3 Intended use of international markets

If a country intends to use (the) international carbon market(s) to achieve its mitigation target, or to sell emission reduction units to other Parties or non-Party stakeholders in- or outside of the UNFCCC process, specific information must be specified in NDCs to ensure environmental integrity, in addition to all methodological requirements to be outlined in the rules governing the international carbon mechanisms, inter alia under article 6 of the Paris Agreement.

First, any country participating in international carbon markets should specify whether it intends to meet part of its NDC target with the purchase of international credits and if so specify the share of its target which it intends to meet with such credits.

Second, clearly identifying which economic sectors are included in a country's target set under its NDC, along with the metrics used to calculate amounts of reductions transferred, should be a prerequisite for participation in international carbon markets. **This outlining of the scope of a country's NDC should be specific enough to allow the clear identification of any emission reductions project as falling within or outside of an NDC target.**

Third, a participating country should have in place a system to prevent the double counting of emission reductions. In the context of information and transparency around NDCs, this should include a **transparent registry, set up and managed at UNFCCC level, where all emission reductions achieved and used to issue credits are logged and their transfers are tracked.** An essential element that should be transparently reported in the accounting system is the approval of any transfer sold to another entity by the host country. This way it is clear that credits will be used outside of NDC fulfilment, and host countries intend to carry out a corresponding adjustment.

3.4 Civil society participation

Designing future Nationally Determined Contributions through participatory and transparent processes is key to identifying opportunities to enhance the ambition of the commitments and to strengthening the legitimacy of and public support for the implementation of the NDC. Article 12 of the Paris Agreement recognizes the need to strengthen public participation and access to information and, at its latest session, the SBI encouraged Parties to integrate systematically public participation in the design of their NDCs.

The guidelines should encourage parties to provide information regarding how civil society, indigenous peoples and other non-state actors have been consulted in the planning process for the NDCs. Sharing relevant information would enable Parties to share the lessons learned through these processes and to identify good practices.

3.5 Human Rights, incl. the rights of indigenous peoples, gender equality, just transition, food security and ecosystem integrity

The Paris Agreement emphasized the need for Parties, when taking climate action, to respect, protect and promote their respective obligations related to human rights, including the rights of indigenous peoples, gender equality, just transition, food security and ecosystems integrity as well as to consider intergenerational equity. The Implementation Guidelines can contribute to realizing the full vision laid out in the Paris Agreement but recalling this commitment and inviting Parties to provide information in their NDCs concerning how these obligations and principles have been considered in the planning of the NDCs.

The “tool” prepared by the co-chairs in August in relation to NDC guidance includes a proposal to include these elements in the list of considerations that Parties might be addressed when communicating information regarding the planning of their NDCs (see text box 3, page 11). This option must be retained while spelling out the principle of “gender equality” referred to in the Paris Agreement. The scope of this invitation to provide information should be broadened to include considerations related to food security, ecosystems integrity and intergenerational equity.

3.6 Conditions

As mentioned above in the “features” section, Parties should include conditional and developing country parties may include unconditional components in their NDCs. **Such conditions should be elaborated with concrete and “objective” indicators as much as possible and they should be comparable.**

4. Accounting guidelines for Parties’ NDCs

Guidelines for accounting are important to assist the countries in developing transparent NDCs that enable them to contribute with their best efforts to the objectives of the Paris Agreement. Beside this general requirement for accounting, we would like to emphasise that:

- Accounting should use the latest and most appropriate methodology
- Accounting should include local solutions

4-1. Accounting should use latest and most appropriate methodology

Accounting guidelines should include the latest methodology for accounting adopted by UNFCCC and the most appropriate for the country and sector. In case of divergence between these two principles, this must be explained in the NDC. Accounting should also be “backwards compatible” to be able to track progress over longer periods, respecting the individual capacities of the countries. In the “Additional tool under item 3 of the agenda” of 6/8 2018 is a proposal to “*Use the most appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic GHG emissions and removals assessed by the IPCC*”. (line 593 - 594). **We propose to include this in the accounting guidelines.**

4-2. Accounting should include local solutions

Accounting guidelines should include all actions that contribute to climate mitigation and adaptation, also the small-scale solutions as energy access with local renewable energy solutions and community-based adaptation. Small-scale solutions are some of the most important climate solutions for poverty reduction and local climate adaptation, but they can be hard to count and can easily be forgotten. **Therefore, we propose that the NDC guidelines specify the inclusion of local solutions, including locally sustainable energy solutions and community-based adaptation in the accounting for NDC’s mitigation and adaptation effects.**