



Climate Action Network

CAN Submission on features and information requirements for NDCs

September, 2016

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 1100 members in over 120 countries. www.climatenetwork.org

1. Introduction

The Ad Hoc Working Group on the Paris Agreement (APA) invited Parties to submit, by 30 September 2016, their views on Item 3 on the APA agenda, in order to focus the work of the APA. CAN welcomes this opportunity and would like to present its view on the matter, particularly, on the issues of “features of NDCs” and “information to facilitate clarity, transparency and understanding of NDCs”.

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

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 are two features to which further guidance should be given. They are:

- NDCs should have a common five-year time frame
- All NDCs should include unconditional components as well as conditional components. Conditional components should of course exceed the unconditional (see details below)

2-1. Five-year common time frames

Article 4.10 of the PA states CMA1 “shall consider common time frames” for NDCs. CAN believes the common time frames need to be set at five years for the following reasons.

First, the common time frame needs to enable Parties to achieve the purpose of the PA, most notably, not exceeding 1.5°C. Therefore, it needs to make it possible for countries to adjust their level of ambition in light of the latest science as well as of progress made by themselves. 10 years is too long for the purpose of timely adjustment and poses a real risk of locking in an insufficient level of ambition.

Secondly, the common time frame needs to function in tandem with the five-year cycle of communication of NDCs and the global stocktake. Both (communication of NDCs and the global stocktake) have five-year cycles. Under the current schedule, the 2023 global stocktake informs NDCs to be presented by 2025. If the NDCs to be presented by 2025 have 10-year time frames from 2030 and are thus for 2040 only, the NDCs will in fact fix the emission pathway for 15 years. This holds significant risks as the current situation shows, where there is uncertainty around whether low ambition expressed in the 2030 NDCs will be revised before 2020.

One note of caution is that this should not prevent Parties from having consecutive five-year-term targets, e.g. having targets for 2030-2035 *and* 2035-2040, where the latter would be more indicative in nature. Having these consecutive 5-year time frames would give flexibility to those countries which wish to send longer-term signals. It should be noted that Article 19 of the PA states that Parties should strive to communicate “long-term low greenhouse gas emission development strategies” in the context of Art. 2. NDCs should go hand in hand with the long-term strategies.

2-2. “Conditionality” as a basis for collaboration

Many Parties inscribed conditions for the full implementation of their INDCs. Some relate to land use and forestry rules but many refer to financial and/or technological needs. The updated Synthesis Report on the aggregate effect of the INDCs indicates that, if all conditional components of all INDCs are implemented, global emissions can be lowered by 1.5 and 2.4 Gt CO₂eq in 2025 and 2030 respectively compared to the case where only unconditional components are implemented. These differences are not insignificant. Furthermore, the level of global ambition inscribed in the INDCs is radically inadequate relative to the temperature goals agreed in Article 2. Therefore, while “conditions” can function as barriers to implementation, conditional components can also be the basis for deepened collaboration between Parties and, thus, greater ambition. If “conditions” expressed in NDCs can become a communication tool and can thus provide basis for further collaboration, they will strengthen the Paris Agreements.

Therefore, 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. 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.

Developed countries' conditional components should rather be communicated as "stretch goals" to indicate its nature as a further step. "Stretch goals" can include possible further emission reductions through the provision of international support. Such support could take forms of finance, technology transfer, adjusted WTO rules and capacity building. This part of the conditional component could also be expressed as a separate mitigation target for emission reduction abroad.

It should be noted that the distinction between "developing" countries and "developed" countries will change over time.

There are three additional issues related to this:

- 1) The first issue is whether the "unconditional" part should be mandatory or not. Essentially, NDCs are nationally determined and whether having an "unconditional" part or not is, ultimately, dependent on Parties. However, the guidance from a COP decision can strongly encourage Parties to include unconditional components in their NDCs.
- 2) The second issue is if conditional contributions provide perverse incentives for countries to lower their unconditional ambition. To make such perverse incentives less attractive, there could be an additional "encouragement" in the guidance: finance and technology-related conditions should be as detailed as possible.
- 3) Finally, it should be said that any "encouragement" or information-sharing protocol will be meaningless unless a "matchmaking" process that joins support with conditional action is put in place. Currently, there is no official opportunity in either the GCF or elsewhere for this to happen. Although the nature and details of such matchmaking process are outside of the scope of the guidance for features (thus outside the scope of this submission), CAN believes it is vital to have such a process for an effective ambition mechanism.

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 essentially “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
- 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, respect for and promotion of human rights and gender equality
- 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. 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 INDCs would greatly benefit from using standardized metrics, reference points and target years. However, due to the political challenges that exist around standardization, CAN believes that, 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 says 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. 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, it should indicate whether the mitigation target assumes the use of emission reduction units or internationally transferred mitigation outcomes inside of or outside of the mitigation target, to what extent achieved through the international carbon market, and how it will prevent double counting.

3.4 Energy-related targets

Currently 85.8% of submissions have a renewable energy component, focusing largely on electricity production, with only occasional mentions of RE in the transportation and heating sectors. Most of these submissions also have an energy efficiency component (77.8%). 61.1% of INDCs break down the RE sectors into which projects are planned. 25 submissions containing explicit reference to “decarbonization”.

Countries would benefit from clearly establishing their roadmap to 100% renewable energy by 2050 at the latest in their INDC as one crucial prerequisite for achieving the 1.5 °C objective. The renewable energy plan needs to identify what types of renewable energy will be used, and focus on sustainable, affordable, reliable and clean energy projects. As most of the current renewable energy projects in the INDCs focus on electricity generation, countries also need to expand renewable energy initiatives to the transportation and heating sectors. Countries are also encouraged to describe the measures they aim to take to enhance energy efficiency in the various economic sectors. In addition, material efficiency and resource consumption efficiency measures are further crucial components of low-carbon development and overall decarbonisation pathways. Not the least, countries would harness significant benefits in assessing how INDC could be made consistent with the specific energy objectives under the Sustainable Development Goals agreed in September 2015. Those specify a doubling of renewable energy sources and a doubling of energy efficiency by 2030 as a start as well as fully overcoming energy poverty in affected countries.

Similarly, if a Party has any concrete plan(s) to phase out fossil fuel (including subsidies and investment), they should be specified (e.g. timeline for phasing out, share of energy, etc.).

3.5 Civil society participation, human rights and gender equality

53.7% of submissions mention involving stakeholders in some way in the preparation of the INDC, usually in the form of a consultation. However, while it was clear in most cases that the governments involved civil society, some references to “stakeholder consultation” were unclear on whether those consulted were government stakeholders or civil society stakeholders. Furthermore, “civil society participation” must also include indigenous peoples and affected local communities. Only 17% of INDCs mention planned involvement of civil society in the implementation process. Unfortunately, only 31% of INDCs contain a gender component, and a mere 12% of submissions outline that the INDC intends to respect human rights.

There needs to be more clarity on the actions and processes governments will take/follow to ensure full and effective participation of civil society and populations affected by actions, in particular indigenous peoples and local communities, in the preparation as well as the implementation of the INDC. Governments need to further elaborate who exactly is being consulted and how affected and/or marginalized communities can participate. Furthermore, considering that many mitigation projects such as carbon offsetting risk displacing indigenous peoples or local communities from their land or undermining other objectives and principles of the Paris Agreement, including food security, poverty alleviation, and resilience, governments need to outline how the process for formulating INDCs and implementation interventions will respect the knowledge and rights of indigenous peoples and members of local communities, take into account relevant international human rights obligations, and promote gender equality.

3.6 Conditions

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