



After Paris: What is next for Intended Nationally Determined Contributions (INDCs)?

March 2016

Authors:

NewClimate Institute
<http://newclimate.org>

Frauke Röser, Thomas Day, Marie Kurdziel

Summary

This paper outlines what the Paris Agreement means for Intended Nationally Determined Contributions (INDCs) and what needs to happen at the country level now and in the longer term to implement the Agreement. The paper focuses explicitly on the mitigation part of national contributions and discusses specific steps in response to the relevant parts of the agreed framework including a view on how these may be supported internationally.

Table 1: Summary of what has been agreed in Paris and the implication for national mitigation contributions

	What was actually agreed in the Paris Agreement?	Implications for national mitigation contributions
Long term goal	<ul style="list-style-type: none"> » Reiterates global goal to limit temperature increase to 2°C. » Recognises but does not formalise a more stringent 1.5°C goal. » Reference made to need to decarbonise the economy and aim for net zero emissions. 	<ul style="list-style-type: none"> » Current ambition of INDCs falls far short of reaching any of the goals in the agreement. » Urgent need for countries to revise their mitigation contributions in line with the 2°C and 1.5°C goals.
Ratchet up mechanism	<ul style="list-style-type: none"> » Parties may update contributions any time and are required to do so at least every 5 years, starting by 2020 at the latest. » Parties encouraged submitting updated contribution upon ratification of Agreement. » No backsliding: every update must be at least as strong as the previous contribution. » An international review process will provide each country with suggestions for increasing ambition. 	<ul style="list-style-type: none"> » Parties need to start preparing for a review of their current contributions.
Transparency	<ul style="list-style-type: none"> » A global stocktake should monitor progress towards the long-term goals every 5 years, starting 2018. » A facilitative implementation committee should monitor the progress of NDC implementation at the national level. » All parties, except LDCs and SIDS, are required to report on the implementation of their NDC every 2 years. 	<ul style="list-style-type: none"> » Technical capacity and frameworks are required on the national level to improve monitoring and reporting capabilities, for all aspects related to NDC implementation.
Support	<ul style="list-style-type: none"> » Reiterated joint climate finance goal of US\$ 100bn annually by 2020 through to 2025. » Reaffirmation of commitment from countries to provide capacity building and technical support. 	<ul style="list-style-type: none"> » Resources (among others, climate finance, technology transfer, capacity building) should be provided to support developing countries with the implementation of NDCs in continuation of previous support. » Developing country parties should develop thorough investment plans to increase readiness and to access support for NDC implementation.

This publication has received financial support by the International Climate Initiative based on a decision of the German Bundestag. The concepts expressed in this publication do not necessarily represent the views of the German government, or the endorsement of any approach described herein.

On behalf of:



Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

Background

In preparation of COP21 in Paris Parties to the United Nations Framework Convention on Climate Change (UNFCCC) were requested to submit an Intended Nationally Determined Contribution (INDC) to outline their contribution towards achieving the global climate goal. By the end of the conference a record 187 countries, representing ca. 95% of global GHG emissions, had presented their INDCs. If all countries fully implemented their pledges global temperatures would increase by an estimated 2.7°C by the end of this century (CAT 2015). 2.7°C is only met with a 50% chance and temperature would continue to rise after 2100. This is much better than before the Paris process, but still far away from “well below” 2°C, let alone 1.5°C.

COP21 concluded in an historic agreement of 195 Parties committing to jointly combat global warming (UNFCCC 2015). Once the Agreement is ratified by the respective governments, INDCs, which are a central part of the Agreement, will turn into NDCs, nationally determined contributions. This paper outlines what the Agreement means for national mitigation contributions and what needs to happen next. The focus is on what needs to follow at the country level now and in the longer term with a view to providing guidance to both government stakeholders as well as support providers. The international dimension of what needs to happen at the UNFCCC process level is not addressed here.

What are the implications for mitigation contributions resulting from the Paris Agreement?

The Paris Agreement comprises a number of elements which are relevant for the implementation and future formulation of mitigation related national contributions. The main aspects relevant for (I)NDCs¹ include the long term goal, the newly laid out review cycle, the transparency framework and the provision of support to developing countries to implement

¹ (I) is bracketed to indicate the post Paris period after submission of INDCs until they turn into NDCs.

climate activities. These aspects are summarized in Table 1, and in the bullets below:

- » **The Paris Agreement’s long term goals** require greater ambition from current INDCs and detailed implementation strategies. The current collective ambition of the INDCs falls far short of reaching any of the long term
- » **The ratchet up mechanism** requires Parties to begin preparing immediately for a revision of current contributions, with updates required by 2020 at the latest and every 5 years thereafter, and no back-sliding allowed.
- » **Transparency should be improved** through monitoring and regular reporting of NDC implementation, and through a global stocktake of progress towards the long term goals.
- » **Parties should increase their readiness to receive support**, as the Paris Agreement reiterated goals for global mobilisation and upscaling of climate finance for NDC implementation.

What are the next steps for countries?

Following the overview of main elements of the Paris Agreement this section provides further detail on what will need to happen at the country level to advance INDCs. Box 1 provides a schematic overview of the (I)NDC related timeline from 2016 to 2030 resulting from the Paris Agreement.

Specific activities that need to be considered at the country level are outlined below. These are based on the requirements included in the Paris Agreement, experience from similar processes as well as governments’ own assessment of next steps in the (I)NDC process².

Revision of INDCs and level of ambition

As mentioned above, parties need to start preparing immediately for a review of their current

² Governments’ own assessments of the next steps in the process were collected through a questionnaire based survey undertaken by NewClimate Institute and completed by 52 developing country representatives in November and December 2015.(NewClimate Institute 2015)

Box 1: (I)NDC – NDC timeline from 2016 to 2033

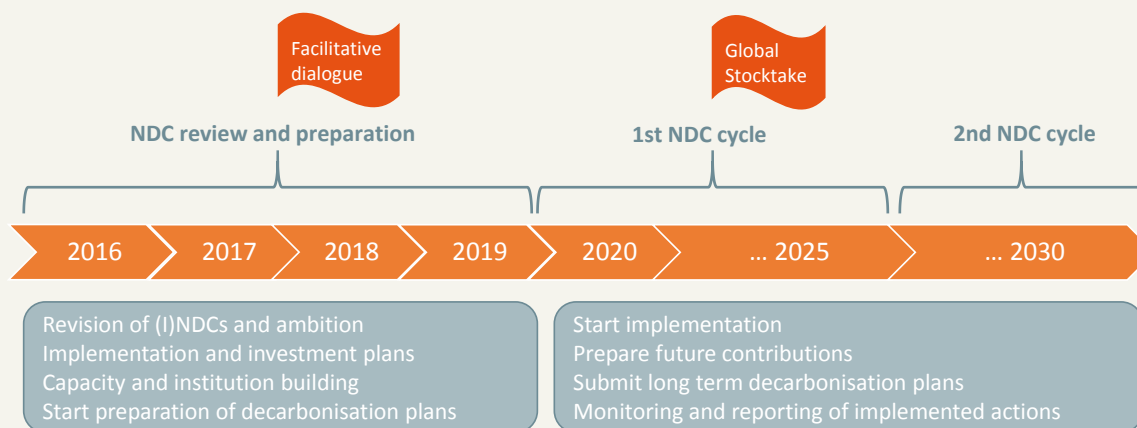


Figure 1: Schematic timeline for INDC process and activities

In the first phase - from 2016 to 2020 - the focus will be on the preparation of implementation plans and associated resource and investment plans. In addition to the formal ratification of the Agreement, countries will also need to review their current INDCs to increase the level of ambition. This is expected to start immediately and certainly with a view to having a clearer understanding of individual country's increased mitigation ambition in time for the Facilitative Dialogue on INDC progress as well as the publication of the IPCC Special Report on pathways for 1.5°C in 2018. Capacity and institution building will be important in this phase to allow for the proper planning, implementation and monitoring of NDC related activities.

In 2020 the Paris Agreement enters into force and the implementation of the NDCs formally starts, although the implementation of mitigation activities, in particular those in advanced planning stages, is likely to begin immediately. From 2020 countries are expected to prepare and present future contributions alongside long term decarbonisation plans. At the latest, countries will need to present their new NDCs in 2020 with intended targets and contributions to 2025/20230 and in 2025 for targets to 2035. Monitoring of the implementation of mitigation actions will feed into the Global Stocktakes to be undertaken in 2023 and 2028 to assess progress towards achieving the global climate goal.

contributions. In essence the ratchet up mechanism will mean an institutionalisation of continuous reviews at the national level requiring adequate resourcing and institutional structures to allow for an efficient process. The review of the INDC itself needs to consider a reassessment of the proposed targets and actions as well as the type and scope of the INDC, responding to the call for all Parties to move towards economy wide targets over time.

In particular Parties should begin immediately to focus on the following action points:

Enhance clarity of existing contributions

- » Countries which presented INDCs split into conditional and unconditional elements should provide further clarification on the level of ambition that could be achieved and the specific (international) support needed to reach the potential. This may be derived from related resource and investment plans (below).

- » Improvements in the quality of the data behind INDCs are important for transparency and to increase certainty of the results that can be expected.

Increase strength of mitigation action

- » Analysis of additional mitigation potential of current INDC and assessment of the potential to include uncovered sectors and emission sources. The analysis should be done on a sector basis and may include the analysis of potential co-benefits to understand the full socio-economic impact of mitigation activities.
- » Preparation of long term decarbonisation roadmaps on a sectoral and national level. The plans should be underpinned by short and medium term targets which can be used to inform the preparation of future NDCs. Decarbonisation plans can build on existing LEDS or similar climate planning processes.

Development of INDC implementation plans

Countries will need to work out detailed implementation plans which define delivery mechanisms and actions alongside detailed resource and investment plans to convert INDCs into action. The steps to be undertaken by Parties include the following:

- » Definition of detailed implementation roadmaps for the (I)NDCs including concrete delivery mechanisms and measures at the sector and subsector level. This should be linked to existing and planned mitigation activities, including NAMAs and other internationally supported or domestic initiatives at the sector and sub sector level. Potential needs for policy changes and regulatory reforms should be considered early on to ensure timely implementation.
- » Based on the implementation roadmaps detailed resource and investment plans need to be elaborated in order to understand the resources – capacity, technology and financial – required to implement the (I)NDCs. The investment plans should consider national resources (linking to national budget planning processes) as well as the potential to mobilise private investments and required policy interventions in this regard. The investment plans can then be used as a basis to define and articulate international support requirements.
- » Concrete funding proposals may be developed to support the implementation of specific mitigation activities. Again existing frameworks, such as NAMAs, and climate finance channels, such as the Green Climate Fund (GCF), should be considered. Ideally the formulation of concrete funding activities follows the detailed investment planning. However, given the need for immediate action and the fact that many activities are already planned and underway, these may happen in parallel.

Development of systems for monitoring and review

For countries to be able to ensure transparency of progress, significant institutional and technical capacity will be required to allow for the regular review and monitoring of actions. Such processes naturally link into ongoing Biennial Update

Reporting (BURs), preparation of National Communications and International Consultation and Analysis (ICA). Additional capacities may be needed though to respond to specific requirements under the (I)NDC framework.

In particular Parties should begin immediately to focus on the following action points:

- » Gap analysis of existing MRV processes and systems, including GHG inventories, registries, data systems, BUR processes and institutional set-ups, considering specific additional INDC requirements to highlight capacity gaps and areas where urgent action is required. The results of the analysis can be used to formulate MRV related capacity and resource plans also in light of potential international support needs.
- » Establishment of continuous monitoring systems for biannual reporting on NDC progress integrated with other national and international reporting processes. The system will need to reflect the accounting rules to be agreed internationally.
- » Potentially set up a technical review process to allow for continuous improvement of the monitoring processes. A peer to peer review involving various countries may be considered.

Institution building

The INDC process has mobilised technical and political stakeholders within and outside government at different levels. In order to ensure continued coordination and mainstreaming of climate mitigation activities existing institutional processes and capacities need to be maintained, reinforced and in some cases enhanced. The following activities could be considered:

- » Organise briefings for ministries, government agencies and non-governmental stakeholders on the Paris Agreement to discuss next steps in order to increase awareness and maintain momentum.
- » Establish firm processes, responsibilities and lines of reporting as a way to institutionalise NDC coordination across government. This should involve key line ministries, UNFCCC focal points and potentially other relevant entities. The coordination may involve setting

up a permanent coordination committee or body, building on existing or emerging structures for the initial INDC preparation. Roles and responsibilities as well as lines of communication and decision making should be clearly defined.

- » Map capacity building needs at the institutional level linking into the resource plans for NDC implementation and articulation of international support needs.
- » For future NDC cycles work plans and roadmaps to synchronise the technical and political processes should be developed. Such plans may include specific milestones of the process, timelines, mandates and allocation of adequate resources.

Outlook

COP21 has concluded in an historic climate agreement. However the work does not stop here. In order to implement the Agreement and reach its overarching objective to limit global temperature increase to well below 2°C significant effort is needed at the international process level and more so in each signatory country. Activities, including those mapped in this paper, will have to start immediately given the urgency of climate action.

The implementation of the (I)NDC framework will require significant resources, public and private, domestic and international, to continue and scale up immediate mitigation action and to support the necessary long term decarbonisation. Industrialised countries already committed to the provision of support at COP17 in Durban (UNFCCC 2012) which was reiterated in the Paris Agreement and which resulted in the establishment of the Green Climate Fund. It is paramount that the international community acts on its commitment to provide continuous and scaled up financial support. The funds need to be channelled in a way to not only achieve greatest impact in climate terms but also to ensure mobilisation of private investment flows to achieve the low carbon transformation.

Beyond the provision of financial resources and the need to re-direct current investment flows, capacities will need to continue to be built at the country level to enable Parties to carry out the range of activities described in this paper. The

earlier mentioned survey on the INDC process already highlighted many capacity and knowledge gaps. These relate in particular to the identification of technical options for increased mitigation effort, the understanding finance and investment needs as well as more generally to the need to build institutional capacities.

International bilateral and multilateral cooperation can play a key role in supporting the different activities related to (I)NDC review and implementation and the associated processes. Beyond direct country support, knowledge sharing activities, peer to peer learning as well as the facilitation of dialogues and constructive expert reviews are also helpful. In particular the latter can build on existing South South cooperation to mobilize all relevant resources and ensure effective transfer of knowledge and experience.

References

- CAT, 2015. Climate Action Tracker. Available at: <http://climateactiontracker.org/>.
- NewClimate Institute, 2015. Overcoming the challenges of INDC preparation: experiences and lessons learned, Available at: <http://newclimate.org/2015/08/31/overcoming-the-challenges-of-indc-preparation-experiences-and-lessons-learned-2/>.
- UNFCCC, 2015. Adoption of the Paris Agreement. Proposal by the President. Draft decision -/CP.21. Conference of the Parties. Twenty-first session, Paris, 30 November to 11 December 2015. FCCC/CP/2015/L.9/Rev.1, United Nations Framework Convention on Climate Change. Available at: http://unfccc.int/resource/docs/2015/cop21/eng/10_9r01.pdf.
- UNFCCC, 2012. Report of the Conference of the Parties on its seventeenth session, held in Durban from 28 November to 11 December 2011, UNFCCC. Available at: <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>.

This publication is part of a series of briefing papers related to Intended Nationally Determined Contributions.

Preparation of Intended Nationally Determined Contributions (INDCs) as a catalyst for national climate action (NewClimate Institute 2015)

Available at: <http://mitigationpartnership.net/indcs-catalysts-climate-action>

Conditionality of Intended Nationally Determined Contributions (INDCs) (NewClimate Institute 2016)

Available at: <http://mitigationpartnership.net/conditionality-indcs>

Challenges and lessons learned in the preparation of Intended Nationally Determined Contributions (INDCs) (NewClimate Institute and GIZ 2016)

Available at: <http://mitigationpartnership.net/challenges-lessons-indcs>

Authors:

Frauke Röser, Thomas Day, Marie Kurdziel / NewClimate Institute

Responsible:

Anja Wucke, Heiner von Lüpke, Lisa Herrmann / GIZ

Date: 01 March 2016

By order of:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

On behalf of:

Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB)

This publication was prepared in the context of the project "Support of selected partner countries for the elaboration of their Intended Nationally Determined Contributions (INDCs)", which is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and forms part of the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) of the Federal Republic of Germany. The project supports 26 selected partner countries in developing their IND Cs via support measures such as analyses and studies, technical support for inter-ministerial working groups, and procedural advice for political decision making processes and stakeholder involvement. See more information at:

<http://mitigationpartnership.net/global-support-project-preparation-intended-nationally-determined-contributions-indcs>