

Empowering the Ratchet-up Mechanism:

Roles of Linkage between Five-year Cycle of NDCs and Long-term Strategies, Transparency Framework and Global Stocktake

18 November 2016

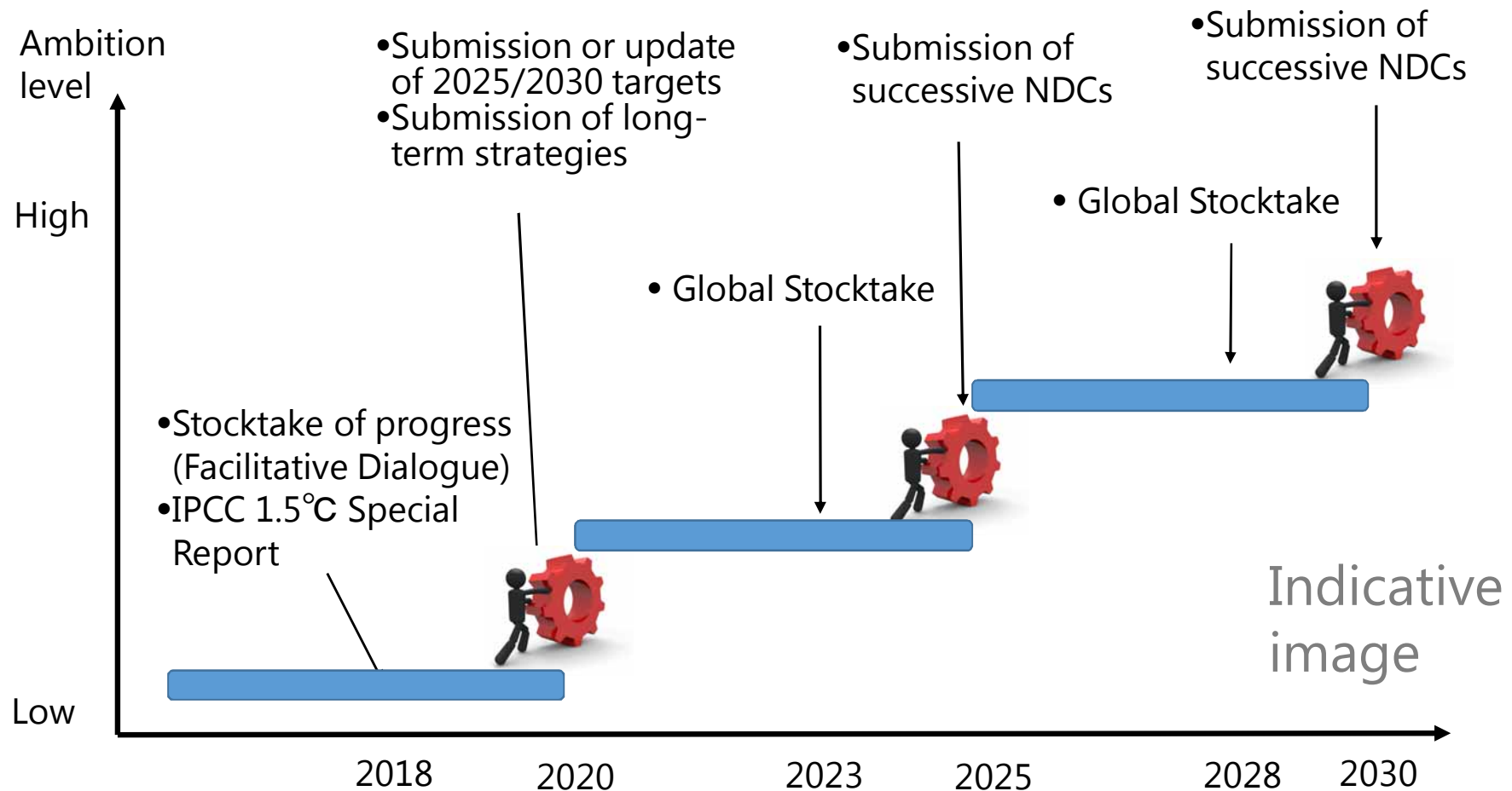
Kentaro Tamura, PhD

Leader, Climate and Energy Area

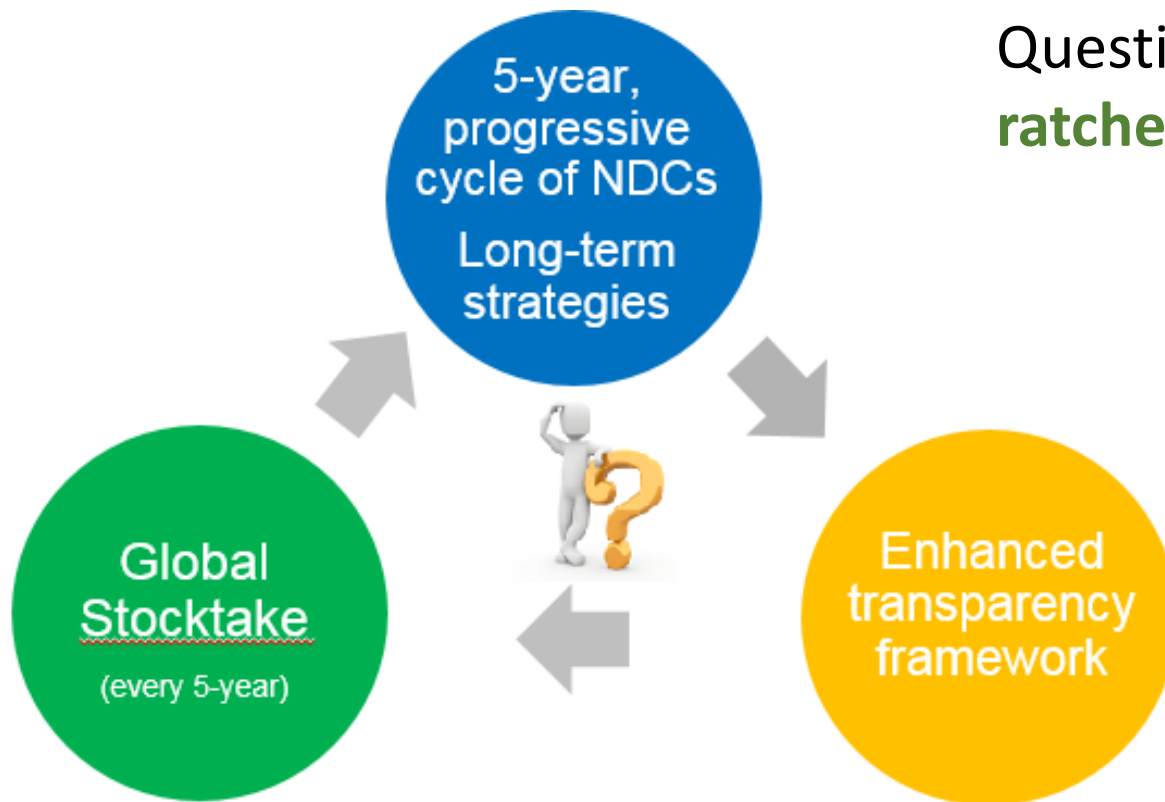
Institute for Global Environmental Strategies (IGES)



How can the Institutional Design of the Paris Agreement Help Parties to Ratchet their Ambition Levels Up?



(1) Three Elements in the “Ratchet-up Mechanism”



Questions as to **institutional design of the ratchet-up mechanism**

- How can each element work effectively?
- How can these three elements interactively and collectively work to raise ambition?

NDCs and Long-term Low GHG Emission Development Strategies

The Paris Agreement

- **sets** the global goal to “hold the temperature increase to well below 2 °C while pursuing efforts for 1.5 °C above pre-industrial levels” (Article 2).
- **requires** parties to develop and submit NDCs every five years in a **progressive** manner (Article 4, paras. 2,3,9)
- (together with COP21 decisions) **invites “all”** parties to “formulate and communicate, **by 2020**, ‘**mid-century** (1/CP.21, paras. 35, 36),’ long-term low greenhouse gas emission development strategies, **mindful of Article 2”** (Article 4, para. 19).

Importance of long-term low GHG emission development strategies



The long-term strategies provide opportunities to:

- Translate the global temperature goal into a **country specific context**;
- Make it possible for countries to have **concrete ideas about what “progression” of NDCs means**;
- Plan and implement **cost-effective NDCs** from a **long-term perspective**.

Image source:
<http://coachestrainingblog.com/becomeacoach/coaching-strategy/>
<http://www.4hisglory.us/wp-content/uploads/2014/06/Coaching-to-goal.jpg>

Challenges

- Parties need to share the common understanding on the definition of the “strategies” and the importance of linking.

*But, **no definition** was agreed.*

- Parties need to develop the long-term goal of their strategies, which are in line with the purpose of the Paris Agreement.

*But, it is **not straightforward to translate the global temperature goal into country-specific long-term goal/vision.***



Proposals (Selected)

- Long-term strategies should act as a **bridge** btw. the global goal and NDCs
 - ✓ By translating the global goal into a national goal
 - ✓ **By developing NDCs as stepping stones** to achieve the national goal.
- **A global workshop** should be organized for knowledge sharing.
- The process of formulating long-term strategies should provide **a nation-wide platform** to further engage relevant stakeholders and generate political/social acceptance of decarbonisation pathways.



Transparency Framework

- The Paris Agreement establishes an “enhanced transparency framework for action and support, with **built-in flexibility**” in light of “Parties’ different capacities” (Article 13, para. 1).
- The purpose is to “provide a clear understanding” of action, to “track progress towards achieving Parties’ individual NDCs” and to “inform the global stocktake” (Article 13, para. 5).
- **A two-step review and consideration process** (ie, “technical expert review” and “facilitative, multilateral consideration of progress”), which applies to all the Parties, has been agreed (Article 13, para. 11).

Importance of transparency framework

- The clarity about action and progress can build **mutual trust** and **confidence** among Parties, which are essential parts of any international cooperation.
- Comparison of what each Party is doing could generate **peer pressure**, which also provides foundation for collective action.
- A strong transparency framework could send **a policy signal to** and build **confidence in the corporate sector**.



Challenges in building the transparency framework

- **Diversity in NDCs** (base years, target years, and types of mitigation etc)
- Diversity in **capacity**
- A key challenge is how to improve the comparability of NDCs, while allowing a certain level of flexibility to accommodate diverse capacities.
→ **How to take the balance?**



Proposals (Selected)

- Guidance on the NDC features and modalities, procedures and guidelines for transparency framework should be developed to improve the **reliability of the information** as well as the **comparability**.
- If Parties are not able to agree upon a set of detailed information to be communicated, the **research consortium** with good regional representation should play a key role in **provide such data**.

Information elements from Lima Call for Climate Action	Specific information for improving comparability
Reference point (including, as appropriate, a base year)	<ul style="list-style-type: none"> • Base year/period • Base year/period emissions, base year emission intensity, or projected baseline scenario emissions
Timeframe for implementation	<ul style="list-style-type: none"> • Target year/period • Timeframe of action
Scope and coverage	<ul style="list-style-type: none"> • Sector covered • GHG covered • Geographical coverage • Percentage of national emissions covered
Planning processes	—
Assumptions and methodological approaches including those for estimating and accounting for anthropogenic GHG and, as appropriate, removals	<ul style="list-style-type: none"> • IPCC inventory methodologies and global warming potential (GWP) values • Use of and accounting assumptions for international market mechanisms • Accounting assumptions for removals from the land sector • For baseline scenario targets: <ul style="list-style-type: none"> - Projection method - Emissions drivers included and assumptions and data sources for key drivers
How the NDC is fair, how the Party consider that its INDC is fair and ambitious and how it contributes toward the objective of the Convention	<ul style="list-style-type: none"> • Comparison of NDC to multiple fairness/equity indicators

Proposals (Selected)

- An **expert review process** should be designed as **a learning process** to enable Parties to provide “quantifiable” information on their NDCs over time.
 - Submission of biennial update reports (BURs) is challenging for most of developing countries.
 - The expert review process needs to provide opportunity for Parties to identify areas for improvement and obtain ideas about to how to improve
- **Facilitative, multilateral consideration of progress** should be conducted through **grouping discussion based upon the type of mitigation goal**.
 - Such grouping discussion can facilitate better understating among Parties.
 - Such grouping is also relevant in terms of reflecting national circumstances.

Global Stocktake

Article 14 of the agreement writes,

“Parties...shall **periodically take stock of the implementation of this Agreement** to **assess the collective progress towards achieving the purpose**...and its long-term goals. It shall do so in a **comprehensive and facilitative manner**, considering mitigation, adaptation and the means of implementation and support, and in the light of equity and the best available science”

“Parties... shall undertake its **first** global stocktake **in 2023** and **every five years**.”

“**The outcome**...shall inform Parties in **updating and enhancing**, in a nationally determined manner, **their actions and support**...as well as in enhancing international cooperation for climate action”

COP Decision

“**Facilitative dialogue ... in 2018** to take stock of the **collective efforts** of Parties in relation to progress towards the long-term goal (of mitigation) and to inform the preparation of NDC pursuant to Art 4.8.” (para. 20)

Challenges in designing the Global Stocktake

The purpose of the global stocktake is set. However, details have to be developed by the first CMA

modalities

- ✓ who will conduct the global stocktake?
- ✓ how to organise?
- ✓ how to report the outcome?
- ✓ how to act based on the outcome?

sources of inputs

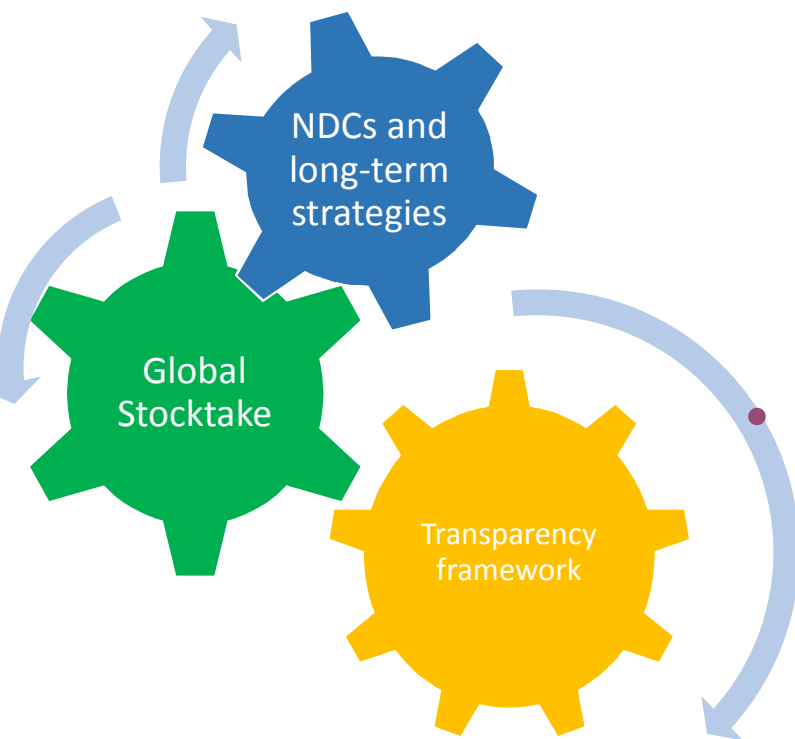
- ✓ (in addition to Synthesis information of NDCs and IPCC and SB reports) who informs what?



Proposals (selected)

- **Global emissions trends**, the **speed of global emissions reduction**, the **status of structural changes in key sectors** should be examined in terms of whether these parameters are heading to net zero emissions as soon as possible in the second half of the century
- The global stocktake should comprise two phases:
 - ✓ **Technical dialogue phase**: aiming to **translate the best available information and science into actionable knowledge** for Parties
 - ✓ **Political decision-making phase**: aiming to **ensuring the level of political attention** and political will

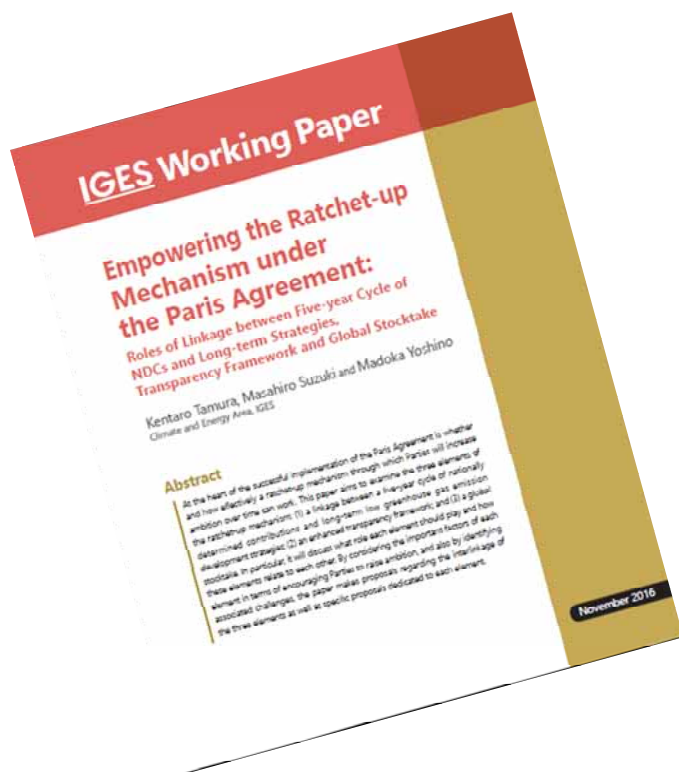
Promoting the Interlinkage among the Three Elements



- Parties should develop, update and regularly communicate their long-term strategies, with their NDCs and their progress achieved. As these sets of information are critical for the global stocktake, a **communication process should be established for long-term strategies**, along with NDCs, under a transparency framework.
- The global stocktake of mitigation actions should not only inform the current global progress towards the global goal but also **accumulate and share the best practices** of Parties on both the development and implementation of long-term strategies and NDCs, so that it can provide **actionable information** for Parties to update their successive long-term strategies and NDCs.

Thank you very much!

tamura@iges.or.jp



Paper is downloadable at www.iges.or.jp