



# Clima East: Support to Climate Change Mitigation and Adaptation in ENP East Countries and Russia

**Reflections on the domestic preparations for Intended Nationally Determined Contributions  
(INDCs)**

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## **Domestic Preparations for Intended Nationally Determined Contributions (INDCs<sup>1</sup>).**

In order to prevent dangerous climate change by limiting the rise of global temperature to below 2 degrees Celsius, in line with scientific recommendations, all countries must undertake meaningful action.

As recent science suggests, this would mean collectively cutting emissions by 2050 to nearly zero. The UN Climate Change Conference convened in November 2013 in Warsaw invited Parties to the Convention to initiate or intensify domestic preparations for their intended nationally determined contributions (INDCs) to the future global climate change agreement, due to be agreed in December 2015 in Paris (the 2015 Agreement). It is hoped that the 2015 Agreement, which Parties agreed in Durban in 2011 to negotiate, will spur the efforts of the international community to achieve the goals of the UNFCCC to prevent dangerous climate change, and will replace from 2020 onwards the Kyoto Protocol (1997), the current legally binding international agreement obliging only some developed countries to limit their GHG emissions compared to baseline levels.

### *The need for immediate action is internationally acknowledged*

Deficiencies of the Kyoto Protocol - such as limited participation, limited ambition and rigid targets - became evident in its first compliance period (2008-2012). Until 2020, emission reduction targets will be legally binding only for countries responsible for less than 12 % of global GHG emissions (even provided that all Parties which undertook to participate in the second compliance period (2013-2020) do ratify). Meanwhile, all projections confirm that emissions in other countries, most of them currently not bound by any legal obligations to mitigate, will continue to rise even faster, if no action is taken. The mandate agreed in Durban for an Ad Hoc working Group on the Durban Platform for Enhanced Action (ADP), to develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to *all* Parties, emerged out of an acknowledgement that mandatory emission reduction targets for a small number of countries would not provide a solution to the problem of rapidly rising GHG emissions. This was confirmed by the Fifth IPCC Report, published progressively in the first half of 2014, which stressed, among other things, that “in order to reach atmospheric concentration levels of 430- 530 ppm CO<sub>2</sub> eq. by 2100, the majority of mitigation relative to baseline emissions over the course of the century will occur in the non-OECD countries”.<sup>2</sup>

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<sup>1</sup> INDC and NDC are used in this document interchangeably.

<sup>2</sup> IPCC Technical Summary 2014, AR5, WGIII, p.28 [URL - [http://report.mitigation2014.org/drafts/final-draft-postplenary/ipcc\\_wg3\\_ar5\\_final-draft\\_postplenary\\_technical-summary.pdf](http://report.mitigation2014.org/drafts/final-draft-postplenary/ipcc_wg3_ar5_final-draft_postplenary_technical-summary.pdf)]

The 2015 Agreement will provide a framework for all countries to put forward their contributions<sup>3</sup> to the global effort in mitigating climate change. However, the contributions will be formulated by countries themselves, according to their national circumstances. The Parties also agreed that the future agreement will incorporate elements such as mitigation, finance, technology, capacity building but also adaptation, MRV<sup>4</sup>, compliance rules and market mechanisms. It will be for the Conference of the Parties to establish how to reconcile the proposed bottom-up approach with the requirements of science in order to collectively reach the long term global goal of limiting the rise of global temperature to 2 degree Celsius. The need for such a reconciliation indicates that national contributions, once declared, will be subject to a review *ex ante* and a verification *ex post*, the objective of which will be not only to confirm that countries are complying with their stated objectives but also that, collectively, they are on track to achieve common long term global goal.

### *The elements of the 2015 Agreement*

During the ADP session in March 2014, open-ended consultations were centred on the elements of the 2015 Agreement such as mitigation, adaptation, means of implementation (finance, technology and capacity building), transparency of action and support, as well as issues crucial to the majority of Parties such as equity and ambition. In addition, domestic preparations for INDCs in some countries were also presented during a dedicated workshop. Further progress was made in June 2014, when a Contact Group was established in order to discuss the elements of the 2015 Agreement as identified in decision 1/CP.17<sup>5</sup>, and related issues. These include assessment and review of contributions submitted by Parties, and compliance, including a discussion devoted to future contributions and commitments, and to the process which would allow their continued assessment and review, with the aim of increasing ambition of future action, as necessary. In June, for the first time outside of the Conference of the Parties, two high level ministerial events were organised by the current COP Presidency (Poland). The High-Level Ministerial Dialogue on the Durban Platform for Enhanced Action enabled the ministers to discuss key politically important aspects of the future agreement. In the course of discussion, high level representatives of 48 countries and 4 regional groups made statements with regard to both ADP workstreams<sup>6</sup>. The ministers reiterated that the 2015 agreement should be applicable to all Parties, while respecting the principles of the Convention, that it should be based on

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<sup>3</sup> Term: contributions as a term was first used by Parties at the COP in Warsaw instead of “commitments”, “pledges” or “targets”.

<sup>4</sup> Monitoring, Reporting and Verification

<sup>5</sup> <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>

<sup>6</sup> For the summary conclusions by the co-chairs, see; [http://unfccc.int/files/meetings/bonn\\_jun\\_2014/in-session/application/pdf/140610\\_dp\\_ministerial\\_summary\\_final.pdf](http://unfccc.int/files/meetings/bonn_jun_2014/in-session/application/pdf/140610_dp_ministerial_summary_final.pdf)

nationally determined contributions and science, and that it should include all the key elements. They also stressed the need for trust and confidence-building, which could be strengthened further by the upcoming Summit<sup>7</sup> organised by the UN Secretary-General in September 2014, and further demonstrated by timely submission of INDCs by Parties next year.

### *Domestic preparations of INDCs*

Given the approaching deadlines, domestic preparations for INDCs in countries participating in the UNFCCC process should be accelerated, or started, if they are not yet under way. Parties in a position to do so are to submit their INDCs by the end of the first quarter of 2015. In Bonn in June, some Parties made declarations with regard to dates at which they expected to be ready with their nationally determined contributions.

In the first quarter of 2015, INDCs will be put forward by the EU, the US, Switzerland, Peru, Canada, Mexico, China and AOSIS<sup>8</sup>. However, only the EU informed other countries about the possible level of its contribution, stating that it was internally considering the target of -40% against 1990's levels until 2030. Other countries, such as Brazil, New Zealand, Singapore and Indonesia declared that they will be ready with their INDCs by COP in Paris. However, some big emitters, notably India, Japan, Russian Federation, and Australia have not yet declared their self-imposed deadlines for submitting their contributions to 2015 Agreement. More declarations are expected to be made public during the October 2014 ADP session in Bonn, and in Lima. Declarations put forward so far confirm that the process will be gradual, and it is acknowledged that some Parties will be ready sooner than others, either because they are expected to take the lead, in line with the Convention, or they are more advanced in their domestic preparations. Therefore it is expected that more countries will propose their NDCs later, although in order to have these contributions reviewed *ex ante* before they are included in the Paris Agreement, the Parties should communicate these to the Secretariat not later than 31 August 2015.

All countries are expected to participate in the global effort, albeit in line with their capability and responsibility, but also in relation to equity and delivering their fair share. And preparations for NDCs, which will be pledged internationally but will have to be delivered domestically, require forward planning not only in terms of what to pledge but how to implement the pledge. Out of seven Clima East Partner Countries, three are or have been inscribed in Annex B<sup>9</sup> to the Kyoto Protocol

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<sup>7</sup> See website: <http://www.un.org/climatechange/summit/>

<sup>8</sup> a group of small island states

<sup>9</sup> Russian Federation and Ukraine in CP1, and Ukraine and Belarus in CP2.

(KP), and have experience, or will have experience in implementing commitments, known as quantified emission limitation and reduction commitments (QELRCs). These countries have already been through the exercise of justifying their proposed commitments under KP in the context of the UNFCCC negotiations, which could be considered as a training ground for the presentation of upfront information (UFI) on INDCs. They have also a good background in preparing their annual inventories. Moreover, all of the Clima East countries have a track record in preparing their National Communications (NCs).

Annex I (developed) countries have to submit their NCs every 4 to 5 years, based on agreed reporting guidelines.<sup>10</sup> They also report annually on their GHG inventories, following reporting guidelines agreed by the COP and the IPCC methodology. In addition, countries which have commitments under Kyoto Protocol submit, together with their annual GHG inventories, supplementary information on the implementation of the Kyoto Protocol. Both NCs and GHG inventories are reviewed by international expert review teams (ERTs). From 2014 onwards, Annex I Parties will be submitting biennial reports (BR) in common tabular format (CTF) developed by the UNFCCC Secretariat, thereby enhancing comparability of reports and transparency of information. Non-Annex I (developing) countries, except for LDCs and SIDS<sup>11</sup> which do not have deadlines, are obliged to provide their initial NCs within 3 years after entry into force of the UNFCCC for those countries. In addition, they have to submit biennial update reports (BURs) by December 2014. In order to help them in preparation of these documents, Non-Annex I countries have guidelines for the preparation of National Communications, and biennial update reporting guidelines for BURs. All Clima East Partner Countries have domestic climate policies and are implementing measures resulting in GHG mitigation and having impact on adaptation. Interesting presentations on current climate policies in Clima East Partner Countries were made this spring at the negotiators workshop in Cyprus (31 March - 1 April, 2014)<sup>12</sup>. Countries will doubtless use their current domestic policies as a basis for their INDCs. However, the political decisions on how to formulate contributions to the 2015 Agreement, not only in relation to mitigation but also to other possible elements of the agreement, have to be taken based on the respective capabilities and responsibilities of countries. The justification of the proposed contributions will have to be well argued through the accompanying information. Moreover, countries will have to be confident that they can deliver, and how much can they promise to do on their own, compared to how much could they do, if they receive support through adequate means of implementation. Countries will also compare their INDCs with INDCs of other Parties, and judge whether the effort provided by others is meaningful and encourage other countries to increase their

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<sup>10</sup> decision 4/CP.5

<sup>11</sup> Least Developed Countries and Small Island Developing States

<sup>12</sup> Presentations from the workshop are available: <http://www.climaeast.eu/events/post-cop-negotiator-event>

efforts. However, one of the traps that the negotiations based on peer review may lead to is conditionality of pledges which may weaken the agreement. Having to justify any perceived weakness of their initial pledges, countries may prefer to offer improvement of their offer conditional on more support or other countries doing more.

### *Upfront Information on INDCs*

In order to provide input to the consideration process which will amount to *ex ante* appraisal of the INDCs, Parties submitting INDCs will have to prepare upfront information (UFI) on their proposed contributions. A list of possible options with elements of UFI is attached as annex to the draft decision on INDCs proposed by the ADP co-chairs during the June session in Bonn<sup>13</sup>, and this will be subject to further negotiations in Bonn in October 2014, and, if final consensus is not reached there, possibly in Lima. The decision will have to be adopted by the next COP in Lima, in order to enable Parties to follow the guidelines of the annex when preparing UFI. Nevertheless, the annex in its current shape already offers some clarity on what to expect in terms of the required upfront information. A decision on what type of information will have to be provided together with the INDCs in 2015 is of primary concern to all Parties. In June 2014, many countries referred to difficulties in preparing INDCs in the absence of clear, agreed rules on what to include in the INDCs and how to present the background information. The decision on upfront information is to be adopted only in Lima, in December, but waiting for the final text of the decision means that countries will have even less time to prepare their INDCs. However, based on the currently available proposals, it is possible to make informed decisions on INDCs now.

It is already clear, for example, that not only mitigation but also adaptation will be included in the NDCs of those countries wishing to propose contributions in both areas. NDCs will also include information on the means of implementation (MOI) or provision of finance, technology transfer and capacity-building support to developing countries, as well as indicators on equity and ambition of contributions.

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<sup>13</sup> ADP.2014.7.DraftText. of 7 July 2014 at [https://unfccc.int/documentation/documents/advanced\\_search/items/6911.php?preref=600008014](https://unfccc.int/documentation/documents/advanced_search/items/6911.php?preref=600008014)

### *UFI on mitigation*

On mitigation, the current annex provides two options which will be further discussed in the next ADP session in October 2014.

Option 1 identifies the following information:

- type of mitigation contribution;
- timeframe or time period proposed;
- selected base year;
- coverage (geographical boundaries; sectors; GHGs; percentage of total/national emissions covered);
- baseline emissions and related assumptions and methodologies, including methods for the projection of GDP carbon intensity;
- a quantification of expected emission reductions, with or without LULUCF sector;
- annual estimated emission intensity reductions of the economy;
- methodologies, emission factors and metrics used, including GWPs (global-warming potential) in accordance with COP decisions;
- peaking year;
- expected use of carbon market mechanisms, including how double counting is avoided;
- approach to LULUCF accounting;
- estimated macro-economic and marginal costs of achieving commitments or targets, methodology used to calculate these costs;
- an indication of additional mitigation action which can be achieved with the provision of (additional) support.

Option 2 (which is supported by some non-Annex I countries, notably G-77 and China, as well as the African Group) differentiates among upfront information provided by Annex 1 and non-Annex I Parties. Annex I Parties, in line with this option, would provide UFI similar to that identified in decision 2/CP.17, para.5 and its annex I, paras 2 to 12, in the common tabular format (CTF) as provided in the annex to decision 19/CP.18. Non-Annex 1 Parties would provide information on their enhanced action which would be conditional on provision of support to those countries.

### *UFI on adaptation*

On adaptation, the draft decision offers three options for further consideration by Parties.

Option 1 lists 14 types of information required from Parties submitting UFI on adaptation in their intended NDCs:

- type of adaptation contribution;
- projected climate impacts and related assumptions;
- analysis of vulnerable sectors;
- technology, capacity building and investment needs;
- nationally determined adaptation options, adaptive capacity enhancement and their costs;
- quantification of own investments - own adaptation efforts;
- programmes and projects per sector, including those identified in the context of NAPAs and NAPs;
- definition of adaptation needs;
- international cooperation, including cooperative actions, international and regional investments to be contributed and required, and their timeline;
- support for international and regional initiatives;
- types of support by Annex II Parties, e.g. grants, bilateral funding;
- delivery mechanism, channel for the support by Annex II Parties;
- sectors and geographies covered by the various types of support by Annex II Parties;
- indicative timeline for the provision of support.

Option 2, if adopted, would involve provision of information on the formulation and implementation of national adaptation plans based on guidelines from annex to decision 5/CP.17. A placeholder was retained for further elaboration of detailed list of types of information which would be required.

Option 3 proposes a differentiation of information based on Annexes to the Convention. Annex I Parties would be obliged, under this option, to provide information on support to adaptation in developing countries, while developing country (non-Annex I) Parties would submit information on development of NAPS and on financing needs.

### *UFI on means of implementation*

Two options have been proposed on UFI related to the means of implementation (finance, technology and capacity building), of which option 1 does not differentiate among developed and developing countries (provision of support would be offered by countries in a position to provide such support)

whereas option 2 continues differentiation among developed and developing countries, whereby developed countries would inform on the means of implementation offered to developing countries, while developing countries would inform about their needs for support.

#### *UFI on equity and ambition*

Since the aggregate level of mitigation effort is to be measured against the levels of mitigation indicated by science, countries will be expected to clarify upfront how their contributions reflect the principle of equity, and will have to demonstrate their ambition.

Although political choices ultimately resulting in some of these options being selected will be made in the next few months, and even though the draft decision on INDCs will undergo further changes before it is presented to the COP, some of them last minute, the range of options available now may be regarded by countries as a starting point in reflections on how to prepare their INDCs. Foremost, the annex to the draft decision gives a list of information that may be required, indicators that would have to be presented and data that will have to be collected upfront. For some of the UFI, an institutional structure and a corresponding legal /regulatory framework will have to be set up. Moreover, each country may have to set up a standing committee or nominate a body responsible for collecting and compiling required information that may be used as UFI, in line with the nationally determined level of mitigation ambition, and for countries that will want to provide input to INDC on adaptation and MOI, also on adaptation, finance, technology transfer and capacity building. Careful thinking is needed also on the aspect of explaining equity consideration and justifying the level of ambition for the proposed INDCs on mitigation. Countries will have to be transparent and able to plausibly demonstrate that the proposed contributions are in line with the capabilities, and that the assumptions are verifiable and methodologies explained, so that their INDCs are understandable to other Parties in the UNFCCC process.

#### *Cycle of Commitments*

One of chief concerns expressed during negotiations is how to ensure that a bottom-up approach will allow countries to achieve the level of collective ambition required by science. It was reassuring that the High-level Ministerial Dialogue on the Durban Platform for Enhanced Action, held in Bonn in June 2014, confirmed that the agreement should be applicable to all Parties to the Convention and that it should be built on nationally determined contributions as well as on science, that it should allow

flexibility but that it should also define approaches allowing for a review of undertaken commitments. In other words, the existing consensus among the Parties maintains that the future system has to be transparent and must build on the existing arrangements but, as all countries should participate in the global efforts, the 'developed-developing' distinction should be replaced by a more differentiated approach, based on national circumstances. The system should be flexible and able to evolve in response to changing circumstances, enabling countries to periodically review their commitments and ratchet their ambition. A tacit understanding among the Parties, based on past experience, is that the level of common ambition of the initial INDCs may not be satisfactory. That is why during the ADP session in June 2014 Parties started thinking how to assess contributions in the medium and long term, beyond those that will be put on the table for 2015 Agreement. According to the ADP co-chairs, a consensus on how to continue assessing NDCs after initial contributions are put forward for 2015 Agreement is crucial also for the domestic preparations of INDCs in the run-up to Paris. Parties should know when and how could they increase their contributions in order to contribute adequately to the achievement of the long-term global goal. Some Parties made proposals on how this could be done, providing ideas for a cycle of contributions, which was presented in Bonn by the co-chairs as a graph discussed by the Contact Group, and further clarified in the post-session informal note.<sup>14</sup>

The co-chairs are trying to follow instructions from the Parties, mindful that Parties want the process to be party-driven. Therefore the graph compiled in the informal note is without prejudice to any future decisions of the COP that could influence timing or character of the *ex -ante* assessment or *ex -post* review of the contributions.

*Option: 10 year long commitment period*

In the case of a 10-year long commitment period under new agreement (the option favoured by the EU) initial NDCs would be submitted throughout 2015, and considered in 2016, to be finalized in 2017. The first commitment period would run from 2020 until 2030, and the implementation of the NDCs would undergo regular MRV, using the framework, of, for example, existing arrangements of International Assessment and Review (currently applicable to developed countries) and International Consultation and Analysis (currently applicable to developing countries), in order to provide information enabling Parties to adjust their commitments to the collective goal. By 2025 the progress towards achievement of the collective long-term goal would be subject to a mid-term review, enabling

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<sup>14</sup> ADP.2014.5.InformalNote at [http://unfccc.int/documentation/documents/advanced\\_search/items/6911.php?priref=600008012](http://unfccc.int/documentation/documents/advanced_search/items/6911.php?priref=600008012)

Parties to propose in 2026 initial NDCs for the second commitment period starting in 2031. These would be considered by parties in 2027 and finalised in 2028, to be implemented from 2031 onwards.

*Option: 5-year long commitment period*

With the 5 year commitment periods under 2015 Agreement, favoured by AOSIS and some other countries, the process would be similar but shorter, with initial NDCs for second commitment period (starting in 2026) proposed by Parties in 2022, reviewed in 2023, and updated in 2024. Ex-post review of the results achieved in CP1 would be envisaged in 2026 (first year of the next commitment period), with initial third commitment period NDCs proposed in 2027. These would be reviewed in 2028 and undergo technical update, combined with a full review of progress towards achievement of the long-term global goal in 2029.

*Review of the Long-term Global Goal (LTGG)*

Against this assessment and consultation on NDCs, in parallel the UNFCCC will continue work now conducted under 2013-2015 review of the Long-term Global Goal (LTGG). This will be based on science, exemplified by the reports of the IPCC, and especially its fifth report (AR5). The aim of the review is to assess whether, globally, countries are on track towards limiting dangerous climate change. While the review has been progressing, Parties realised it will be necessary to conduct further periodic reviews in order to assess where the global community stands in relation to climate change mitigation and GHG reduction. The results of the reviews would provide guidance for the future contributions and such joint actions as, for example, international cooperative initiatives.

*Building on existing architecture*

The future MRV systems proposed under the 2015 Agreement could draw on the existing pre-2020 arrangements: Biennial Reports, National Communications and their multilateral assessments (IAR) for developing countries under the Convention, as well as on the Kyoto Protocol system of annual inventories and review of compliance with KP targets. Information contained in the NCs would be important for reporting under the 2015 Agreement: information on GHG emissions, climate policies and measures, GHG projections, vulnerability and adaptation to climate change, financial assistance and technology transfer to non-Annex 1 countries, actions on raising public awareness of climate change. National GHG inventories are a source of information on GHG emissions such as activity

data, emission factors and methodologies used to estimate these emissions. Similar information will have to be included in the UFI, so countries are not starting from scratch. The fact that the UNFCCC is not trying to build a new regime for post-2020 from scratch, but is trying to adapt existing framework and build on that, may be reassuring for most countries.

### *Way forward towards Lima*

Nevertheless, the remaining work that has to be concluded, in order for Lima to bring Parties towards the 2015 Agreement, is formidable. In October 2014, the ADP co-chairs hope to further work on the elements for a draft negotiating text and to conclude the work on a draft decision on upfront information on INDCs, so that it can be presented for adoption by the Conference of the Parties in December this year. The views of Parties on what elements should be included in the 2015 Agreement are still divergent, although the fundamentals - for example, that it should apply to all Parties - are uniformly recognised. The Parties need also to agree on the structure of the 2015 Agreement, and the discussion on that subject will be continued in October. In order to facilitate finding a common ground, ADP co-chairs prepared a non-paper summarising views on what should be included in negotiating text on the 2015 Agreement put forward by the Parties in submissions, statements and other inputs during negotiations.<sup>15</sup> The co-chairs invited Parties to reflect on the issues presented in the non-paper, in order to decide which options can they support, consult with other Parties, and, if they wish so, to provide input to the process through submissions before the next meeting of ADP in October 2014. Parties will be also able to comment and provide input on the cycles of contributions, including timelines and compliance assessment, and the realignment of the cycles of contributions with the IPCC process, as well as their relationship with the existing processes such as IAR (International Assessment and Review) and ICA (International Consultation and Analysis). Domestic preparations of the INDCs are, however, a key deliverable that Parties need to work on, looking for ways to mobilise internal resources, and, where appropriate, ask for support from other Parties in a position to provide such support. Some EU Member States have already started preparations for supporting development of INDCs in developing countries, followed by multilateral agencies and UN bodies. Some EU funded capacity-building projects, such as Clima East can also provide dedicated support, through focused workshops and advice on identified issues linked to domestic preparations of INDCs.

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<sup>15</sup> ADP.2014.6.NonPaper at [https://unfccc.int/documentation/documents/advanced\\_search/items/6911.php?preref=600008013](https://unfccc.int/documentation/documents/advanced_search/items/6911.php?preref=600008013)