



Intended Nationally Determined Contribution (INDC)

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Climate Action Network International (CAN-I) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 900 members in over 100 countries. www.climatenetwork.org

Governments at COP19 in Warsaw agreed to “initiate or intensify preparations of their intended nationally determined contributions” (INDC) to meet the ultimate objective of the convention. It was also agreed that governments in ‘a position to do so’ would submit their INDCs by March 2015. At the Climate Summit in New York, the commitment to come forward with INDCs was further reiterated. Even though there is broad agreement on the need to submit INDCs much ahead of COP 21 in Paris, there is still not enough agreement on the shape of these INDCs.

Climate Action Network (CAN) with this submission intends to elaborate its thinking around the INDCs as well as provide solutions towards the continuing disagreements between governments as well as clear the ambiguity around the concept of INDCs.

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Overall Objectives of INDCs

There is a shared understanding amongst governments that all countries need to contribute by submitting their proposed INDCs and that the scope of these INDCs would be nationally determined. CAN would like to propose certain overarching objectives, which should be at the heart of discussions while governments are in the process of preparing their INDCs.

- (a) *Limiting global temperature below 1.5 degrees* – INDCs are meant to be individual contributions from governments but the overall objective of preparing INDCs is to ensure that we do not exceed the 1.5-degree threshold. Science is clear that in order to avoid catastrophic impacts from climate change, global temperature rise should be limited to below 2 degrees. CAN holds the view that even though INDCs are meant to be individual contributions determined nationally, the overall aggregate result from all INDCs should put the global emission trajectory on a below 1.5 degree pathway. This is essential if the ultimate objective of the convention is to be fulfilled.
- (b) *Addressing the ambition gap in the pre 2020 period* – INDCs are to address post 2020 emission trajectories of countries. But the levels of mitigation efforts up to 2020 inevitably affect the required level of mitigation effort in the post 2020 period. There are legitimate concerns that the lack of ambition by some developed countries in the pre -2020 period results in additional responsibility towards developing countries in the post 2020 framework. CAN is of the view that though the focus of INDCs are on the post 2020 period, governments should not obviate the need for increasing pre 2020 ambition in order to close the gigaton gap. Previous commitments on finance as well as on emission reduction should be met as well as ambition should be increased in order for a level playing field in the post 2020 period.
- (c) *Consideration of a Long Term Goal* – CAN is calling for phasing out all fossil fuel emissions and phasing in a 100 % renewable energy future with sustainable energy access for all, as early as possible, but no later than 2050. CAN is of the view that while INDCs are meant to address post 2020 emissions, governments should also be considerate about the long term trajectory of their emissions. Preparation of INDCs should factor in the long-term result of contributions being proposed. The contributions from all governments should not only result in eventually phasing out fossil fuels but should also enable the global energy system to move towards 100 % renewable energy while providing sustainable energy access for all.
- (d) *Prioritizing the needs of all vulnerable peoples* – In order for action on climate change to be successful, national priorities and developmental aspirations should be embedded within any action taken to tackle climate change. INDCs should protect the interests of the vulnerable peoples across the world. Governments should prepare INDCs from the prism of co-benefits where the resultant impact from policies adopted within the INDCs not only address climate change but also benefit the most vulnerable in the country.
- (e) *Encourage a National Participatory Process* - This is one of the most important components while preparing INDCs. Governments should encourage public participation while deliberating on INDCs. Public participation should play a key role in setting the ambition of the INDCs as well as with respect to the policies that are to be part of the INDC. Government should allow civil society, think tanks and other interest groups to be part of the process of designing the INDC. There are numerous virtual means of participation that could be utilized by the governments to get wide support for actions being proposed as well as to get inputs. CAN encourages governments to enable not just one but multiple opportunities for public participation during the course of preparation of the INDC.

Upfront Information Requirements for INDCs

Post COP 15 in Copenhagen, numerous governments had put forward the actions they intended to take to reduce emissions. While it was encouraging to see many governments take action, it was difficult to assess the adequacy of these actions as well as to ensure that comparable efforts were being made across different countries.

CAN believes that there should be at least some minimum upfront information requirements which need to be fulfilled along side the contribution that governments are likely to make. This information will enable governments to not just compare actions amongst themselves but would allow checking whether the overall impact from the contributions would be scientifically adequate. CAN believes that the information requirements listed in the annex of the ADP Co-chair's draft decision text provides a good starting point for this discussion.

- (a) **INDCs will have to provide enough information to support a useful level of assessment.** They need to be adequate and equitable and in line with the CBDR+RC principle. The information provided on the INDCs needs to be quantifiable, comprehensible and reproducible in a common information matrix in order to assess the efforts of countries with different responsibilities and capabilities.
- (b) **Governments should also specify the list of indicators in the information against which they justify their proposed post-2020 contributions.** These indicators should include all of the following: *adequacy* (e.g. carbon budgets used, mitigation pathways followed), *responsibility* (e.g. start date from which responsibility is calculated, which gases are included, etc.), *capability* (e.g. GDP, GDP per capita, poverty, etc.), *the sustainable development need*, and *adaptation need*.
- (c) Parties need to explain the scale of their INDC in terms of their preferred definitions of responsibility and capability, and relative to their understanding of their development need and adaptation need. They should be transparent and precise enough that others can follow their logic and their arithmetic.
- (d) In addition, **countries should explain exactly how they judge their INDCs to reflect their “fair share”, in the context of the mitigation budgets and pathways that they support.** The goal is a level of transparency that makes it possible to apply the same equity rules to other countries. I.e., if all countries were to do equivalent shares – based on their responsibility and capability – would the mitigation budget / pathways be achieved?
- (e) **Depending on types of mitigation contributions, degrees of accuracy and certainty could be varied but the general principle should be acquiring maximum clarity.** At least for developed countries, this information is relatively straightforward and should be based on the approach adopted in the Kyoto Protocol (including a clear baseline, economy-wide reductions across the Kyoto basket of gases and use of common metrics (GWP, etc.)). Those countries that might not be part of Annex 1 group of countries but have over a period of time the requisite capacity to provide this information should also do so. For other countries, the information should at least include the net effect of planned mitigation actions in CO₂e. We also believe Parties “should” provide information on enhancing mitigation efforts in the pre-2020 period in order to enable a comprehensive ex ante review of INDCs.
- (f) **It is expected that most developed countries will not be able to mitigate their equitable share domestically, thus the INDC should provide clarity on domestic component of its equitable effort and international supported mitigation.** If INDCs

from a particular government includes the use of international units (offsets or allowances) the use of such units must not lead to a lower global mitigation outcome than if no such market instruments were used. Therefore countries wishing to engage in international carbon markets will need to have ambitious domestic mitigation targets and adhere to strict quality and accounting criteria that fully address double counting and also do not allow the use of “hot air” units for compliance. (Such “hot air” units could come from non-additional and/or over-credited actions, such as offsets from business-as-usual activities or allowances from systems with unambitious baselines). Likewise, if a country intends to use other approaches than market-based ones to count their emission reduction as its contributions, they have to explain justification and modalities of such approaches.

- (g) While the INDCs may have aspects of finance, adaptation and mitigation, from a mitigation perspective, **all countries while submitting their INDC should clarify the legal nature of contributions they are putting forward.** Countries should state whether the contribution they are putting forward is internationally legally binding or domestically binding through enactment of national law.
- (h) **Those developing countries who need financial support to go the extra mile** i.e. move beyond what can be expected as those countries’ equitable share in the global effort and that would be too challenging without international support **should include information on financial support needed for additional mitigation contribution.** While **developed countries and countries with similar responsibility and capability should indicate the international financial support that will be provided for scaling up actions in other countries with lower capacity.**

Differentiation within INDCs

The reality within countries is different and is dynamic as it changes with time. While preparing INDCs, different countries are at different starting points. CAN recognizes that the nature of INDCs will be diverse depending on national realities but CAN believes that these realities cannot be devoid of responsibilities different countries have towards solving the global problem of climate change.

The application of the equity review proposed by CAN allows a dynamic differentiation based on the above-defined principles of equity. Thus over time as countries capabilities and responsibilities evolve so shall their commitments. Suggested differentiation based on the CAN science-based equity review, implies different types of commitments for different countries with suggested commitments describing the minimum expected in accordance with countries equitable share of adequate global mitigation goal. Countries may choose to take on greater commitments than the minimum suggested. This flexibility acts as an elevator for ambition and does not allow backsliding.

CAN expects the communicated INDC by different countries to fall into the following structure:

- (a) **Developed Countries and those with equivalent responsibility and capability** - All developed countries and those with equivalent responsibility and capability, meaning countries with high levels of economic capability and historical responsibility are expected to at least take multi year economy wide emission reduction targets, and to reference those targets to 1990 levels. All these countries

in addition to mitigation targets should provide international climate finance support to developing countries based on their indicated need.

- (b) **Developing Countries with higher capability and larger responsibility** - Other countries, whose capabilities and responsibilities are not equivalent to developed countries, meaning countries with higher capability and larger responsibility among developing countries are expected to take at least economy wide targets - either compared to BAU or intensity. These countries should clarify within their INDC in two parts. One would be the contribution they are likely to make with their own resources and the other part would be any additional action that they want to premise on provision of means of implementation. They could voluntarily also provide climate finance if they are in a position to do so.
- (c) **All Other Developing Countries** - All other developing countries, meaning countries with less responsibility and less capability that are not part of the least developed country group, should at least provide policy and/or Sectoral goals as part of their contributions. They should also indicate the estimated level of financial support required to carry out these plans.
- (d) **LDCs** should at least provide an indicative plan to develop their contributions. They should be given priority in receiving support for planning as well as executing their contribution. They are also expected to communicate their estimated needs.

INDCs beyond Mitigation – How should finance, adaptation and technology be reflected within the INDCs

There is a shared understanding that INDCs would have a primary component of emission reduction that would be reflected within the INDC. Though this does not limit the scope of INDC to just mitigation contributions. CAN believes that INDCs could also have aspects of finance, adaptation and technology reflected within a country's contribution.

Adaptation within INDCs

The nature, information requirements and the timelines of the adaptation component of INDCs are quite different than the mitigation component. In particular, the comparability and MRV requirements are of less importance for adaptation. The adaptation component of the INDC should be voluntary and should not be replace the mitigation component, because all countries must contribute to their fair share. Also in CAN's view, the adaptation component of the INDC will not have a legal nature unlike the mitigation component.

Including adaptation in the INDCs should strengthen rather than interfere, distract or undermine on-going adaptation planning efforts in developing countries. Many vulnerable developing countries have started, or are in the process of, developing longer-term national adaptation plans or similar instruments, which most likely will address a time period beyond 2020. Some may also be in the process of updating their National Communications Plans?. A decision to include adaptation in the INDCs may lead countries to deviate from this process and to rush into potentially premature goals and outcomes for adaptation in order to be able to submit INDCs in the early months of 2015.

There is also a risk that the transparency and participatory nature of adaptation planning agreed in the Cancun Adaptation Framework will be undermined. This must be avoided. However, **if the national adaptation planning process is advanced enough to be submitted as an INDC** (e.g. derived from the NAP or other plans), then this should be encouraged. Parties should also be encouraged to use existing information relating to climate impacts

and vulnerability (e.g. from National Communications or adaptation plans), where appropriate, to reduce the burden of preparing INDCs.

Including adaptation in the INDCs can help strengthen the profile of adaptation within the 2015 agreement, but it is by far not the only option to do so. CAN recognizes that some countries have suggested the inclusion of adaptation in the INDCs because they see this as an opportunity to strengthen action for adaptation, both domestically, but also internationally. This is in principal welcome and CAN therefore recognizes an added value in this approach. However, it must also be clear that **strengthening adaptation requires progress in other areas of the negotiations, beyond the INDCs.** For example countries have clearly put forward suggestions for strengthening the existing adaptation architecture, for giving National Adaptation Plans a central role and for scaling-up public financial support by developed countries.

INDCs on mitigation and adaptation can be submitted independently from each other, with a more flexible deadline for adaptation. An approach to address some of the above-mentioned problems is to clearly state that there is a timing priority for the mitigation INDCs because of the stronger need for an assessment of the collective ambition. **If countries have plans and information related to adaptation ready to be included in the INDCs to be submitted in the early months of 2015, of course no country should be hindered to submit these,** but it would be counterproductive if the mitigation INDCs are delayed because of further work required on adaptation INDCs. Also, it must be clear that not submitting adaptation INDCs by early 2015 does not prejudice a country's access to means of implementation required for executing their contribution.

The ambition of the mitigation INDCs will impact on the longer-term national adaptation prospects. If the collective ambition (or lack thereof) would keep the world on a 4+ degrees trajectory instead of putting it clearly on a well below 2 degrees pathway, poor and vulnerable countries may have to reconsider their current planning, to prepare for much greater humanitarian, environmental and economic impacts. These may arise in the form of human and natural hardship through extreme events, malnutrition and starvation on massive scales due to deteriorating food security, disruption of ecosystem function and ecosystem services, displacement of potentially hundreds of millions of people, significant risks increase of climate-induced conflicts and violence, significant loss of national territory and physical extinction of entire nation states due to sea-level rise etc., but also a swell in legal action against polluting companies and countries to seek for compensation for harm as a result of lack in mitigation ambition. Although adverse impacts are expected to emerge mainly after the next decade or so, such a perspective would have implications for today's planning. **This underlines the need to emphasize the 'I' in INDCs as the content of what countries submit as adaptation measures, may have to be reconsidered and – potentially – radically changed if the 2015 agreement ends up with a low level of ambition.**

Finance within INDCs

In order to fully understand a country's contribution to the global effort, all developed countries (and others with equivalent responsibility and capability) within their INDCs must provide information on their planned climate finance provisions to support actions in other countries. This information can then feed into a collective discussion on the financial provisions that should feature in the 2015 agreement. In this regard, **the \$100 billion commitment made in Copenhagen should be strengthened further after 2020 –through setting a global, collective target for public finance to be provided by contributing**

countries. Countries will have to contribute to such global targets adequately, consistent with the provisions of the UNFCCC etc., and make individual finance commitments also post-2020 to contribute to achieving the collective goal. Separate targets for public finance for mitigation and for adaptation should also be explored.

Provision of such information would be extremely helpful to raise ambition in developing countries in relation to their INDCs. As developed countries (and countries with equivalent levels of responsibility and capability) put this information forward, it would help demonstrate the country's sincerity about tackling climate change and helping vulnerable countries to adapt to impacts.

The financial component of INDCs from developed countries (and countries with equivalent levels of responsibility and capability) should include:

- (a) Detailed information on levels, types, instruments and channels of climate finance that countries intend to provide as part of their nationally determined contribution;
- (b) Intended deployment of alternative sources, available at the national level, to generate additional public climate finance.
- (c) Efforts to mobilize additional finance including shifting investment patterns, e.g. through setting policy frameworks or deploying public finance and stopping fossil fuel subsidies.
- (d) Commitments to mobilize additional finance to contribute to the global effort/goals/targets, including actions that assist developing countries in putting their economies onto a low carbon path by shifting investment patterns.

For those countries seeking international financial support to implement their proposed contribution, in their INDCs they could specifically spell out:

- (a) Their climate finance needs (scale and types of finance) to enable them to enhance mitigation action, beyond what could be considered their equitable share of the global effort. This could involve mitigation actions and targets, including policies to shift investment patterns towards low-carbon and climate-resilient pathways that would be dependent on the provision of support, and would become part of countries' contributions on a rolling basis, if and when support becomes available.
- (b) What efforts they plan to undertake to mobilize additional finance - including shifting domestic investment patterns - e.g. through setting policy frameworks or deploying public finance and reforming fossil fuel subsidies.

Technology within INDCs

A coordinated global effort to promote innovation and deployment of key early-action climate technologies is among the most likely actions that could help ensure meeting the well below 2 degree goal, and therefore, could be considered as a separate component of an INDC.

For each key early-impact climate technology, countries could consider how existing and additional innovation resources might be channeled into its development lifecycle in order to best leverage existing work toward optimized technologies for various local circumstances. Depending on where in the lifecycle the particular technology resides, the country could choose various methods of promoting its innovation and deployment.

Some suggestions on the most relevant features of the technology component of INDCs -

- (a) Capacity Building to strengthen a country's system for better adoption of specific technologies and promoting their innovation.
- (b) Promotion of appropriate policies and measures, to support deployment, adoption and adaptability of technologies to local market conditions.
- (c) Creating the necessary supportive legal structures to ensure speedy uptake, integration and generation of further innovations relevant to local market conditions
- (d) Articulating clear targets and metrics for financially supporting R&D within the country.
- (e) Provision of financial incentives such as subsidies and tax breaks for investment related to R&D for key early action climate technologies.
- (f) Encouraging the use of open source Intellectual Property (IP) through risk management techniques among others.

By submitting commitments on R&D and Deployment support for key, early-action climate technologies countries will collectively drive the markets for these technologies through raised market confidence. In return, entrepreneurs will make the continuing investments that will discover and promote the next leapfrog technology.

Review, Assessment and Scaling up Ambition of INDCs

CAN views the initial submissions from countries on their INDCs to be a preliminary exercise that should be finalized only after adequate review and assessment. This would ensure that low ambition is not locked into the new agreement in 2015. It would also curtail the possibility of a gap between the aggregate ambition of the INDCs and what science requires.

In Lima, Parties must decide on a process to assess the adequacy and equitability of the INDC in an *ex-ante* ambition and equity assessment. Parties will need to decide the modalities of this assessment phase and clarify how to formally review and assess the INDC before COP 21 in Paris within the UNFCCC process. An *ex-ante* review will also provide an opportunity for governments to better understand other country's contributions and would open a space for discussion to provide feedback and inputs.

At the core of this decision must be a science-based process facilitated by the Secretariat. For assessing the adequacy of the communicated INDC in an aggregate manner, the UNFCCC Secretariat could develop a compilation paper until May 2015 to overview how much contributions add up to in relation to the well below 2 degree pathway. The compilation paper should be available on the UNFCCC website. This compilation requires the provided information within INDCs to be presented in a common information matrix clearly articulating different contributions by countries. **The Secretariat's compilation paper should inform a discussion on INDCs in an in-session workshop at the June SB42 2015 Bonn session.**

For the equity assessment of INDCs submitted by all countries, the discussions at the in-session workshop at the June SB42 2015 Bonn session, facilitated by the Secretariat, should host an external technical review of the equitability of the contributions by an expert group. The workshop should provide a formal space to allow for experts from Parties, think tanks, international organizations and other observers including civil society to present their equity

reviews of the INDCs as presented by the governments. The Secretariat is expected to produce an informal summary of the reviews and make it available on the UNFCCC website.

The modalities of the official assessment phase should also clarify that Parties would need to up-scale their INDCs where necessary prior to COP 21 in Paris, after having completed the assessment phase.

Parties should decide in COP 21 in Paris to establish a ratchet-up mechanism, the modalities for which could be decided post COP21. The mechanism should allow to up-scale contributions from countries on a regular basis in line with regular scientific equity reviews.

Timeline and Cycle of Contribution

CAN would like to highlight that the INDCs put forward by countries should continue with the frequency of a 5-year period in order to review ambition of the contribution periodically. This would mean that the **length for the 1st round of INDCs should be 2020-2025.** Short periods of commitment ensure that the risk of low ambition being locked in for a long time is mitigated as well as the fact that action being undertaken can be reviewed periodically.

CAN suggests **six steps for preparing, submitting, reviewing, up scaling, deciding and ratcheting-up the INDCs from pre-Lima until post-Paris.**

Activity	Timing
1. Participative domestic preparation of INDC by countries	Ongoing until March/ June 2015
2. Submission of INDCs:	
2.1 Submission of INDC by developed countries (and countries with equivalent responsibility and capability)	March 2015
2.2 Submission of INDC by developing countries with higher Capability and larger responsibility	March 2015
2.3 Submission of INDC by all other developing countries	June 2015
3. Formal UNFCCC review process / assessment phase:	
3.1 UNFCCC Secretariat to compile a paper capturing all submitted INDCs and evaluating the adequacy of the common efforts	March - May 2015

3.2 UNFCCC facilitates an in-session workshop on adequacy and equity review of the INDC at SB42, inviting experts from Parties, and observers including civil society	June 2015
4. Up-scaling of INDCs where required prior COP21, Paris	June 2015 to December 2015 (prior to COP 21)
5. Paris decision on ratchet up mechanism with modalities to be worked out later	COP21, December 2015
6. Ratchet-up mechanism to continuously further up-scale the ambition within country's contributions.	After COP21 and continuing through the 2015 to 2020 period and beyond.