



WORLD
RESOURCES
INSTITUTE

GUIDANCE ON INDC PREPARATION

*TECHNICAL DIALOGUE ON INTENDED NATIONALLY DETERMINED
CONTRIBUTIONS TO THE 2015 AGREEMENT UNDER THE UNFCCC*

DENNIS TIRPAK (CONTRIBUTOR KELLY LEVIN)

26 FEBRUARY 2015

UNFCCC DECISION - COP 20 IN LIMA (PARA 14)

- *Agrees* that the information to be provided by Parties communicating their INDCs may include:
 - **quantifiable information on the reference point (including, as appropriate, a base year),**
 - **time frames and/or periods for implementation,**
 - **scope and coverage,**
 - **planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals,**
 - **how the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and**
 - **how it contributes towards achieving the objective of the Convention as set out in its Article 2**

Should facilitate clarity, transparency and understanding

BACKGROUND ON GUIDANCE DOCUMENT

- GHG Protocol Mitigation Goal Standard and Policy and Action Standard
- WRI: “Ex-Ante Clarification, Transparency, and Understanding of Intended Nationally Determined Mitigation Contributions,” March 2014
- Guidance document – ‘Designing and Preparing Intended Nationally Determined Contributions (INDCs)’

The image shows the cover page of a working paper from the World Resources Institute. The title is 'EX-ANTE CLARIFICATION, TRANSPARENCY, AND UNDERSTANDING OF INTENDED NATIONALLY DETERMINED MITIGATION CONTRIBUTIONS'. The authors are Kelly Levin, David Rich, Jared Finnegan, and Yamide Dagnet. The paper is dated March 2014. The cover includes a table of contents and a brief description of the paper's context under the UNFCCC.

WORLD RESOURCES INSTITUTE Working Paper

EX-ANTE CLARIFICATION, TRANSPARENCY, AND UNDERSTANDING OF INTENDED NATIONALLY DETERMINED MITIGATION CONTRIBUTIONS

KELLY LEVIN, DAVID RICH, JARED FINNEGAN, AND YAMIDE DAGNET

CONTEXT UNDER THE UNFCCC

Parties to the United Nations Framework Convention on Climate Change (UNFCCC) are negotiating an international agreement for the post-2020 period, to be adopted by 2015, that aims to limit the rise of the global average temperature to below 2°C above pre-industrial levels (hereafter referred to as the “2015 Agreement”).

In preparation for the 2015 Agreement, Parties decided at the 19th session of the Conference of the Parties (COP 19) in Warsaw to initiate or intensify preparation of their intended nationally determined contributions so that they may be communicated internationally by the first quarter of 2015, by Parties ready to do so, or at least well in advance of the 21st session of the Conference of the Parties (COP 21) at the end of 2015. The COP 19 decision further stipulates that contributions are to be submitted “in a manner that facilitates the clarity, transparency and understanding of the intended contributions.” Accordingly, the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) was tasked to identify, by COP 20 in December 2014, the information that Parties will provide when they put forward their intended nationally determined contributions. In line with this task, the ADP co-chairs set a goal to initiate discussions in March 2014 on “which information is essential for facilitating clarity, transparency and understanding of the contributions and what level of specificity is useful and necessary for those purposes” in order to facilitate Parties’ domestic preparation of their intended nationally determined contributions. This working paper aims to inform the identification of such information.

CONTENTS

Context Under the UNFCCC	1
Limitations of This Paper	2
Importance of Ex-Ante Information	3
Possible National Contribution Types	3
Tables for Suggested Information for National Mitigation Contributions	5
Conclusion	10
Appendix A: Sample Completed Table for a GHG Mitigation Goal Contribution	11
Appendix B: Sample Completed Table for a Policy Contribution	14
Appendix C: Sample Completed Table for a Project Contribution	17

Disclaimers: Working Papers contain preliminary research, analysis, findings, and recommendations. They are circulated to stimulate timely discussion and critical feedback and to influence ongoing debate on emerging issues. Most working papers are eventually published in another form and their content may be revised.

Suggested Citation: Levin, K. et al. “Ex-Ante Clarification, Transparency, and Understanding of Intended Nationally Determined Mitigation Contributions.” Working Paper, World Resources Institute, Washington, DC. Available online at: www.wri.org/publication/ex-ante-clarification-transparency

WORLD RESOURCES INSTITUTE WORKING PAPER | March 2014 | 1

<http://www.wri.org/publication/policy-and-action-standard>

<http://www.wri.org/publication/mitigation-goal-standard>

WHY DEVELOP AN INDC?

- **Main purpose:**
 - We are out of time when it comes to reducing emissions
 - Can build on existing activities, but this is not just another plan!
 - Build trust that a country is serious and not a ‘free rider’
 - Means to facilitate clarity, transparency and understanding of the intended contributions
 - Enable assessment of whether all INDCs are collectively sufficient to meet the global 2°C goal – if not, by how much
 - Fostering a dialogue on ambition and equity

WHY DEVELOP AN INDC?

- **Can also be useful to:**
 - Enable comparison across diverse INDCs (type, scope, ambition, equity, etc.)
 - Enhance domestic implementation
 - Identify where common accounting and MRV rules are needed

KEY STEPS

- Assemble available information
- Develop a plan
- Decide on Design Options
- Estimate the costs and what support is needed for greater ambition
- Sell the INDC to senior officials
- Decide how to package your INDC

TYPES OF INFORMATION

BUILD ON WHAT IS ALREADY AVAILABLE!

Type of information	Purpose of information	Examples of data sources
Internationally communicated 2020 GHG emissions reduction plans	Provide a starting point for the post-2020 contribution	Submissions to the UNFCCC under the Copenhagen Accord, Cancun Agreements
National objectives and priorities	Ground the contribution in the national context and ensure the contribution is “nationally determined”	Laws, climate change strategy, economic development strategies and plans, energy plans and policies, transportation plans, water plans, agriculture plans, electricity plans, green growth plans, five year budget plans
Current GHG emissions profile of the country	Identify which sectors and gases contribute most to national emissions	Latest national GHG inventory. If not available, proxies such as governmental estimates.

TYPES OF INFORMATION

BUILD ON WHAT IS ALREADY AVAILABLE

Type of information	Purpose of information	Examples of data sources
Current mitigation activities	Identify current efforts that can form part of the INDC and can be built upon further	CDM projects, NAMAs, technology needs assessments (TNAs), climate change plans, economic development plans, sectoral strategies and plans, national climate change laws, LEDS, green growth strategies Sources may include: National Communications, Biennial Update Reports
Projected future emissions under a business-as-usual scenario (or other scenarios)	Understand expected growth in emissions by sector in the future, taking into account current mitigation activities	National Communications, Biennial Update Reports, national energy or environmental reports, economic projections, International Energy Agency (IEA), U.S. Energy Information Administration (EIA), Climate Action Tracker

TYPES OF INFORMATION

BUILD ON WHAT IS ALREADY AVAILABLE!

Type of information	Purpose of information	Examples of data sources
Assessment of mitigation potential	Identify additional mitigation technologies, opportunities, and actions that are technically and economically feasible, as a basis for determining the scale of GHG reductions that could be feasibly be achieved; identify barriers that are preventing realization of mitigation potential	National mitigation assessment studies, abatement cost curves, IEA reports, Climate Action Tracker
Relationship to global 2°C goal	Understand the scale of GHG reductions needed to limit warming and avoid the most dangerous climate change impacts	IPCC Fifth Assessment Report, fairness indicators and principles

DEVELOP A PLAN AND SCHEDULE FOR THE INDC

		April - June 2014	July - Sept 2014	Oct - Dec 2014	Jan - March 2015	April - June 2015	July - Sept 2015	Oct - Dec 2015
Decision making at the political level	Senior inter-ministerial meetings to launch and review progress of the process							
	Consultation with experts on methodological aspects and design of a consultancy to support political aspects of the process							
Technical process	Top down analysis							
	Bottom up analysis							
	Consultations							
	Impact assessments							
INDC deliverables	Preliminary version of INDC							
	Presentation of INDC before UNFCCC							
	Final version to Paris Agreement							
Participatory process	Communication strategy for the contribution							
	Discussions with civil society							
INDC implementation	Development of agreements for the implementation of INDC elements							

DECIDE ON KEY DESIGN OPTIONS

- Choose sectors and gases
- Choose actions and/or outcomes
- Choose timeframe
- For actions, choose actions
- For outcomes, choose type of outcome and way of expressing target
- Choose level of reductions

KEY DESIGN OPTIONS

- Choose sectors and gases
- Choose actions and/or outcomes
- Choose timeframe
- For actions, choose actions
- For outcomes, choose type of outcome and way of expressing target
- Choose level of reductions

CHOOSE SECTORS AND GASES

Five IPCC sectors

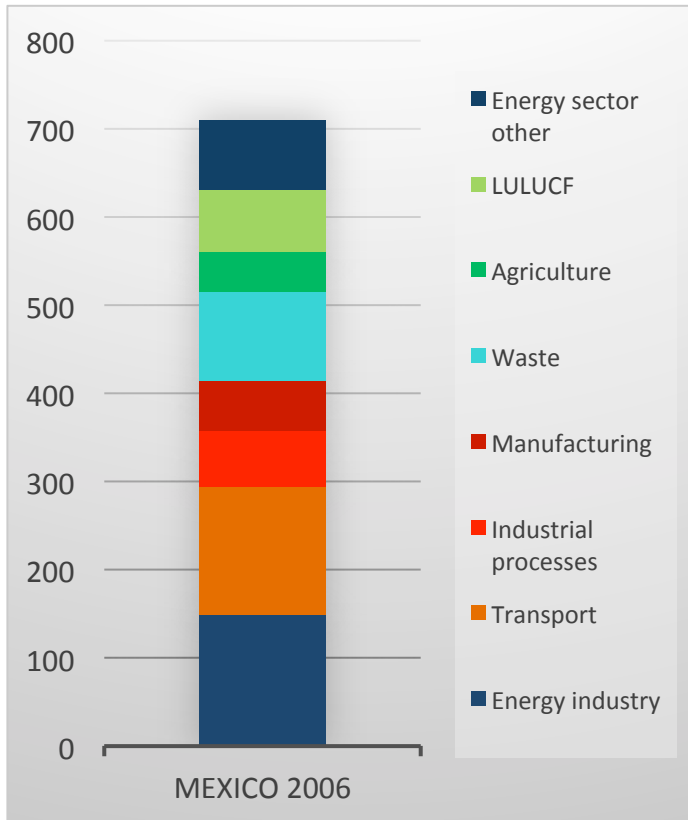
- Energy
 - Subsectors
- Industrial processes and product use (IPPU)
- Agriculture, forestry and other land use (AFOLU)
- Waste
- Other

Seven gases

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulfur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

- In general should prioritize sectors and gases that contribute most to national emissions (based on the inventory) and/or are projected to contribute most in the future

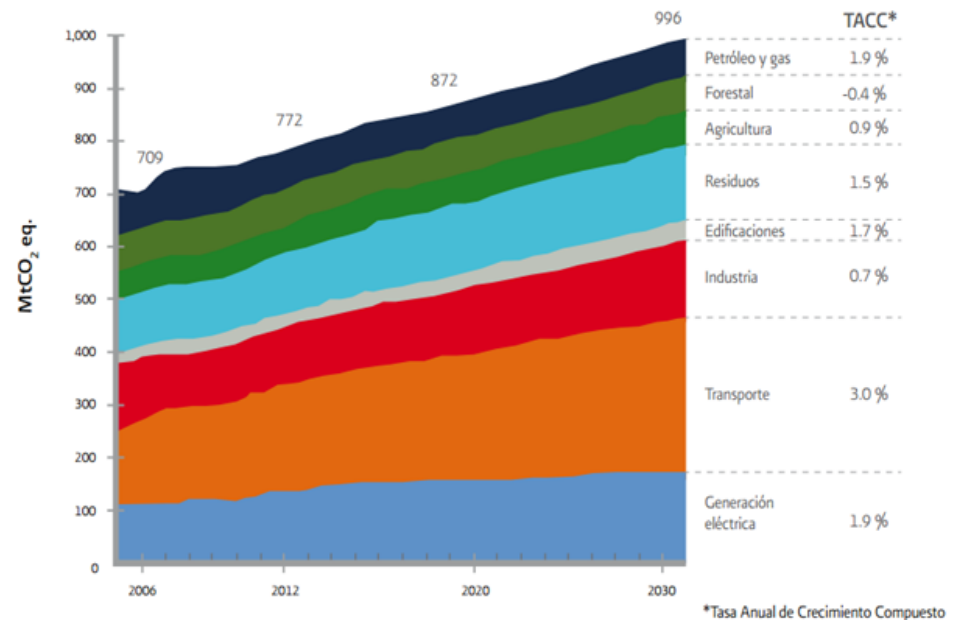
EXAMPLE OF MEXICO



Largest source of emissions is the energy industry sector

Figura V.4. Línea base de emisiones de GEI por sector en México al 2030, MtCO₂ eq.

Fuente: INE, 2012.



Largest growth of emissions is expected in the transport sector

CHOOSE ACTIONS AND/OR OUTCOMES

- **Action:** An intent to implement specific means of achieving GHG reductions, such as policies or mitigation actions
- **Outcome:** An intent to achieve a specific result (for example, reduce GHG emissions to a specific level)
 - Greenhouse gas outcomes
 - Non-GHG outcomes (such as renewable energy outcomes)
- A combination of action(s) and outcome(s)

FOR ACTIONS, CHOOSE MITIGATION ACTIONS

- Types of actions (examples)
 - Policies: regulations and standards, taxes, subsidies, NAMAs
 - Projects: wind power project, landfill gas project, geothermal projects, etc.

- Possible criteria for selecting actions
 - Deliver multiple benefits
 - Aligned with development priorities
 - Feasible and cost-effective
 - Achieve significant GHG reductions

ADVANTAGES AND DISADVANTAGES: ACTIONS

Advantages

- Provides clarity on specific means of achieving GHG reductions
- Offers implementing Parties more certainty that the contribution will be achieved, since it is a commitment to implement an action rather than obtain a certain outcome

Disadvantages

- Poses challenges to aggregate GHG reductions across Parties' contributions since the contribution is not stated in terms of GHG emissions
- Where possible Parties should communicate an estimate of the GHG and/or non-GHG outcomes associated with the actions (which is more resource-intensive than tracking progress toward outcomes)

FOR OUTCOMES, CHOOSE TYPE OF OUTCOME

GHG outcome

- Greenhouse gas reduction target

Non-GHG outcome

- Renewable energy target
- Energy efficiency target
- Forest cover target
- Etc.

ADVANTAGES AND DISADVANTAGES: NON-GHG OUTCOMES

Advantages	Disadvantages
<ul style="list-style-type: none">• <u>Provides flexibility</u> in how to achieve the outcome, but restricts the flexibility to a certain sector (such as energy efficiency or renewable energy generation)• <u>Relatively simple to understand and track progress</u> by tracking key performance indicators (e.g., energy efficiency of sectors, renewable energy generation)	<ul style="list-style-type: none">• <u>Poses challenges to aggregate</u> GHG reductions across Parties' contributions, since not stated in terms of GHG emissions reductions

FOR OUTCOMES, CHOOSE A WAY TO EXPRESS THE TARGET

Base year
emissions
target

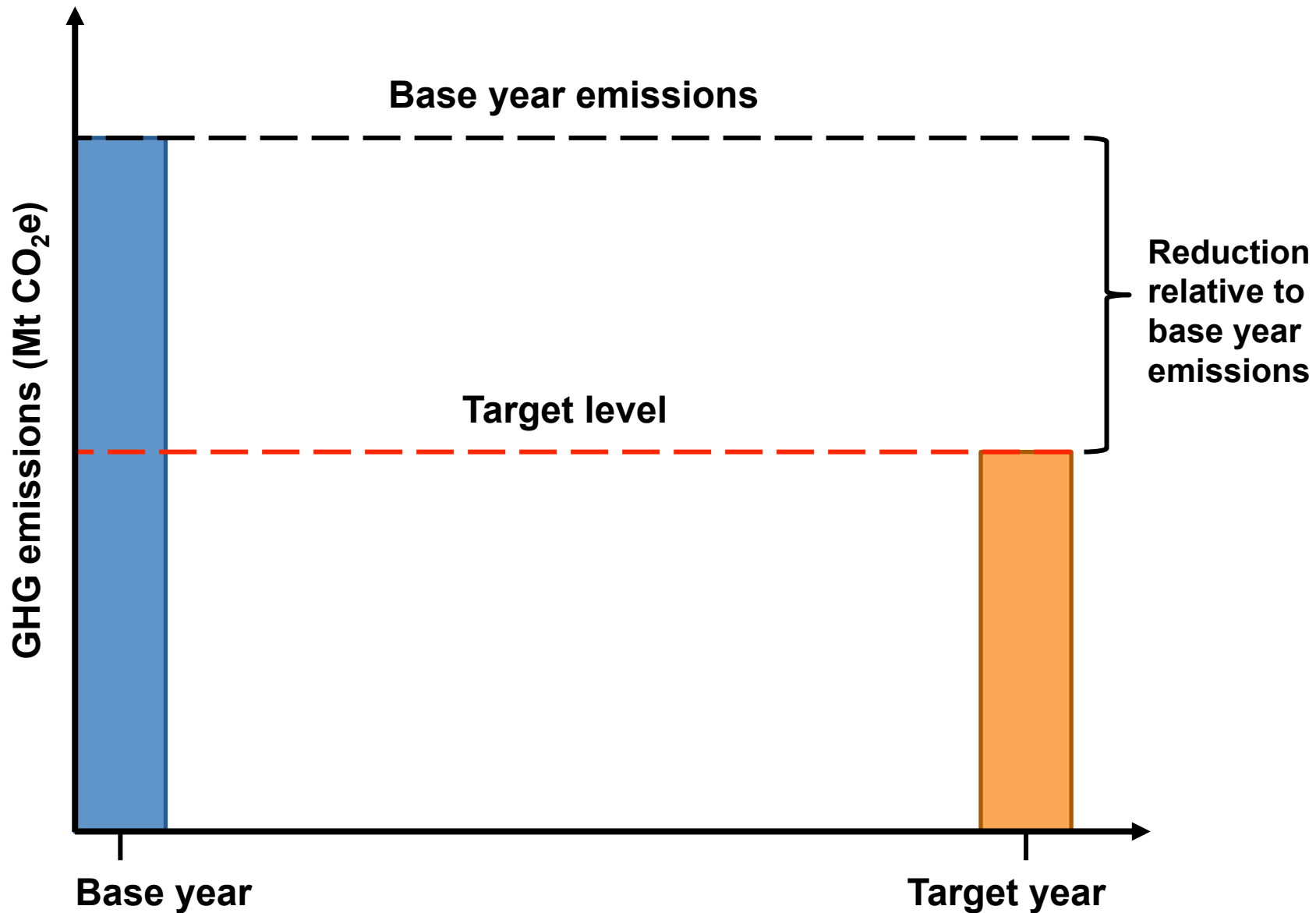
Base year
intensity
target

Fixed level
target

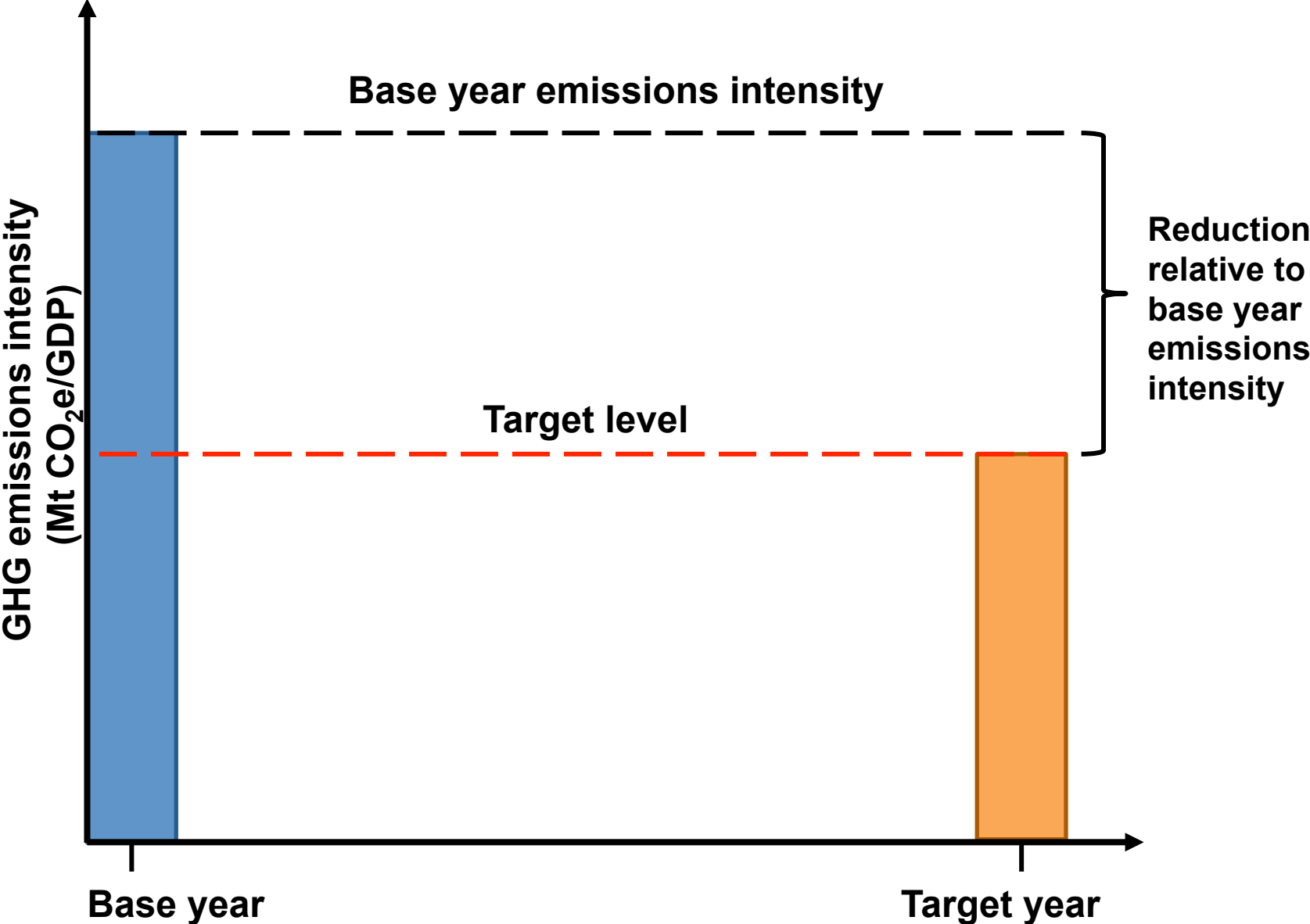
Baseline
scenario
target

Trajectory
target

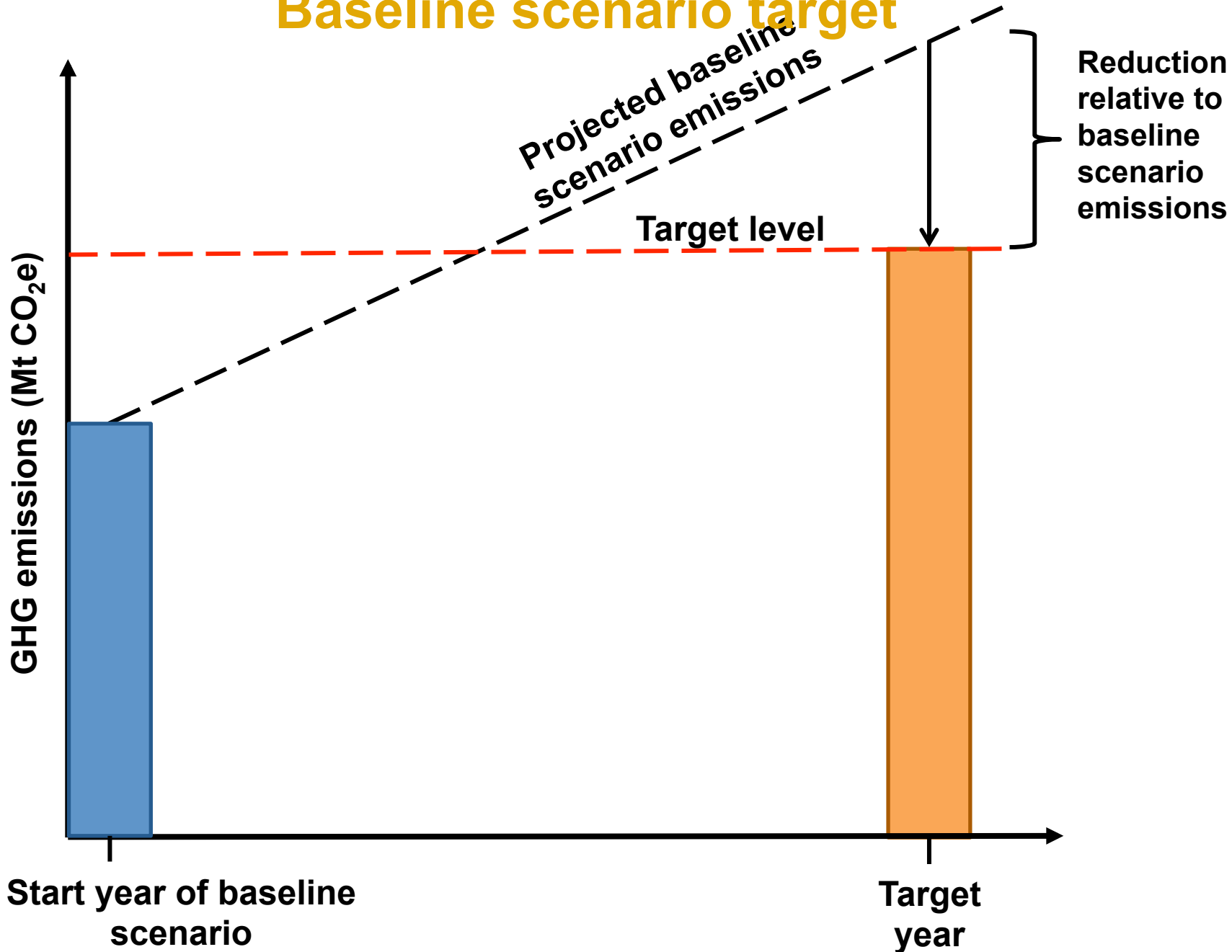
Base year emissions target



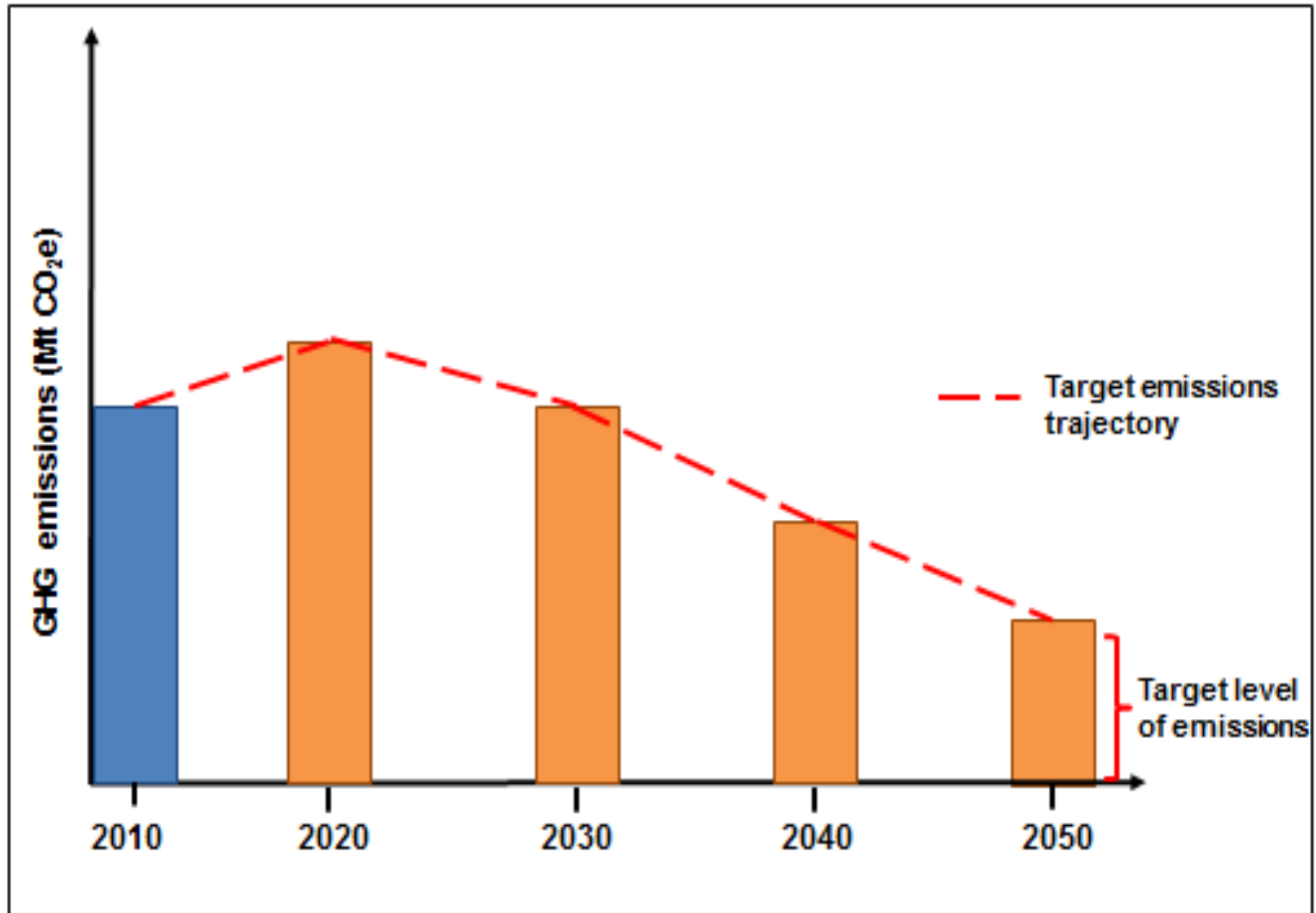
Base year intensity target



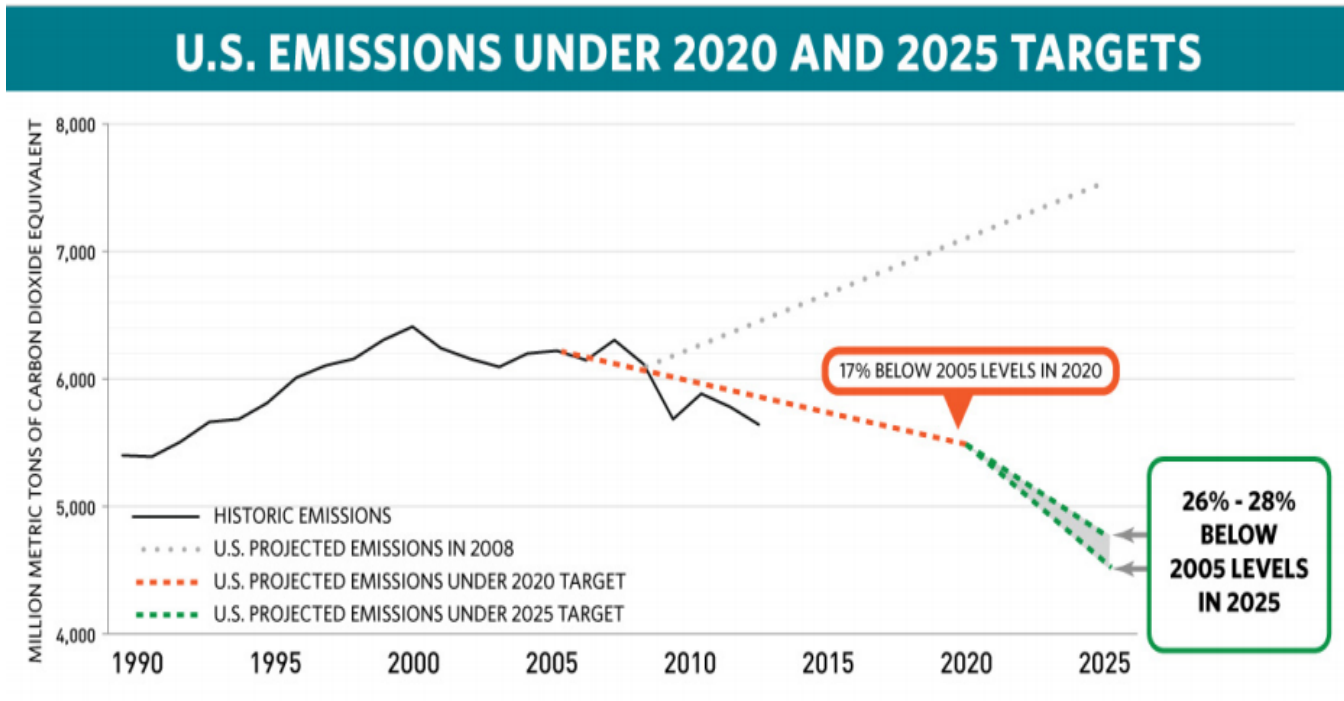
Baseline scenario target



Trajectory target

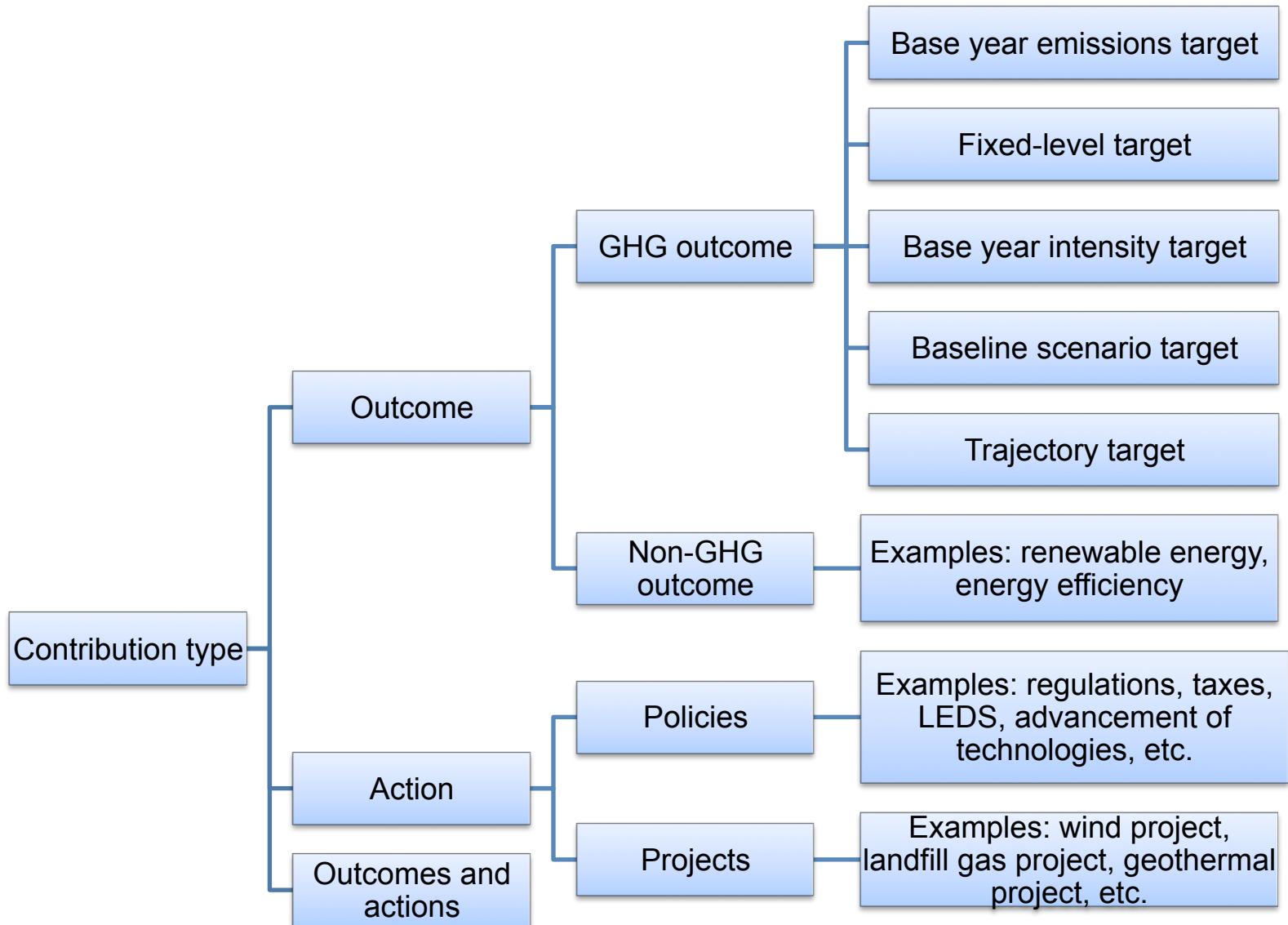


EXAMPLE: US TARGET



Links

SUMMARY OF DESIGN OPTIONS



ESTIMATE THE COSTS AND AVAILABLE FINANCE

- Estimate the costs - cost curve data, Technology Needs Assessments, macro and sector models, historical experience
- Determine BAU domestic budgetary expenditures in key sectors (green and brown)
- Determine the amount of existing bilateral and multilateral international support
- If possible determine national benefits and current and projected level of private sector financing
- **Determine what support is needed for greater ambition**

SELLING THE INDC WITHIN YOUR GOVERNMENT – SOME THINGS TO KEEP IN MIND

- Anticipate Challenges – “...But our five year plan says this ...”
- Develop ‘champions’ in other ministries ..keep them informed
- Connect results to the President’s national economic goals and priorities
- Emphasize other national benefits
- Create a perception of fairness among ministers
- Be ready to answer your minister’s questions

SELLING THE INDC WITHIN YOUR GOVERNMENT – SOME THINGS TO KEEP IN MIND

- Be ready to answer your minister's questions
 - ...
 - Is climate change real?
 - Why can't we wait?
 - Why us...we just a developing country?
 - What are other countries doing?
 - What will we actually do (non-CO2 language)?
 - What is this going to cost?
 - What can we do our selves and what can we achieve with the help of others?

DECIDE HOW TO PACKAGE YOUR INDC

- Respond to the just the 6 categories in 1CP.19 and 1/CP/20
- Provide more elaborated text as suggested in the WRI/UNDP guidance and by other check lists and processes underway
- Make additional/backup information available on national website

CATEGORIES OF INFORMATION

1. Quantifiable information on the reference point (including, as appropriate, a base year)
2. Time frames and/or periods for implementation
3. Scope and coverage
4. Planning processes
5. Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals
6. How the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2

SUGGESTED ELABORATION (1 OF 6)

1. The reference point (including, as appropriate, a base year)

- Base year(s)/period, if relevant (e.g., 2005)
- Base year/period emissions, base year/period emissions intensity, or projected baseline scenario emissions, as relevant (e.g., base year emissions of 500,000 MtCO₂e in 2005)

2. Time frames and/or periods for implementation

- For targets/outcomes: target year(s)/period and peaking year (if applicable) (e.g., 2025 or 2030 for a single year target; 2021-2030 for a multi-year target)
- For actions: date actions comes into effect and date of completion (if applicable) (e.g., 2020 with no end date)

3. Scope and coverage

- Sectors covered (e.g., all IPCC sectors covered in national GHG inventory, or all economic sectors as defined by national sector classification)
- Greenhouse gases covered (e.g., CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃)
- Geographical coverage (e.g., 100%, consistent with the national GHG inventory)
- Percentage of national emissions covered, as reflected in the most recent national greenhouse gas inventory (e.g., 100%)

4. Planning processes

- Planning processes for preparation of the INDC
- If known, planning processes for implementation of the INDC
- If known, planning processes for tracking implementation of the INDC

SUGGESTED ELABORATION (2 OF 6)

5. Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals

- Assumed IPCC inventory methodologies and GWP values to be used to track progress (e.g., 2006 IPCC *Guidelines for National Greenhouse Gas Inventories*; AR4 GWP values)
- Related to international market mechanisms:
 - Whether the Party intends to use or sell/transfer units from international market mechanisms
 - If units are to be used, any limit on the percentage of emission reductions that may be achieved through the use of units from international market mechanisms
 - If units are to be used, the assumed types and years of units to be applied, if known
 - Whether and how any units purchased/acquired or sold/transferred abroad will ensure environmental integrity (e.g., through specific quality principles) and avoid double counting

SUGGESTED ELABORATION (3 OF 6)

5. Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals

- Related to accounting assumptions for emissions and removals from the land sector:
 - Treatment of land sector (included as part of the broader target; treated as a separate sectoral target; used to offset emissions within the target boundary; or not included in a target)
 - If the land sector is included, coverage of the land sector (net emissions and removals from land-use activities and/or categories) as compared to total net emissions from the land sector, as a percentage if known
 - If the land sector is included, assumed accounting approach (activity-based or land-based) and accounting method for the land sector and the level against which emissions and removals from the land sector are accounted, if known, including policy assumptions and methodologies employed
 - Any assumed use of methodologies to quantify and account for natural disturbances and legacy effects
 - Any other relevant accounting approaches, assumptions or methodologies Options include: accounting relative to a historical base year/period (net-net), accounting relative to a projection of net emissions in the target year (forward-looking baseline), or without reference to base year or baseline scenario emissions (gross-net).

SUGGESTED ELABORATION (4 OF 6)

5. Assumptions and methodological approaches (cont.)

- Relevant to GHG reduction targets relative to a projected baseline scenario, if applicable:
 - Whether the baseline scenario is static (will be fixed over the period) or dynamic (will change over the period)
 - The cut-off year for policies included in the baseline scenario, and any significant policies excluded from the baseline scenario
 - Projection method (e.g., name and type of models)
 - Emissions drivers included and assumptions and data sources for key drivers
 - For dynamic baseline scenario targets, under what conditions will the baseline be recalculated and if applicable, any significance threshold used to determine whether changes in emissions drivers are significant enough to warrant recalculation of the scenario
 - Total emissions projected in baseline scenario in the target year(s)
- Relevant to GHG reduction targets relative to emissions intensity, if applicable:
 - Level of output (e.g., GDP) in the base year, projected level of output in the target year/period (and an uncertainty range, if available), and units and data sources used
- Relevant to actions put forward as contributions, if applicable:
 - Estimated impact on GHG emissions and/or non-GHG indicators
 - Methodologies used to estimate impacts, including the baseline scenario and other assumptions
 - Uncertainty of estimated impacts (estimate or description)
 - Information on potential interactions with other policies/actions

SUGGESTED ELABORATION (5 OF 6)

6. How the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2

- Comparison of the contribution to multiple indicators related to fairness. Factors Parties may want to consider include: Emissions (e.g., past, current, or projected future emissions, emissions per capita, emissions intensity, or emissions as a percentage of global emissions), economic and development indicators (e.g., GDP, GDP per capita, indicators related to health, energy access, energy prices, education, housing, etc.), national circumstances, vulnerability and capacity to adapt to climate change impacts, costs or relative costs of action, mitigation potential (e.g., renewable energy potential), benefits of action (e.g., co-benefits), or other factors
- Comparison of the contribution to multiple indicators related to ambition. Factors Parties may want to consider include: Projected business-as-usual emissions, recent historical emission trends, total mitigation potential based on mitigation opportunities determined to be technically and economically feasible, benchmarks for the annual rate of emissions reductions, or other factors
- Comparison of the contribution to multiple indicators related to achieving the objective of the Convention as set out in its Article 2. Factors Parties may want to consider include: Anticipated national emissions in the target year/period if the contribution is achieved, the quantified GHG impact of the contribution, the intended peaking year and peaking emissions level (if known), the annual rate of emissions reductions and/or expected emissions trajectory over time, deviation from business-as-usual emissions, any long-term mitigation goals, plans to limit cumulative emissions over time, or other factors

SUGGESTED ELABORATION (6 OF 6)

7. Other information

- For outcomes, type of target and target level
- For actions, name or title of actions, legal status, implementing entity(ies), or other relevant information
- Additional action that could be achieved if certain conditions were met, such as action by other Parties, the receipt of support, or other factors, if applicable
- Description of Party's long-term target(s), if applicable
- Elaboration on national circumstances (e.g., emissions profile, mitigation potential)
- Additional information on adaptation not captured elsewhere, if relevant
- Additional information, explanation, or context as relevant

CONSIDERATIONS FOR THE ELABORATED LIST

- Many information elements are applicable only to certain types of INDCs; for a given INDC, only a subset of the information will be relevant
- The majority of the information in the list is primarily relevant to mitigation; however some elements may be relevant to adaptation

INVITATION TO JOIN WRI'S OPEN BOOK PROJECT

- Convening a group of countries interested in promoting transparency, to jointly elaborate on the Lima decision to develop a list of information to accompany the submission of INDCs, using this draft list as a starting point
- WRI
 - Develop draft list of upfront information for consultation
 - Provide technical support on providing upfront information
 - Provide technical support to understand the pros and cons of various INDC design choices in order to assist countries in filling out the upfront information
- Participating countries
 - Review draft list of upfront information
 - If appropriate, announce intent to participate in the Open Book initiative
 - Submit INDCs to the UNFCCC using the list of upfront information (pending final list of upfront information)
- To participate please contact us: klevin@wri.org

FOR MORE INFORMATION

UNFCCC

<http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx>

WRI

<http://www.wri.org/publication/ex-ante-clarification-transparency-and-understanding-intended-nationally-determined>

Contact:

Dennis@Tirpak.com

Klevin@WRI.org