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From Lima to Paris, and Beyond:

Options for Ex Ante Assessment of Intended Nationally Determined Contributions under the UNFCCC

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From Lima to Paris, and Beyond: Options for *Ex Ante* Assessment of Intended Nationally Determined Contributions under the UNFCCC

Harro van Asselt, Håkon Sælen and Pieter Pauw

Key messages

- An *ex ante* assessment process for the intended nationally determined contributions (INDCs) under a 2015 international climate change agreement may provide an important means to ensure that INDCs are in line with internationally agreed objectives and principles, to enhance understanding of countries' climate actions, and to build trust among Parties to the United Nations Framework Convention on Climate Change (UNFCCC).
- The shape and contents of *ex ante* assessment will be determined by three issues that require a decision at the UN Climate Change Conference (COP 20) in Lima:
 - the nature and scope of INDCs;
 - the level of guidance to Parties on complementary information accompanying the INDCs; and
 - the level of guidance for the assessment process itself.
- In making these decisions, the Parties need to consider a variety of issues related to the design, organization and timing of the *ex ante* assessment.
- Whatever decision is adopted in Lima on a formal assessment under the UNFCCC, it is likely that an informal assessment process, including informal consultations among Parties and in-depth analyses by observer organizations, will be carried out regardless.
- The *ex ante* process leading up to COP 21 can provide useful lessons for future assessment and review process under a post-2020 climate change agreement.

1. Introduction

A crucial question in the development of a new climate change agreement under the United Nations Framework Convention on Climate Change (UNFCCC) centres on the “intended nationally determined contributions” (INDCs) that Parties have agreed to communicate before the 21st Conference of the Parties (COP 21) in Paris in December 2015.

The word “intended” suggests that contributions put forward by Parties will be subject to some kind of *ex ante* consideration or assessment prior to the Paris summit. Such a process should help to ensure that internationally agreed objectives and principles are not lost out of sight in a system of nationally determined offers. Furthermore, an *ex ante* assessment could help to build trust among Parties by enhancing transparency and creating a better and shared understanding of Parties’ intended contributions. While the purposes and usefulness of assessment may thus be clear, questions remain about its design, organization and timing.

Drawing on Party submissions as well as existing literature on review processes inside and outside the UNFCCC, this briefing paper explores options for the design, organization and timing of the *ex ante* assessment process. On that basis, it identifies key choices to be made in a Lima decision on *ex ante* assessment of INDCs, and the implications of these choices for the road to Paris. Finally, it discusses the implications of the design, organization and timing of the assessment for future review processes under a Paris agreement.

2. Design of *ex ante* assessment

Nature and scope

What will be assessed relates to the nature and scope of INDCs, as well as the complementary information that Parties include upfront in their submissions. Both issues are on the negotiating table in Lima. Although there is broad agreement that INDCs should include mitigation actions, some Parties have been suggested that they may also include means of implementation (finance, technology, capacity-building) and adaptation. The very different nature of such contributions would have implications for any possible assessment process. Benchmarks for the assessment of mitigation, finance and adaptation contributions would be different, and the assessment itself would require different types of expertise.

With respect to the upfront complementary information accompanying mitigation INDCs, the assessment will likely be influenced by the type of contribution (e.g. economy-wide emission reduction targets; renewable energy and/or energy efficiency targets; policies and measures), the time-frame for the contribution (e.g. up to 2025 or 2030), the scope and coverage (e.g. in terms of sectors and greenhouse gases), and information on, and possibilities for, accounting.

Assessment criteria

At COP 19 in Warsaw, the Parties agreed that INDCs need to be clear, transparent and understandable. It has also been suggested that INDCs should be quantifiable and comparable. All these criteria may help secure a more rigorous outcome in Paris than there was in Copenhagen, where pledges were submitted without any upfront criteria. Following the criteria may also enhance Parties’ confidence in INDCs from other Parties before having to finalize their own. However, these criteria say nothing about the level of ambition expected. Therefore, another criterion that has been suggested is adequacy/ambition, either with a view to assessing aggregate ambition before INDCs are finalized or with a view to evaluating the ambition of individual INDCs. Other proposals by Parties and observers suggest the use of equity or fairness as criteria, pointing to one way in which a process based

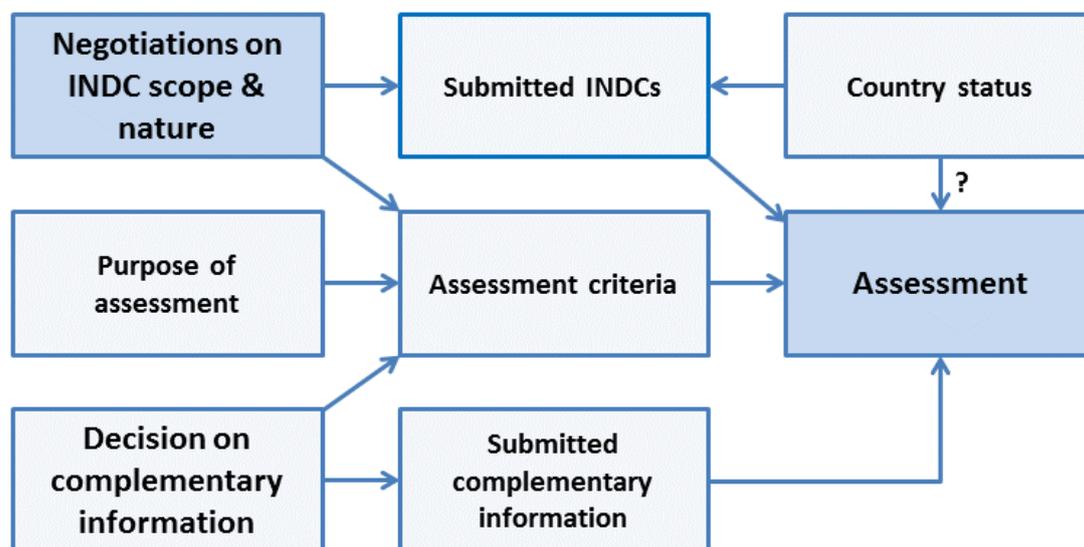
on domestic determination might incorporate equity considerations. Suggestions for how to make this criterion operational through INDC guidelines range from jointly establishing a principle-based reference framework, to requesting Parties to justify the fairness of their own contributions using their own conception of fairness.

Differentiation

The process of determining intended contributions in each country will likely lead to different types of INDCs. The assessment process itself may also be differentiated between Parties, along two possible lines: INDC type or country status. Differentiation between types of INDC would entail distinguishing mitigation-focused INDCs and other contributions covering adaptation or means of implementation, but potentially also between different types of mitigation contributions (e.g. between sectoral energy-intensity targets and economy-wide emission reduction targets). Differentiation between Parties, on the other hand, might entail more lenient or even no assessment for (some) developing countries’ contributions; it could also imply assessing developed countries’ INDCs individually but developing countries’ INDCs collectively, or assessing only the components of developing countries’ INDCs that are contingent on support from developed countries. Other ways of differentiation could involve categorizations beyond developing/developed countries – for instance, noting the significance of major emitters and/or taking into account the special position of least-developed countries and small emitters.

Figure 1 provides a schematic overview of the design of *ex ante* assessment, showing how an assessment is (indirectly) influenced by its perceived purpose as well as negotiations on the scope and nature of, and complementary information for, INDCs. It also suggests that each country’s status may influence the assessment process for its INDC.

Figure 1: Design of a formal *ex ante* assessment; arrows indicate influence



3. Organization of *ex ante* assessment

The organization of the *ex ante* assessment can build on experiences with existing review processes under the UNFCCC or the Kyoto Protocol, which include a variety of technical reviews as well as multilateral assessments. These could be adapted to meet the practical needs of the INDC assessment process.

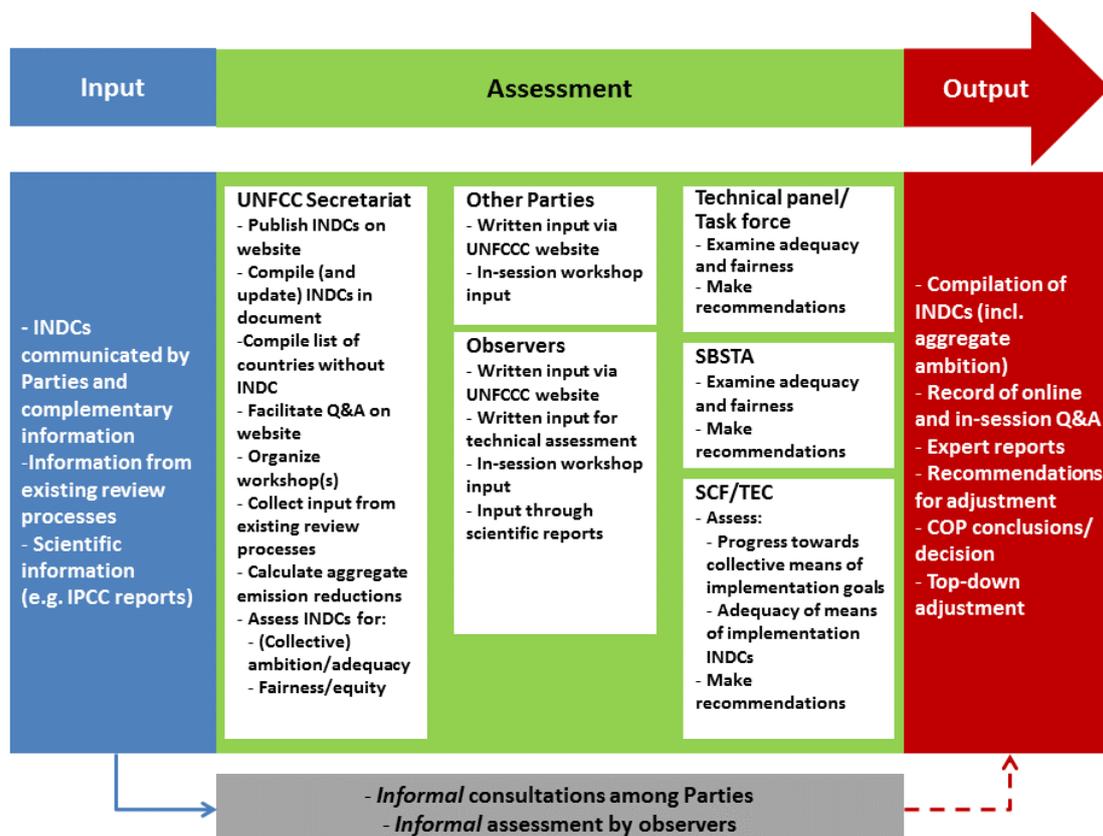
Modalities

In terms of the modalities of the assessment process, a distinction can be made between *technical* and *political* assessments. This distinction follows the organization of existing review processes, such as the International Assessment and Review process for Annex I Parties' Biennial Reports (which distinguishes a technical expert review and a multilateral assessment). A technical assessment could be limited to the basic criteria for the INDCs (clear, transparent, understandable), but it could also be related to outcome-related criteria, such as ambition/adequacy and fairness/equity. A political assessment could involve a dialogue among Parties – with or without the participation of observer organizations – about the INDCs, either linked to the above-mentioned criteria or not. This dialogue could in part be facilitated online, by providing space on the UNFCCC website for comments by Parties and/or observers for questions and comments on INDCs and their complementary information. This online interface could be complemented by in-session interactions, for instance, through a dedicated workshop or roundtable, in which Parties present their INDCs, and offer responses to written and/or oral questions and comments by other Parties, as well as possibly by observer organizations.

Actors and their roles

This leads to another organizational question for the assessment: Which actors will be involved in the process? Figure 2 offers an overview of options for the organization of the *ex ante* assessment, including the actors that could be involved, as well as the roles they might play, drawing on the variety of Party submissions.

Figure 2: Options for organization of the *ex ante* assessment, including types of inputs, potential actors involved and their roles, and types of outputs



The *UNFCCC Secretariat* could be involved in the organization of the assessment process, for instance by compiling and making available information on INDCs, and facilitating online and in-session dialogue. An open question is whether the Secretariat can also be involved in the assessment itself, for instance by carrying out an analysis of whether contributions in aggregate are in line with limiting the global temperature increase to 2°C above pre-industrial levels.

Other Parties could be involved by providing written and/or oral comments and questions, to which the Party whose INDC is being assessed could be invited to respond.

Similarly, *observer organizations* to the UNFCCC, including international organizations, research organizations, and civil society organizations with relevant expertise, could be invited to provide input into a technical assessment and/or an in-session expert workshop.

The assessment process could also involve a *new body*, such as a technical panel or task force mandated with carrying out the technical assessment and possibly making recommendations to the Party concerned.

Existing bodies could also carry out the assessment – for example, the Subsidiary Body on Scientific and Technological Advice (SBSTA). For non-mitigation aspects of INDCs, the assessment could further involve relevant bodies such as the Standing Committee on Finance (SCF) or the Technology Executive Committee (TEC).

Figure 2 shows that independent of any formal assessment process under the UNFCCC, informal processes can help to assess and possibly adjust INDCs. These may involve informal consultations (bilaterally or in groups) among Parties about their INDCs and underlying information. Such consultations could be extended to further cooperation among Parties – for example, to include more sectors in their INDC, or to improve data collection.

Moreover, irrespective of the decisions taken by Parties in Lima, informal assessments can be expected from relevant observer organizations when new INDCs are being submitted by Parties. Such assessments may include ongoing research efforts, such as the annual emissions gap report by the United Nations Environment Programme (UNEP) or the Climate Action Tracker analysis carried out by several research organizations. It is further likely that other in-depth analyses of the INDCs will be carried out for major Parties.

Inputs to the assessment

Figure 2 also provides an indication of the possible inputs into the assessment of INDCs. Apart from the INDCs and their underlying information, useful inputs may be the information flowing from existing review processes, including the reviews of National Inventory Reports, National Communications, Biennial Reports and Biennial Update Reports, as well as the structured expert dialogue in the context of the 2013–2015 review. Furthermore, information emerging from scientific assessments, such as the *Fifth Assessment Report* of the Intergovernmental Panel on Climate Change (IPCC) and the UNEP emissions gap reports, could be of use in assessing the INDCs.

Outputs of the assessment

Figure 2 shows the different types of outputs that may flow from the *ex ante* assessment. Outputs may simply include the (updated) compilations of INDCs, possibly accompanied by an indication of the aggregate ambition level of the INDCs (e.g. in terms of overall emission reductions, or in terms of meeting the 2°C objective). Such a compilation could be complemented by any expert reports emerging from a technical assessment and a record of

the questions, comments and responses resulting from the online and in-session dialogue among Parties (and possibly observers).

Beyond this, outputs could include possible recommendations for adjustments, which may be voluntary in nature or top-down (e.g. to adjust INDCs to fit with a 2°C pathway). The nature of such recommendations depends on the purpose of the assessment and, related to this, the assessment criteria used, if any. If the purpose of the assessment is to increase the ambition level of INDCs, then recommendations may be warranted; however, if the purpose is to clarify and enhance understanding of the INDCs and their underlying assumptions, the process itself may already be helpful.

Any outputs may be recorded in conclusions adopted by the relevant body (e.g. SBSTA); or they could be included in a COP decision. Ultimately, however, the INDCs – whether adjusted or not – would need to be linked to the legal structure of a Paris agreement.

4. Timing of *ex ante* assessment

The feasibility of the organizational options is closely linked with the timing of the *ex ante* assessment; this has become an important question with only a year left before the Paris summit. As noted above, an *ex ante* assessment can help build trust among Parties in the run-up to the Paris summit – but one year may not be enough time for formal and in-depth assessments of the INDCs of all Parties, even if this option cannot be excluded entirely. In balancing the triple objectives of broad Party coverage, timeliness and in-depth analysis, several options arise:

- (i) The assessment will (in part) be carried out informally;
- (ii) The assessment will (in part) take place after the Paris summit;
- (iii) The assessment will not cover all Parties; or
- (iv) Any combination of the above.

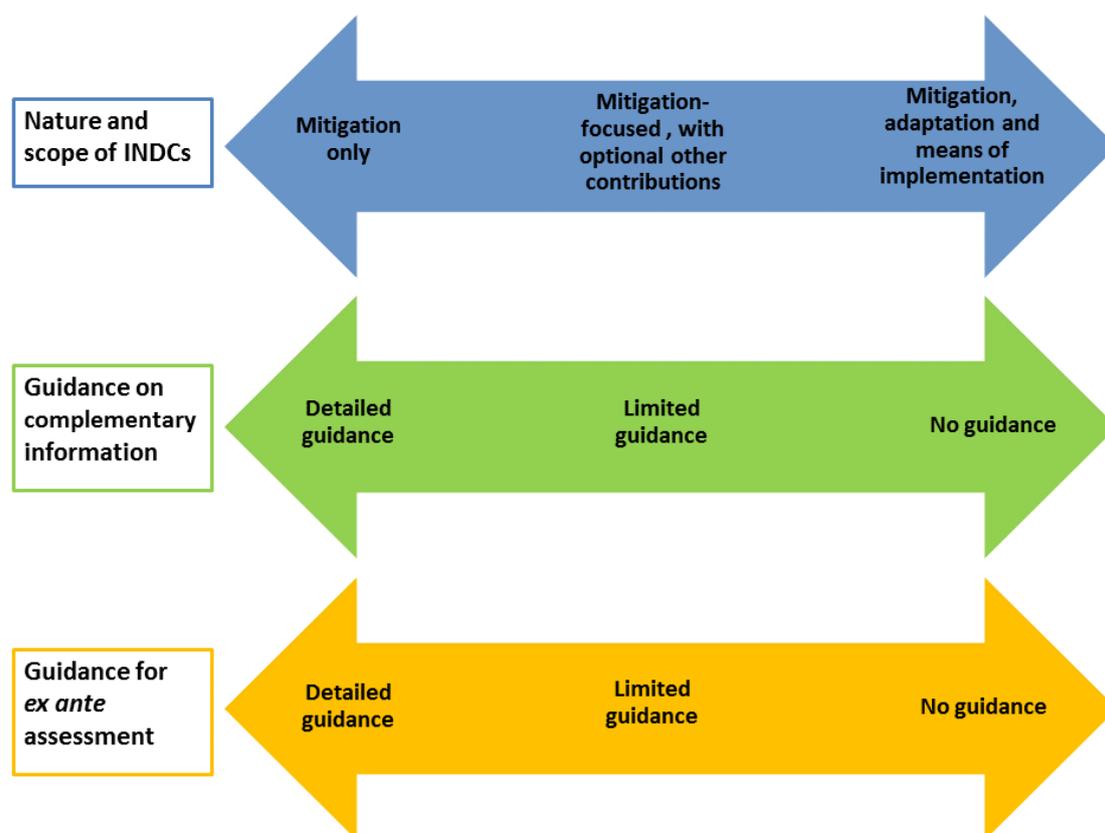
While an informal and less in-depth assessment process would increase the likelihood of finalizing the assessment process before Paris, this would not be guaranteed for all Parties, as it is still uncertain whether all Parties can and will submit their INDCs before the Paris conference. A combination of the options could mean that, in practice, an informal assessment takes place for selected INDCs (e.g. those of the major emitters and/or those that have been submitted in the first quarter of 2015), and that the assessment of other Parties could continue after COP 21. This could have implications for the Paris agreement: it might need to allow for the inclusion of INDCs of some Parties either on a provisional basis or at a later stage; alternatively, it could be agreed that the assessment of INDCs would not have no implications for those Parties (i.e. it would not be expected to lead to adjustments).

A related question is when an assessment would start. There are suggestions to start the process as soon as Parties responsible for a certain share of global emissions have submitted their INDCs, or as soon as a certain number of Parties have submitted their INDCs (or a combination of the two thresholds). Alternatively, the assessment process could be launched as soon as the first INDCs are communicated (and continue on a rolling basis).

5. From Lima to Paris

Three aspects of a potential decision on INDCs to be adopted in Lima are of immediate importance for *ex ante* assessment: the nature and scope of the INDCs; guidance on the complementary information accompanying INDCs; and guidance on the assessment process itself (Figure 3).

Figure 3. Key decisions in Lima for the *ex ante* assessment process



The extent and nature of the guidance provided by the Parties for the *ex ante* will have important implications for the process itself. If no guidance at all is provided in Lima, the process will likely consist primarily of the informal processes sketched in Figure 2 (i.e. informal consultations and in-depth assessments by observer organizations). Parties could also opt for limited guidance; at a minimum, such guidance would need to clarify the role of the UNFCCC Secretariat (e.g. merely compiling and publishing the information, or also being involved in the assessment of INDCs). Furthermore, the decision could add more details by clarifying the means by which other Parties and observer organizations could express their views and ask questions through the UNFCCC website, and could specify whether and how the Party putting forward could respond to this. Finally, the decision could specify whether any in-session dialogue of INDCs will take place and, if so, how this will be organized.

6. Beyond Paris: from *ex ante* assessment to review

The focus of this briefing paper has been on the *ex ante* assessment before COP 21. Although the main functions of such an assessment are arguably limited to the lead-up to Paris, the relevance of the *ex ante* assessment extends beyond the Paris summit. Any experience with the assessment may offer lessons for future processes in which new and updated INDCs are communicated and assessed under a Paris agreement. Although there is no agreement yet on the length of the contribution cycles under a post-2020 agreement, it is likely that Parties will be invited to submit new contributions on a regular basis. The initial *ex ante* assessment could offer suggestions on how to design and organize new assessment processes, and possibly offer suggestions on whether (and, if so, how) the assessment could help Parties to ratchet up their overall ambition.

Moreover, together with existing review processes, the *ex ante* assessment can inform the design and organization of future review processes examining progress in implementing the INDCs, and possibly compliance with them over time, for instance in terms of the modalities used and actors involved. It is beyond the scope of this paper to discuss the precise implications for such a review. Suffice it to say that the process from Lima to Paris will offer an important first indication of what is practically feasible in terms of international scrutiny of nationally determined offers under a Paris agreement.

This briefing paper was written by Harro van Asselt, of the Stockholm Environment Institute (SEI), Håkon Sælen (CICERO) and Pieter Pauw (DIE). It is based on research carried out for the project “Practical Approach to an Assessment of Contributions for the 2015 Agreement”, funded by the Nordic Council of Ministers Working Group NOAK (Nordic Working Group for Global Climate Negotiations). The views expressed in this discussion brief are solely those of the authors, and do not necessarily reflect the views of NOAK or its member governments.