

INDCs: why is it the way forward and how to make it successful?

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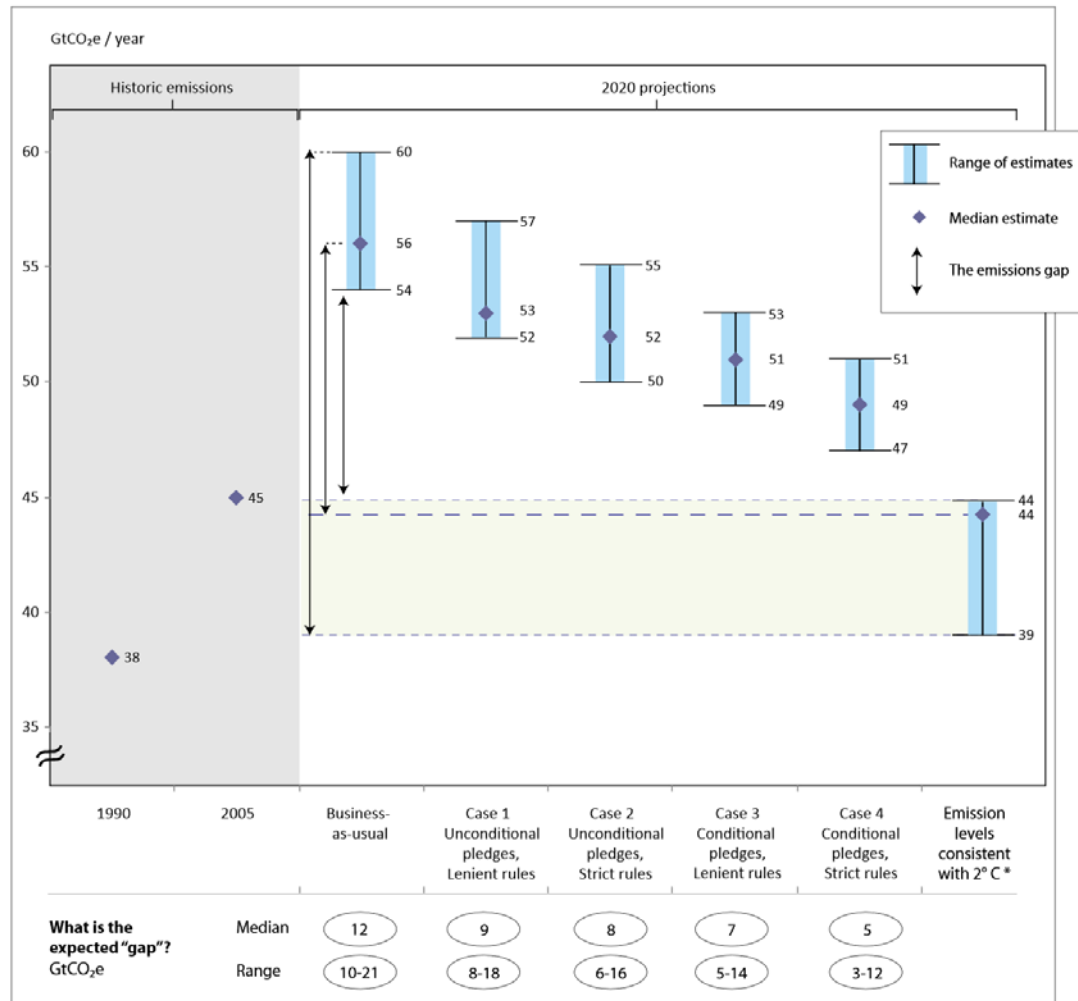
What lessons from the past can make Paris and the INDC based approach to the climate regime a success?

POP QUIZ

- What in your opinion is the most successful accomplishment, (process, rule, decision...) under the UNFCCC?
 - Reduction targets
 - Compliance system
 - Market mechanisms
 - MRV
 - Support framework
 - ...



REDUCTION TARGETS/ EMISSION PATHS



* A "likely" chance of limiting warming to 2° C by 2100

COMPLIANCE SYSTEM

- **8 questions of implementation considered by the enforcement branch**
 - All related to eligibility requirements to participate in the mechanisms
 - Most countries considered not eligible
 - All countries resolved questions of implementation and regained eligibility.
- **Several questions of implementation raised by parties in respect of other parties**



MARKET MECHANISMS

Ativos de carbono 2015-06-29
VER HISTÓRICO

Spot EUA € 7,33

Spot CER € 0,41

Futuro EUA 2015 € 7,39

Source: get2c.pt (June, 29th 2015)

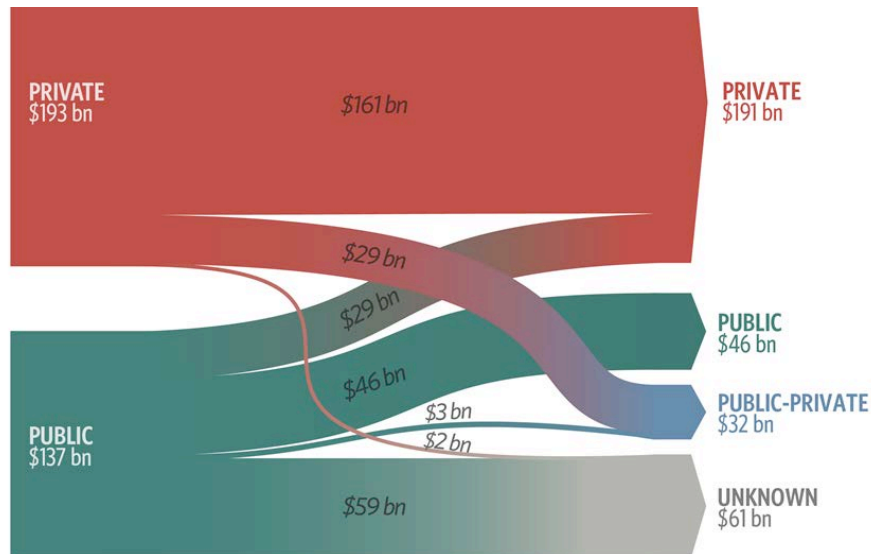
“The EU ETS has provided lessons for other carbon markets around the world – but the EU ETS first needs to learn these lessons itself.”

Source: IETA's GHG Market Sentiment Survey 2014



SUPPORT FRAMEWORK

Current: USD331 billion



Source: CPI, 2014 Landscape of climate finance (USD 331BN)

Needs by 2020: USD 5.7 trillion

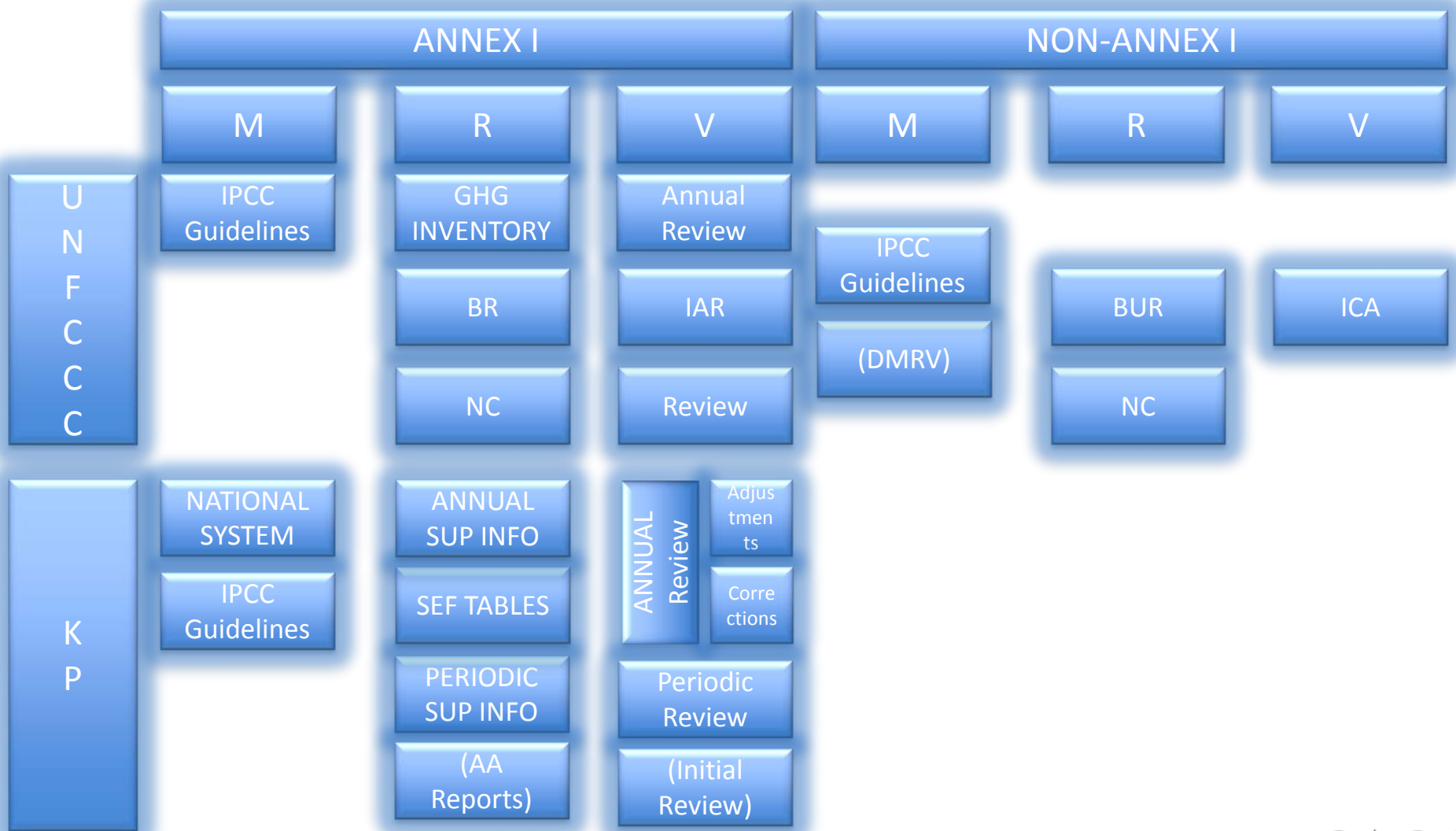
of public and private climate finance (World Economic Forum)

USD 700 are needed only to leverage the remaining USD 5 trillion

USD 100 billion pledge for 2020 seems to be a small piece of the whole puzzle

(<http://www.wri.org/our-work/project/climate-finance>)

MRV



HOW SUCCESSFUL??

- **Individually considered, none is very successful. However,**
 - Compliance system: decisions have been implemented, enforcement “powers” seem to have been effective
 - MRV
 - KP/AI
 - Institutional and procedural systems in place
 - Common set of methodologies
 - Regular submission of reports
 - Expert reviewed, quality controlled comparable, mostly high quality data submitted
 - Despite, progress, there has only been some limited success in MRV in non-Annex I countries
- **Success has been fostered by synergies, namely among the market mechanisms, compliance and MRV (in particular for AI Parties under KP)**

What can we learn from what we already have done and achieved in relation to mitigation and MRV?

1) EMISSION REDUCTIONS / INDC: WHERE ARE WE COMING FROM?

Nothing to no one in the UNFCCC
(1992)



Little for a few in the Kyoto Protocol
(1997)



Nothing for all in
Copenhagen/Cancun (2009/2010)



Even less to even fewer in KP2 (2012)

1) EMISSION REDUCTIONS / INDC: HOW MUCH FOR HOW MANY IN PARIS??

- **This much we know:**

- Process for Paris is more robust and transparent than process for Kyoto...
- Some Annex I Parties did not make any proposal for its KP target before actually arriving in Japan!
 - So, we know how to manage that, if that happens to be the case!
- And it's miles away from the Copenhagen / Cancun pledge process.

1) EMISSION REDUCTIONS / INDC: TRANSPARENCY AND ROBUSTNESS TOWARDS PARIS?

- **Far from ideal, but the best we ever had:**
 - INDCs being out forward ahead of time (by some... few)
 - Accompanying information being submitted (although based on a weak Lima Decision)
 - Dozens of countries all over the world engaging stakeholders and high level policy and decision makers in designing INDCs
 - Flaws? Yes, definitely.
 - More than ever? Yes, definitely!

1) EMISSION REDUCTIONS / INDC (II)

- **Intended and Nationally Determined Contributions are actually what we had in Kyoto, but now, there is, even if not enough, much more transparency and, even if time was very short, much more robust proposals from most Parties, in particular key ones.**
 - So, we are on a good track towards some good rules being agreed in Paris.
 - But, as in Kyoto, this will need to be considered a first step (and it will be for many countries)

1) EMISSION REDUCTIONS / INDC (III)

- **So, what needs to be ensured in Paris to make it more successful than Kyoto in terms of NDC/targets?**
- A system for the regular update of NDCs, which requires
 - less negotiation and
 - less national formalities (e.g. ratification),
- and that
 - requires an increase in ambition and
 - provides an opportunity for Parties to join when they have not previously done so.

2) MRV

- **A successful (although not perfect) MRV was only achieved when a system of carrots (carbon markets) and sticks (compliance) was created.**
- **However, some countries have been successfully enhancing their capacity to MRV in the absence of such a system of carrots and sticks.**
- **A future MRV regime should include aspects of carrots and sticks and of support to capacity building.**

IN SUMMARY, WHAT DO WE NEED TO DO?

- **Agree on a system that allows / requires regular upward updates to NDC, backed by an MRV system that is strengthened by a set of carrots and sticks and by comprehensive capacity building support.**



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