CONGRESSIONAL BRIEFING

The Negotiations: What’s on the Table
Briefing Series: What Congress Needs to Know in the Lead Up to COP26

Materials will be available at: www.eesi.org/102221cop
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Friday, October 22, 2021
About EESI...

**NON-PROFIT**
Founded in 1984 by a bipartisan Congressional caucus as an independent (i.e., not federally-funded) non-profit organization

**NON-PARTISAN**
Source of non-partisan information on environmental, energy, and climate policies

**DIRECT ASSISTANCE**
In addition to a full portfolio of federal policy work, EESI provides direct assistance to utilities to develop “on-bill financing” programs

**SUSTAINABLE SOCIETIES**
Focused on win-win solutions to make our energy, buildings, and transportation sectors sustainable, resilient, and more equitable
Policymaker Education

**Briefings and Webcasts**
Live, in-person and online public briefings, archived webcasts, and written summaries

**Climate Change Solutions**
Bi-weekly newsletter with everything policymakers and concerned citizens need to know, including a legislation and hearings tracker

**Fact Sheets and Issue Briefs**
Timely, objective coverage of environmental, clean energy, and climate change topics

**Social Media (@EESIOnline)**
Active engagement on Twitter, Facebook, LinkedIn, and YouTube
“What Congress Needs to Know in the Lead-up to COP26” Briefing Series

- October 8: Creating Policies, Coalitions, and Actions for Global Sustainable Development
- October 15: Momentum on Climate Adaptation
- October 20: The Role of International Climate Finance
- October 22: The Negotiations: What’s on the Table
- November 18: Recap of COP26: Key Outcomes and What Comes Next

Sign up for the Full Series: [https://www.eesi.org/1021cop26](https://www.eesi.org/1021cop26)

For Policymakers: U.N. Climate Talks | Daily Update | Newsletter
WHAT TO EXPECT
OUTLINE

• What is a COP
• What are the main bodies
• What is the usual rhythm
“COP”

Technically the Conference of the Parties

- Negotiations
- Activism
- Mobilize commitments
- Public attention
EXPANSION

- Largest event on the UN calendar
- Growth from all sides: delegates, NGOs, media
COP (UNFCCC)
CMA (Paris Agreement)
CMP (Kyoto Protocol)

Governing Bodies

SBSTA
SBI

Permanent Subsidiary Bodies
SBSTA: Subsidiary Body for Scientific and Technical Advice
SBI: Subsidiary Body for Implementation

Constituted Bodies

Financial Mechanism

Committees
(Adaptation Committee, Standing Committee on Finance etc)

Technology Mechanism

Expert Groups (Least Developed Expert Group, etc)
RHYTHM

Week one

• World Leaders Summit
• Opening bodies
• Technical work

Week two

• COP / political issues
• Ministers engaged
• Last minute deals
NDCS @ COP26

EESI Briefing Series
What’s on the Table at COP26
October 22, 2021
Tracy Bach
NDCs @ COP26: A short explainer of NDCs

- Built on UNFCCC Articles 4 & 12 commitments and Kyoto Protocol’s mitigation targets (“quantified emission limitation and reduction commitments”)
- Defined in Paris Agreement Article 3
- Perceived as “bottom up:” embody self-differentiation per CBDRRC
- Paired with reporting / “enhanced transparency” requirements under Article 13
- Assessed collectively under Article 14’s “global stocktake,” which fuels the ambition cycle or “ratchet”

**PA, Article 3:** As nationally determined contributions to the global response to climate change, all Parties are to undertake and communicate ambitious efforts as defined in Articles 4, 7, 9, 10, 11 and 13 with the view to achieving the purpose of this Agreement as set out in Article 2. The efforts of all Parties will represent a progression over time, while recognizing the need to support developing country Parties for the effective implementation of this Agreement.
NDCs @ COP26: The ambition cycle

Source: World Resources Institute
## NDCs @ COP26:
The political context of increasing ambition

<table>
<thead>
<tr>
<th>Status of 2030 Paris Agreement targets for G20 countries</th>
<th>April 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUBMITTED A STRONGER TARGET</strong></td>
<td></td>
</tr>
<tr>
<td>ARGENTINA</td>
<td></td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td></td>
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<tr>
<td>EU-27 (FRANCE, ITALY, GERMANY)</td>
<td></td>
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<tr>
<td>UNITED STATES</td>
<td></td>
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<tr>
<td><strong>PROPOSED A STRONGER TARGET</strong></td>
<td></td>
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<tr>
<td>CANADA</td>
<td></td>
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<tr>
<td>CHINA</td>
<td></td>
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<tr>
<td>JAPAN</td>
<td></td>
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<tr>
<td>SOUTH AFRICA</td>
<td></td>
</tr>
<tr>
<td><strong>NEW 2030 TARGETS PROMISED IN 2021</strong></td>
<td></td>
</tr>
<tr>
<td>SOUTH KOREA</td>
<td></td>
</tr>
<tr>
<td><strong>SUBMITTED IDENTICAL OR WEAKER TARGET</strong></td>
<td></td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td></td>
</tr>
<tr>
<td>BRAZIL</td>
<td></td>
</tr>
<tr>
<td>MEXICO</td>
<td></td>
</tr>
<tr>
<td>RUSSIAN FED.</td>
<td></td>
</tr>
<tr>
<td><strong>WILL NOT PROPOSE A MORE AMBITIOUS TARGET</strong></td>
<td></td>
</tr>
<tr>
<td>INDONESIA</td>
<td></td>
</tr>
<tr>
<td><strong>HAVE NOT MADE AN ANNOUNCEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>INDIA</td>
<td></td>
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<tr>
<td>SAUDI ARABIA</td>
<td></td>
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<tr>
<td>TURKEY</td>
<td></td>
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</tbody>
</table>

### Comparison of NDC targets

<table>
<thead>
<tr>
<th>Country’s formulation of the target</th>
<th>2016 NDC</th>
<th>2021 NDC</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolude emissions level (incl. LULUCF)</td>
<td>5.266 - 5.814 MTCO2e in 2025</td>
<td>3.657 - 4.175 MTCO2e in 2020</td>
<td>+</td>
</tr>
<tr>
<td>Emissions compared to 1990 and 2010 (incl. LULUCF)</td>
<td>33.97% below 1990 levels by 2021</td>
<td>35.45% below 1990 levels by 2020</td>
<td>+</td>
</tr>
<tr>
<td>CAT rating</td>
<td>Critically insufficient</td>
<td>TBD</td>
<td>+</td>
</tr>
<tr>
<td>Net zero-emissions target</td>
<td>No</td>
<td>TBD</td>
<td>+</td>
</tr>
<tr>
<td>Alignment of NDC to net zero-emissions target</td>
<td>Economy-wide</td>
<td>Economy-wide</td>
<td>-</td>
</tr>
<tr>
<td>Separate target for LULUCF</td>
<td>No</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>Gas coverage</td>
<td>All greenhouse (GHG) gases</td>
<td>All greenhouse (GHG) gases</td>
<td>-</td>
</tr>
<tr>
<td>Transparency</td>
<td>TBD</td>
<td>TBD</td>
<td>-</td>
</tr>
<tr>
<td>Fellowship</td>
<td>N/A</td>
<td>TBD</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Climate Action Tracker
NDCs @ COP26:
The political context of increasing ambition

Source: UNFCCC Secretariat
NDCs @ COP26:
The treaty context of finishing the Paris Rulebook

• **Common time frames**
  - Should all NDCs cover the same time frame? *(yes, beginning in 2031)*
    - if so, starting when?
    - If so, what is the length of the common time frame?

• **Impacts on other parts of the Paris Rulebook**
  - CTU on mitigation elements
  - Article 6
  - Article 13 ETF’s biennial transparency reports
  - Global stocktake

Source: World Resources Institute
The Paris Agreement Article 6: What is at stake in Glasgow?

Derik Broekhoff
What is Article 6?

Section of Paris Agreement formally recognizing that countries may voluntarily cooperate in the implementation of their NDCs to allow for higher ambition.

- **Article 6.2**: Recognizes voluntary cooperation through “internationally transferred mitigation outcomes” (ITMOs)
- **Article 6.4**: Establishes a UN-administered mechanism for the creation and transfer of emission reduction credits among countries
- **Article 6.8**: Recognizes opportunities for non-market approaches (e.g., “results-based climate finance”)
Why does Article 6 matter?

- **Foundation for cooperation**
  - Facilitates a *global* response to climate change

- **Gains from trade**
  - International trading could save $230 billion per year in 2030 under current NDCs (IETA 2019)
  - If savings were leveraged to *raise ambition*, could lead to 50% more emission reductions in 2030

- **Achieving net zero**
  - Markets could offer an efficient way to globally balance emissions with removals

- **Business opportunities**
  - Could mobilize private sector investment in clean technology around the world
What are the issues?

- The Big Two
  - Double counting of emission reductions
  - What to do about Kyoto-era emission reduction credits

- Also on the agenda
  - Adaptation financing*
  - Article 6.4 crediting rules & standards
  - Delivering an “overall mitigation in global emissions” (OMGE!)

* Some would include this as one of the “big three”
Double counting

Source: Schneider et al. (2016).
## Double counting challenges

<table>
<thead>
<tr>
<th>Issue</th>
<th>Likely Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>NDCs come in all shapes and sizes: Single-year targets, renewable energy targets, promised actions, etc.</td>
<td>Mostly technical fixes on how to do the accounting</td>
</tr>
<tr>
<td>Mitigation may occur outside the scope of a country’s NDC: It’s not technically double counting</td>
<td><strong>Policy decision</strong> to require “corresponding adjustments” in all cases</td>
</tr>
</tbody>
</table>
Double counting “landing zone”

- Negotiations are focused on Article 6.4
- Possible outcome:
  - “Flexibility” allowing double counting for Article 6.4 transfers for a limited period of time
  - Possible other constraints or limitations to address “perverse incentive” issues related to raising ambition & expanding the scope of NDCs
Carryover of Kyoto-era units

Source: Climate Analytics 2019
Carryover of Kyoto-era credits

- Really several issues
  - Transitioning credits
  - Transitioning projects (so they can continue to receive credits)
  - Transitioning methodologies and standards
- The first two are the real sticking points...
Some carryover allowed, but with limits. For example:

- Only credits issues after a certain date
- Only projects that *require* credit revenue to continue operating are allowed to transition
- Possible: Put pre-2020 units into a reserve and release them only when needed
Other issues

• Adaptation finance and OMGE
  • Currently these apply just to Article 6.4 – should they apply to Article 6.2, too?

• Article 6.4 rules & standards
  • Mostly a set of technical issues
Looking forward

- The Article 6 rulebook would lay a foundation for international cooperation
- The big question is how and whether countries will use Article 6 to effectively raise global ambition
- Will require ongoing efforts to build trust, institutional capacity – including at bilateral and regional levels (“carbon clubs”)
WHY

• New model of development
• Support for mitigation (reducing emissions) and adaptation (building resilience to climate impacts)
• Long-standing demand of developing countries
FINANCE GOAL

• 100 billion per year by 2020
• 10 years on, not met
• Loans vs grants
• Trust
• US: $11.4 bn by 2024
• EU: +$4.7 to 2027 (25 bn/yr)
OTHER FINANCE PRIORITIES

• Guidance to the Global Environment Facility & Green Climate Fund
  • Guide priorities for climate finance
  • Assessment of developing countries’ needs
  • Overview of climate finance flows
What did you think of the briefing?

Please take 2 minutes to let us know at:  
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