

# Intended Nationally Determined Contributions (INDCs)

September, 2014

## Background

At the 19<sup>th</sup> Conference of the Parties (COP19) to the United Nations Framework Convention on Climate Change (UNFCCC) in Warsaw, Poland, countries agreed to “initiate or intensify preparation of their intended nationally determined contributions” well in advance of the 21<sup>st</sup> Conference of the Parties in Paris in 2015, when they are expected to reach a universal agreement with legal force. All countries that are able to do so are requested to submit their INDCs by the end of the first quarter of 2015, and a number of countries (including Britain, Canada, France, Germany, Italy, Japan and the United States) have reaffirmed their commitment to do so. Whereas previous agreements asked developed countries to make “commitments” and developing countries to advance “nationally appropriate mitigation actions,” the phrase “intended nationally determined contribution” applies to all countries that are parties to the Convention. Work on INDCs, and the 2015 agreement overall, is discussed in meetings of the Convention’s Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).

## What is an INDC?

The main intent of these INDCs is that they would form the basis of the 2015 agreement and support achievement of a 2 degree Celsius goal. However, many parties believe that INDCs must also include adaptation and means of implementation (finance, technology, and capacity building support). Based on national circumstances, the mitigation component of INDCs could take different forms, including, *inter alia*:

- Economy-wide absolute emission target
- Carbon-intensity target
- Compilation of sectoral policies

At COP20 in Lima, in December 2014, parties are expected to reach an agreement that provides further clarity on the nature, form, and communication of INDCs, and their relation to the international agreement. In addition to the above,



Source: RTCC

they will decide on the time frame for INDCs (2025 vs. 2030), rules and expectations to support INDC transparency and comparability, as well as more specifics on post-submission consultation processes.

## INDCs and Finance

While some countries have argued that INDCs should reflect only what a country proposes to achieve through unilateral action, in reality, achieving high levels of ambition will require

international financial support. INDCs could therefore include both unilateral components and components contingent upon support. This raises a number of questions pertaining to the level of ambition that might be expected through unilateral and/or supported actions, how to assess whether the proposals are reasonable and well-justified, and how to decide on the elements requiring support. It will also be important to understand how the

support for contingent actions lines up with expected levels and channels of international finance, and how the overall ambition of INDCs (both unilateral and supported elements) adds up to the international mitigation goal.

Decisions on these and other questions will have consequences for both the UNFCCC and the Green Climate Fund (GCF).

## INDCs in Action: The case of Colombia

Developing an INDC presents a special challenge for developing countries such as Colombia. Committed to submitting an ambitious INDC by the end of March 2015, Colombia is preparing its contribution based on its low carbon development strategy, stakeholder engagement, and nationally appropriate mitigation actions. See Figure 1 for a step-by-step overview of Colombia's process. On a sector-by-sector basis, Colombia is looking at the ambition that is possible and how it can be realized with a combination of unilateral action (e.g., through new government policies and regulatory reforms) and international support. Such assessments will ultimately inform goals that are ambitious as well as realistic, both from an administrative and political standpoint.

Beyond data challenges and limited budgets for additional modeling, key issues that will need to be resolved include:

- Which political challenges the country's leadership is willing to assume in order to advance an ambitious INDC. For example, should Colombia assume policy changes that run counter to current approaches to managing the domestic power markets by modifying the current preference for firm energy?
- How best to structure requests for international financial support to enable transformative outcomes and achievement of ambitious targets, and how to integrate such requests for support in the design of the country's INDC.
- How to achieve ambitious outcomes in fast-growing sectors such as transportation.

**Figure 1. Development of Colombia's INDC**

