

## Objectives of research paper

- Identify what really matters in the post-2020 framework for global emission reductions
- Consider what might be agreed in Paris in 2015, and what might come later
- Explore implications for Australia
- Paper only focuses on emissions reductions
  - Other elements of the negotiations (finance, adaptation, etc.) will also be critical to securing a successful post-2020 framework

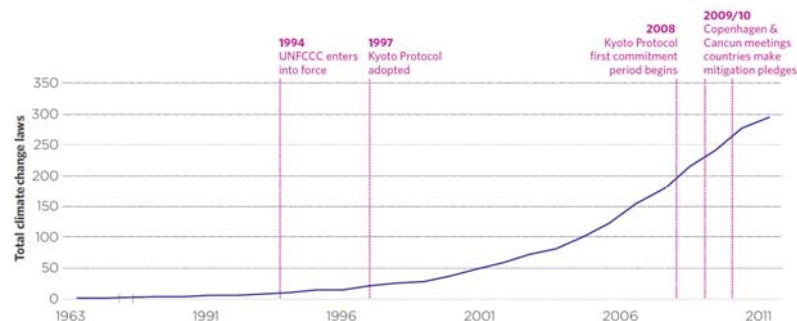
## Key messages

- Paris will not deliver a binding agreement like Kyoto
  - Insisting on this would limit participation and weaken prospects for keeping warming below 2 degrees
  - Action – not legal form – is what's important
- A successful agreement would see countries committing to act, setting targets, and being transparent and open to review
- The international framework should support and encourage all major emitters – including Australia – to set fair targets and implement policies to meet them

## Context

- National action is rising over time and will interact with negotiations about the post-2020 framework

Total climate change laws in GLOBE country studies, 1963–2012, alongside key international events



Source: Globe 2013 for country legislation, CCA analysis for international events. Given the complex causal links between domestic and international action, it illustrates a broad trend only.

## What matters for national action

Element	Rationale for inclusion
Collective goal	Defines the scale effort; a benchmark for progress
Emissions targets	Provides clarity around emissions reductions
Transparency on emissions and progress	Allows comparisons of what countries are doing, promotes accountability and sharing experiences
International emissions markets	Reduces the costs of meeting targets and supports domestic policy development
Assessing collective and individual efforts	Pressure on countries to strengthen efforts over time
Legal form	Shapes how framework is perceived, could build strong norms of behaviour. Can also be a barrier to participation and ambition

## Cross cutting themes across elements

- Sharing best practices: the positive aspects of emission reductions can facilitate a dynamic more conducive to greater ambition
- Participation by all countries, and in particular the major emitting countries, to reduce emissions
- Providing certainty and confidence to implement domestic policies and national targets towards longer-term decarbonisation
- Regular assessment of progress and collective and individual action against science, progress and what more can be done

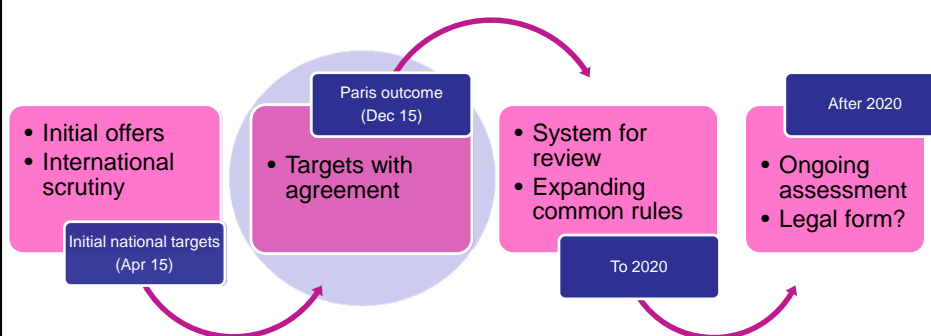
## Priorities for Paris

Element	Paris outcome
Collective goal	Include a collective goal (limiting warming to 2°C or 1.5°C)
Emissions targets	All major emitting countries set targets with information to explain them and help comparability
Tracking emissions and progress	Agree a common framework will be applied post-2020
International emissions markets	International trade under existing principles and transparent reporting
Assessing collective and individual efforts	Agreement on the on-going review of collective goal and process to assess individual targets
Legal form	An agreement with legal force plus implementing decisions and nationally determined non-binding targets

CLIMATE CHANGE AUTHORITY

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## Evolutionary process



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## Implications for Australia

- Australia has a strong interest in a successful outcome to the current negotiations
- Set targets to make transparent and fair contribution to collective goal
  - The Authority's recommended range of 40-60% below 2000 levels by 2030 (translates to 30-40% reduction target in 2025)
- Implement domestic policies to meet targets
  - Visible, lasting and effective policy action from all major emitters will be central to strengthen global efforts over time

## Conclusions

- Positive Paris outcome:
  - Facilitating participation by the major emitting countries
  - Increasing transparency and assessment of actions
  - Regular assessments against the science, progress, and what more can be done, individually and collectively
- Potential pitfalls:
  - Pushing for legally binding targets – action matters more than form, rigid legal structure likely barrier to participation
  - (Interaction with other elements of the Paris outcome (e.g. finance))
- Core elements and details elaborated after Paris

## SUPPORTING MATERIAL

## Collective goal

- Goals have helped encourage countries to set more ambitious targets in the past
- May encourage countries to undertake greater efforts as science of climate change becomes more prominent
- CCA *Targets and Progress Review* took the 2°C goal as its starting point for recommended emission budgets and targets

Paris outcome	<ul style="list-style-type: none"> <li>• Collective goal (e.g. 2°C or 1.5°C)</li> </ul>
Features that could encourage further ambition	<ul style="list-style-type: none"> <li>• Clarifying the collective goal</li> <li>• Positively-framed goals</li> </ul>
Areas for longer-term elaboration	<ul style="list-style-type: none"> <li>• Integrating into the operative parts of framework (e.g. assessment of national targets)</li> </ul>
Implications for Australia	<ul style="list-style-type: none"> <li>• Set targets and design its policies to play its fair part in meeting the agreed collective goal</li> </ul>

## Emission targets

- When countries agree to targets they often accelerate their domestic action
- As well as ambition, three aspects of targets matter:
  - the type of target; fewer types of targets aid transparency and comparability
  - the information about targets is key to understanding and comparing them
  - fitting target setting into other processes helps to define long-term pathways and ratchet up ambition
- Domestic choices about policies over time influence the long-term investment environment more than international targets

## Emission targets continued

Paris outcome	<ul style="list-style-type: none"> <li>• Agreement, including from all major emitting countries, to set targets with accompanying information to explain those targets and facilitate comparability within the post-2020 framework</li> </ul>
Features that could encourage further ambition	<ul style="list-style-type: none"> <li>• Encouraging budget-based targets from most major emitting countries (or point targets for those with less capacity)</li> <li>• Discouraging business-as-usual reduction targets</li> <li>• Short commitment periods (e.g. five years) are preferable</li> <li>• Additional long-term targets encouraged</li> </ul>
Areas for longer-term elaboration	<ul style="list-style-type: none"> <li>• System of regularly reviewing and revising national contributions, with reference to the agreed collective goal</li> <li>• Expanding areas of commonality for target types and rules</li> </ul>
Implications for Australia	<ul style="list-style-type: none"> <li>• Australia is expected to advance a post-2020 emission target in 2015</li> <li>• The CCA Targets and Progress Review recommended a range of 40-60% below 2000 levels for Australia in 2030 (translates to 30-40% in 2025)</li> <li>• Continue to ensure a high level of transparency, and provide information on relationship to collective goal</li> </ul>

## Transparency and progress

- More transparent tracking of emissions and progress:
  - keeps countries accountable and puts pressure on lagging countries
  - can also be used to share best practice and fast-track emissions reduction efforts
- The UNFCCC has fairly robust reporting which could be built on for the post-2020 framework

Paris outcome	<ul style="list-style-type: none"> <li>• Agree a common framework will be applied post-2020</li> </ul>
Features that could encourage further ambition	<ul style="list-style-type: none"> <li>• More standardised, detailed and frequent information</li> </ul>
Areas for longer-term elaboration	<ul style="list-style-type: none"> <li>• Expand common templates for information</li> <li>• Provide a forum that encourages countries to share best practices, policy experiences and expertise</li> </ul>
Implications for Australia	<ul style="list-style-type: none"> <li>• Continue to demonstrate best practices and share these with interested countries</li> </ul>

## International markets

- Allow countries to meet targets cost-effectively
- Kyoto Protocol markets (e.g. Clean Development Mechanism) include robust measurement, reporting and verification processes and centralised framework
- Market developments outside the UNFCCC have proceeded more quickly than market negotiations within the UNFCCC (e.g. China, Republic of Korea, California-Quebec)
- Unlike the centrally-regulated mechanisms of the Kyoto Protocol, the post-2020 markets framework is likely to be more complex

Paris outcome	<ul style="list-style-type: none"> <li>• International trade under existing principles and transparent reporting</li> </ul>
Features that could encourage further ambition	<ul style="list-style-type: none"> <li>• Countries increase demand for existing CDM</li> </ul>
Areas for longer-term elaboration	<ul style="list-style-type: none"> <li>• Build on existing institutions to develop best practice, tracking units, facilitating capacity building and avoid unnecessary transaction costs</li> </ul>
Implications for Australia	<ul style="list-style-type: none"> <li>• Ability to access emissions reduction units</li> </ul>



## Assessment of efforts

- Collective assessment is a way to ensure the negotiations remain focused on science, and assessment after 2020 could look similar to the existing Review in the UNFCCC.
- Assessment of countries' individual efforts can help transparency, encourage countries to justify their efforts as a fair contribution and strengthen them over time, and encourage countries to share best practices.
- Could be modelled on other international processes.

Paris outcome	<ul style="list-style-type: none"> <li>• Agreement on the ongoing review of collective goal</li> <li>• Process to assess individual targets</li> </ul>
Features that could encourage further ambition	<ul style="list-style-type: none"> <li>• Linking assessment of targets to collective goals</li> </ul>
Areas for longer-term elaboration	<ul style="list-style-type: none"> <li>• Building on this process over time to assess more information</li> </ul>
Implications for Australia	<ul style="list-style-type: none"> <li>• Ensure post-2020 target information enables comparisons across countries</li> <li>• Put forward information explaining how the target supports the collective 2°C goal</li> </ul>

## Legal form

- The legal form of the Paris outcome and national targets can determine how international action is perceived
- The exact legal form, and force, of the new agreement, is yet to be determined: *'protocol, other legal instrument or agreed outcome with legal force under the Convention'*.
- Internationally binding targets likely barrier to participation
- Paris outcome will not deliver a universal, prescriptive, enforcement-oriented legal agreement

Paris outcome	<ul style="list-style-type: none"> <li>• Agreement with legal force plus implementing decisions and nationally determined targets</li> </ul>
Features that could encourage further ambition	<ul style="list-style-type: none"> <li>• Binding agreement to enact emission reductions plans in domestic legislation</li> </ul>
Areas for longer-term elaboration	<ul style="list-style-type: none"> <li>• Targets integral to legally binding agreement, with enforcement (negotiation post 2020)</li> </ul>
Implications for Australia	<ul style="list-style-type: none"> <li>• Implement domestic laws to achieve targets regardless of agreement's legal form</li> </ul>