

## **Background Paper**

# A CRUNCH ISSUE FOR PARIS COP21: A REVIEW AND RATCHET MECHANISM

### WHAT IS A REVIEW AND RATCHET MECHANISM AND WHY DO WE NEED IT?

In order to limit warming to below 1.5 or even 2°C, experts call for global emissions to peak before 2020 and decline rapidly thereafter. The Cancun pledges and recent submissions of INDCs help bend the emissions curve. However, they do not put us on this trajectory. Estimates put the emissions gap at 8-10 billion tonnes of carbon dioxide equivalent (Gt CO2eq) by 2020 and up to 12-15 Gt CO2eq by 2030, without any peak in sight. Finance for adaptation is also grossly insufficient. Further, much more adaptation action is needed to increase the resilience of vulnerable communities and ecosystems.

A "bottom up" Paris outcome, where countries offer commitments based on purely their "national circumstance" and with little or no consideration for the requirements of science or equity, will virtually guarantee a continued ambition gap and an unfair sharing of effort for decades to come. Unlocking additional action to address the pre- and post-2020 ambition gaps (mitigation, adaption, and support) requires multilateral cooperation within a strong international framework.

A review and ratcheting mechanism within the Paris package will ensure that the current efforts are only a floor. Regularly assessing pledged efforts in terms of the latest climate science and fairness, and strongly pushing countries to ramp up, or "ratchet", their efforts, based on these reviews, will accomplish this. In between the pledging and assessment of countries' efforts, the ratcheting and review mechanism must include processes that provide incentives and opportunities for countries and non-state actors to launch additional actions that go beyond the targets that countries have pledged. These additional actions could be collaborative or unilateral. They could also include unlocking conditional developing country efforts through the provision of financial, technological or capacity building support.

#### The three-part plan to secure a review and ratcheting mechanism:

1. Cooperative efforts by parties to address the ambition gap (WS2 and WS1 decisions and Paris agreement): All parties should agree to take steps beyond their unconditional INDCs to cut the post-2020 emissions gap by half or more before 2025. They should then close it entirely soon after. Developed country parties, and others willing to do so, should make quantified pledges of support (finance or an emissions reduction target) to developing countries to satisfy their conditional targets and take other steps to help meet this 2025 goal.

Countries should build the new climate regime around five-year cycles of progressively more ambitious contributions, informed by regular science and equity reviews. Within the decisions taken on pre-2020 efforts (Workstream 2), parties could trial this approach by holding a dialogue in 2017 to review and enhance the implementation of pre-2020 pledges.

2. **Permanent action agenda (WS2 decisions)**: The Lima-Paris Action Agenda (LPAA) spotlighted the need for near-term action, and encouraged new cooperation among

non-state actors and governments. The Paris outcome should develop a permanent, high-level action agenda, led by prominent champions, that incentivises and tracks progress on new, transformative cooperative actions, between governments and among non-state actors and governments, within a robust accountability framework. This action agenda should include an annual high level event where governments can launch and reflect on the initiatives.

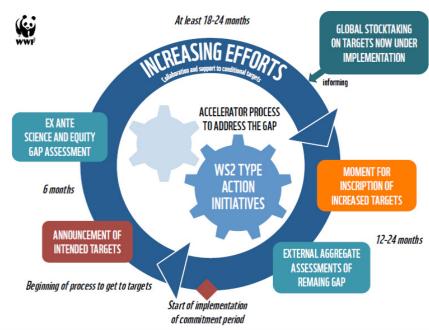
3. Enhanced Technical Examination Process (TEP) (WS2 decisions): The existing technical examination process under Workstream 2 helped engage experts and catalysed new ideas. However, the process has not received the political attention and resources needed to become transformative. The Paris outcome should link the TEP to the action agenda and key mechanisms of the convention, including the Green Climate Fund, and link the ideas coming out of the TEP to the action agenda and annual high level engagements.

#### WHERE THE NEGOTIATIONS STAND ON A REVIEW AND RATCHETING MECHANISM

The draft negotiating text contains many options that could form the basis for a review and ratcheting mechanism. The draft text for the main Paris agreement must retain those options that allow countries to pledge their intended efforts (mitigation, adaptation and support) and then to finalise these targets after the intended efforts are reviewed in terms of individual and aggregate ambition. The global stocktake in the draft text is a good start. However, it seems to only look at the implementation of pledged efforts, rather than at ambition levels compared to climate science.

The draft decision text under ADP WS2 contains strong options to improve the TEMs process and launch the beginnings of a continuous action agenda with the guidance of champions. More countries should support efforts to enhance pre-2020 ambition. Developed countries must be open to opportunities to reconsider their level of efforts in line with the Convention, while developing countries could clearly indicate what support they need to take additional action.

#### A graphical representation of a continuous ambition mechanism



Photos and graphics © WWF or used with permission Text available under a Creative Commons licence



To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature

#### **ABOUT WWF**

WWF's mission is to stop the degradation of the earth's natural environment and to build a future in which humans live in harmony with nature. The Global Climate and Energy Initiative is WWF's global programme addressing climate change through promoting renewable and sustainable energy, scaling up green finance, engaging the private sector and working nationally and

internationally on implementing low carbon, climate resilient development. panda.org/climateandenergy



