



# INTERNATIONAL CLIMATE ACTION— PRIORITIES FOR THE NEXT AGREEMENT RESEARCH PAPER SUMMARY

Strong international action to reduce emissions is in every country's interest, including Australia's. This action will reduce the risks and likely impacts of climate change.

Countries' efforts to cut greenhouse gas emissions will be influenced, at least in part, by the shape of international agreements on climate change. Domestic climate action and global progress can be mutually supportive. As countries introduce effective policies, they become more willing to sign up to global agreements. At the same time, progress in global negotiations can encourage countries to introduce more policies domestically.

The international community is now negotiating a post-2020 framework for global climate action. All international negotiations are difficult: no 'quick fix' treaties or other outcomes are likely within or outside the United Nations Framework Convention on Climate Change (UNFCCC). The UNFCCC is likely to remain the central focus of international cooperation for the time being, although the activities of other groups can be expected to play an important role in supporting international action.

This paper explores those elements of a post-2020 framework consistent with reducing global emissions to levels consistent with keeping global average warming below 2 degrees (relative to pre-industrial levels). It examines some of the implications the post-2020 framework will have for Australia, against the background of the Authority's recent Targets and Progress Review (Climate Change Authority 2014).

## THE POST-2020 FRAMEWORK

The key parts of the post-2020 framework are planned to be agreed in Paris at the end of 2015 (the 'Paris outcome'). Even a successful 'outcome' will not mark the end of the international process—by its nature, international cooperation on climate change will be an ongoing endeavour. The best measure of the success of the Paris meeting will be the extent to which it encourages and inspires stronger national action to reduce emissions through time.

One thing the Paris meeting will *not* deliver is a universal, prescriptive, enforcement-oriented legal agreement, similar in form to the existing Kyoto Protocol. For one thing, such an outcome is not achievable in the short term. Insisting on it would likely be counterproductive, and lead to more modest global action. The value of the Paris outcome will be its effect on emissions and efforts over time, not its particular legal form.

The post-2020 framework will be constructed from several building blocks, including mitigation, adaptation, finance and equity. This paper considers only the blocks most relevant to reducing each country's emissions. The final shape of the framework will involve compromises among countries and across issues. Progress on the mitigation elements discussed in this paper is likely to depend on progress in other areas.

## KEY ELEMENTS OF THE POST-2020 FRAMEWORK

The paper focuses on six elements directly related to reducing emissions:

- collective goals
- emissions reduction targets
- tracking emissions and progress
- international emissions markets
- assessing collective and individual efforts
- the legal form of the agreement and its parts.

Table 1 summarises the Authority's conclusions on each of these elements; together, they could add up to an effective framework.

The different elements interact with one another and the overall impact on emissions reductions will be influenced by the outcome on each. In the Authority's view, an effective post-2020 framework will have several interrelated themes:

- Sharing best practices and motivating countries to undertake domestic actions. Past international climate negotiations have been framed around cost- and burden-sharing. By providing a forum to promote the positive aspects of emissions reductions and their broader benefits, the post-2020 framework could help to deliver greater action.
- Facilitating greater participation by all countries, and particularly the major emitting countries, to reduce emissions.
- Providing confidence in implementing domestic policies and national targets that aim for longer term decarbonisation.
- Increasing transparency about emissions and assessing emissions reductions (both collectively and individually) to understand how the world is tracking towards its collective goals.
- Regularly assessing shared objectives against the latest science, progress (or lack thereof) that has been made and what more might be done, both individually and collectively. Such assessments can help ratchet up countries' efforts over time.

**TABLE 1: SUMMARY OF CONCLUSIONS ON POST-2020 FRAMEWORK**

ELEMENT AND WHY IT MATTERS	PRIORITIES FOR PROGRESS—CORE PARIS DECISIONS	FURTHER ELABORATION IN PARIS OR LATER
<b>Collective goal</b> —defines the scale of required effort and allows progress to be tracked transparently.	Maintain the collective goal to keep warming below 2 degrees.	Strengthen, clarify or add to the 2 degrees goal (for example, by defining global emissions budgets, trajectories or low emission growth goals). Integrate the goal into the operative parts of the post-2020 framework such as the assessment of national targets.
<b>Emissions reduction targets</b> —provide clarity on emissions reductions, encouraging further efforts.	Agree that all major emitting countries put forward nationally determined targets and information that allows for clear comparison with others' efforts.	Encourage national targets in the form of emissions budgets. Encourage clarity and comparability of targets with common target formats and reporting rules. Promote both short target periods (five years) and long-term national goals, with regular reviews.
<b>Tracking emissions and progress</b> —allows comparisons of what countries are doing, promotes accountability and helps countries to share experiences.	Agree a common framework will be applied post-2020.	Build on current UNFCCC reporting systems such as common templates. Countries provide more detailed and frequent information on emissions, policies and projections. Establish forums to share best practices of climate action, policy experience and expertise.
<b>International emissions markets</b> —a potentially important way to boost effort by reducing the cost of meeting targets, generating benefits for countries selling units, and building capacity to monitor emissions.	Clarify that international trade in emissions is recognise existing principles for trade and agree that, where trade is used, it will be transparently reported.	Build on reporting arrangements and existing architecture to track of emissions units. Enhance existing market institutions and develop new market mechanisms and build capacity to use markets well.
<b>Assessing collective and individual efforts</b> —can encourage emissions reductions by increasing transparency and building pressure on countries to strengthen efforts over time.	Continue regular reviews of collective effort, similar to the existing UNFCCC 2013-15 Review. Encourage countries to review and ratchet up efforts over time.	Set up a collective goal assessment process. Develop transparent international expert and peer review over time.
<b>Legal form</b> —legally binding agreements help to elevate the agreement's status and its impact on the behaviour of governments, but are initially difficult to reach.	A package of agreements, some binding and some non-binding, might encourage countries to submit and meet targets.	Building towards internationally binding agreements to implement targets and/or emissions reductions plans domestically.

**IMPLICATIONS FOR AUSTRALIA**

Australia has a strong interest in a successful outcome to the current negotiations. Collective emissions reductions are the only way to reduce climate impacts that would otherwise harm Australia's economy, population and environment. Negotiating a post-2020 framework is a collective process to support emissions reductions around the world, and the approach it takes to the negotiations will determine whether Australia's influence is positive or negative at this critical time.

Australia will advance its post-2020 goals in 2015 (Department of the Environment 2014). A decision in Warsaw in 2013 invited all countries to communicate their post-2020 contributions before the Paris meeting, and by the first quarter of 2015 for those countries ready to do so. As a wealthy, developed country—and a high emitter in per-person terms—Australia will be expected to put forward a transparent and equitable unconditional target. The transparency and credibility of any Australian target would be improved by explaining how it contributes to the 2 degree goal.

More generally, a positive lead by Australia would not only be in line with the national interest but also enhance Australia's influence in crafting a fair and responsible post-2020 framework. Much clearly depends on the stance Australia adopts in the Paris process.

Finally, targets, on their own, will not reduce emissions. Like all countries, Australia will need to implement strong policies to back its international commitments. Visible, lasting and effective policy action from all countries will be central to building the credibility of the emerging framework and strengthen global efforts over time.