

## Memorandum

### Step up together

#### How local governments, the private sector, and civil society can help countries implement climate action and step up ambition in 2018 and beyond

April 2018

**Summary:** 2018 launches an international effort to enhance climate action and ambition by 2020, the first “ratchet” since the Paris Agreement. Cities, states and regions, business, investors, civil society groups, and other “non-Party actors” play a critical role in this process by delivering progress on the ground and in the real economy. But they also generate new opportunities for *national* governments to strengthen implementation and step up ambition. Focusing on this mutual reinforcement, this memo explains how non-Party actors can support countries to step up action and ambition in 2018, while also looking forward to 2020.

The memo:

- Elaborates how non-party actors can **champion ambitious policies**, link or scale up climate action efforts through **policy recommendations to governments**, and **share innovations** in technical and regulatory practices and in business operations.
- Identifies different **channels** through which non-party actors can direct inputs to the UNFCCC and to national governments
- Explains **how governments can help support** and maximize the impact of these non-party inputs and advance implementation and ambition through 2020, including by adopting policies to unlock further non-party action.

#### **2018-2020 is a critical window for stepping up ambition, the first Paris “ratchet”**

Countries have an opportunity to enhance their ambition by 2020, making 2018-2020 a critical first test of the Paris Agreement “ratchet” mechanism. While some elements of the Paris Agreement will not come into force until after 2020, science clearly shows the urgency of securing substantial action by 2020.

Several events and processes support this goal. The Talanoa Dialogue, which began in January 2018, initiates this process, with key opportunities for non-state actors to engage at the May UNFCCC sessions in Bonn. Various international, regional and national meetings due to take



place over the course of the year will touch on the three core questions posed by the Dialogue<sup>1</sup>. In September 2018, the Global Climate Action Summit will mobilize sub-national and private sector actors to advance real economy progress on decarbonization. A successful summit will signal the opportunities for increased ambition in the political component of the Talanoa Dialogue at COP24 in December 2018, where countries will consider how to act on the take-aways from the Dialogue, alongside the annual Global Climate Action events at COP24. At the same time, governments are due to agree on the Paris implementation guidelines, an important basis for future ambition and ratcheting.

The following year, the UN Secretary-General's 2019 summit will place the issue of enhanced ambition high on the political agenda, and ahead of COP26 in 2020 will be a critical moment for countries to come forward with updated NDCs and, also by 2020, long-term strategies. Throughout this period, ongoing UNFCCC processes like the Marrakech Partnership for Global Climate Action, the Technical Examination Process, and the Pre-2020 dialogues will create additional opportunities for interactions between parties and non-parties around raising ambition.

Our vision is to work across these channels to build a virtuous upward spiral of mutually reinforcing action, implementation, and ambition between governments and other actors. Building a strong ratchet process by 2020 will create an important model to build on in subsequent years once all elements of the Paris Agreement, such as the Global Stocktake and the review mechanisms come into force.

### **Stepping up together: how non-party climate action boosts party climate action and vice-versa**

Climate action by cities, regions, businesses, investors, and other sub/non-state actors helps support national climate action and ambition in three key ways:

- Directly reducing emissions, adapting to climate change, and building resilience
- Driving change in economic systems and technology
- Support the politics of enhancing ambition

First, and most directly, non-party climate action **delivers emissions reductions, accelerates adaptation to climate impacts, and builds resilience** against future impacts. From cities reducing their emissions to companies conserving water through their supply chains, non-party climate action directly attacks the climate challenge.

In 2018, several efforts are underway to better track and understand these efforts, especially in the context of mitigation. Non-party actor groups are sharing data to enhance clarity on delivery of current emissions reductions. Already, some non-party actors are at the cutting edge of transparency and reporting of emissions reductions, potentially generating lessons for Parties

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<sup>1</sup> The three main questions that will frame the Talanoa Dialogue are: "where are we," where do we want to go," and "how do we get there."

on how to measure and report. Analysts are pooling these data to better understand the aggregate impact of non-party action, both delivered and promised, on the emissions gap. Initial estimates will be available in the Summer and Fall of 2018 and can be used to inform the Talanoa process. Simultaneously, the research community is developing better methodologies to improve the accuracy of these estimates over the next 2-3 years.

Already, tools and methodologies are being developed for countries to better understand how non-party actors are already helping them deliver current NDCs, such as the Initiative for Climate Action Transparency (ICAT) guidance for non-state and sub-national actors. As countries look to enhance ambition by 2020, these tools give them a ready way to engage with cities, states and regions, companies, investors, civil society, and others to unlock further ambition.

Second, non-party climate action **drives change in technological and economic systems** that increase scope for government action. For example, 100% RE pledges are an important market signal that gives investors & project developers an additional incentive for further development of RE capacity. It could drive innovations in terms of business models to facilitate access to RE to different types of users and in different conditions (e.g. location, size of company, etc.). Such actions by the most ambitious actors lower the costs and increase benefits of climate action for others, creating a chain reaction of self-propelling growth in low carbon policies and results. These changes in the real economy recalibrate the constellation of political power and interests around climate change, expanding the space for national governments to act. For example, the Investor Agenda brings together and promotes the key actions and initiatives that investors around the world are taking to meet the goals of the Paris Agreement, whilst providing comprehensive guidance for investors to transition the world's financial capital to low-carbon opportunities, and a mechanism to report on their progress.

Third, these changes can have **positive effects on the politics of enhancing ambition:**

1. To the extent non-party climate actions fit within current NDCs, they help governments deliver or over-achieve their current pledges. This accelerated, cost-effective implementation creates the conditions for more ambitious actions in the future.
2. Because various non-party actors are at the leading edge of ambition, they provide useful and powerful demonstrations to governments and other actors that it is possible to set ambitious targets without impairing the economy.
3. Bottom up actions, particularly in the private sector, provide an enabling environment for decision-makers who want to be more ambitious but could be vulnerable to criticism from incumbent groups.
4. Such actions build new political and economic constituencies, like renewable energy providers or electric car drivers, that favor and advocate for more ambitious national policies.



The mutual reinforcement of party and non-party action also of course flows the other way. National governments can take numerous steps to unlock the potential action of their cities, states and regions, businesses, investors, and others.

Most importantly, governments can create a catalytic enabling environment for non-party actors by providing clear long-term signals that can attract mid- to long-term investments on critical areas such as infrastructure, setting ambitious goals in specific sectors, facilitating action by both public and private bodies through regulation, creating incentives for green investment, re-channeling carbon subsidies to other goals, investing in low-carbon infrastructure, pricing carbon, and sending other policy signals.

For example, a number of governments have created programmes to inspire and assist local governments to take action on climate change. The EU Commission orchestrated the European Covenant of Mayors created to catalyze local governments to act on climate change, which has now merged with other city networks to become the independent Global Compact of Mayors for Climate and Energy. Peru, Sweden, and Spain have created national platforms for local governments and the private sector to put forward pledges and commitments.

Finally, while non-party action does not substitute for national action, it can help to solidify and support climate action in a country when political leadership wavers. For example, even as the Trump administration seeks to undo climate measures, leading states, cities, and the private sector are only accelerating their efforts, which will directly contribute to the United States' commitment under the Paris Agreement.

### **What options do Parties have to enhance ambition?**

Parties have multiple options to increase their efforts by 2020 that include, but are not limited to, revisiting their topline NDC target upwards. We highlight three ways Parties can show how they are enhancing ambition, and how non-party actors can help with each.

*Sectoral breakdown* - It is important to recognize that countries' economy-wide targets must be complemented by specific steps to reduce emissions in key sectors such as energy, industrial processes, transport, agriculture, etc. Identifying priority actions and goals sector by sector allows countries to engage in a deeper transformation while avoiding a zero-sum game based on minimizing their efforts relative to others. Moreover, sectoral targets are particularly well suited for engagement by non-party stakeholders, who can show parties how non-party action is unlocking opportunities for parties to enhance ambition in a given sector. Cities, businesses, investors, and others are of key sources of knowledge and critical implementation partners for sectoral initiatives. These types of sectoral targets can also be incorporated or strengthened in Parties' NDCs.

*Robust governance and policy implementation instruments* - Developing a domestic accountability process helps structural transformation by ensuring climate keeps a constant

weight compared to other issues, and overtime across different governments. Such frameworks make NDCs more robust and credible, and therefore clarify the policy signal in a way that facilitates further action by the private sector and other actors. Furthermore, establishing dedicated frameworks for oversight and reporting obligations ensure transparency and the necessary scrutiny to keep the question at the center of politicians' agenda. This contributes to delivering on the current NDCs and provide the right foundation for more ambitious NDCs. Once again, non-party actors can play a critical role in such frameworks, and can suggest ways for parties to institutionalize them.

*Planning for the long term* - The Paris text invites countries to submit long-term strategies by 2020. Countries cannot be expected to achieve carbon neutrality without deep structural transformation of their growth and development model. Such a drastic shift needs to be planned ahead and future industrial and social changes anticipated. It will not be the result of successive five-year increments of marginal adjustments. Developing a long-term pathway helps to build collective buy-in; it ensures the consistency and robustness of policy action overtime; it renders intermediate goals credible; and it aligns expectations for funders and investors. Non-party stakeholders are critical in such long-term planning exercises and can also help identify the near-term policies and action needed to get on the long-term pathways. The latter can directly inform the revision of NDCs by ensuring that NDCs better align with these country-specific long-term trajectories.

### **What steps can non-party stakeholders take to help parties enhance ambition?**

*Delivering and reporting emissions reductions.* Delivering emissions reductions in the present helps countries implement their current NDCs, boosting confidence to set more ambitious targets in the future. Several initiatives seek to deliver emissions reductions in line with the goals of the Paris Agreement, such as the Science Based Targets Initiative for companies or C40's Deadline 2020 project for megacities.

In addition to making ambitions commitments, reporting on actual emissions reductions, both globally and at the national level, can send a critical message to national governments seeking to enhance ambition. There are a number of well-established reporting platforms for non-party stakeholders including CDP and ICLEI Local Governments for Sustainability carbonn® Climate Registry. The UNFCCC Non-State Actor Zone for Global Climate Action (NAZCA) is a global platform that brings together the commitments to action by companies, cities, subnational regions, investors and civil society organizations to address climate change, and the UNEP Climate Initiatives Platform collects, shares and tracks information on international cooperative climate initiatives driven by both state and non-state actors. In addition, many initiatives such as the Declaration of Climate Leadership of the International Association of Public Transport as well as the Oil and Gas Methane Partnership of the Clean Air Coalition, have committed to report on progress towards their objectives.

*Sharing innovations.* The massive scale and diversity of non-party climate action create a rich laboratory for experimentation and learning. It is critical to share the lessons of this innovation with national governments, so that they possess state-of-the-art knowledge when considering next steps. While many innovations are globally applicable, the experience of domestic non-party actors may be especially important since they account for concrete realities “on the ground.” National platforms engaging non-party actors in Sweden, Argentina and India, and initiatives at the regional level in the European Union and Latin-America, have stimulated learning among non-state and inspired more robust national climate policies. For instance, Argentina revised its NDC after consultations with civil society and subnational governments helped to revise, to include a more robust mitigation target, and to add a conditional target. The Low Carbon Technology Partnerships is an example of an initiative which is aimed at accelerating the development of low-carbon technology solutions through enhanced dialogue and collaboration. It includes more than 165 global businesses and 70 other partners. The Global Water and Development Information Network for Arid Lands has a similar approach of dialogue and collaboration to achieve better water resources management in the arid and semi-arid regions of the world.

*Policy recommendations on how to create a catalytic environment.* It is critical that non-party actors identify ways national governments can create opportunities for them to go further, faster. In many cases, national governments control important fiscal or regulatory choices that affect the ability of non-party actors to take ambitious actions. Some policies are highly applicable across the world. For example, the Friends of Ecosystem-based Adaptation (FEBA) which has produced a range of materials to help inform and guide policy planning on ecosystem-based adaptation and the Planners for Climate Action Initiative which brings together urban planning professionals to advocate for better urban planning. Some policy recommendations will be highly specific to local contexts. For example, rapidly changing regulations across many countries have created reluctance on the part of private actors and civil society to make new investments. Moreover, lengthy and complex procedures for licensing tend to impede engagement by smaller private sector actors.

*Championing ambitious outcomes.* Finally, as critical constituencies and stakeholders, local governments, the private sector, and civil society groups can identify the priorities and steps that all actors, party and non-party, can strive to achieve. In particular, they can help identify and enable the conditions needed to channel finance to low-carbon solutions. The Alliance of Basins for Climate Action for example already has seven flagship projects which have been financed and implemented. For cities, financial solutions are being mapped, enhanced and developed by the Cities Climate Finance Leadership Alliance, and CDP’s Matchmaker program works with cities to highlight climate resilient infrastructure projects worldwide and showcasing these through a specialized project dashboard. Cross-cutting initiatives like the Carbon Pricing Leadership Coalition bring together leaders from the private sector, government and civil society to grow the evidence base for effective carbon pricing policies, helping governments adopt these potentially catalytic policies.

**What channels exist to link non-party action and national ambition?**

As we build an upward spiral of ambition and action between parties and non-parties, numerous channels exist to mutually reinforce climate action. While there is overlap between channels, they have different areas of focus, and so are more or less responsive to different types of content and messages.

<b>Channel</b>	<b>Timing and process</b>	<b>What to contribute</b>	<b>Targeted outcomes</b>
<b>Talanoa Dialogue</b>	<ul style="list-style-type: none"> <li>-May 6, non-party actor interventions at UNFCCC session in Bonn</li> <li>-October 28, 2018, second round of written submissions due</li> <li>-COP24: “political” phase, non-party engagement via Marrakech Partnership</li> </ul>	<ul style="list-style-type: none"> <li>-“Where we are”: Stories identifying concrete progress in a specific context</li> <li>-“Where we want to go”: visions for a safe, resilient climate and sustainable development</li> <li>-“How we get there”: Concrete opportunities that you or others can take to realize the Paris goals</li> </ul>	<ul style="list-style-type: none"> <li>-Shared understanding on need to enhance ambition by 2020, including signal from COP24</li> <li>-Identify concrete opportunities for countries and other actors to increase their ambition by 2020</li> <li>-Clear trajectories for scaling up action and ambition</li> </ul>
<b>Global Climate Action Summit, California</b>	September 12-14, 2018	<ul style="list-style-type: none"> <li>-High-level public announcements of achievements and commitments, including in response to Summit challenges</li> <li>-Aggregated impact of non-party climate action</li> <li>-Champion opportunities for national governments to enhance ambition</li> </ul>	<ul style="list-style-type: none"> <li>-Proof points from transformations in the real economy</li> <li>-Concrete opportunities for countries and other actors to increase their ambition by 2020, clear pathways for scaling</li> <li>-Strong call from non-party actors to national governments to step up ambition</li> </ul>
<b>Marrakech Partnership for Global Climate Action</b>	-Global Climate Action events at COP24 (input to Talanoa Dialogue), COP25, and COP26	<ul style="list-style-type: none"> <li>-Mobilization of further action by non-party actors in partnership with Climate Champions and Climate Leadership Network</li> <li>-Report on progress made, including via Yearbook of Climate Action</li> <li>-Dialogue with national governments</li> <li>-Key input mechanism for Technical Examination Process and Pre-2020 Reviews</li> </ul>	<ul style="list-style-type: none"> <li>-Increasing scale and scope of climate action from all actors</li> <li>-Stronger linkages between parties and non-parties in thematic areas</li> <li>-Tracking and credibility of non-party climate action</li> </ul>

<b>Channel</b>	<b>Timing and process</b>	<b>What to contribute</b>	<b>Targeted outcomes</b>
<b>Technical Examination Process</b>	2018: Circular economies and industrial waste reuse and prevention solutions 2019: Decentralized energy solutions for smart energy and water use in the agrifood chain. 2020: sustainable low-emission housing and building solutions	-Volunteer to help organize Technical Examination Meetings at UNFCCC sessions -Provide information on key innovations to advance climate action -Identify opportunities for national governments to implement climate action -Policy recommendations for governments on how to unlock non-party action -Dialogue with national governments	-Specific opportunities for all actors to increase climate action
<b>Pre-2020 reviews</b>	To occur in 2018 and 2019, process to be determined, to engage non-state actors via Marrakech Partnership	-Report on delivery of existing commitments -Dialogue with national governments	-Building trust between North and South on existing commitments
<b>UN Secretary General Summit</b>	Fall 2019	-Public announcements of achievements and commitments -Champion opportunities for national governments to enhance ambition	-Top-level political commitment to step up ambition by 2020
<b>National and regional platforms and processes</b>	Ongoing	-Report on delivery of existing commitments, especially vis-a-vis NDC implementation -Provide information on key innovations to advance climate action -Identify opportunities for national governments to implement climate action -Policy recommendations for governments on how to unlock non-party action -Champion opportunities for national governments to enhance ambition	-National and society-wide ownership of climate goals and need to step up ambition -Robust representation and consideration of all stakeholders

**What can parties do to maximize the potential of non-party actors to enhance mutual ambition?**

Parties have an important role to play in maximizing the potential of the “groundswell” of non-party climate action. It is important that parties that support climate action from all levels of society continue to communicate this message to non-party actors and to each other.

*Support engagement with non-party stakeholders in the UNFCCC process.* Recent years have shown the value of robust participation of non-party actors in UNFCCC processes, including the Lima-Paris Action Agenda and the current Marrakech Partnership for Global Climate Action. Parties can build on this success by continuing to ensure opportunities and dialogue between parties and non-parties in future UNFCCC sessions. This includes ensuring that the Talanoa Dialogue remains open to non-party stakeholder inputs and dialogue, as well as the Technical Examination Process and pre-2020 reviews.

*Support outreach to non-party stakeholders via the Marrakech Partnership and other channels.* Parties should not assume that the UNFCCC process will “naturally” attract the positive engagement of non-party stakeholders, particularly those not already highly engaged on climate issues. To continue drawing on the positive benefits of engagement with non-party actors, parties should proactively seek to bring more non-party actors into the process. The Marrakech Partnership provides a channel for outreach to such actors. Parties should ensure that it is operating effectively.

*Engage with non-party stakeholders domestically and help link them to global networks.* Most importantly, parties can draw on the contributions of domestic non-party actors as they move to enhance their ambition by 2020. National-level dialogues can unearth the ways that non-party actors are already helping deliver existing NDCs, as well as identify nationally appropriate opportunities for all actors to go further. National-level engagement is also key for identifying those policy recommendations that governments can adopt to further strengthen the ability of non-party stakeholders to move faster. Governments have engaged non-state actors in national conversations in such diverse countries as Chile, India, Peru, Spain, and Sweden. For example, the latter established the 'Fossilfree Sweden' platform, to encourage cooperation and dialogue between government and non-party actors, as well as to encourage its members to demonstrate their actions at the international level, for instance through NAZCA.

### Who we are: Galvanizing the Groundswell of Climate Actions

Galvanizing the Groundswell of Climate Actions is a series of dialogues that brings together organizations supporting climate action at all levels. Its objectives include:

- Bringing the groundswell of climate actions from cities, regions, companies, and other groups to a higher level of scale and ambition;
- Increasing efficient coordination among cooperative initiatives and sub- and non-state networks;
- Improving analysis and understanding of “bottom up” climate actions;
- Building a positive narrative of pragmatic, concrete action on climate change; and
- Identifying opportunities for the groundswell of climate actions and the multilateral process to support and catalyze each other.

Galvanizing the Groundswell of Climate Actions brings together city and regional networks, company networks, cooperative initiatives, governments, international organizations, and researchers to discuss and advance these objectives. By convening the community of actors that make up and support the groundswell of climate actions, we seek to realize the full potential of this extraordinary innovation in global governance.

[www.climategroundswell.org](http://www.climategroundswell.org)