



THE DYNAMIC CONTRIBUTION CYCLE

Enhancing Ambition on the Basis of Equity

This flyer highlights the importance of bringing together all countries on the same page with a common NDC time frame, to enhance ambition and at the same time enable more equitable global outcomes.

Why is a common time frame important?

A common time frame for all Parties to the Paris Agreement can result in greater ambition by ensuring that each five-year global stocktake to assess collective progress on the Paris Agreement's long-term goals will be able to inform the preparation of NDCs. A common time frame can also create space for considering equity, which is a pre-condition to enable Parties to maximally increase their ambition.

Although it was agreed, in Katowice ([Decision 6/CMA.1](#)), that *Parties shall apply common time frames to their nationally determined contributions to be implemented from 2031 onward*, some Parties interpret the plural in time frames as allowing for multiple time frames. They interpret this as meaning that Parties do not all have to follow a specific time frame but can choose from a set number of options.

Here are a few reasons why a common time frame is so important:

- A common time frame is essential to create a periodic point in time when all countries are expected to re-visit their ambition at reasonable (for policy preparation, implementation and review) intervals. This will ensure that while no Party faces unfair pressure to update NDCs, the conditions exist for an upward (or “virtuous”) cycle of ambition and raised global ambition
- A common time frame also means that NDCs will end at the same time and, thus, Parties will be assessing the achievement of their NDCs at the same time. Parties will then be at the same point in their NDC cycles when reporting on progress made in implementing and achieving their NDC.
- NDC time frames are likely to affect final accounting. Hence, updating NDCs at the same interval could facilitate the understanding and assessment of countries' efforts and achievement of their commitments, while taking into account the use of market and non-market mechanisms.

What are pros and cons of longer and shorter time frames?

Countries that support longer time frames, of say 10 years, argue that they can provide a longer-term signal, and predictability, for businesses; and give countries more time to plan and implement NDCs. Conversely, however, a longer time frame will result in a longer “lock-in” period for NDCs, incentivise delayed action (countries can choose to act towards the end of the ten-year period), and may compromise the ability of the global stocktakes to spur more ambition every five-years. A shorter common time frame, meanwhile, has several benefits:

- The Paris Agreement is cyclical, with a global stocktake every five years with the express purpose of informing the process of preparing/revising NDCs. A common time frame of five years for all Parties will align NDCs with this cyclical nature of the Agreement and ensure maximum benefit from (and action on) each global stocktake process.
- A shorter common time frame can ensure NDCs do not become outdated but rather, are developed in the context of improved technologies, social change, political realities, latest scientific updates, and economic opportunities.
- A shorter (five-year) timeframe prevents locking-in low ambition for too long and missing opportunities to seize upcoming opportunities, while still meeting sustainable development goals.

Why is the “Dynamic Contribution Cycle” the best option for a common time frame?

The Dynamic Contribution Cycle (DCC) is a “goldilocks” option that can bring together the benefits of the longer 10-year time frame with the benefits of the shorter 5-year time frame. In brief, the DCC calls on countries to communicate every five years simultaneously a finalised (updated) five-year NDC adopted by national governments, and a subsequent +5 year (indicative) NDC which need not be formalised through national processes (parliamentary approval etc), to give national stakeholders and the global community an indication of the longer-term plans of a country. The stakeholders would then have time to measure up these longer-term plans for collective progress, as well as for individual ambition and fairness. Parties would then be invited every five years to update their last (indicative) NDC on the basis of these considerations before they finalise and communicate it.

Providing an “indication” of the level of ambition in the subsequent NDC in this manner will have other benefits:

- It will provide short-term (five-year) certainty in the form of the (updated) NDC, and at the same time include a longer-term (ten-year) vision with the flexibility to update.
- Building in more time with an early indication of future ambition, and flexibility for change, will allow an early global assessment of indicated collective ambition. If this ambition is found lacking, there will still be time and space for countries to work with each other and see what can be done to enhance collective ambition effectively on the basis of equity.
- The additional time will give governments the opportunity to consider all the implications of the future NDC in more detail, and to also get ready for implementation – for instance, by drafting policies and arranging for means of implementation (including finance, technology, and capacity).
- Crucially, it will allow for a more realistic calibration of actions with means of implementation. Currently, the costs of the “conditional” elements of NDCs far exceeds what can be realistically expected from global climate finance: the information provided by developed countries on ex-ante and ex-post finance could be used as an indication by developing countries to calibrate their conditional contributions accordingly.

How could the CMA operationalise the DCC?

The preferred option would be as follows:

- *All Parties could be requested by 2025 to communicate a nationally determined contribution with a time frame up to 2035, and to do so every five years thereafter.*
- *All Parties could be invited in 2030 to consider updating their nationally determined contributions with a time frame up to 2035, and to do so every five years thereafter.*

However, recognising the concerns of some Parties and the benefits highlighted above, the following option is suggested to trigger discussion among Parties about a potential compromise:

- 1.a. All Parties could be requested to communicate or indicate by 2025 an NDC with a time frame up to 2035, and to do so every five years thereafter.¹
- 1.b. In 2025, some Parties may also wish to communicate or indicate NDCs with a longer time frame, for instance up to 2040, in addition to the 2035 contribution.
2. In 2030, all Parties could be invited to consider updating their NDCs with a time frame up to 2035, and to do so every five years thereafter.

Further reading

- Müller, B. 2018. *Common Time Frames: Creating Space for Ambition in the Paris Agreement Rulebook*. European Capacity Building Initiative.
- Müller, B. 2018. ‘*Common Time Frames*’: *What & Why?: A Contribution to the Debate on Article 4.10 of the Paris Agreement*. Discussion Note. European Capacity Building Initiative.
- Dagnet, Y., N. Cogswell, E. Northrop, J. Thwaites, N. Bird, C. Elliott, N. Höhne, *et al.* 2018. *Setting the Paris Agreement in Motion: Key Requirements for the Implementing Guidelines*. Working Paper. Project for Advancing Climate Transparency (PACT).

1 This means by 2025, all Parties will have announced a 2035 NDC, be it through formal communication or indication (as discussed in the preceding section).