

CLIMATE AMBITION BEYOND EMISSION NUMBERS

**Taking stock of progress by looking inside
countries and sectors**

ARGENTINA

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SEPTEMBER 2021

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Citation

Enrique Maurtua Konstantinidis, Jazmín Rocco Predassi, (2021). Climate ambition beyond emission numbers, Taking stock of progress by looking inside countries and sectors, Argentina. Deep Decarbonization Pathways (DDP) Initiative-IDDRI. Paris.

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The report is available online:

https://ddpinitiative.org/wp-content/pdf/DDP_AmbitionReport_ARG.pdf

Financial support from

The report "Climate Ambition Beyond Emission Numbers" is made possible thanks to an array of projects supporting in-country capacity on climate mitigation research across the targeted geographies. It is also financially supported by the International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) as part of the "Climate Action After Paris" project (nr. 18_I_326) and the French government as part of the programme "investissements d'avenir" under the reference ANR-10- LABX-01.



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

Production: IDDRI.

Editing: Marta Torres Gunfaus, Anna Pérez Català, Lola Vallejo, Henri Waisman.

Layout: Ivan Pharabod.

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Disclaimer

The results presented in this report are outputs of the academic research conducted under the DDP BIICS project as per the contractual agreement. The academic work does not in any way represent our considered opinion for climate negotiations and also does not reflect the official policy or position of the Government of Argentina.

How is this document relevant to the Global Stocktake?

This document is part of a collective report that assesses the evolution of climate ambition in 26 countries and 3 hard-to-abate sectors through a granular and context-specific analysis of trends and progress of national and sectoral transformations.¹ This approach allows identifying what hinders and spurs action in countries and sectors, and understanding the conditions that can support enhanced ambition, which could be political, social, economic, governance.

These insights are directly relevant to four overarching functions of the Global Stocktake in support of its desired outcome, i.e. "to inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the provisions of the Paris Agreement, as well as enhancing international cooperation for climate action" (Article 14.3 of the Paris Agreement):

- Create the conditions for an open and constructive conversation on global cooperation (on e.g., technology, trade, finance, etc.), based on an in-depth understanding of the international enablers of enhanced country ambition.
- Organize a process for knowledge sharing and collective learning, based on concrete examples of actions already in place or being discussed, including best practices.
- Create space for open dialogues across different stakeholders to support better coordination of actions, based on a detailed understanding of the levers to be activated to enhance ambition in national and sectoral transitions
- Facilitate ownership by decision-makers of the climate challenge and the risks and opportunities of the low-emission and resilient transition, based on context-specific and granular analysis of barriers and enablers.

More specifically, the collective report in general – and this document in particular – can contribute to address some of the key guiding questions for the Global Stocktake², notably:

- What actions have been taken to increase the ability to adapt to the adverse impacts of climate change and foster the climate resilience of people, livelihoods, and ecosystem? To what extent have national adaptation plans and related efforts contributed to these actions (Decision 19/CMA.1, paragraph 36(c))?
- How adequate and effective are current adaptation efforts and support provided for adaptation (Article 7.14 (c) Paris Agreement)?

¹ The full report « Climate ambition beyond emission numbers - Taking stock of progress by looking inside countries and sectors" can be found at: <https://www.iddri.org/en/publications-and-events/report/climate-ambition-beyond-emission-numbers-taking-stock-progress>

² Draft Guiding Questions for the Technical Assessment of GST1 (version 20th October 2021), available at: https://unfccc.int/sites/default/files/resource/Draft%20GST1_TA%20Guiding%20Questions.pdf

- What are the barriers and challenges, including finance, technology development and transfer and capacity-building gaps, faced by developing countries?
- What is the collective progress made towards achieving the long-term vision on the importance of fully realizing technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas emissions referred in Article 10.1 of the Paris Agreement? What is the state of cooperative action on technology development and transfer?
- What progress has been made on enhancing the capacity of developing country Parties to implement the Paris Agreement (Article 11.3 Paris Agreement)?
- To achieve the purpose and long-term goals of the Paris Agreement (mitigation, adaptation, and finance flows and means of implementation, as well as loss and damage, response measures), in the light of equity and the best available science, taking into account the contextual matters in the preambular paragraphs of the Paris Agreement:
 - What are the good practices, barriers and challenges for enhanced action?
 - What is needed to make finance flows consistent with a pathway towards low GHG emissions and climate-resilient development?
 - What are the needs of developing countries related to the ambitious implementation of the Paris Agreement?
 - What is needed to enhance national level action and support, as well as to enhance international cooperation for climate action, including in the short term?
 - What is the collective progress made by non-Party stakeholders, including indigenous peoples and local communities, to achieve the purpose and long-term goals of the Paris Agreement, and what are the impacts, good practices, potential opportunities, barriers and challenges (Decision 19/CMA.1, paras 36(g) and 37(i))?

Foreword

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Country commitments as reflected in enhanced Nationally Determined Contributions submitted to the UNFCCC are insufficient to put the world on track to achieve the collective objective of the Paris Agreement to hold temperature increase below 2 °C or 1.5 °C above pre-industrial levels. Furthermore, concrete policies and actions adopted by countries on the ground are often not sufficient to achieve these NDC targets. These conclusions highlight the need to increase ambition and to provide convincing evidence to accelerate action in the immediate and short term to give effect to this ambition. Yet these assessments are not sufficient to effectively guide the progressive increase of ambition, as organized by the cyclical process of the Paris Agreement.

APPROACH

With this imperative in mind, this report adopts a different, complementary, perspective on climate ambition. It seeks to open the box of emission pathways, by considering multiple dimensions of the conditions that will make these pathways possible. These are technical, economic, political, social and governance considerations in need of attention to enable the required far-reaching and systemic transformation towards the long-term goal. On the one hand, the revision of emission targets needs to be directed by an assessment of how drivers of emissions should change to trigger transformation. On the other hand, converting emissions' targets into pertinent concrete implementation requires well-designed policy packages and investment plans that are also informed by a clear and detailed understanding of the starting point, priorities and interplays between the available levers of transformation.

This bottom-up assessment aims at contributing to the process of collective learning in support of the progressive increase of collective ambition, as inserted at the core of the Paris Agreement paradigm. Approaching climate ambition through the lens of underlying transformations calls for reflecting the heterogeneous nature and the multi-faceted aspects

of transitions in different sectors and countries. This forces a move away from a purely global perspective and adopts a more granular approach based on country and individual sector perspectives. Thus, the report explores trends and progress on these transformations, as locally observed over the past years, notably since the Paris Agreement. This 'backwards looking' approach can help identify where developments are going in the right direction, where they should be accelerated and where major tensions remain that should be addressed as a priority to avoid undermining the transition. The picture of the state of the ambition discussion, firmly embedded in the country and sectoral realities, can provide means for reflection and action within the international climate community, particularly to inform focus areas for advancing the collective ambition agenda.

STRUCTURE OF THE REPORT

This country report describes the recent evolutions of domestic discourses on climate ambition, national climate policy, national governance and concrete policies and actions with a significant effect on GHG emissions. The chapter highlights a selection of striking and structurally important elements to advance the transformation towards carbon neutrality from an in-country perspective.

This report is part of a full series of 26 country chapters and three sectoral chapters. The full report includes a "summary for decision-makers" to present 10 cross-cutting messages emerging from the country and sector analysis, as a guide to the selection of priorities for collective action in the post-COP26 period.

You will find the full report at: https://www.iddri.org/sites/default/files/PDF/Publications/Catalogue%20Iddri/Rapport/DDP_beyond%20emissions%20report.pdf



A LOCAL STORY ON CLIMATE AMBITION SINCE THE PARIS AGREEMENT

This chapter has been written thanks to the support of the International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

DOMESTIC DISCOURSE

Argentina is a country of wonders and contradictions since 2015. The country's climate action has been gaining momentum relevance in the light of the opportunities and incentives that the Paris Agreement created for the sustainable development of the country. Two (very different) administrations have passed since then. And, with ups and downs, climate action has become part of the political agenda in one way or another.

The presidential debate in 2015, the first one in the history of Argentina, covered the issue of climate change and renewable energy for the first time, and both candidates made statements on both issues. It was that year, during COP 21, that Argentina changed administration to President Mauricio Macri. This meant a radical change in the political positioning of the country. The government had now to make good on the promises to raise ambition and start implementing the announcements made during the presidential campaign.

A first signal was to upgrade the Secretary of Environment and Sustainable Development to the rank of Ministry, making a strong statement on the importance the environment would have in the agenda. Three years later, the same government would downgrade the Ministry to a Secretary, allegedly due to spending cuts in the context of a new economic crisis, and in 2019, the current administration, under Alberto Fernández, made the upgrade again, trying to reinforce the fact that the environment was going to be a priority.

Climate took a prominent role in the agenda of the Ministry in 2016 given the fact that the government that same year became the very first country in the world to update its NDC. For that, the Climate Change National Cabinet was created by decree. Dependent on the Chief of Cabinet and coordinated by the Ministry of Environment, giving the mandate to all ministries to cooperate to provide information on sectoral plans for climate action. This was the first step for what years later got reflected in the Climate Change Law that was institutionalized by decree. With the success of the renewable energy programs, President Macri even named 2017 “The year of the Renewable Energy”, again, bringing more attention to their deployment.

In 2018, the push for high profile announcements continued, especially in the light of the G20 summit that Argentina hosted for the first time. Under Argentina’s Presidency the issue of climate change was treated independently in the agenda and had to deal with a well established Trump administration that made it difficult to achieve consensus in the working groups and the final communiqué.

However, all the big announcements and decisions got stalled that year as the government could not contain the economic crisis that rapidly took over all the agendas, changing all the mindsets and ideas, bringing back the “old recipes” for economic security. The last climate announcement of president Macri was the commitment towards carbon neutrality by 2050. With an economic crisis accelerating, the 2019 elections did not include climate nor renewables in the presidential debate, and the change in administration was imminent.

Simultaneously, the youth climate movement raised with the same strength as around the world, bringing a fresh wave of energy to the Argentinean environmental activism. Youth groups picked up long time

pending issues and pushed strongly in Congress, making possible, for example, the approval of the Climate Change Law in 2019, which was sitting in Congress since 2016, if not before. The youth were rapidly seen as key actors in the political class, especially in an election year. And now they continue to be a key actor in many environmental issues.

The Fernández’s administration brought strong messages of social inclusion and development aid, and the climate and environmental crises got a more social narrative, with strong messages of social and environmental justice, just transition, a promise of a new NDC, but fewer concrete actions on the ground, slowing down and discouraging even more the deployment of renewable energy among other things.

Despite both Macri and Fernández were very vocal on climate change - they both spoke with clear commitment and determination, and even translated concrete announcements and promises - the preference for the fossil fuel industry and the large scale agroindustry remains intact. It is thought as a separate issue that has nothing to do with climate change, instead it is considered a matter of energy security, job creation, and economic development.

The public perception on climate change has evolved over the years. Back in 2014, the first national environmental survey¹ concluded that 73% of the population was interested in the environment, and climate was the first choice among different topics. A more recent poll² showed that 73% of the population is more concerned about climate change than the COVID-19 pandemic.

NATIONAL GOVERNANCE

Argentina has always been active in the international climate negotiations. In the past five years, Argentina has been advancing in its international commitments related to climate change. After the submission of its first iNDC in 2015, the country provided a revised version in 2016. Although this was not strictly necessary, it responded to the fact that mid-COP 21 there was a change in the national administration. This update did not represent a significant increase in the ambition

1 <https://www.vidasilvestre.org.ar/?9840/Presentacin-de-la-1-Encuesta-Nacional-Ambiental>

2 <https://www.periodistasporelplaneta.com/blog/crisis-climatica-al-73-le-preocupa-mas-que-la-pandemia/>

of the NDC, but did help strengthen the technical background of the objective. It had two emissions reductions targets by 2030: an unconditional one of 483 MtCO₂e and another of conditional nature of 369 MtCO₂e (subject to the availability of international finance)³.

This NDC was supported by sectoral plans that were updated periodically by each ministry in charge within the period 2016-2019. By the end of 2019, there were at least six national sectoral plans with measures established by government dependencies on Forests, Energy, Transport, Industry, and Agriculture, among others. Unfortunately, with the change of the administration these sectoral plans are no longer valid and pending an update.

In addition to the NDC and sectoral plans, the Argentinean government put in place a Climate Change Risk Map System⁴, a tool that portrays layers of risk factors on the country's cartography and that can identify overlaps of different vulnerability indexes across the territory.

Since the Climate Change Law was passed in November 2019, all following work related to climate targets and commitments is communicated in accordance with the provisions of the law. This law was regulated during 2020, and is not yet fully implemented, as not all the structures mandated in it are fully functional. In December 2020, Argentina submitted to the UNFCCC its second NDC. This time, only one economy-wide target was included of 359 MtCO₂e by 2030⁵, which resulted in an increase of ambition with regards to its previous commitment. In addition to this, the new NDC included the first Adaptation Communication, and a section on long-term ambition which stated that Argentina was planning to develop its LTS and that it was meant to include an objective to reaching carbon neutrality by 2050.

While the Ministry of Environment and Sustainable Development has made efforts to appropriately communicate and engage with civil society, all the processes for the development of all the NDCs have so far fallen short in the participation dynamics they established.

³ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Argentina%20First/Traducci%C3%B3n%20NDC_Argentina.pdf

⁴ <https://simarcc.ambiente.gob.ar/>

⁵ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Argentina%20Second/Argentina_Segunda%20Contribuci%C3%B3n%20Nacional.pdf

Other commitments more closely linked to technical work under the UNFCCC are Biennial Update Reports (BURs) and National Inventory Reports (NIRs). In 2015, 2017 and 2019, Argentina submitted its first, second and third BURs, respectively, thus complying with the deadlines stipulated for such documents⁶. This demonstrates an effort to make the national GHG inventory data transparent, to which is added in 2020 the submission of the NIR (with the BUR3 data). It is important to note that Argentina's Climate Change National Directorate has invested in capacity building to prepare and comply with the reporting requirements provided in the Paris Agreement, bringing the country to a high level of reporting.

ACTIONS AND POLICIES

Several actions and policies established in the last five years contribute directly or indirectly to a path of climate action.

Energy policies:

- The establishment of Energy Scenarios⁷ and Vision 2050 Dialogues for the energy sector highlighted the challenges and opportunities that the energy sector can provide. This used to be an independent civil society exercise that brought together different actors to present scenarios for the development in Argentina. In 2016, the initiative was adopted by the Ministry of Energy and was incorporated in its planning work.
- The Renewable Energy Program (RenovAR) was certainly a game changer and a flagship of climate action during the Macri administration. It started as an innovative policy for attracting international investments and accelerating the deployment of renewable energy for the first time. The first tender of the program was so successful that the government received a nine fold of renewable energy proposals, forcing the program to accelerate subsequent tenders. On the other hand, the program encountered challenges in the delivery of the contracts and the economic risk of Argentina did not contribute to the completion of many contracts.

⁶ <https://unfccc.int/BURs>

⁷ <https://escenariosenergeticos.org/>

- The Distributed Generation Law was another success in the pathway to climate action, and many provinces in Argentina are adhering to it. Nevertheless, renewable energy technology is still expensive in the country and the impact of the law is still not significant.
- Energy Efficiency was another program that contributed to the energy developments of Argentina, with the promotion of many policies and a recent law on labeling for cars and homes.
- Hydrogen is clearly raising interests in the energy sector. The current administration has taken many steps towards green hydrogen dialogues, and multi stakeholder consultations with the aim to produce large scale hydrogen for export.

Climate finance:

- Climate finance is a big challenge in Argentina. The recurrent economic crises blur the decision making around this issue due to excess of subsidies and real economic challenges in the population. Fossil fuel subsidies⁸ are a major distortion of the real economy and Argentina directs large amounts of pesos every year to the fossil fuel industry (both production and consumption). Since 2016 the national government has made efforts to reduce that amount, but with difficult consequences; reducing consumption subsidies drastically caused more inflation and generated economic difficulties for the population. The devaluation of the peso caused big impacts in the national budget. As a result, the government has reduced fossil fuel subsidies every year in US dollars, but has raised them in pesos in the same manner.
- The Carbon Tax Law entered into force in 2017, bringing again another signal towards climate action, something which was well received in the international climate community. Nevertheless, it is important to mention that this law did not consider gas, and was a restructuring of many existing liquid fuel taxes, generating a low impact.
- The current administration, in fact the President himself, is very vocal about the proposal to swap international debt with climate action. While this concept is still not well understood nor elaborated,

it is another sign that climate is increasingly involved in key development discussions of Argentina.

Other:

- Electric and other low emissions vehicles were promoted from 2019 and continued as of today with import tax exemptions in order to incentivize the market. Nevertheless, the infrastructure requirements are not well established in the country and prices of those technologies are still high for the Argentinean economy.
 - In 2020, the Agroecology National Directorate was created within the Ministry of Agriculture, Livestock and Fishery. This represents a milestone towards the deployment of alternative and more sustainable production within the land use sector. It is still to be seen how its work will unfold in a country with a large predominance of industrial agriculture, which accounts for 37% of the national GHG inventory.
- In conclusion, there are many new climate-action-related issues that have been incorporated in the last five years, and that are present in the public agenda. Some of them have more weight and traction than others, but in the end they are still a part of the change that is needed towards a low-carbon sustainable future in line with the Paris Agreement. The challenge remains in getting rid of the old negative practices and technologies that have developed a large amount of power in the last 50-100 years.

⁸ <https://farn.org.ar/los-subsidios-a-los-combustibles-fosiles-2019-2020-todo-sigue-igual-de-bien/>

DDP

The DDP is an initiative of the Institute for Sustainable Development and International Relations (IDDRI). It aims to demonstrate how countries can transform their economies by 2050 to achieve global net zero emissions and national development priorities, consistently with the Paris Agreement.. The DDP initiative is a collaboration of leading research teams currently covering 36 countries. It originated as the Deep Decarbonization Pathways Project (DDPP), which analysed the deep decarbonization of energy systems in 16 countries prior to COP21 (deepdecarbonization.org). Analyses are carried out at the national scale, by national research teams. These analyses adopt a long-term time horizon to 2050 to reveal the necessary short-term conditions and actions to reach carbon neutrality in national contexts. They help governments and non-state actors make choices and contribute to in-country expertise and international scientific knowledge. The aim is to help governments and non-state actors make choices that put economies and societies on track to reach a carbon neutral world by the second half of the century. Finally, national research teams openly share their methods, modelling tools, data and the results of their analyses to share knowledge between partners in a very collaborative manner and to facilitate engagement with sectoral experts and decision-makers.

www.ddpinitiative.org

IDDRI

The Institute for Sustainable Development and International Relations (IDDRI) is an independent, not-for-profit policy research institute based in Paris. Its objective is to identify the conditions and propose tools to put sustainable development at the heart of international relations and public and private policies. IDDRI is also a multi-stakeholder dialogue platform and supports stakeholders in global governance debates on the major issues of common interest, such as actions to mitigate climate change, protect biodiversity, strengthen food security, and to manage urbanisation. The institute also participates in work to build development trajectories that are compatible with national priorities and the sustainable development goals.

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