

SUBMISSION BY GUATEMALA ON BEHALF OF THE AILAC GROUP OF COUNTRIES COMPOSED BY CHILE, COLOMBIA, COSTA RICA, HONDURAS, GUATEMALA, PANAMA, PARAGUAY AND PERU

Subject: Item 3 Further guidance in relation to the mitigation section of decision 1/CP.21

Reference: FCCC/APA/2016/L.4

Introductory Remarks

1. AILAC welcomes the opportunity to submit its views on item 3 of the APA agenda in order to focus the work on:
 - (a) Features of nationally determined contributions, as specified in paragraph 26;
 - (b) Information to facilitate clarity, transparency and understanding (CTU) of nationally determined contributions, as specified in paragraph 28; and
 - (c) Accounting for Parties' nationally determined contributions, as specified in paragraph 31.These views were elaborated on the basis of the set of questions proposed by the co-facilitators of APA item 3.
2. This submission should be read in conjunction to prior AILAC submissions particularly the one presented in late September 2016, responding to the mandate by the APA co-chairs as stipulated in document FCCC/APA/2016/L.3 paragraph 8 a)¹.

Features of nationally determined contributions, as specified in paragraph 26

a) What is the understanding of features of NDCs under this agenda item?

3. For AILAC the features of NDCs are already reflected in the Paris Agreement and decision 1/CP.21, as described below:
 - i. The nationally determined nature of contributions;
 - ii. That the implementation of domestic mitigation measures is needed to achieve the objectives of such contributions;
 - iii. That Parties shall account for their NDCs;
 - iv. That NDCs shall be communicated every 5 years; and
 - v. That support shall be provided to developing country Parties for the implementation of their NDCs.

b) What should be the purpose of further guidance on features under this agenda item and how could this work be usefully structured and progressed?

4. Taking into account AILAC's viewpoint on the features of NDCs, detailed on paragraph 3 above, and in order to progress on discussions about the mitigation component of NDCs, AILAC proposes to focus only on elaborating further guidance on information to facilitate CTU and guidance for accounting for Parties' NDCs.

¹ http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/233_279_131197536306057006-160930%20AILAC%20NDCs%20Submission%202016.pdf

c) What is the relationship, if any, between further guidance on features of NDCs under this sub-item, and further guidance on sub-items 3(b) and 3(c)?

5. For AILAC, there is a direct relationship between the features, information and accounting of NDCs, as well as with the transparency framework, although not envisaged in the co-facilitators question. Hence, AILAC is of the view that:
- i **The features** represent the attributes of NDCs and form a common basis for their elaboration and presentation.
 - ii **The information that facilitates the CTU of NDCs** lists specific aspects of the NDCs that are necessary for their elaboration and presentation, not only in general terms but also taking into account the particularities of each type of NDC.
 - iii **The accounting for NDCs** responds to the quantitative tracking of the implementation and achievement of NDCs and determines what should be counted (gases, sectors and categories, etc.), how and when.
 - iv **Transparency** will detail the methodologies and assumptions used for the accounting of NDCs and help understand better how Parties are progressing in the implementation of their NDCs.

Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28

a) What is the understanding of information to facilitate the clarity transparency and understanding of NDCs under this agenda item?

6. AILAC is of the opinion that information provided by Parties in communicating their NDC is critical to interpret the ensemble of NDCs and their assumptions, methodologies and approaches in a comprehensive manner, in order to facilitate CTU. In this sense, up-front information of NDCs is central to reduce uncertainties in the assessment of progress towards the achievement of the long-term objectives defined in Article 2 of the Paris Agreement.

b) What should be the purpose of further guidance on information to facilitate the clarity transparency and understanding of NDCs under this agenda item?

7. The purpose of further guidance on information should be:
- To detail and complement the list of elements contained in decision 1/CP.21 in order to provide Parties with clearer guidance on how to present this information (see answer of question e)).
 - Identify additional elements to facilitate the CTU of each type of NDC.
8. In order to meet this purpose and to progress in these discussions, for AILAC it is fundamental to set a common ground on the different types of NDCs. In this sense, we consider relevant to recall that there is a wide variety of intended Nationally Determined Contributions (iNDCs) that have been presented to this point in time and that include, inter alia, the following²:
- i. Economy-wide mitigation targets, with absolute emission reduction targets expressed as an emission reduction below the level in a specified base year.

² On the basis of the Synthesis Report on the Aggregate Effect of the Intended Nationally Determined Contributions: an update, FCCC/CP/2016/2 presented by the Secretariat on May 2, 2016

- ii. Relative targets for reducing emissions below 'business as usual' (BAU) level, either for the whole economy or for specific sectors.
 - iii. Intensity targets, with reductions in GHG emissions per unit of gross domestic product (GDP) or per capita.
 - iv. Peaking with respect to a specified year or timeframe or level fixed goal.
 - v. Strategies, plans and actions for low GHG emission development.
 - vi. Adaptation actions that could take the form of mitigation benefits.
 - vii. Others.
9. For the design of further guidance on information, it should be taken into account that some Parties have NDCs composed by a combination of several types of mitigation goals (such as those listed in the previous paragraph) and their future NDCs could be designed in the same way.
10. Also, from AILAC's view, once Parties update their NDCs, they should also communicate the changes on the upfront information included in the NDCs in their corresponding biennial communications, following the guidance of information to facilitate CTU of NDCs.

c) What issues should be discussed and resolved under this sub-item?

11. For AILAC, additional crosscutting information that complements the list included in decision 1/CP.21, paragraph 27 should be discussed under this sub-item, such as:
- i. emissions projections (specially mitigation scenarios that allow to understand the trajectory that will be followed by the Party to meet its mitigation goal),
 - ii. expected future values and assumptions of main drivers of national emissions such as GDP and population on the target year,
 - iii. gas by gas emission data (from the reference point),
 - iv. detailed information on assumptions and methodological approaches:
 - GWP values applied.
 - All Parties that include the LULUCF sector in their NDC should provide information on whether the Party employs land-based accounting or activity-based accounting towards their NDC, and if it is the latter, which sources and sinks are not accounted for.
 - v. How a Party can explain that its latest NDC is more ambitious than the previously submitted
 - vi. How future NDCs reflect Parties' concrete plans to play their role in achieving the collective goals specified in Article 2 of the Paris Agreement.
12. Also, for AILAC it is important that, once Parties present their long term low carbon development strategies, Parties present information on how their NDCs are in line with these long-term mitigation goals.

13. Additional information to facilitate CTU of each type of NDC could cover the following:

TABLE 1. INFORMATION TO FACILITATE CTU OF NDCs BY TYPE OF NDCs	
Economy-wide mitigation targets, with absolute emission reduction targets expressed as an emission reduction below the level in a specified base year	Expected emissions level in target year and expected trajectory towards it.
Relative targets for reducing emissions below BAU level, either for the whole economy or for specific sectors	i. Description of the BAU baseline, including assumptions and methodologies, employed in constructing the baseline.

	<ul style="list-style-type: none"> ii. Expected emissions trajectory with mitigation policies and actions. iii. Whether the baseline scenario is static or dynamic. If it is dynamic, information on conditions or criteria taken into account to recalculate it should be provided.
Intensity targets, with reductions in GHG emissions per unit of GDP or per capita	<ul style="list-style-type: none"> i. Assumptions related to GDP, population and GHG emissions. ii. Expected level of emissions intensity in the target year iii. Expected emissions trajectory
Peaking with respect to a specified year or timeframe or level fixed goal	<ul style="list-style-type: none"> i. Expected amount of emissions at peak or target year ii. In the case of a target for peaking emissions, the trajectory and timeframes to peaking and after peaking, when not included in the NDC timeframe. iii. In the case of a fixed level target, expected emissions level in target year and expected trajectory towards it.
Strategies, plans and actions for low GHG emission development	<ul style="list-style-type: none"> i. Estimation in terms of GHG emissions impact, i.e. expressed in tCO₂e in order to be added up as a result of the implementation of NDCs. ii. Underlying assumptions. iii. Methodologies to measure impact of policy, plan or action
Adaptation actions that could take the form of mitigation benefits	<ul style="list-style-type: none"> i. Estimation in terms of GHG emissions impact, i.e. expressed in tCO₂e in order to be added up as a result of the implementation of NDCs. ii. Underlying assumptions.

Accounting for Parties' nationally determined contributions, as specified in paragraph 31

a) What is the understanding of accounting for Parties NDCs under this agenda item?

For AILAC, accounting for NDCs should:

- i. be quantitative: it should be useful to understand the quantitative progress on the implementation and achievement of NDCs,
- ii. be based on common principles and rules,
- iii. fit different types of NDCs and take into account the collective objectives of the Paris Agreement,
- iv. facilitate the assessment of the achievement of global mitigation goals,
- v. present forward-facing and backward-facing information over time (not only at specific milestone years) to allow for the estimation of global trajectories based on forecasts and data provided by Parties.

b) What should be the purpose of the guidance on accounting for NDCs under this agenda item?

14. AILAC is of the strong view that further work on guidance for accounting for NDCs is needed to ensure our capacity to review progress in their implementation, and ultimately, to assess collective progress towards achieving the long-term goals set out by

the Paris Agreement. This is of special importance in light of the aggregated effect of currently communicated NDCs that is still far from 2°C scenarios and yet farther from 1.5°C scenarios.

15. This guidance should drive the use of the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the Intergovernmental Panel on Climate Change (IPCC), in order to reduce uncertainty.

c) What is the relationship, if any, between guidance for accounting for NDCs under this sub-item, and further guidance on sub-items 3(a) and 3(b)?

16. In addition to what was stated in paragraph 5 of this submission, AILAC is of the view that having clear and well described mitigation goals, through the presentation of clear and complete upfront information, will facilitate tracking their progress in an easier and more transparent manner. For example, if a Party provides complete information that helps to understand how the LULUCF sector is included in its NDC, it would be easier to track the progress of mitigation actions in this sector and, therefore, progress of its NDC.

d) How can Parties draw from existing approaches under the Convention and its related legal instruments?

17. For AILAC, in the design of accounting guidance, Parties should take into account lessons learned and build on different accounting experiences such as:

- i. accounting of Quantified Emissions Limitation and Reduction Objectives (QELROs) under the Kyoto Protocol and tracking of Quantified Economy-wide Emissions Reduction Targets (QERTS) under the Cancun Agreements from developed country Parties,
- ii. tracking of NAMAs and voluntary pledges from developing country Parties under the Cancun Agreements,
- iii. estimation of national GHG inventories of emissions and removals as the most important instrument for tracking progress of the implementation and achievement of mitigation goals,
- iv. accounting of flexibility mechanisms of the Kyoto Protocol,
- v. accounting of the LULUCF sector under the Kyoto Protocol and the UNFCCC, including experiences of REDD+ accounting.

18. Although for AILAC is important to draw from existing approaches under the Convention and its related legal instruments, it will be useful to consider other good practices on accounting of goals observed outside of the Convention.

e) What issues should be discussed and resolved under this sub-item?

19. For AILAC, the main elements that should be discussed under this sub-item that also should be part of the guidance are:

TABLE 2. PROPOSAL FOR THE MAIN ELEMENTS OF THE ACCOUNTING GUIDANCE OF NDCs.
1. Accounting principles.
2. General guidance
3. Guidance to track progress of implementation and achievement of each

type of NDC.

- 3.1 Reference points by each type of NDC.
- 3.2 Methodological approach and information needed to monitor the progress of each type of NDC.
- 4. Accounting of LULUCF³ sector.**
- 5. Accounting at the end of the NDC period.**

20. There are two other elements that we consider relevant for the accounting guidance of NDCs. These elements described below have linkages with discussions taking place either under different agenda items (item 5 of the APA) or bodies (SBSTA), namely:

- a. Accounting for ITMOs and mitigation outcomes transferred under article 6 of the PA⁴.
- b. Information needed for biennial communications on the implementation and achievement of NDCs:⁵
 - i. Description or updating of the NDC.
 - ii. Quantitative reporting of progress made towards the achievement of emission reduction goals under NDCs.
 - iii. Information on projections of GHG emissions and removals.
 - iv. Information on policies and actions and their progress.
 - v. Information related to the implementation of Article 6 of PA.
 - vi. Report at the end of the implementation period of the NDC

21. Also, Parties should be provided with general guidance to track the progress of the implementation of their NDCs. For example, regardless of the type of NDC, mitigation efforts should be reflected in each Party's total emissions, so National GHG Inventories will be significant tools for monitoring NDCs. However, the report of the national GHG emissions and removals should be complemented by information on mitigation policies and actions and their progress, including data on emission reductions achieved by those policies and actions that have the most significant impact on emission levels and removals.

22. In addition, guidance for tracking progress of implementation of each type of NDC should be included in the accounting guidance. This guidance could answer questions such as:

- vii. How to choose the reference point/base year?
- viii. How to calculate a baseline (in the case of NDCs based on deviation from BAU emissions)?
- ix. How and when should a reference level be re-calculated?

23. With regards to Article 4.13 that refers to the avoidance of double counting, in the accounting guidance there should be clarity on the use of units derived from the implementation of Article 6, in order for their accounting to be assigned to one Party only. This work should take into account the discussions taking place under SBSTA related to Article 6 of the Agreement.

24. From AILAC's perspective, the implementation of this work will require for all Parties to enhance their national systems for emissions accounting and support must be provided

³ For those Parties that include this sector in their respective NDCs

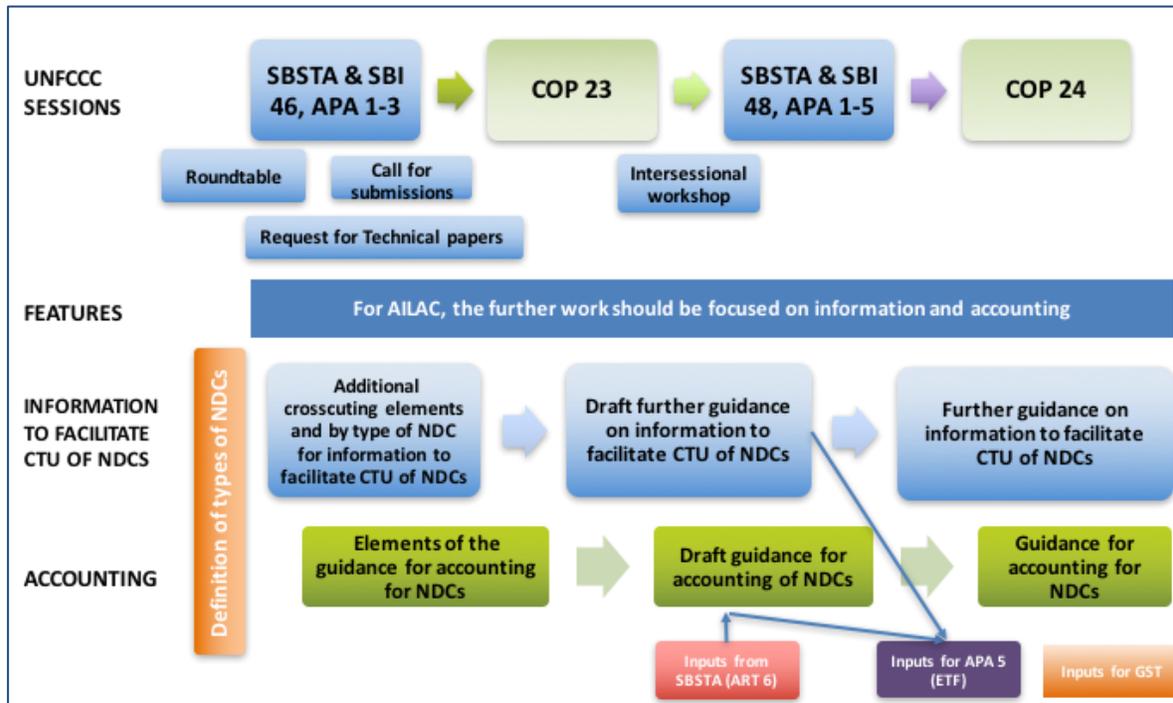
⁴ Inputs from SBSTA on Article 6 of PA will be needed in order to include this issue in the accounting guidance for NDCs.

⁵ This is the information needed to track the implementation and achievement of NDCs under Article 4 of the Paris Agreement. It should be included in the MPGs of the Enhanced Transparency Framework.

for this purpose, with a scale and timeframe consistent with the Enhanced Transparency Framework and the Global Stocktake.

How could this work be usefully structured and progressed?

25. AILAC wants to emphasize the importance of having a well-organized work plan for the elaboration of further guidance on information to facilitate CTU of NDCs and on accounting for Parties' NDCs. Therefore, AILAC present its views on further work through the following diagram:



26. In order to advance the development of guidance under this item, for AILAC it would be desirable to prioritize discussions on the following issues: type of NDCs, additional crosscutting information to facilitate CTU of NDCs, having a consensus on the scope of accounting as well as the identification of the main elements of guidance for accounting for Parties' NDCs.

27. Finally, AILAC considers crucial for the achievement of collective goals under the Paris Agreement to set common timeframes for NDCs consistent with the five-year cycle of communication of NDCs and the global stocktake. These timeframes should be set considering the latest climate change scenarios, which demonstrate that we are about to exceed the 1.5°C threshold. In consequence, Parties should avoid the risk of locking in a low level of ambition, ensuring that NDCs are timely and appropriately adjusted, so as to ensure that the collective efforts deliver the long term goals and vision set under the Purpose of the Agreement.