

**AD HOC WORKING GROUP ON THE DURBAN PLATFORM FOR ENHANCED ACTION**  
**SUBMISSION BY SOUTH AFRICA ON THE DETERMINATION AND COMMUNICATION OF PARTIES' INTENDED NATIONALLY DETERMINED CONTRIBUTIONS**

**MAY 2014**

South Africa welcomes the opportunity to submit its views and proposals on implementation of all the elements of decision 1/CP.17 related to the work of the Ad hoc Working Group on the Durban Platform for Enhanced Action (ADP) on the development of a legal instrument, protocol or agreed outcome with legal force applicable to all countries, to be adopted by 2015 and be fully operational no later than 2020. At this point we submit a framework for the determination and communication of intended nationally determined contributions for the future agreement, in the spirit of contributing to the work of the ADP as it moves to a more focused mode of work during 2014.

**Introduction**

The mandate for the ADP recognises “that fulfilling the ultimate objective of the Convention will require strengthening of the multilateral, rules-based regime under the Convention” (decision 1/CP.17). Unless urgent action is taken by the Conference of the Parties (COP) in Lima and the ADP, there is a serious risk that we will weaken the multilateral, rules-based system, rather than strengthening it. Such rules and procedures must be multilaterally agreed and applied, rather than each Party domestically determining the rules and procedures which will suit it best. The information that will have to be used by Parties to base their intended nationally determined contributions on is an essential building block of the multilateral rules-based system. This rules-based system should be applied to mitigation, adaptation, and the means of implementation.

The ADP needs to plan its work during 2014 in such a way that would enable the COP in Lima to adopt the necessary decisions agreed to in decision 1/CP19. The ADP further needs to launch a process to prepare detailed and comprehensive rules, drawing on existing rules where possible, and filling gaps as needed. Existing rules under the Convention should be applied, enhanced, drawing on other international experiences, including under the Kyoto Protocol.

In order for Parties to fully understand the South African submissions and proposal, we deemed it necessary to explain and set out our overall view on the development of the future legal agreement.

A decision text needs to be developed for adoption in Lima that contains the following:

- minimum information that Parties should use as basis for their intended nationally determined contributions;
- the process of communication of these contributions;
- the process of *ex ante* assessment of intended nationally determined contributions; and
- elements of the agreement for further discussion in 2015.

The ADP needs to plan its work during 2014 in such a way that would enable the COP to adopt the necessary decisions agreed to in decision 1/CP19.

### **Context and framework**

The Warsaw outcome already determines how the 2015 agreement will have to be conceptualised and constructed as it was agreed that one of the most important aspects of the future regime, namely the formulation of Parties' contributions will be nationally determined on the basis of agreed information and communicated before the adoption of the agreement in Paris in 2015, and as early as the first quarter of 2015 for those Parties in a position to do so. The effect of this decision is that critical elements of the future climate regime, such as the information to be utilised in the formulation of Parties' intended nationally determined contributions under the new agreement and how it will be communicated will be based on a COP decision, and not undertaken in terms of the provisions of the 2015 agreement.

It is in this context that we are conceptualising how this process can evolve and the timeline for each step to ensure that it will enhance the multilateral rules-based system as required in the Durban mandate, in a manner that will enable the adoption of the agreement in 2015.

In our view the following steps are needed:

#### Step 1: From 2°C to trajectories (Lima, 2014)

For South Africa, the overall context is that of achieving the ultimate objective of the Convention, as set out in its Article 2. In this regard, the contributions of Parties need to reflect their total contribution to address the challenges of climate change. Individual country contributions will therefore be a package of commitments, targets, actions, efforts, etc., in the areas of mitigation, adaptation, finance, technology transfer, capacity-building and loss and damage. The first step therefore needs to be the setting of a long-term goal for mitigation building on the current

2°C temperature goal, a confirmation of the agreed temperature goal, and agreeing on goals for adaptation and finance. Contributions must be based on science, equity and the minimum information that will be agreed to in Lima, taking into account the existing rules (including on accounting) and guidelines agreed to under the Convention and its instruments. The mitigation contribution should be inventory driven in line with already agreed rules.

With agreement on keeping temperature rise to well below 2°C, this requires the conversion of the temperature goal into a trajectory. The physical science basis of climate change, as outlined in the IPCC's fifth assessment report (IPCC 2013), identifies carbon budgets and thus a firm basis for the overall endeavour.

#### Step 2: Agreed minimum information for intended commitments

In Warsaw, Parties agreed that *minimum information* will be identified by the end of 2014. COP20 must therefore agree on the minimum information Parties will provide when putting forward their intended nationally determined contributions for the 2015 agreement. Parties should collectively determine the minimum information that will be the basis of their contributions, as well as the format in which such contributions will be presented. We see the trajectories derived from the 2°C temperature goal (in Step 1 above) as an integral part of that information. It is also our view that, while minimum information is a useful starting point and a necessary condition, it is not sufficient in itself to ensure full understanding of commitments, nor their effective implementation and need to be further developed in the 2015 agreement. Minimum information is not a substitute for detailed rules and procedures. To fully understand the contributions (and have clarity and transparency), a collective process is needed to understand contributions. In line with the Lima decision, support must be provided for Parties for the determination of their intended contributions.

With regard Parties' intended nationally determined contributions, the COP in Lima must further agree that existing commitments and pledges will be the starting point when putting forward post-2020 intended contributions. There must be an agreement that the ambition and form of post-2020 contributions cannot be weaker than existing quantified economy wide emission reduction targets (QEERTS) under the Kyoto Protocol or the Convention, or the 2020 pledges under the Cancun Agreements.

#### Step 3: Communication of contributions

Step 3 occurs before the adoption of the 2015 agreement, i.e. after Parties have nationally determined their contributions based on the Lima decision on information. Decision 1/CP.19 provides that the communication of the intended contributions will happen early in 2015 for those Parties in a position to do so, and by all Parties by COP21. It is important to keep in mind that, in terms of Article 17 of the Convention, the text of any proposed protocol must be communicated to the Parties by the secretariat at least six months before such a session, if it is to be legally

binding. Step 3 involves the communication of Parties' intended contributions. Such contributions must be communicated in a manner that facilitates the clarity, transparency and understanding of the intended contributions, without prejudice to the legal nature of the contributions. It is our view that the intended contributions based on the agreed minimum information should be communicated in submissions through the UNFCCC secretariat to all Parties. In line with Article 17, all Parties need to communicate their intended contributions by May 2015, i.e. six months before the session that will adopt the agreement. This process will take place while the negotiations on the elements of the new legal agreement under the ADP continue for the second half of 2015.

#### Step 4: Adoption of 2015 agreement

Step 4 is the finalisation and adoption of the 2015 agreement. It is our view that Parties should adopt a legally binding agreement in December 2015. At this stage Parties will know what the initial intended contribution of every other Party is. The intended contributions may be provisionally inscribed in an annex to the 2015 agreement when the agreement is adopted at COP21.

#### Step 5: Multilateral *ex ante* assessment and adjustment of intended nationally determined contributions and inscription in the agreement

South Africa proposes a multilateral *ex ante* assessment should be done to consider the intended nationally determined contributions. In preparation for this *ex ante* assessment, the secretariat should compile a technical paper on the aggregate effect of Parties' contributions, the fairness of their relative efforts, the level of ambition and the gap. Parties' intended nationally determined contributions (as provisionally inscribed) would then be referred to separate technical body that would examine the adequacy and fairness of the contributions. This information would be made public for transparency purposes and to aid understanding of the individual and collective efforts. This will be considered as part of an *ex ante* assessment process by Parties designed to allow for the scrutiny and comparison by peers and recommendations for adjustments in order to increase ambition in a consultative, non-threatening and non-prescriptive manner. It allows for collective evaluation to determine whether the package of contributions would be sufficient to address the gaps and it may help to ratchet up ambition. The assessment would be carried out through joint sessions of the subsidiary bodies in June 2016. The assessment process can call for expert input, and should also draw on the outcomes of the 2013-2015 Review. The subsidiary bodies shall report to the COP in 2016 on the outcome of the assessment, and forward draft recommendations to the COP for consideration.

Based on the *ex ante* assessment, the COP should recommend actions to Parties on their contributions, including on ways that the gaps could be closed, before Parties submit their final contributions for inscription in the agreement no later than June 2017.

#### Step 6: Final inscription of contributions as part of the 2015 Agreement

Having adopted the 2015 agreement at COP21 in Paris in 2015 and having had the opportunity to assess *ex ante* the contributions of all, Parties will then finally inscribe their contributions as soon as possible, but no later than June 2017. It is foreseen that the Protocol will have a clause that will provide for such inscription as an integral part of the 2015 agreement and determine the legal status of the contribution.

#### Step 7: Implementation from 2020

Following the entry into force of the 2015 agreement by 2020, we foresee iterative 10-year implementation periods (see submission on elements). South Africa foresees an *ex post* assessment of the implementation of individual commitments. We also foresee a review in 2025 of the adequacy and global impact of the package of contributions and of aggregate efforts, i.e. the implementation of common global commitments, which will be based on science and equity.

The *ex post* assessment and review processes (which may be enhanced as needed) could utilise the existing reporting systems, rules and processes under the UNFCCC system. The 2015 agreement would include an adjustment procedure to ensure that the long-term aspirational goals are met.

South Africa has previously (September 2013) suggested that adjustments may be facilitated by annexes/schedules that describe long-term trajectories, with single numbers five years ahead, a narrow range of numbers ten years ahead, and a wider, indicative range fifteen years ahead. If such an approach is adopted, the review within time periods (e.g. 2020-30, 2030-40, etc.), would be relatively easier.

#### **Work required by the ADP in 2014**

The ADP further needs to launch a process to prepare detailed and comprehensive rules, drawing on existing rules where possible, and filling gaps as needed. Existing rules under the Convention should be applied, enhanced, drawing on other international experiences, including under the Kyoto Protocol. South Africa proposes that a spin-off group begins the process of the development of detailed rules under the ADP. A matter needing particularly urgent work are rules on LULUCF in relation to demonstrating progress in achieving targets under the Convention (further elaborated below).

In addition to this, detailed sets of guidelines on mitigation are needed, in addition to the above minimum information. Multilaterally agreed guidelines for the rule-based review of contributions should be established in the 2015 agreement. The process needs to ensure a full set of multilaterally agreed rules, procedures/guidelines for counting rules, accounting rules, LULUCF and markets on the basis of which mitigation contributions will be reviewed.

### Accounting rules

Accounting rules, including those relating to base year, sectors, sources and gases, length of commitment, type of commitment, should be included in the 2015 agreement, referencing existing decisions under the Convention. While the aim should be to move to common rules over time, flexibility should be given to developing countries to select from menus containing different options, with standardisation of how chosen options are applied.

Base years should not change through the period for which a commitment is set. Baselines or projections of business-as-usual, if they are used at all, can similarly not be changed during a budget period.

Minimum information also needs to be agreed for Parties' intended nationally determined contributions on adaptation and means of implementation.

### LULUCF rules in relation to demonstrating progress in achieving targets under the Convention

South Africa proposes that the ADP initiate work to develop rules on LULUCF accounting for targets under the Convention.

The accounting for LULUCF is not sufficiently developed for the 2015 agreement in order to demonstrate progress in achieving targets under the Convention. More detailed rules on the role of LULUCF in demonstrating progress towards commitments have been developed under the Kyoto Protocol (in Article 3.3 and 3.4 and related decisions). Other Annex I Parties use inventory-based approaches. Under the Convention, rules for REDD+ have also been developed.

The IPCC good practice guidance is relevant in this regard and the established processes for SBSTA requests to the IPCC should continue to be used.

Regardless of whether land- or activity-based accounting is used, the rules must be detailed, comprehensive and accurate, while avoiding unnecessary complexity and ensuring that they can be effectively implemented, particularly by developing countries. The focus must be on actions to enhance removals by sinks, which must be reported in a transparent manner by all Parties. The IPCC provides guidance on accounting for emissions and reductions. Guidance on additional activities (e.g. wetlands) and sectors, particularly agriculture, is needed.

### Rules on the use of market mechanisms

A detailed set of rules for flexible mechanisms under the Kyoto Protocol has been developed. The development of rules for a new market mechanism (NMM) under the Framework for Various Approaches has been limited. Whether credits from other market mechanism outside of

the Convention can be counted towards commitments has eluded agreement. If common accounting methodologies are not applied, much effort may be wasted in seeking to reconcile tons to tons in multiple different fora. A multilateral rules-based approach will be more efficient.

In relation to a NMM under the Convention, the rules need to clearly indicate what may be counted towards mitigation commitments, targets and actions. A multilateral rules-based system is essential to avoid double-counting: of tons between countries, and also of contributions to finance and mitigation. For all mechanisms, the clarity and transparency of information *ex ante* will be essential.

In relation to market mechanisms, the issues of banking of credits for use in future periods has been defined for the second commitment period under the Kyoto Protocol. Banking would need to be addressed under new mechanisms under the Convention. Proposals to recognise “early action”, whether from market mechanisms or not, will also need to address this issue.

Any use of international off-sets should be subject to a 10% complementarity limit, to ensure environmental integrity through domestic action.

#### **Minimum information – proposal by South Africa**

South Africa proposes that structuring minimum information on the basis of the Convention and its Article 4. This provides a Convention-based structure, appropriate to the future of the climate regime, reflecting common commitments by all Parties in Article 4.1, and additional, differentiated commitments by developed country Parties in Articles 4.2, 4.3, 4.4 and 4.5. In this regard, please see Annex A.

**ANNEX A: PROPOSED FORMAT FOR PRESENTATION AND COMMUNICATION OF INTENDED NATIONALLY DETERMINED CONTRIBUTIONS**

**Adaptation commitments by all Parties (Art 4.1)**

|                                                                                                                                                                                                           |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Projected impacts</b> , including methodology used, assumptions and associated costs and indicative timeline                                                                                           |  |
| <b>Adaptation Planning</b> options, approaches and technology needs and adaptive capacity enhancements, and associated costs and indicative timeline                                                      |  |
| <b>Programmes – Projects</b> , including those identified in context of NAPs/NAPAs, finance and technology needs and value of action for recognition and investment – contribution (+) or requirement (-) |  |
| <b>International cooperation</b> , including cooperative actions, international and regional and investments to be contributed in \$ or required in (\$) and indicative timeline <sup>1</sup>             |  |

**Adaptation commitments (Art 4.4)**

|                                                              | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------------------------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Support, to be provided in response to identified adaptation |      |      |      |      |      |      |      |      |      |      |      |

<sup>1</sup> All Parties enhance their efforts by cooperating internationally, across all countries and/or regionally; specifying their investments as contributions to others or requirements.



|                                                                                                    |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| options, including means of implementation, investments, technology transfer and capacity building |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project and programme assistance to be provided as set out in NAPs and NAPAs                       |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Support to be provided for international and regional initiatives                                  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Mitigation commitments by all Parties (Article 4.1b)<sup>2</sup>**

|                                                           | 2020         | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2050                                                            |
|-----------------------------------------------------------|--------------|------|------|------|------|------|------|------|------|------|------|-----------------------------------------------------------------|
| Party A's reduction in emissions intensity of its economy | <sup>3</sup> |      |      |      |      |      |      |      |      |      |      | Indicative absolute reduction and low emission development plan |

<sup>2</sup> All Parties present mitigation actions. Some developing countries, who strive to slow their emissions growth, may present intensity targets as their economy-wide contribution; others may have the flexibility to submit only individual NAMAs for period 2020-2030. Any developing country Party wishing to adopt a quantified economy-wide emission reductions target may make use of the provisions of sub-paragraph 4.2(g) of the Convention and submit such a target in its instrument of ratification, acceptance, approval or accession. All commitments and actions should be measurable, reportable and verifiable.

<sup>3</sup> Units of tons CO<sub>2</sub>-eq / \$ of GDP in the respective year; in addition, Parties may report reduction of the carbon intensity of the economy in 2005. GWP values from the latest IPCC assessment report will be used; CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O will be covered (and encouraged to include more over time); include reporting on LULUCF in any future commitments and actions, including estimates with and without LULUCF; underlying assumptions and methodologies (including methods for the projection of carbon intensity of GDP), support needs for the implementation of NAMAs and estimated mitigation outcomes.

|                                                           |                                                                                            |  |  |  |  |  |  |  |  |                                                                 |  |  |  |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|-----------------------------------------------------------------|--|--|--|
| Party B's reduction in emissions intensity of its economy |                                                                                            |  |  |  |  |  |  |  |  |                                                                 |  |  |  |
| ...                                                       |                                                                                            |  |  |  |  |  |  |  |  |                                                                 |  |  |  |
|                                                           |                                                                                            |  |  |  |  |  |  |  |  |                                                                 |  |  |  |
| Party L's set of NAMAs                                    | Nationally appropriate mitigation actions – committed to implement in the period 2020-2030 |  |  |  |  |  |  |  |  | Indicative absolute reduction and low emission development plan |  |  |  |
|                                                           |                                                                                            |  |  |  |  |  |  |  |  |                                                                 |  |  |  |
| LDC Party S's set of NAMAs                                | Flexibility to submit only individual NAMAs for the period 2020-2030                       |  |  |  |  |  |  |  |  | Indicative avoided emissions and low emission development plan  |  |  |  |

**Mitigation commitments (Article 4.2)**

|  |      |      |      |      |      |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|------|------|------|------|------|
|  | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2050 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|

|                                                 |              |  |  |  |  |  |  |  |  |  |  |  |                                                     |
|-------------------------------------------------|--------------|--|--|--|--|--|--|--|--|--|--|--|-----------------------------------------------------|
| Party X's emission reductions below 1990 levels | <sup>4</sup> |  |  |  |  |  |  |  |  |  |  |  | Indicative number and zero-carbon plan <sup>5</sup> |
| Party Y's emission reductions below 1990 levels |              |  |  |  |  |  |  |  |  |  |  |  |                                                     |
| ...                                             |              |  |  |  |  |  |  |  |  |  |  |  |                                                     |

**Additional commitments for Annex II Parties (Art 4.3, 4.4 and 4.5)**

|            | <b>Activity</b>     | <b>Value</b>                                                                           | <b>Measurement, Reporting and Verification of support</b> |
|------------|---------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Finance    | Sector, Region      | Sources, Assumptions, Delivery Mechanism, funding of costs of adaptation or mitigation | Report by Standing Committee                              |
| Technology | Sector, Description | Assumptions, Delivery Mechanism, technology for adaptation or mitigation               | Report by Technology Executive Committee                  |
| Capacity   | Description         | Assumptions, Delivery Mechanism,                                                       | Report under Capacity Building Framework                  |

<sup>4</sup> Units of tons CO<sub>2</sub>-eq; Parties with budgets over a period of time can fill in an average for each year, but not be bound to that average, only the total over the period. GWP values from the latest IPCC assessment report will be used; covering all gases as for national inventory arrangements; specifying the methods and data sources used to determine base year emissions and the GHG inventory methods to be used; include reporting on LULUCF in the estimation of all QEERTs and QELROs, using clear, uniform and environmentally robust description of the method to be used, and the commitment or target with or without LULUCF (land-use sector accounting; land-based and activity-based accounting; and definition of "managed land" proxies if used); and the use of any carbon credits under the Convention and its instruments, including provisions to prevent double-counting. Parties shall report the associated assumptions and conditions related to the ambition of the pledges. They shall further report the estimated macro-economic and marginal cost of achieving the commitments or target, describing methods used to estimate costs.

<sup>5</sup> Zero carbon emissions pathways should start a steep decline up to 2030, and define a long-term goal of zero emissions for each Party in 2050. The commitments and targets shall be comparable among developed countries.

|          |  |                                 |  |
|----------|--|---------------------------------|--|
| building |  | Adaptive or mitigative capacity |  |
|----------|--|---------------------------------|--|