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Work programme on clarification of quantified economy-wide emission reduction targets of developed country Parties

Additional information by developed country Parties for the clarification of their targets and associated assumptions and conditions as outlined in decision 2/CP.17, paragraph 5, and views by all Parties on the work programme referred to in decision 1/CP.18, paragraph 8

Submissions from Parties

Addendum

1. In addition to the five submissions contained in document FCCC/SBSTA/2013/MISC.3, five further submissions have been received.
2. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing.¹

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

¹ Also available at <<http://unfccc.int/5901>>.

FCCC/SBSTA/2013/MISC.3/Add.1

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Work programme on clarification of quantified economy-wide emissions reduction targets for developed country Parties | May 2013
Further Clarification of 2020 Pledges | SBSTA

I. Introduction

Australia welcomes the opportunity to share its views on the new Subsidiary Body for Scientific and Technological Advice (SBSTA) work program to continue the process of clarification of developed countries' Quantified Economy-wide Emissions Reduction Targets (QEERTs).

II. Importance of Clarification and the new Work Program

Clarifying ex ante how the 2020 pledges are defined (including assumptions and methodologies) and their expected mitigation impacts is critically important for a range of reasons:

- It builds trust and confidence by enabling clear understanding of what other Parties are doing.
- Through this, it supports increased ambition. We know that other Parties' efforts are a key consideration for many Parties in determining their level of ambition.
- It is necessary to understand the level of collective effort and emissions reductions that will be made in the period to 2020, and to reduce uncertainty about the emissions gap.
- It enables full international recognition of the mitigation being undertaken by Parties.
- It gives the best chance of attracting support for mitigation actions that require it.
- It can inform discussions about the long-term finance goal, which is in the context of meaningful mitigation and transparency on implementation.

Since the clarification process began in 2011 we have learnt more about the pledges. The presentation of information by developed countries through templates was particularly useful. But significant uncertainties remain. The new measurement, reporting and verification processes agreed at COP17 in Durban¹ will provide regular and structured updates on the pledges and their implementation, and complement existing measures such as national inventories and national communications.

But there is a gap before these new processes begin. The clarification of pledges can also make clear how Parties will track their mitigation and help them prepare for these new reporting requirements.

Accordingly, Australia welcomed the decision at Doha to establish two new work programs to continue the clarification process in 2013 and 2014. Australia encourages all Parties to participate actively and constructively in both of these work programs, and to continue to provide new or updated information on their pledges as available. These work programmes provide the opportunity to further clarify existing pledges, as well as any new or enhanced pledges that Parties might come forward with in the future.

Australia has made detailed submissions on its QEERT (April 2012) and its Kyoto Protocol second commitment period Quantified Emission Limitation or Reduction Objective (November 2012) and has joined a CP2 with a defined carbon budget for 2013-2020.

¹ Biennial Reports and International Assessment and Review; Biennial Update Reports and International Consultation and Analysis.

III. Organisation of the work program

The QEERTs were an important achievement. All 42 developed countries have pledged a QEERT. But as Parties recognise, we have different levels of clarity around what each of these QEERTs mean.

To understand a QEERT, we need to understand how it is defined and how it will be met. Paragraph 5 of decision 2/CP.17 sets out the elements to understand a pledge: base year, global warming potential values (GWPs), coverage of gases, coverage of sectors, expected emissions reductions (which involves issues such as the methodologies used to calculate emissions and assumptions about trajectories to meet a QEERT), the role of the land sector and carbon credits from market-based mechanisms.

Over the last two years, we have gathered some of this information through submissions and the workshop process. In Doha, Parties agreed to move to a more technical mode of working, that includes focused expert meetings and technical briefings. Consistent with this approach, Australia suggests the following mode of work:

- Structured sessions looking systematically at each of the elements in decision 2/CP.17 one by one.
 - Australia expects that some of the elements will require less time to discuss, and others more. Australia suggests that the basic ‘metrics’ be discussed first: GWPs, sectoral and gas coverage, and base year. The next priority for discussion should be the different assumptions underlying the QEERTs and their expected emissions reductions, particularly in relation to abatement in a single-year versus a cumulative year approach, and questions such as banking and borrowing of emissions reductions between years.
- Each session would have two objectives:
 - Re-cap what information is already known about the QEERTs, and identify where there are similarities and differences in Parties’ approaches and gaps in our knowledge; and
 - Analyse the impact for 1) measuring progress and 2) comparability of efforts if Parties take different approaches to each element.

This will allow us to do two things. First, build a more complete picture of where and how much difference there is between how developed countries define their QEERTs. Second, develop a common understanding of what the implications are where countries are taking different approaches.

This mode of work will also result in greater clarity about the QEERTs themselves and their mitigation impact. Australia encourages developed countries to provide more information on their QEERTs to fill any gaps identified during these discussions.

This work should build upon the very useful analysis done by the Secretariat in its technical paper (FCCC/TP/2012/5) and can also inform the further iterations of that paper, as mandated in decision 1/CP.18. It should also be informed by expert input where appropriate.

Discussions in 2013 should be captured in a structured summary at COP19; the final output at COP20 should incorporate and build upon this to provide a complete analysis. In this way, the clarification work program will develop an enduring resource that can be drawn upon to better understand Parties’ approaches to QEERTs, the extent of commonality and difference in these approaches and the implications of them.

Work programme on clarification of quantified economy-wide emission reduction targets of developed country Parties (SBSTA)

Submission by Nauru on behalf of the Alliance of Small Island States

Views on the work programme referred to in paragraph 8 of FCCC/CP/2012/L.14/Rev.1 (decision 1/CP.18)

The Alliance of Small Island States (AOSIS) welcomes the opportunity to present its views on the work programme under the SBSTA to continue the process of clarifying the quantified economy-wide emission reduction targets of developed country Parties, as requested in paragraph 11 of the 'Outcome of the Work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention', contained in Decision 1/CP.18.

This submission builds upon the 14 March 2012 submission by Nauru on behalf of AOSIS ([FCCC/AWGLCA/2012/MISC.1/Add.2](#)), which outlined AOSIS's views on the purpose and role of the clarification exercise.

Introduction

By paragraph 8 of decision 1/CP.18, the Parties decided to establish a work programme under the SBSTA to continue the process of clarifying the quantified economy-wide emission reduction targets of developed country Parties ("QERTs"), particularly in relation to the elements contained in decision 2/CP.17, paragraph 5, with a view to:

- a) Identifying common elements for measuring the progress made towards the achievement of the quantified economy-wide emission reduction targets;
- b) Ensuring the comparability of efforts among developed country Parties, taking into account differences in their national circumstances

This SBSTA work programme is to commence in 2013 and end in 2014 and include focused expert meetings, technical briefings and submissions from Parties and observer organizations. The two-year work programme will report on its progress to COP 19 and report on its outcome at COP 20.

AOSIS believes it is of paramount importance that the SBSTA work programme result in an agreement on a set of common accounting rules that will ensure the environmental integrity of targets, as well as facilitate the comparability and accurate assessment of the aggregate impact of Annex I Party mitigation efforts on global emissions.

This new SBSTA work programme builds on previous efforts under the AWG-LCA to better understand the assumptions and conditions related to Annex I Party targets captured in document FCCC/SB/2011/INF.1/Rev.1, including in relation to the level of mitigation ambition these targets will deliver, through the development of a common template for these targets and the compilation of information in FCCC/TP/2012/5 (*Quantified economy-wide emission reduction targets by developed country Parties to the Convention: assumptions, conditions, commonalities and differences in approaches and comparison of the level of emission reduction efforts*) (August 2012).

Through activities in 2013, the SBSTA should progress its work with the aim of building on, and filling gaps in, information made available by Parties, to achieve a full and accurate picture of projected mitigation outcomes that result from the implementation of quantified economy-wide emission reduction targets for 2020. In doing so, the work programme must further clarify assumptions underpinning countries' targets in order to improve transparency and comparability, and it must identify common elements for measuring progress to enable the aggregation of current and projected mitigation effort.

Identification of common elements will assist all Parties in considering the most effective options to deliver the necessary increase in pre-2020 mitigation ambition by 2014 at the latest. These elements may also inform the development of approaches to transparency in the context of the new Protocol to be developed.

1. Purpose of the clarification exercise – transparency, confidence and understanding of the scale of the gap in mitigation ambition in order to facilitate its closure

AOSIS has previously outlined its views on the purpose of the clarification exercise in ([FCCC/AWGLCA/2012/MISC.1/Add.2](#)). The aim must be to enable the identification of **transparent, ambitious, single number, multi-year, budget-based, economy-wide emission reduction targets for all Annex I Parties for the pre-2020 period**. This will enable the international community to track progress towards global goals and assess the individual contributions of Annex I Parties to these goals. In this process, the application of common accounting rules to Annex I Party targets is essential to facilitate transparency and comparability, and contribute to an understanding of the actual scale of the mitigation ambition gap over time.

All Parties have recognized that deep cuts in global greenhouse gas emissions are required to hold the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels, and that Parties should take urgent action to meet this long-term temperature goal. The IPCC's Fourth Assessment Report indicated that a **25 to 40%** reduction in GHG emissions below 1990 levels is required from Annex I Parties by 2020, together with a substantial reduction below business as usual emissions (estimated at 15-30% below BAU) from developing country Parties, in order to limit temperature increases to 2.0 to 2.4°C above pre-industrial levels.

The current emission reduction targets and pledges for 2020 were presented by Parties in the lead up to, during and following COP 15 and COP 16, and are currently in line with a 3.5°C of warming by 2100, which **will devastate small island developing states, LDCs and vulnerable countries in Africa**. The most recent UNEP Gap report (2012) found that there is an ambition gap of **8 to 13 Gt CO₂e GHG emissions**¹ between current emission trajectories (including implementation of current 2020 targets and pledges) and pathways consistent with having a 'likely' chance of holding warming to below 2°C above pre-industrial levels. In addition, global emissions need to peak before 2020 in order to have a 'likely' chance of achieving the agreed long-term temperature goal.

Despite increasingly alarming scientific evidence of the current and projected impacts of climate change, certain Annex I Parties have decided, not to take legally-binding commitments under the Kyoto Protocol's second commitment period (2013-2020), potentially compromising the Kyoto Protocol's harmonized, rules-based approach for assessing progress towards meeting

¹ UNEP 2012. The Emissions Gap Report 2012. United Nations Environment Programme (UNEP), Nairobi

emission reduction targets and for measuring aggregate Annex I ambition in terms of what the atmosphere sees.

AOSIS strongly urges those Parties not participating in the Kyoto Protocol's second commitment period, particularly those that remain Party to the Kyoto Protocol, to continue to adhere to the Kyoto Protocol's robust monitoring, reporting and verification provisions and requirements in order to maximise comparability and facilitate the best possible assessment of the individual contributions of Annex I Parties to the global mitigation effort, recognizing of course the impact of decision 1/CMP.8 (the Doha Amendment) on the availability of the flexibility mechanisms to Parties without binding column 3 commitments in the amended Annex B.

2. Ongoing information gaps that need to be filled ex ante by individual developed country Parties

Parties made considerable efforts in their work under the AWG-LCA to clarify developed country targets presented under the Convention, with much of this information captured in the very useful **Technical Paper FCCC/TP/2012/5**. However, in outlining "commonalities and differences in approaches to measure progress towards the achievement of economy-wide emission reduction targets", the Technical Paper makes clear that there are a number of important information gaps that remain to be filled.

As a first step, AOSIS urges all Annex I Parties that have not yet done so to **respond fully** to the common template for submission of information prepared by the secretariat in response to Decision 2/CP.17, para. 5(a) (see http://unfccc.int/files/bodies/awg-lca/application/pdf/common_template_final.pdf), to enable an update of FCCC/TP/2012/5 with more complete information from all developed country Parties. This includes information on assumptions related to **emission trajectories** and more detailed information in connection with any anticipated reliance on carbon market units and LULUCF credits.

Where Parties have not yet presented **unconditional targets**, unconditional targets should now be presented by these Parties. Where conditional targets remain, as part of the clarification exercise, Parties should more clearly detail these conditionalities and specify which of their conditionalities have now been satisfied and which have not. This would enable an exploration and understanding of precisely what it would take for Parties to move to the top end of their pledged ranges and present new, more ambitious, single-number targets by 2014 at the latest.

AOSIS notes the adoption by Parties in Doha of the common tabular format for developed country biennial reports in 19/CP.18, and in particular tables 2(a) through 4(b). Parties should make full use of the common template, which seeks to clarify targets *ex ante*, and the common tabular format, which will provide *ex post* reporting on progress towards achieving targets, to locate information gaps to be filled, and to guide the harmonization and standardization of targets.

Some important questions for Annex I Parties to address in the context of the SBSTA work programme in June include the following:

- What distinctions did Parties anticipate ex ante between their Convention targets and their Kyoto targets in bringing forward Convention targets?
- For those Parties without a commitment for the second commitment period of the Kyoto Protocol, do these Parties' Convention targets nevertheless assume a multi-year budget approach with an emissions trajectory?

- Where Parties have presented a point year target (i.e., a reduction “by 2020”), what emissions trajectory is assumed? Do targets assume a linear decline in emissions from the base year? A peak and decline in emissions between now and 2020? If peak and decline, when is this peak anticipated to occur?
- For Parties whose original Convention targets anticipated reliance on Kyoto Protocol market units, do these Parties plan to revise their Convention targets following decision 1/CMP.8?
- For Parties whose original targets anticipated reliance on non-Kyoto Protocol units, more detail would be beneficial on: (1) the anticipated source by programme/country; (2) the scale of anticipated reliance; (3) how it was anticipated that these units would be accounted for in presenting 2020 targets.
- For Parties who noted in their responses to the common template their intention to rely on units from non-Kyoto Protocol market-based mechanisms, was it anticipated that all units would be agreed at the international level, with traceable serial numbers reflecting the year of emission reduction (vintage) and source?

Each developed country target must be fully clarified ex ante, in particular with respect to assumptions on coverage, scope, use of credits from LULUCF and market-based mechanisms, so that it is possible to determine the scale of emission reductions to be achieved individually and collectively, and so that it is possible to measure progress toward achievement of these targets.

3. Identifying common elements for measuring progress toward the achievement of the quantified economy-wide emission reduction targets

It is essential that targets and commitments be understood using **common base years, common methodologies and common accounting rules**. Use by certain Annex I Parties of different base years and accounting assumptions to express their pre-2020 quantified emission reduction targets will only complicate efforts to assess what the environment will see in terms of actual tonnes of GHG emissions reduced relative to 1990 baseline emission levels from these targets.

As noted above, AOSIS is of the view that the core objective of the two-year SBSTA work programme should be to **secure agreement on a set of common accounting rules** ("common elements", per decision 1/CP.18, para. 8) to ensure the environmental integrity of targets, facilitate comparability, and enable an accurate assessment of the aggregate impact of Annex I mitigation effort on global emissions. AOSIS believes that Annex I Party approaches to accounting cannot reflect a 'pick-and-choose' approach - Parties must ensure continuity of a multilaterally-agreed approach to measuring mitigation effort and emissions trends, and acknowledge that common accounting rules are essential to underpin and support the development of a robust global carbon market (see Part 5 of the AOSIS submission from March 2012), including through any new agreed market-based mechanisms and discussions on 'various approaches'.

AOSIS is of the view that the following components must be part of a rigorous, robust and transparent set of common rules for accounting for developed country Parties under the Convention:

- use of 1990 as the common base year for accounting for **all Annex I Party** economy-wide targets and commitments, regardless of any reference year used to express reductions for domestic purposes), unless otherwise agreed under Article 4.6 of the Convention or Article 3.5 of the Protocol;

- use of the methodologies set out in the 2006 IPCC Guidelines and relevant Convention and Kyoto Protocol decisions;
- use of the most recently reported GWP values contained in the IPCC's Fourth Assessment Report, using the figures for 100-year time horizons;
- reporting emissions of CO₂, CH₄, N₂O, HFCs, PFCs and SF₆, as well as NF₃, with families of gases to include those new HFCs and PFCs listed in the IPCC's Fourth Assessment Report;
- coverage of the energy, industrial, agriculture, LULUCF and waste sectors;
- common definitions, modalities, rules and guidelines relating to land, land-use change and forestry; and
- modalities and procedures for the establishment of market-based mechanisms under the Convention.

A core strength of the Kyoto Protocol lies in the linkage made through the Marrakech Accords between: (1) robust monitoring, reporting and review provisions, which utilise a common accounting framework designed to ensure environmental integrity; and (2) agreed consequences for non-compliance with these rules, including adjustments, automatic suspension of trades; suspension of eligibility to trade, declarations of non-compliance, and the prospect of the deduction of tonnes from subsequent commitment periods. Maintenance of this linkage will be essential to maintain the environmental integrity of Parties' quantified economy-wide emission reduction targets.

AOSIS anticipates that the SBSTA work programme will demonstrate the value of the following common elements, among others, for measuring progress toward achievement of quantified economy-wide emission reduction targets, and serve as an important reference point for later work:

- 1) mandatory common accounting rules;
- 2) a budget-based accounting approach, to enable units to be applied from market-based mechanisms toward targets;
- 3) registry systems to ensure the avoidance of double counting of units at the international level, and to avoid situations in which more than one Party counts the same allowance or emission reduction towards achievement of its target;
- 4) supplementarity criteria to ensure domestic mitigation efforts;
- 5) rules for the establishment, generation and use of units from market-based mechanisms at the international level under the Convention, regulated by the Parties acting collectively at the international level;
- 6) a compliance system to ensure that monitoring, reporting and verification take place and that there are consequences for non-compliance with these obligations.

4. Ensuring the comparability of efforts among developed country Parties, taking into account differences in their national circumstances

AOSIS believes that the current approach under the Convention for the pre-2020 period does little to ensure a comparable level of effort among all developed country Parties. We have seen a proliferation of countries picking and choosing options that best serve their national interests. This self-selective approach results in reduced clarity and confidence, and makes it more difficult to assess comparability and aggregate mitigation effort.

The application of common accounting rules to all Parties is necessary to:

1. Facilitate comparability between economy-wide emission reduction commitments of (a) developed country Parties that are Parties to the Kyoto Protocol, and (b) developed country Parties that are not Parties to the Kyoto Protocol;
2. Enable the establishment of assigned amounts for all Annex I Parties, or proxies for assigned amounts for non-Kyoto Protocol Annex I Parties based on emissions trajectories under a multi-year carbon budget, to enable access to market-mechanisms established at the international level, access to units recognized at the international level, and enable the tracking of progress toward commitments;
3. Enable an assessment of the scale of GHG emission reductions that the environment will actually see from individual developed country mitigation efforts relative to 1990 emission levels, free of conditionalities;
4. Enable a robust, international carbon market that builds confidence among all Parties and all stakeholders and that is capable of monitoring trade in internationally-recognized units under the Kyoto Protocol as well any new units agreed under the Convention.

The closure of work under the AWG-LCA, the adoption of the Doha Amendment to the Kyoto Protocol, and agreement on an ongoing clarification exercise under the SBSTA provide an opportunity to ensure that all Annex I Parties move back in the direction of a multilaterally-agreed common accounting framework, based on the success of the robust MRV provisions under the Kyoto Protocol.

An assessment of progress toward global goals, in terms of the tonnes of emission reductions the environment will see from now through 2020, cannot be based on targets presented relative to a single year's emissions.

For comparability and for accounting purposes, each Annex I Party's target or commitment must be converted into a budget for the pre-2020 period based on the data presented in Tables 3 and 4 of FCCC/TP/2012/5 and further information to be provided by Parties in 2013. This is necessary to enable the use of Kyoto units and/or any new units that may be established under the Convention toward Party targets and commitments.

4. Outline of work programme

AOSIS is of the view that the SBSTA "clarification" exercise needs to be a very focused and specific one, designed to enhance understanding of individual Party targets so that progress toward these targets later can be assessed, and designed to enhance understanding of aggregate Annex I mitigation ambition so that the scale of the gap in mitigation ambition can be better understood. This is a largely technical exercise that should continuously feed into regular updates of Technical Paper FCCC/TP/2012/5, and will also be an important informational input (supplemental to biennial reports) for political discussions.

AOSIS suggests that Parties consider the following possible activities for the work programme, commencing in Bonn at SBSTA38.

SBSTA work programme on the clarification of developed country targets 2013-2014

Timeline	Issue / Activity	Outcome
<p>SBSTA 38 June 2013, Bonn</p>	<p>Workshop on progress towards achieving 2020 QERTs (every Annex I Party to present)</p> <p>Identify information gaps (e.g. failure by some Annex I Parties to respond fully or adequately to the common template circulated after Durban)</p> <p>Confirm update of Technical Paper (ensure availability to allow its consideration well in advance of COP 19), including assessment of the scale of GHG emission reductions that the environment is expected to see from individual developed country mitigation efforts relative to 1990 emission levels, free of conditionalities.</p> <p>Background paper on accounting rules and methodologies now in place for Annex I Parties under the Convention and the KP</p> <p>Request submissions on "common elements" for accounting under the Convention</p>	<p>Understand each Annex I Party's quantified economy-wide target and its progress towards achieving its QERTs; develop understanding of emissions trajectory; assess aggregate Annex I effort</p> <p>Contribute to the understanding of scale of ambition gap</p> <p>Understand individual mitigation contributions based on common assumptions.</p> <p>Understand rules and methodologies currently in play, highlight differences b/w Convention (voluntary / pick-and-choose) and KP (binding / mandatory); demonstrate benefits of the latter approach</p>
<p>SBSTA 39/COP 19, Nov. 2013, Warsaw</p>	<p>Consider "common elements" for accounting under the Convention</p>	<p>Compilation of common accounting principles and agreement on a common accounting framework</p>
<p>SBSTA 40 – 2014, Bonn</p>	<p>Development of common accounting rules</p> <p>Workshop analysing targets based on common accounting rules</p>	<p>Understanding of comparability of actions by Annex I Parties based on common accounting rules</p>
<p>SBSTA 41 /COP 20 – 2014</p>	<p>Agree common accounting rules</p>	<p>Common accounting rules comparable to those under the Kyoto Protocol established for all developed country Parties</p>

Paper no. 3: Norway

Views on the SBSTA work programme on clarification of quantified economy-wide emission reduction targets for developed country Parties

May 2013

The importance of the work programme on clarification of 2020 mitigation targets

- Norway welcomes the outcome in Doha with the establishment of a work programme under the SBSTA, to continue the process of clarifying the mitigation targets of developed countries for 2020. This process is of key importance to our work, and should be given high priority. The pledges for mitigation action and targets, from both developed and developing countries, are a cornerstone of the international climate effort up to 2020. The pledges, put forward by national governments up to and after COP15, represent considerable political will and commitment to combat climate change.
- Further clarification of the mitigation targets of all Parties is important in order to reduce uncertainty about the emissions gap to the two degree target. According to the UNEP gap report, the uncertainty around the emissions gap is between 6 and 13 Gigatonnes. Thus, there is a need for further clarification of the mitigation actions and targets that have been put forward. We need more basic information related to scope and coverage, the emission reduction effect as well as factors related to actual implementation.
- The outcome in Doha resolved outstanding issues related to the second commitment period of the Kyoto Protocol. We would welcome further analysis on the effect of these decisions, on the estimated emission reductions for 2020.
- The targets and actions listed in document FCCC/SB/Inf.1/Rev.1 provide a starting point for mitigation action up to 2020. The period between now and 2020 is highly important for the two degree target, and we are currently not on track. The possibility of increased ambition from Parties is very much influenced by insight into the actions others are taking. Further clarification of the mitigation pledges will give increased transparency and build trust in this regard.
- The SBSTA work programme on clarification for the 2020 mitigation targets will explore a variety of approaches to defining and implementing such commitments. Technical and in depth discussions of the different elements and issues raised can give very valuable insights with respect to how mitigation commitments should be defined in the 2015 agreement, and what kind of common accounting rules and frameworks are needed.
- With respect to Norway's 2020 mitigation target, our commitment will be implemented under the second commitment period under the Kyoto Protocol. We will of course be open to inform of that commitment under the SBSTA work programme.

Suggested structure for the SBSTA work programme

The work programme decided in Doha for developed country Parties aims at identifying common elements for measuring progress towards achieving the mitigation targets, and also ensuring the comparability of efforts among developed country Parties. We believe this can best be achieved through an approach where we address the elements of clarification as described in decision 2/CP.17, paragraph 5, in a systematic, stepwise and technical manner. The work programme should address the mitigation targets as they have been presented, but in doing so, should identify options for developing common approaches and providing a necessary basis for comparability.

We suggest to structure the work programme in the following way:

1. Basic elements of clarification based on emission inventory reporting
2. Approaches to account for sources and sinks in forest and land use sectors
3. Issues related to single year targets vs multiple year targets
4. Issues related to the accounting of use of international market mechanisms to meet emission reduction obligations
5. Expected emission reductions

1. Basic elements in defining targets

The most basic elements in defining the scope of a mitigation target would be the coverage of sectors and gases, the use of GWP values and the choice of base year. All developed countries have economy-wide emission reduction targets, and for the most part, it has been clarified that this includes all sectors and all gases currently covered also under the Kyoto Protocol. However, for some countries this has not been clarified. We would expect this part of the work programme to provide the necessary overview. The information in the technical paper should be revisited, with a view to having a complete picture of these elements of the 2020 mitigation targets.

From 2015 onwards, all Annex I countries will be applying the IPCC 2006 guidelines for emission inventories for their annual emission inventories. For economy-wide emission reduction targets, this common approach to emissions reporting will give a considerable degree of comparability and should ensure common approaches to global warming potential values, coverage of gases and sectors. We suggest that experts are invited to give presentations/briefings on these issues.

2. Approaches to account for sources and sinks in forest and land use sectors

For forest and land use sectors, there are currently 3 approaches for estimating how emissions and removals contribute to meeting mitigation targets: the activity-based approach to LULUCF under the Kyoto Protocol, the land-based approach used for Convention emission reporting and the approach used in REDD+. Developed country Parties will use one of the first two. Questions that need to be addressed include:

- How do Parties intend to account for emissions and removals in this sector? Land-based or activity-based? Based on a historical base year or a forward-looking reference level? How will natural disturbances be treated?
- What are the implications of these choices for the overall emission reduction expected?
- What common elements can be identified, and what further work would be necessary?

A workshop to address these issues would be a useful start. This should allow expert participation as well as Party presentations on specific questions. Submissions from Parties and expert organizations could be a next step, building on workshop discussions.

3. Issues related to the accounting of use of international market based mechanisms to meet emission reduction obligations

Issues related to the accounting of use of international market mechanisms to meet emission reduction pledges include further clarification of:

- The plans to use international market based mechanisms, and to what extent
- How UNFCCC credits will be accounted for.
- What is the need for developing common systems and frameworks to ensure the environmental integrity in carbon markets up to 2020?

4. Issues related to single year targets vs multiple year targets

Parties with commitments under the Kyoto Protocol will have a carbon budget approach covering a period of eight years. Other Parties have informed that they will use a carbon budget approach, but not as a commitment under the Kyoto Protocol. Some Parties have stated that their 2020 commitment will be met as a single year target. The implications of this approach need to be discussed with respect to:

- How should the overall emission reduction effect for single year targets, be estimated?
- What are the implications for international carbon markets?

- How do Parties with this kind of approach intend to report on progress up to 2020? What level of confidence would be necessary to ensure that they were on track to meet the target?

Submissions from Parties on this issue would help move the discussion forward. The work programme should give the opportunity for presentation of expert analyses of the implications of single year vs multiple year targets, with the view to identify common elements that need to be further developed.

5. Expected emission reductions

The calculation of expected emission reductions from the 2020 mitigation targets is a crucial part of the work programme, and must be based on the insights and clarification of the issues above. Knowing the expected emission reductions from each Party is an important element of comparability and is necessary to be able to review the global effort. However, comparability of effort is a broader concept and is also related to costs of measures, mitigation potentials and the extent to which Parties have taken action already. These aspects are very much related to the possibility of raising ambition. In our view, that discussion belongs in the ADP work plan on mitigation ambition.

The main purpose of the SBSTA work programme is to achieve a complete, factual overview of the mitigation targets as they have been presented, identify the basis for calculating the emission reduction effect, identify common elements of accounting for these targets and the scope for further work, for the final report to COP20.

Timeline and suggestions for progress in 2013

For the work this year, we suggest that the work programme starts along the structure outlined here, and that meetings are planned with distinct topics for discussion.

A workshop on land use and forest issues would be very welcome, as well as expert presentations/briefings on the inventory part of the clarification work (the scope of the targets) and on the implications of single year vs multiple year targets.

The work programme should deliver a progress report by COP19. This should include an update of the technical paper, as well as a progress report describing and outlining the issues for further work, in 2014.

Views on the work programme continuing the process of clarifying the quantified economy-wide emission reduction targets of developed country Parties

SBSTA 38

The EIG is pleased to submit its views on the work programme referred to above. The EIG sees this work programme as well as the work programme on further the understanding on the diversity of the nationally appropriate mitigation actions as crucial elements in building trust between the Parties. Early clarification of the pledges is needed to leverage additional global ambition and international cooperation. This work programme should ensure so before the arrival of the first biennial reports.

The SBSTA work programme continuing the process of clarifying the quantified economy-wide emission reduction targets of developed country Parties as communicated by them and contained in document FCCC/SB/2011/INF.1/Rev.1 (referred to hereafter as the *work programme on QERTs*) is to start in 2013 and end in 2014. The SBSTA is to report to COP19 on the progress and to COP20 on the outcomes of the work programme on QERTs.

Possible Focus of work in 2013 (SBSTA 38 and 39)

- a) Identify common elements for measuring the progress made towards the achievement of the quantified economy wide emission reduction targets;
 - b) Ensuring the comparability of efforts among developed country Parties, taking into account differences in their national circumstances;
- **Submissions** of developed country Parties on any additional information on their quantified economy wide emission reduction targets as contained and communicated in FCCC/SB/2011/INF.1/Rev.1 on the elements specified in decision 2/CP.17, paragraph 5;
 - **Focused expert meetings, technical briefings, and submissions on each of the following areas:**
Structure of discussions: the discussions should be introduced through presentations from experts as well as presentations from Parties on their underlying assumptions and experiences. The workshops should allow for sufficient time for focused interactive technical discussion following the presentations.
 - **Base year, GWP, sectors and gases** – what the opportunities and challenges of the approaches are Parties taking and what effect do common elements and diversity in approaches have on comparability of efforts?
 - **Underlying assumptions related to emission reductions over the period 2013-2020: multi- vs single year approaches and respective approaches to carbon credits and “bank and borrowing”** – what the opportunities and challenges of the approaches are Parties taking and what effect do common elements and diversity in approaches have on comparability of efforts?

The role of land use, land use change and forestry should be addressed under the *work programme on QERTs* in 2014.

Progress in 2013: report to COP19

- **Updated technical paper** on the quantified economy wide emission reductions targets of developed country Parties as specified in decision 2/CP.17 paragraph 5;
- **Written and structured report on the work and findings** of the focused expert meetings, technical briefings, and submissions should be made available building towards the outcome of *the work programme on QERTs*;

Possible outcome in 2014: to be reported to COP20

- **Updated technical paper** on the quantified economy wide emission reductions targets of developed country Parties as specified in decision 2/CP.17 paragraph 5;
- **Information basis on common elements in measuring progress** made towards the achievement of the quantified economy wide emission reduction targets;
- **Information basis on the effect of common or divergent approaches on the comparability of efforts** , taking into account differences in their national circumstances.
- Take into account biennial reports to be submitted by 1.1.2014 including the common tabular format on progress that all developed Parties and any lessons learnt.

Paper no. 5: United States of America

April 26, 2013

U.S. Submission to the Subsidiary Bodies on the work programs for clarification and further understanding of Party mitigation pledges

Overall framing of mitigation clarification

The U.S. is pleased to provide comments on the work programs for the clarification and further understanding of Party mitigation pledges. Durban (2/CP.17 paras 5 and 33-34) established the framework for the clarification and further understanding of mitigation pledges by Parties.

In Doha, Parties agreed to continue these processes under the Subsidiary Bodies, maintaining the same purpose and following the same modalities for clarification and understanding of pledges that were established in Durban and carried out during the past two years. It was agreed that it would be useful in the next two years to continue the clarification and understanding processes until such time when Parties submit biennial reports and the review processes of IAR and ICA commence. The understanding was that there remains some information about pledges by Parties that is not yet clear or well understood, and that the work program in the Subsidiary Bodies would be necessary to allow Parties to continue to provide information about their pledges contained in the INF.docs.

In Doha, Parties also provided additional topics for consideration, within the existing framework, including any common elements in measuring progress for developed countries and additional considerations of support needs and provision through multiple channels, including the registry for developing countries. Parties agreed that providing a more structured discussion, following the topics laid out in Durban and in Doha, would allow for more effective workshops and discussion to enhance understanding. Although the topics have been refined to provide a more specific focus, the process itself must follow the original purpose that was established in Durban, which is to allow Parties to clarify, and provide further understanding of, their pledges, while facilitating that understanding by considering commonalities and differences in an objective manner.

Developed Country Process:

The clarification process for developed countries should include thematic, in-session, discussions, based on the submissions by Parties clarifying their national approaches to reporting progress towards UNFCCC mitigation pledges. These sessions should include participation by Parties, experts, and observer organizations, and could include presentations, technical briefings by the Secretariat on the updated technical paper based on Parties' submissions on their targets, and facilitated discussions. The thematic discussions should be organized around the following elements in 2/CP.17 paragraph 5, with one thematic discussion for each topic:

1. Coverage and metrics (base year, GWP, coverage of gases and sectors)
 - These issues have been addressed quite thoroughly, and each developed country has provided in writing its approach on each of these elements and the differences in approaches are well understood. While some time could be spent soliciting any new information on coverage and metrics, most of the time should be spent on the following two topics.
2. Role of LULUCF
 - This discussion could include the basis for LULUCF accounting (net-net or gross-net); whether a land-based or activity-based accounting approach has been used; whether all significant sources, pools and gasses have been included; how reference levels are calculated; and how natural disturbances are addressed.
3. Emissions units from market-based mechanisms

- This discussion should include information from Parties on the use of market-based mechanisms that result in international transfers of mitigation outcomes, including procedures for issuance and retirement/cancellation of emission units, and sources of emission units from market-based mechanisms resulting in international transfers of mitigation outcomes that Parties wish to count towards their mitigation pledges, as well as ways to avoid double claiming of mitigation effort.

Developing Country Process:

The clarification process for developing countries should include thematic in-session discussions, based on the submissions by Parties clarifying their nationally appropriate mitigation actions. This process should include the participation of Parties, experts, and observer organizations, and entail presentations by Parties and technical experts, as well as facilitated discussions. These thematic discussions should be organized around the following elements in 2/CP.17 paragraphs 33 and 34, with one thematic discussion for each topic:

1. Underlying assumptions and methodologies of mitigation pledges contained in the INF documents, including sectors and gases covered, GWP values, and estimated mitigation outcomes:
 - Due to the large number of developing country Parties, the fact that many new Parties have submitted pledges, and the fact that only a few have submitted the requested clarification information on the pledges, this discussion should comprise the bulk of the time for the in-session discussions.
 - Having the basic information from those who have pledged is the first critical step to understanding the diversity of the actions pledged. This information should then be compiled in a single technical document, based on submissions and presentations by the parties themselves.
 - Three in-session discussions should be convened focusing on the following elements:
 - Coverage of sectors and gases, GWP values;
 - Estimated mitigation outcomes, and the methodologies and assumptions in measuring those outcomes; and
 - Use of, or generation of units from, market-based mechanisms, and measures for tracking units that are transferred across international borders and counted towards Parties' pledges, including approaches to avoid double claiming
2. Support needs for implementation, including financial, technology and capacity-building support for the preparation and implementation of actions, as well as support available and provided, access modalities and related experience gained, including through the registry.

Within this in-session discussion, developing country Parties should be invited to present, for each nationally appropriate mitigation action listed in the INF.doc, the underlying assumptions and methodologies used to determine support needed for implementation, including clarification of what elements of the action will be financed through domestic sources, based on national capabilities, and what complementary role international sources could play.
