

Norway's submission on features, information to facilitate clarity, transparency and understanding and accounting of Parties' Nationally Determined Contributions

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Norway welcomes the opportunity to provide its input to the further deliberations on features, information to facilitate clarity, transparency and understanding and accounting of Parties' Nationally Determined Contributions under the Paris Agreement, Article 4. In line with the APA conclusions in paragraph 9 of FCCC/APA/2016/L.4, we address questions contained in the annex to the informal note by the co-facilitators.

3(a) - Features of nationally determined contributions, as specified in paragraph 26 of 1/CP.21

To Norway's understanding, the NDC characteristics outlined in Article 4 of the Paris Agreement (nationally determined, represents the highest possible ambition, etc.) serves as NDC features. The NDC features provide a common point of departure for Parties to form their individual NDCs and they will be reflected throughout the full NDCs "cycle"; starting when the NDC is designed and communicated, through tracking progress of it and in the end of the time frame of the NDC when it is accounted for.

3(b) - Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28 of 1/CP.21

Clarity, transparency and understanding (CTU) of NDCs is necessary in order to understand the GHG emission reduction of the communicated NDC. In Norway's view, CTU of NDCs serves several purposes to enable:

- Parties to know what their own NDC means with respect to GHG emissions and removals
- Parties, as well as non-state actors, to understand what other Parties' NDC means with respect to GHG emissions and removals
- Parties to track progress in implementing their NDCs
- Parties to account for their NDC in a consistent manner
- comparability and aggregation necessary for the global stocktake

In our previous submission, Norway outlined different types of information we consider key to facilitate CTU of NDCs. We called for more specificity as well as additional information on the elements already listed in paragraph 27 of 1/CP.21. We highlighted the need for more specificity on assumptions and methodological approaches, including on assumptions and parameters of business as usual scenarios, on quantifiable information on reference points, as well as information on scope and coverage. To facilitate CTU of Parties' NDCs, it is also necessary to specify if and, if so, how the land sector is included as well as the approach taken towards accounting for it. In addition, it is necessary to have information on Parties' intended use of markets or other cooperative approaches. Further, information on how the outcome of the global stocktake informed the NDC and how the NDC reflects the highest possible ambition and progression should be included. It is key that the information provided by Parties in communicating their NDC ensure consistency with the principles relevant for the guidance on accounting; namely methodological consistency, strive to include all categories of anthropogenic emissions or removals and provide explanation of why any categories of anthropogenic emissions or removals are excluded (accordingly 1/CP.21, paragraphs b, c, d).

Supplementary information on how policies have been implemented in order to take into account other important factors, such as just transition, would also be useful.

Information necessary to facilitate CTU will differ according to the NDC a Party communicates. However, independent on the type of NDC, information to facilitate CTU needs to be provided in such manner that it is possible to compare and aggregate the NDCs. This implies that in order for guidance on information to facilitate CTU to be effective, it needs to address the diversity of the NDCs.

In this respect, an important task when developing the further guidance on information to facilitate CTU is to clarify what information should be given for all NDCs and what information may be specific to different types of NDCs. There are several ways to categorize current NDCs. In the UNFCCC Synthesis report on the aggregate effect of the Intended nationally determined contributions (FCCC/CP/2015/7), identifies six types: 1. Reduction targets relative to BAU, 2. Absolute emission targets, 3. Policies and actions, 4. Intensity targets, 5. Peak target and 6. Other. In Norway's opinion, this may serve as a useful point of departure to outline possible further guidance to information necessary to facilitate CTU in different types of NDCs. This would also enable us to identify common information needs across different NDCs. ***A technical paper on information needed to facilitate CTU of NDCs for different types of NDCs should be prepared by the secretariat as soon as possible after the Bonn session, and prepared well ahead of CMA 1-2.***

We would expect that this technical paper, together with further submissions could provide the foundation further work with the aim to develop a draft CMA decision as output from COP 23 , as a basis for work in 2018.

3(c) - Accounting for Parties' nationally determined contributions, as specified in paragraph 31 of 1/CP.21

Accounting for NDCs is crucial for building mutual trust and confidence. Accounting under Art. 4.13 is the final stage of bringing CTU to a Party's NDC – and hence an action that takes place after the NDC target year/time frame has expired or been reached. The accounting provides information about whether and to what extent a country achieved its emission reduction target/mitigation effort contained in the NDC.

According to Art. 4.13, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and in addition ensure the avoidance of double counting when they account for their NDCs under the Paris Agreement. Hence the guidance for accounting must reflect the principles in paragraph 31 of 1/CP.21.

In Norway's opinion, the accounting guidance will need to be common, although specified to the type of NDC, and hence Parties will provide the accounting information that is relevant for their respective NDC. Therefore, knowing what information that is needed in order to develop an understanding of how to account for the different types of NDCs, as referred to under 3 (b), is imperative for designing robust accounting guidance. This also underscores the inherent linkage and the continuum between the up-front information and the accounting in terms of CTU.

The experience on accounting under the UNFCCC is limited. The Kyoto Protocol has a clear rule set for Parties that have taken on a KP emission limitation or reduction commitment. We should also recognize that there is limited experience in accounting for targets that are not economy-wide absolute emission reduction targets.

The development of accounting guidance under APA needs to be closely coordinated with SBSTA's work on the requirements for Art. 6.2 to ensure robust accounting and avoid double counting related to cooperative approaches under Article 6. While the guidance for Art. 6.2 and the rules, modalities and procedures for the Art. 6.4 mechanism are addressed under SBSTA, the development of accounting guidance under APA needs to happen in parallel and with consistency; it also needs to include guidance on how to account for emissions and removals from the land sector.

When designing the accounting guidance for the Paris Agreement we should draw upon the existing accounting methods and guidance (Art. 4.14/ and 1/CP.21, paragraph 31). These can be found under Kyoto Protocol, including for LULUCF and cooperation pursuant to Kyoto Protocol Articles 6 (JI), 12 (CDM) and 17 (IET). Furthermore, experiences from countries that may have set up an accounting framework for assessment of their targets under the Cancun Agreements would be relevant input. For the land sector, the Warsaw Framework on REDD+ and experiences from cooperation on REDD+, in addition to the above-mentioned KP-LULUCF accounting rules would be relevant input to the development of guidance.

To ensure progress and in order to enable the design of a robust accounting regime under the Paris Agreement, Norway would emphasize the need for substantial technical work on accounting guidance. As soon as possible after the May meeting in Bonn, a basis for further work could be a technical paper from the secretariat that outline for example:

- Experiences with existing accounting guidance and their relevance to accounting under the Paris Agreement
- Possible elements for the accounting guidance to be developed, outlining both elements that will be common despite NDC-type, as well as elements specific to the different types of NDCs, as referred to under 3 (b)
- Possible elements for the accounting guidance to be developed for the land sector, outlining possible approaches to land sector accounting, guidance elements that will be common despite NDC-type, as well as elements specific to the different types of NDCs
- How to facilitate methodological consistency between information communicated in Parties NDCs and the and the accounting for the NDC

The technical paper should be prepared in advance of a technical workshop to be convened intersessionally between the Bonn session in May and COP 23/CMA 1-2.