

VIEWS OF ARGENTINA, BRAZIL AND URUGUAY ON APA AGENDA ITEM 3

Further guidance in relation to article 4 of the Paris Agreement on:

- (a) features of nationally determined contributions
- (b) information to facilitate clarity, transparency and understanding of nationally determined contributions
- (c) accounting for Parties' nationally determined contributions

The Governments of Argentina, Brazil and Uruguay welcome the opportunity to present their views on further guidance in relation to the mitigation section of decision 1/CP.21 on (a) features of nationally determined contributions; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions; (c) accounting for Parties' nationally determined contributions.

General remarks

It is the view of Argentina, Brazil and Uruguay that "further guidance" under this agenda item should not undermine the nationally determined character of the contributions. Furthermore, guidance under APA agenda item 3 should be developed in a manner that accommodates the diversity of NDCs, as well as allow for the estimation of aggregate efforts.

Argentina, Brazil and Uruguay acknowledge that, pursuant to Article 3 of the Paris Agreement, Parties' efforts in the global response to climate change must have a broad scope, in accordance with the specific provisions of the Agreement. It is important to note that the guidance on the adaptation communication, including inter alia as a component of NDCs, is being elaborated under APA agenda item 4, and the guidance on the communication of support from developed to developing countries (Article 9, paragraphs 5 and 7) is considered under SBSTA agenda item 11 and APA agenda item 5. Accordingly, with a view to avoid duplication of work, it is the understanding of Argentina, Brazil and Uruguay that the guidance developed under APA agenda item 3 should focus on the communication of mitigation efforts pursuant to Article 4, without prejudice to Parties' views on other agenda items.

Following the invitation on APA 1.2, this submission is structured around the guiding questions posed in the co-facilitators reflections note –questions were clustered in some cases due to their close relationship.

3(a) - Features of nationally determined contributions

- *What is the understanding of features of NDCs under this agenda item?*

It is important to recall that the word "features" does not appear in the Paris Agreement and at the same time decision 1/CP.21, paragraph 26, does not make reference to any specific provision of the Agreement. Nevertheless, Argentina, Brazil and Uruguay agree with the general notion that features under paragraph 26 of the mitigation section of decision 1/CP.21

can be understood as the characteristics of NDCs in relation to mitigation. As such, it is our view that the features of NDCs are already defined by the Agreement itself.

This is coherent with the negotiation history of Article 4: ADP working documents described under the heading "features" several elements that further elaborated on NDCs' characteristics and differentiation options.¹ Most of these elements were eventually addressed, either in Article 4 or other parts of the Paris Outcome. Parties, however, did not agree on some of these elements. Attempts to bring them back under this agenda sub-item undermine trust among Parties and are not conducive to consensus.

- *What should be the purpose of further guidance on features under this agenda item?*

It follows from the previous answer that any further development of "features" would be equivalent to reopening negotiations of Article 4 – which would be of course unacceptable to many Parties. Argentina, Brazil and Uruguay are of the view that the features of NDCs are already given by Article 4, in particular paragraphs 3, 4, 5, 6, 7, 9 and 10. As such, guidance on "features" is limited to the information Parties shall provide, when communicating their NDC, on how *all* specific provisions of Article 4 are reflected in their mitigation efforts, with a view to facilitating clarity, transparency and understanding.

- *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)?*

As indicated above, the sub-item "features" has a close relationship with the information to facilitate clarity, transparency and understanding. Information on features of NDCs, as defined by Article 4, should provide confidence that *all* the provisions of Article 4 are being taken into account in the development of each Party's NDC.

- *How could this work be usefully structured and progressed?*

The discussion on "features" cannot reopen negotiations of Article 4 of the Paris Agreement, nor undermine the nationally determined character of contributions.

As a pragmatical approach to further work under this sub-item, APA could simply acknowledge that in the short term it is more urgent to focus on sub-items 3(b) and 3(c) – which are related to actual more precise legally binding provisions under the Paris Agreement and demand priority attention. APA could acknowledge the relationship between sub-items 3(a) and 3(b) and address these issues jointly, developing guidance on the information to be provided on how *all* provisions of Article 4 are being taken into account in the development of each Party's NDC, along with the information to facilitate clarity, transparency and understanding.

¹ See, for example, ADP2.11 "Inputs to Spin-off group on Article 3, 3-bis and 3-ter on mitigation. Compilation of Inputs from Parties. Mitigation. Version of 23 October 2015@01:100hrs" pp. 3-5. Available at https://unfccc.int/files/meetings/bonn_oct_2015/application/pdf/compilation_input_to_sog_mitigation.pdf

3(b) - Information to facilitate clarity, transparency and understanding of nationally determined contributions

- *What is the understanding of information to facilitate the clarity, transparency and understanding of NDCs under this agenda item? What should be the purpose of further guidance on information to facilitate the clarity transparency and understanding of NDCs under this agenda item?*

Further guidance on information to facilitate clarity transparency and understanding relates to the *communication* of Parties NDCs – i.e., the document to be posted in the NDC registry, not the mitigation efforts themselves. The guidance under this agenda item should provide agreed parameters to:

- Inform Parties on elements to be included in the document communicating their mitigation efforts pursuant to article 4 of the Paris Agreement and building upon paragraph 27 of Decision 1.CP.21;
 - Promote clear and transparent information about each Party's mitigation efforts and progress;
 - Facilitate the compilation, synthesis and analysis of the information provided by Parties, with a view to serve as an input to other elements of the Paris Agreement, particularly the Enhanced Transparency Framework and the Global Stock Take.
- *What is the relationship, if any, between further guidance on information to facilitate the clarity, transparency and understanding of NDCs under this sub-item, and further guidance on sub-items 3(a) and 3(c)?*

As indicated above, the information to facilitate clarity, transparency and understanding is related to the discussion on features to the extent that Parties should inform how *all* the provisions of Article 4 were taken into account when preparing their respective NDCs. It also serves as a basis for accounting for Parties' NDCs, since it establishes the parameters to which Parties will be able to track progress of their mitigation efforts. This relationship is further developed in the answers below, on agenda item 3(c).

- *How could this work be usefully structured and progressed? What issues should be discussed and resolved under this sub-item?*

Argentina, Brazil and Uruguay are of the view that further guidance under this sub-item could be framed as a list of topics and/or questions that Parties would be required to address in the document communicating its NDC. Such a list of topics and/or questions should not be seen as common format to communicate NDCs, but rather as a tool to assist Parties in the elaboration of the document, with a view to facilitate the compilation, synthesis and analysis of Parties' NDCs – and thus serve as an input to the Global Stocktake.

These topics and/or questions have already been agreed to a great extent, either in decision 1/CP.21, paragraph 27, or in Article 4 itself. The work under this sub-item would benefit from reviewing these topics and/or questions, with a view to evaluate the need for editing or amending some elements.

Further to this list of topics and/or questions, Argentina, Brazil and Uruguay are of the view that it is necessary to identify specific information related to the different types of NDCs. This approach would address both the diversity of NDCs and differentiation among Parties, as reflected in Article 4. This is also important to establish the parameters and indicators to which each Party will be able to account for its own NDC and therefore has a strong relationship with sub-item 3(c).

There is already considerable experience under the Convention regarding parameters to track progress of absolute targets, namely national inventories, while the information necessary to account for other types of targets require further development. For instance, sectoral targets utilize methodologies and indicators related to each specific sector. Intensity targets utilize two variables as indicators, usually related to both emissions and economic activity and/or product unit. Projections and BAU targets rely on scenarios and assumptions and can be translated into specific amounts and tracked through inventories and other data in relation to inform on these scenarios and assumptions. Further clarification of such parameters and indicators, as defined by Parties themselves, would be helpful to facilitate clarity, transparency and understanding – as well as to account for NDCs.

In sum, discussions under sub-item 3(b) should aim to develop a list of topics and/or questions to facilitate clarity, transparency and understanding that are strictly related to the already agreed provisions under Article 4 and decision 1/CP.21, paragraph 27. It should also further develop those topics related to parameters and indicators that are usually associated with each of the broad different types of NDCs.

3(c) - Accounting for Parties' nationally determined contributions

- *What is the understanding of accounting for Parties NDCs under this agenda item?*

It is the view of Argentina, Brazil and Uruguay that, for the purposes of Article 4.13 of the Paris Agreement, “accounting for” relates to tracking progress towards demonstrating achievement of the targets of Parties' nationally determined contributions, to be reported under the enhanced transparency framework. It has a different and broader meaning than accounting QELROS in the context of the Kyoto Protocol. While under the Kyoto Protocol accounting is equivalent to compliance and counting units, under the Paris Agreement “accounting for” is equivalent to accountability, to the “information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4”, as per Article 13, paragraph 7(b).

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

Guidance on accounting for Parties' NDCs should allow to track progress towards achieving the targets set out by Parties in their respective NDCs. The information provided through the NDCs to facilitate clarity, transparency and understanding, along with national inventory reports and biennial transparency reports² are the main source to accounting Parties' NDCs. Guidance developed under this agenda sub-item is thus the link between the NDCs and the Enhanced Transparency Framework. Parties communicate their intended climate actions through their NDCs, including their targets with regards to mitigation. Guidance on accounting for Parties NDCs should allow Parties to demonstrate that their most recent emission levels are consistent with said targets, in accordance with the parameters and indicators they have set out in their own NDCs. As such, Parties would be expected to report on emissions levels, estimated through their national inventories, against the targets they have established in their respective NDCs. Besides the national inventory reports, this would require Parties to provide updates on the parameter and indicators associated with their mitigation targets.

- *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)?*

As stated above, guidance for accounting for NDCs holds a strong relationship with sub-item 3(b) and with Article 13, paragraph 7(b).

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

The Convention and the Kyoto Protocol offer valuable experiences to the development of guidance under this agenda sub-item, particularly with regards to national inventory reports and QELROS. One must bear in mind, though, that there is considerable less experience with approaches related to types of NDCs that are not absolute emission targets. This should be taken into account when developing guidance for accounting for NDCs, with a view to accommodate the diversity of Parties' efforts, in a consistent manner.

- *How could the work under this sub-item be usefully structured and progressed?*

In order to take into account the variety of NDCs and differentiation among Parties as reflected in Article 4 of the Paris Agreement, it is the view of Argentina, Brazil and Uruguay that the guidance to be developed to account for NDCs should be tailored to specific types of NDC. Accordingly, a Party with an economy wide limitation or reduction target would be expected to demonstrate in their biennial transparency reports that their emissions levels were consistent with the target set out in its NDC. Parties with projected scenarios or "business as usual" NDCs would be expected to show that their emission levels are consistent with their targets, as well

² Biennial transparency report, as referred to in the submission by Argentina, Brazil and Uruguay submission to APA agenda Item Item 5: Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement:
http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/525_323_131324648255521982-Bra%20Arg%20Uy%20-%20Submission-Art13%20Transparency%20Framework%20FINAL.pdf

as demonstrate that the assumptions used to develop their projected scenarios remain valid. In a similar manner, Parties that have put forward intensity targets would be required to provide updated information on their intensity variables. To a great extent, guidance on accounting is an update of some of the information provided in Parties' NDCs in accordance with the guidance to be developed under agenda item 3(b).

As such, it would be important to focus discussions during this session on agenda sub-item 3(b). Progress on the information to facilitate clarity, transparency and understanding would allow for a more structured discussion on agenda sub-item 3(c).

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

It is the view of Argentina, Brazil and Uruguay that it is important to maintain discussions in this agenda sub-item focused on the obligations under Article 4 and the need to accommodate the diversity of NDCs, with a view to allow Parties to demonstrate progress towards the temperature goal. In this regard, it is key to agree that accounting must be focused on overall demonstration of progress and achievement of targets, via the biennial transparency reports.

Moreover, it is necessary to avoid duplication of work with discussions related to Article 6 of the Paris Agreement; or to the national inventory reports and the biennial transparency report themselves, which are discussed under Article 13.

Common metrics

The adoption of common metrics should be addressed under this item. As per decision 1/CP.21, paragraph 31(a), Parties shall account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA. In its 5th Assessment Report, the IPCC assesses mainly two metrics to quantify emissions from different gases, the Global Warming Potential (GWP) and the Global Temperature Potential (GTP). Other metrics have also been proposed, including comprehensive metrics that account for both physical and economic dimensions, but their assessment need to be improved in the subsequent IPCC Assessment Reports. IPCC AR5 also states that "the most appropriate metric and time horizon will depend on which aspects of climate change are considered most important to a particular application. No single metric can accurately compare all consequences of different emissions, and all have limitations and uncertainties".

The IPCC further states that "the GWP is not directly related to a temperature limit such as the 2°C target" whereas "end-point metrics like the GTP may be more suitable for this purpose"³. Choosing an appropriate metric goes beyond science and depends on what aspects of climate change and time horizons are regarded as most important by decision-makers. (Ratzinger et al, 2010). The election of a metric can have important effects in the mitigation strategies. Alternative metrics to compare emissions of greenhouse gases can result in very different priorities for abatement of different gases in mitigation strategies [Manne and Richels, 2001; van Vuuren et al., 2006] affecting different sectors in a different manner.

³ (IPCC WG1 AR5; Chapter 8.7.1.6, page 716)

Taking into account the variety of NDCs, the guidance to account for Parties' NDCs should allow Parties to utilize the most appropriate metric to their circumstances, as long as it meets the condition of being both assessed by the IPCC and adopted by the CMA. Argentina, Brazil and Uruguay believe, therefore, that the guidance developed under this agenda item must adopt the GTP as one of the common metrics for accounting for NDCs, in order to assess the efforts towards the temperature goal as stated in Article 2.1.a. In order to ensure transparency, accuracy, completeness, comparability and consistency, all Parties should provide in its national inventory estimates of emissions and removals on a gas-by-gas basis and in units of mass, regardless of the metric adopted.
