

Submission by the Federal Democratic Republic of Ethiopia on behalf of the Least Developed Countries Group on Agenda item 3 of the APA: Further Guidance in Relation to the Mitigation Section of Decision 1/CP.21

Following the invitation to Parties from the second part of the first session of the Ad Hoc Working Group on the Paris Agreement (APA 1-2) to share views on issues discussed under agenda item 3 of the APA, further guidance in relation to features, information and accounting methodologies of nationally determined contributions (NDCs), as specified in the mitigation section, paragraphs 26, 28 and 31 of decision 1/CP.21, the Least Developed Countries Group (LDC Group) presents this submission in order to advance the discussions under the APA on this matter.

We thank the Co-Facilitators for preparing the informal note, including the leading questions.

a) Features of Nationally Determined Contributions, as specified in paragraph 26 of decision 1/CP.21

Recognizing that the specific features of individual NDCs are generally “nationally determined”, the LDC Group believes that we should progressively move towards a uniform reporting format for NDCs, to give clarity and a greater understanding of the aggregate effect of the NDCs. Therefore there is merit in undertaking work to develop common features of NDCs through guidance.

The first step in this process would be to undertake an analysis of all NDCs and develop guidelines on the inclusion of information in NDCs on the quantifiability of efforts, with a clear indication of the reduction in emissions expressed as tonnes of CO₂ equivalent.

The purpose of identifying the features in guidance should be to have a set of elements that help to improve clarity, transparency and understanding of NDCs.

Our understanding is that features are characteristics of the NDCs, and that the minimum characteristics of NDCs submitted by Parties are defined in Article 4 and other related Articles of the Paris Agreement. The LDC Group believes the below list should be included as features of NDCs addressed by the guidance:

- Respect the nationally determined nature of NDCs;
- Reflect common but differentiated responsibilities and respective capabilities in the light of different national circumstances;
- Reflect the Party's highest possible ambition;
- Represent a progression beyond the Party's then current NDC; and
- Contain economy-wide absolute emission reduction targets for developed countries
- Contain enhanced mitigation efforts for developing countries moving over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances, with further flexibilities for Least Developed Countries and Small Island Developing States to submit strategies, plans and actions for low greenhouse gas emissions development reflecting their special circumstances;
- Ensure flexibility for SIDS and LDCs in the nature of the features they present in their NDCs.

Information to facilitate, clarity, transparency and understanding

It is important for Parties to agree what type of information will be critical for ensuring clarity, transparency and understanding of NDCs. In addition, the information in NDCs should correspond with the features identified by Parties as critical to be included in all NDCs, without interfering with the diverse and nationally determined nature of the NDCs. The information in NDC should also provide a sufficient basis for credible transparency and global stocktake processes, for the purpose of tracking progress towards achievement of individual NDCs and calculating what NDCs will deliver in aggregate.

In accordance with paragraph 27 of decision 1/CP.21, in order to facilitate clarity, transparency and understanding, the information to be provided by Parties when communicating their NDCs, may include, as appropriate, inter alia,

- Quantifiable information on the reference point (including, as appropriate, a base year);
- Time frames and/or periods for implementation;

- Scope and coverage;
- Planning processes;
- Assumptions and methodological approaches, including those for estimating and accounting for anthropogenic GHG emissions and, as appropriate, anthropogenic removals; and
- How the Party considers that its NDCs is fair and ambitious, in the light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2.

The list above includes information to be provided by Parties that are already included in paragraph 27 of Decision 1/CP.21. The first step should be to agree that the further guidance should set out the contents of paragraph 27 as mandatory information, where relevant to the type of NDC brought forward by a Party. However, it was also agreed as reflected in paragraph 28 of Decision 1/CP.21 to develop further guidance for the information necessary for clarity, transparency and understanding, providing an important opportunity for Parties to consider what additional information is necessary for NDC comparability and aggregation to the global level in a scientifically robust, accurate and transparent manner. The LDC Group suggests that information applicable to all NDCs that should be addressed in further guidance includes:

- Reference years or periods
- Common timeframes (2025, 2030)
- Coverage in sectors and gases
- Metrics and accounting guidelines applied, and
- Quantification of emission reductions in tonnes of CO₂-eq. emissions.

Accounting for Parties NDCs

The NDCs submitted by Parties use a variety of approaches in accounting for emissions (e.g. with respect to the land-use sector) and in some cases do not indicate any accounting methods. This presents significant challenges for understanding and aggregating the results of planned mitigation efforts. The development of clear accounting rules that takes into account the variety in NDC mitigation contribution

types is therefore critical to enable Parties to promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and to ensure the avoidance of double counting (Article 4.13).

With respect to accounting for NDCs, paragraph 31 of Decision 1/CP.21 provides a sound basis for establishing a uniform approach to the development of common accounting rules. A certain degree of flexibility should be provided to developing country Parties on the detail of information they should provide. Further flexibility should be given to LDCs.

Clear accounting rules and guidance will need to be defined for each type of NDC mitigation target, including for the land-use sector and designed so that the emissions reductions can be readily determined.

There must be clear provisions on how to avoid double-counting, for example to prevent potential double-claiming under the UNFCCC, ICAO, IMO, in different or multiple time-periods, between different types of domestic programmes, or, for those NDCs that will use market-based units to meet their contributions, between host and acquiring Parties.

In addition to paragraph 31 accounting guidance, Parties that intend to use mechanisms under Article 6 should be required to report on various aspects associated with, inter alia:

- a) Their national governance system, including their national transaction log;
- b) How they will avoid double counting
- c) How they will avoid environmental impacts of such mechanisms
- d) How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development
- e) How the mechanisms are additional to what would have occurred in the absence of the mechanisms
- f) How the use of any mechanism under Article 6 of the Paris Agreement is consistent with the international accounting framework established by SBSTA through its work on developing rules, modalities and procedures for Article 6 mechanisms

Such Parties should be required to indicate the national transaction log system they intend to use and how they will avoid double counting, and ensure environmental integrity in their use of this mechanism. Such measures will need to be consistent with accounting measures prescribed for the mitigation registry and the transparency framework developed under Article 13.

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