

Submission by Japan
Views on agenda item 3 on the Ad Hoc Working Group on the Paris Agreement
(4 April 2017)

Japan welcomes the opportunity to submit its views on guidance for Article 4 of the Paris Agreement: (a) features of nationally determined contributions (NDCs); (b) information to facilitate clarity, transparency and understanding of NDCs (hereinafter referred to as up-front information); and (c) accounting for NDCs.

At the COP22, it was decided that the work programme under the Paris Agreement would be completed in 2018. Japan believes that technical discussions on each of the guidance should be moved forward toward substantial development this year so that we would be able to meet the deadline.

With this in mind, Japan provides following proposals, taking into account the guiding questions included in the informal note by the co-facilitators of agenda item 3 on the APA, and building on its previous submission in September, 2016¹.

Features of NDCs

- "Features" means characteristics of NDCs, and Article 4 of the Paris Agreement, which describes NDCs, contains some of them. In order to identify what elements in Article 4 would be included in features, we should take into account the purpose of the NDCs.
- Japan is of the view that the purposes of the NDCs are to strengthen all Parties' effort to achieve the long-term temperature goal over time, and to clearly describe such effort. In this regard, it is clear, for example, that NDCs are implemented by mitigation actions as referred to in Article 4, paragraph 2. Nationally determined nature of NDCs should also be noted as one of the features.
- It would be helpful to discuss whether the features other than ones in article 4 would be useful to specify in the guidance in terms of implementation of the Paris Agreement, when considering further guidance of NDCs. From our perspective, promoting comparability and quantifiability of NDCs will facilitate understanding of NDCs and could be included in the guidance. That would functionalize:
 - Tracking the progress of Party's NDCs under the transparency framework referred to

1

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in Article 13 of the Agreement

- Assessing aggregate effect of NDCs under the global stocktake referred to in Article 14 of the Agreement

- The other guidance under agenda item 3 on the APA could also contribute to facilitate understanding of each Party's NDC by promoting provision of adequate up-front information or clarifying accounting method.

Up-front information

- The guidance for up-front information should clarify what information is needed to facilitate clarity, transparency and understanding of NDCs, considering Parties have submitted and will submit various types of NDCs. The guidance should accommodate all types of NDCs, while specifying information to be provided for each type of NDCs.
- Information referred to in paragraph 27 of Decision 1/CP.21 is a starting point of the consideration. We can also learn what kind of information is needed and how detail information should be to understand NDCs from Parties' current NDCs. In this regard, the synthesis report of aggregate effect of intended nationally determined contributions (INDCs) by the secretariat provides useful analysis of challenges in aggregating the effect of INDCs, caused by the lack of information. Japan has pointed out the key implications of the report in its previous submission².
- Another possible approach for developing the guidance is to start from identifying necessary information for accounting, since up-front information will be used for tracking the progress of NDCs under the accounting guidance. The information needed for accounting should be provided when Parties communicate NDCs. We also need to take into account the elements of reporting guidelines for tracking the progress of NDCs under the transparency framework.
- Against such backdrop, Japan believes that the information below is necessary to facilitate clarity, transparency and understanding and should be described in the guidance:
Common for all types of NDCs
 - Quantifiable information on:
 - Reference point (including, as appropriate, a base year)
 - Time frames and/or periods for implementation
 - Scope and coverage of gases and sectors (with an explanation of the reasons of exclusion of the categories of anthropogenic emissions, if any categories are excluded.)

² See:

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- Specification of conditional contributions, their conditions, backgrounds and reasons for them, and the next step to fill the gap such as applying for the financial mechanism (if conditional contributions are contained in the NDC)

GHG targets

- Methodological approaches for estimating and accounting for anthropogenic GHG emissions and removals (including GWP values, and accounting approaches for the LULUCF sector and the background information of selection of approaches)
- Intended use of internationally transferred mitigation outcomes (ITMOs) including emission reductions resulting from the mechanism referred to in Article 6, paragraph 4 (hereinafter referred to as credits/units), if applicable
- Emissions on base year and target year (for absolute emission reduction targets)
- BAU baseline and assumptions used such as GDP and population projection (for emission reduction targets relative to BAU baseline)
- GDP/population on base year and GDP/population projection (for emission intensity targets)

Non-GHG targets

- Detailed explanation of the targets including related definitions
- Any indicators which can assess the progress and achievement of Parties' individual NDCs
- Estimated emission reduction effects (as available)
- The guidance should promote Parties to provide above mentioned information. This is not necessarily an additional burden for Parties, as they need and use such information corresponding to their NDC's type when developing their NDCs that incorporate each Party's capacities and circumstances.

Accounting

- Based on the principles described in Article 4 of the Paris Agreement and Decision 1/CP.21, the purpose of the guidance for accounting for NDCs would be:
 - To clarify the contents of NDCs, progress made, and whether or not NDCs have been achieved in a rigorous and objective way
 - To promote environmental integrity, transparency, accuracy, completeness, comparability and consistency
 - To ensure the avoidance of double counting
 - To provide a clear guidance on how to account for anthropogenic emissions and removals
 - to facilitate all Parties' effort to achieve the long-term temperature goal over time

- In light of these purposes, the accounting guidance should clarify the methodologies and process to track progress in implementing and achieving NDCs, and also provide a clear guidance on how to account for each component of mitigation target (GHG emissions, LULUCF sector, ITMOs, etc.) used for tracking progress in implementing and achieving NDCs.
- Taking into account the variety of types of NDCs, the accounting guidance should provide clear accounting methodologies for each type of NDC, and each Party should apply the methodologies corresponding to their NDC's type. As Parties develop their NDCs and select their types considering their capacities and circumstances, the guidance providing such methodologies would accommodate different capacities of Parties.
- The methodologies to account for each component would be the following:
 - For the targets expressed in terms of GHG emissions (GHG target)
 - <GHG emissions and removals (including the use of ITMOs) >
 - GHG emissions
 - Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Agreement. Parties should also clarify methodologies and metrics used in estimating the GHG emissions.
 - Parties should make efforts to move the scope and coverage of NDCs towards economy-wide and all required gases (CO₂, CH₄, N₂O, HFCs, SF₆, and NF₃) over time. Parties should clarify sectors and gases, as appropriate, covered in their NDCs.
 - When Parties improve coverage, methodologies, parameters or other elements of estimation of emissions corresponding to their NDCs, Parties need to explain the change and ensure the methodological consistency between the times of the communication and the implementation of NDCs by recalculating emissions in the reference point (including, as appropriate, the base year) or baseline of their NDCs.
 - In estimating the GHG emissions, Parties should strive to include all categories of anthropogenic emissions in their NDCs and, once a category is included, continue to include it. In case Parties exclude some categories of anthropogenic emissions, Parties provide an explanation of why these categories are excluded.
 - LULUCF sector (when LULUCF sector is included in the GHG target of the NDC)
 - Parties can account emissions and removals from LULUCF sector based on the following two approaches: 1) to incorporate the emissions and removals from LULUCF sector with estimation of emissions from other sectors or 2) to separate the emissions and removals from estimation of emissions from other sectors. Parties should clarify which approach is applied for LULUCF accounting in their GHG targets of the NDC.

- Parties should follow the general guidance under GHG emissions described above to account for LULUCF sector.
- Regarding the guidance particular for the accounting for LULUCF sector, the relevant existing methods and guidance, such as “2013 Revised Supplementary Methods and Good Practice Guidance Arising from the Kyoto Protocol” and “Warsaw framework on REDD+” and relevant decisions, provide methodological approaches for evaluating anthropogenic effort to reduce emissions, and conserve and enhance sinks and reservoirs of GHG in LULUCF sector. Such approaches accommodate different national circumstances of Parties. Therefore, Parties should apply the following additional guidance:
 - ♦ Parties should clarify the scope and coverage of LULUCF sector (land use categories, activities, gases and/or carbon pools). When Parties exclude some of them from their NDCs, Parties provide an explanation of why they are excluded.
 - ♦ When Parties utilize existing guidance under the Convention to account for LULUCF sector, Parties should clarify which existing guidance are used, and to which LULUCF elements/categories/activities Parties applied the content of the existing guidance, if such specification is necessary.
- It may be helpful to establish a spin-off group to discuss further on the technical issue on accounting for the LULUCF sector.
- o Credits/units (ITMOs)
 - Parties which acquired credits/units (limited to those convertible to t-CO₂ equivalent) from other Parties can subtract the amount of the credits/units retired from emissions to be estimated in assessing the progress and achievement of their NDCs. On the other hand, Parties which issued credits/units and transferred them to other Parties should add the amount of those credits/units to emissions to be estimated in assessing the progress and achievement of their NDCs.
 - The use of credits/units in the accounting guidance should accommodate the various types of NDCs.
 - It should be noted that the corresponding adjustments in the context of Article 6, paragraph 2 of the Paris Agreement could be made in a simple manner if units/credits used for achieving NDCs are generated within the scope of NDCs.
 - In developing the guidance for accounting, the following should be considered.
 - ♦ The guidance on robust accounting referred to in Article 6, paragraph 2 of the Paris Agreement
 - ♦ The reporting requirements for the use of credits/units in the reporting

guidelines of the transparency framework developed under Article 13 of the Paris Agreement

<Other components (if relevant) >

- BAU emissions (for the targets of absolute GHG emission reductions from BAU emissions)
 - In accounting for NDCs, Parties should use BAU emissions data provided as up-front information of NDCs or reported in the most recent reports under the transparency framework of Article 13 of the Paris Agreement. Parties should also clearly show the value of BAU emissions used in accounting for NDCs.
 - In accordance with Article 4, paragraph 11 of the Paris Agreement, Parties may update the BAU emissions during the timeframe and/or periods for implementation, taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions. In such cases, Parties should provide explicit explanations of why and how they update the BAU emissions and the change in the methodologies and assumptions. These update should not lower ambitions of the Parties' NDCs.
- Indicators used to estimate GHG emission intensities (for GHG emission intensity targets)
 - As for indicators used to estimate GHG emission intensities, such as population or GDP, Parties should use the recent data reported in the formal information sources such as national statistics. Parties should also clarify the value of the indicators used to estimate GHG emission intensities.
 - In accordance with Article 4, paragraph 11 of the Paris Agreement, Parties may update these indicators during the timeframe and/or periods for implementation, taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions. In such cases, Parties should provide explicit explanations of why and how they update the indicators and the change in the methodologies and assumptions. These update should not lower ambition of the Parties' NDCs.

For other types of targets (non- GHG targets)

- Parties with other types of NDCs such as non-GHG targets, including implementation of policies and measures, should identify indicators to assess the progress and achievement of the targets.
- The methodologies to track progress/achievement of each type of NDCs would be the following. Under the transparency framework of Article 13 of the Paris Agreement, Parties

need to clearly report progress made in implementing and achieving the NDCs based on the following methodologies.

For the targets of absolute GHG emission reductions (from base year or BAU)

- Parties compare emissions in the reference year (base year) or BAU emissions with the emissions in the year of tracking progress or target year estimated based on the same assumptions and methodological approaches they used for preparing their NDCs.
- In estimating GHG emissions, Parties can take into account LULUCF sector and/or ITMOs as described above.

For GHG emission intensity targets

- Parties compare the emission intensity in the reference year (base year) with the emission intensity in the year of tracking progress or target year calculated based on the same assumptions and methodological approaches they used for preparing their NDCs.
- In estimating GHG emissions, Parties can take into account LULUCF sector and/or ITMOs as described above.

For other types of targets (non- GHG targets)

- Based on the indicators identified to assess the progress and achievement of the targets by Parties, Parties compare the indicators in the reference year (base year) with those in the year of tracking progress or target year.

Steps to 2018

- With a view to adopting the guidance at the CMA 1-3, the discussion on the draft text should be started immediately after COP23. Possible steps for this year could be:

At the APA 1-3

- Parties should concentrate on the technical discussion on elements of the each of the guidance.
- The inter-sessional works should be decided to facilitate the discussion further. At least, the focused submissions from Parties should be invited. The workshop on the technical issues and the technical paper by the secretariat would also be useful. The technical paper could provide the synthesis of Parties submissions, analysis of different types of NDCs, and/or information on existing guidelines and methodologies for accounting.

At the APA in November

- Necessary elements of each of the guidance should be identified.
- Understanding relationships with the other guidelines of the Paris Agreement in developing the guidance under agenda item 3 on the APA should be shared among

Parties. (Ex. the guidance on cooperative approaches referred to in Article 6, paragraph 2 would be integrated in the accounting guidance/ the guidance for up-front information and the accounting guidance should be consistent with the relevant components of reporting guidelines under the transparency framework)

- The co-chairs of the APA or the co-facilitators of agenda item 3 should be mandated to develop the draft text of the guidance.