

*Version 31/05/2017*  
SUBMISSIONS AT APA 1-3

**Item 3: Further guidance in relation to the mitigation section of decision 1/CP.21**

**Item 3: "Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31"**

Compiled submissions

**Submissions received from:**

Malta and the EC on behalf of the EU and its member states	30 March 2017
Kuwait	30 March 2017
Iran on behalf of LMDC	30 March 2017
Switzerland	31 March 2017
Papua New Guinea	31 March 2017
Canada (version exchanged 05/04/17)	1 April 2017
Guatemala on behalf of AILAC	1 April 2017
Ethiopia on behalf of LDC	3 April 2017
Japan	4 April 2017
Australia	4 April 2017
Norway	4 April 2017
Rwanda on behalf of COMIFAC	6 April 2017
China	10 April 2017
Bangladesh	11 April 2017
Republic of Korea	14 April 2017
Maldives on behalf of AOSIS	15 April 2017
Australia	21 April 2017
Turkey	28 April 2017
Saint Lucia on behalf of CARICOM	30 April 2017
New Zealand	4 May 2017
Mali on behalf of the AGN	5 May 2017
Indonesia	6 May 2017
Brazil on behalf of Argentina, Brazil and Uruguay	8 May 2017

European Union – Malta and the European Commission on behalf of the European Union and its Member States – submission 30 March

SUBMISSION BY THE REPUBLIC OF MALTA AND THE EUROPEAN  
COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER  
STATES

This submission is supported by Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia and Serbia.

Valletta, 30/03/2017

Subject: Submission on APA Agenda item 3 – Further guidance in relation to the mitigation section of decision 1/CP.21 on:

- Features of nationally determined contributions, as specified in paragraph 26;
- Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28;
- Accounting for Parties' nationally determined contributions, as specified in paragraph 31.

<b>Summary of key points</b>
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<p>Work under agenda item 3 needs to move to focused and specific discussions in the APA1-3 session. This work should speed up in order for the guidance to be adopted by the CMA in 2018, as Parties prepare to communicate or update their contributions by 2020.</p>
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<p><i>In accounting</i>, the work should be structured around the elements of Decision 1/CP.21 para 31 a) to d). It should also consider additional accounting guidance that takes into account the diversity of NDC types and the need to track progress made by Parties in the implementation and achievement of their NDCs, as specified in Article 13.7b.</p>
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<p><i>In accompanying information</i>, paragraph 27 of decision 1/CP.21 is a good starting point for our work and the broad categories outlined in this paragraph should be further discussed and elaborated. Many Parties proposed very useful information elements in their first submissions related to both common and type-specific NDC elements. The EU supports many of the proposals made and suggests these be structured in similar categories as a basis for more in-depth discussions in Bonn.</p>
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<p><i>In features</i>, which are the common (or defining) characteristics of all NDCs, a constructive next step would be to identify which features require further guidance, since it may be the case that not all features require it. This can be done by building on Parties' experiences in elaborating the NDCs.</p>
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## **Introduction**

Following the constructive discussions that took place at COP22, the EU welcomes the opportunity to submit its views on the development of further guidance in relation to the mitigation section of decision 1/CP.21, prior to the resuming discussions in a roundtable format and at the forthcoming Ad Hoc Working Group on the Paris Agreement (APA) session in Bonn.

The EU would like to recall its submission made on 6th October 2016<sup>1</sup>, which considered that further guidance is needed to assist Parties in the elaboration of their second and subsequent NDCs, as mandated in Decision 1/CP.21. This work is time critical as Parties will communicate or update their contributions by 2020 in line with paragraph 23 and 24 of the decision 1/CP.21. For this reason, it is important to conclude this work in time for adoption by the CMA in 2018.

Discussions in Marrakech were a useful starting point for developing this guidance and demonstrated some convergence of views. The informal notes produced by the co-facilitators on 14 November and by the co-chairs on the 8<sup>th</sup> of February have also been useful inputs in framing the issues under discussion in this agenda item. However, given the limited time left and the amount of work ahead, the EU is of the view that the work under this APA agenda item needs to speed up and move to focused and specific discussions in Bonn.

Regarding the structure and progression of future work, the elements that need to be developed are elaborated in the individual sections of this submission.

Regarding the question of relationships between the APA.3 sub-items, these have specific mandates under decision 1/CP.21. The EU considers that the three sub-items tackle distinct issues and that the type of guidance they require will therefore be different.

With this in mind, we suggest continuing separate informal discussions on each sub-item in order to advance mutual understanding, including during the roundtable discussions taking place prior to the May 2016 APA 1-3 session. We respond to the guiding questions raised by the co-facilitators in the following sections.

## **Accounting**

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

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

Accounting guidance defines the rules and modalities for accounting for mitigation contributions that clarify how and which greenhouse gas (GHG) emissions and removals and other relevant parameters should be taken into account when demonstrating progress towards NDCs. Such guidance enables all Parties to understand clearly how they should demonstrate that they achieved their contribution, but also facilitates the understanding of how other Parties account for their contributions. In the submissions and during the discussions in Marrakech many Parties shared the view that accounting underpins the tracking of progress towards demonstrating achievement of the objectives of Parties' NDCs.

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<sup>1</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/75\\_279\\_131202970582440926-SK-10-06APA%203-Mitigation%20NDCs.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/75_279_131202970582440926-SK-10-06APA%203-Mitigation%20NDCs.pdf)

The key purpose of accounting guidance is to ensure that the objectives outlined in Article 4(13) of the Paris Agreement:

- to promote transparency, accuracy, completeness, comparability and consistency
- to ensure the avoidance of double-counting and
- to promote environmental integrity are implemented in the process of tracking progress with their NDCs under Article 13. In this regard accounting guidance goes beyond ensuring transparency.

In addition, in the context of the global stocktake, accounting guidance should enable the aggregation of the mitigation effects of the NDCs and of information reported on the tracking of progress, as well as to provide a picture on the progress across all Parties.

Accounting guidance should also establish common parameters (e.g. common metrics) that are essential to enable this aggregation.

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

This issue is one of the elements that should be clarified in the accounting guidance under Article 4(13).

In Annex I to this submission the EU lists elements that we consider to be part of existing accounting approaches under the Convention and its legal instruments. We want to discuss with other Parties which approaches are appropriate to draw from in the context of NDCs, and whether and how these approaches need to be further developed or adapted to work in the context of NDCs. The list may not be complete, but is meant to provide an overview to initiate this discussion. As we assume that accounting guidance related to Article 6 will be discussed under the respective items under SBSTA, the Annex focuses on general accounting elements as well as on the land-use sector.

In some areas, we may be able to draw from existing approaches with simple references to existing decisions which would transfer the existing accounting approaches under the Convention and its legal instruments to the Paris Agreement. This may for example be a useful approach when Parties agree to continue to use certain definitions adopted for the purposes of accounting.

In other areas, drawing from existing approaches may require further modification and adaptation, while still drawing on existing approaches and lessons learned as the basis for discussion, in order to design accounting rules which are fit for purpose in the context of the Paris Agreement and applicable to all countries.

For example, the main element of accounting for absolute reduction targets is the comparison of total emissions reported in GHG inventories in target years with the emissions in a reference year. Parties will elaborate reporting guidelines for GHG inventories in accordance with Article 13(7) as part of modalities, procedures and guidelines (MPGs) under the Paris Agreement. Thus, for Parties using this approach GHG inventories for the target and reference year of these NDCs need to be updated and reported based on MPGs adopted under the Paris Agreement for the tracking of progress.

There are many areas where the existing concepts would continue to be useful under the Paris Agreement, but these concepts need to be framed and updated within the Paris framework, which will require new decisions. Another example is the use of an accounting balance to track progress with targets. This is done by aggregating the information from GHG inventories, any accounted emissions and removals not captured in the GHG inventories, and information from trading activities with impacts on Parties' NDCs \_ into an overall balance for the Party. For those NDCs where accounting requires elements that go beyond the information in GHG inventories, using the concept of an accounting balance seems to be a useful approach which is not yet specified under the Paris Agreement and could be part of the accounting guidance. On the other hand, there are existing accounting approaches which clearly do not apply under the legal framework of the Paris Agreement, e.g. the establishment of assigned amounts for each Party for the purposes of accounting as under the Kyoto Protocol.

There is one particular area where the EU believes that existing approaches under the Convention and its legal instruments should be unified under the Paris Agreement. The 2006 IPCC guidelines include three different approaches for reporting and accounting of emissions/removals from Harvested Wood Products (HWP). Since 2015, all developed countries use the same approach (production approach) to account for HWPs under the KP.

Some countries have indicated an intention to use the production approach for the accounting of their NDCs. The EU believes that a single approach for HWP reporting could be adopted under the UNFCCC and the Paris Agreement. The EU also believes that unifying the reporting approach would increase consistency and comparability, as well as ensure avoidance of omissions and double counting in HWP reporting.

***How does accounting guidance apply to Parties using it, and how can guidance take account of differences in Parties' capacities and level of experience? (added in response to the APA co-chairs' reflection note)***

Some provisions of accounting guidance will be relevant to all (or almost all) NDCs, whereas others will be relevant only in certain circumstances. For example, guidance related to common inventory methodologies and common metrics as requested to be prepared under paragraph 31 of decision 1/CP.21 would apply to all Parties. On the other hand, accounting guidance related to cooperative approaches under Article 6, would only apply to Parties that voluntarily use such approaches.

The information expressed as part of the NDCs will be the main criteria that guide the question of whether certain parts of accounting guidance are applicable. It is also possible that accounting guidance includes choices or options which Parties can select related to their accounting parameters (e.g. whether the accounting of emission and removals from the land use sector is based on the categories defined in the GHG inventories, based on LULUCF activities or based on REDD+ activities).

The EU assumes that the NDCs reflect Parties' capacities for accounting, e.g. several Parties currently excluded certain sectors or categories from their NDCs due to lack of reliable data and methods. We also believe that those Parties who may face capacity issues at the moment are willing to engage and enhance their capacities until tracking of progress will start under the Paris Agreement using support provided through initiatives such as CBIT or ICAT.

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

The work under this item should be structured around the elements of Decision 1/CP.21 para 31 a) to d), but it should also consider additional accounting guidance that addresses the diversity of NDC types in view of the need to track progress in implementation and achievement of NDCs under Article 13, or that addresses the question of which existing accounting approaches will continue to be relevant under the Paris Agreement and how to draw on those approaches.

The roundtable could be organised around guiding questions, with the questions of this submission as the starting point. The work could be organised in the following steps:

1. discussion of the common understanding of accounting and the purpose and scope of the accounting guidance;
2. the identification of existing approaches under the Convention and its related legal instruments that could serve as basis for future guidance;
3. the identification and development of guidance for the different accounting parameters used in different NDC types, taking into account paragraph 31 in 1/CP.21 and the steps above;
4. discussion of links with the transparency framework (how/when/where the information on different accounting parameters should be presented).

***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)?***

Guidance under sub-item 3(a) is about common characteristics of NDCs while accounting guidance should reflect all different types of NDCs determined and communicated by Parties, and how progress and implementation is tracked and reported under Article 13. Sub-item 3(b) is on information accompanying NDCs which should also address all different types of NDC and include information relevant for accounting purposes during the implementation of the NDCs.

**Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

***What is the understanding of information to facilitate the clarity transparency and understanding of NDCs under this agenda item?***

Paragraph 27 of decision 1/CP.21 outlines the broad categories of information necessary to facilitate clarity, transparency and understanding in communicating an NDC, which should be further elaborated to provide clearer guidance to Parties.

During the last session many Parties including the EU highlighted paragraph 27 of decision 1/CP.21 as the logical starting point for the elaboration of further guidance. The information communicated related to the NDCs should also address the characteristics of NDCs specified under Article 4 and reflect important

provisions addressed in Parties' NDCs which are not yet part of paragraph 27 of decision 1/CP.21 (e.g. the use of cooperative approaches under Article 6).

Many Parties also referred to gaps in the information for the first NDCs, as identified for example in the synthesis report of the Secretariat on "Aggregate effort of the intended nationally determined contributions". This also indicates that the requirements in paragraph 27 of decision 1/CP.21 are not sufficiently specific to ensure clear and transparent NDCs.

The EU shares the views of other Parties that the information under Article 4(8) should include common and general information elements for all Parties and elements that are specific to types and aspects of NDCs. In this respect type-specific guidance should be informed by the types of NDCs submitted. General guidance is also necessary because Parties are not limited to the NDC types submitted in the first round of NDCs, and to allow the assessment of collective progress based on the contributions submitted.

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

The purpose of further guidance is to guide Parties in the communication of their NDCs, not to impose any additional mitigation effort on Parties. Clear accompanying information in areas such as reference points, time frames, coverage and methodologies will be essential to understand what Parties offer to do as part of their NDCs. It will also be necessary to demonstrate how the new elements from the Paris Agreement were considered in the NDC.

Next to providing clarity, transparency and understanding of individual NDC, the purpose of accompanying information is also to provide sufficient comparable information in the NDC submissions that allows the assessment of collective progress in relation to the global stocktake. In the end this will maintain trust and confidence among Parties.

This mandate is critical due to the challenges posed by the diversity of NDCs in understanding, aggregating and tracking individual as well as collective effort.

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

Paragraph 27 of decision 1/CP.21 is a good starting point for our work and the broad categories outlined in this paragraph should be further discussed and elaborated.

These categories could be subdivided into general information elements for NDCs and those specific to NDC types or NDC aspects. Such structured overview of information requirements proposed in Party's submissions regarding paragraph 27 could be a starting point for a more specific discussion of information requirements, beginning a specific session in the round-table discussion(s) in May.

Many Parties proposed very useful information elements in their first submissions under this agenda item. The EU supports many of the proposals made and the suggestions provided in the submissions could be structured into similar categories proposed by many Parties.

More detailed guidance is therefore needed on:

- Quantified information, methodologies, key assumptions and parameters related to the reference point or baseline used,
- Information on coverage of NDCs, including how different sectors are considered;
- Information on expected use of cooperative approaches under Article 6 (with guidance relevant to this to be negotiated under the separate mandates related to accounting for NDCs, the use of cooperative approaches under Article 6, and provision of information necessary to track progress in implementing and achieving NDCs under Article 13.7.b.).

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

The issues that should be discussed and resolved in order to achieve this guidance include the following:

- Improvement of the guidance on information necessary that facilitates clarity, transparency and understanding in communicating NDCs based on the broad information categories in paragraph 27 of decision 1/CP.21 addressing the gaps in the current information as identified for example in the synthesis report of the Secretariat on “Aggregate effort of the intended nationally determined contributions”.
- Ensuring consistency between the information required for clarity, transparency and understanding of NDCs and the characteristics of NDCs as outlined under Article 4 of the Paris Agreement (e.g. successive NDCs that represent a progression beyond the Party’s then current NDCs and reflect its highest possible ambition) as well as other provisions of the Agreement (e.g. the use of ITMOs under Article 6).
- Determination of the general information and specific information needed for each type or aspect of NDC.
- Determining which types of information should be mandatory or provided on a voluntary basis.

This would allow elaborating guidelines that operationalise paragraph 27 of decision 1/CP21 and take into account the diversity of NDCs.

In Annex II to this submission the EU lists possible ICTU elements that build on paragraph 27 of decision 1/CP21 and could be further developed by Parties. The list may not be complete, but is meant to provide an overview and facilitate more structured and in-depth discussions in Bonn.

***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)?***



3 (a) Features, such as those specified under Article 4, will potentially give rise to a need for specific information for clarity, transparency and understanding regarding how they are incorporated into the NDCs. This information may therefore need to be covered under sub-item 3(b).

3(c): Although there are some convergences between the categories of information needed to facilitate clarity, transparency and understanding (ICTU) and elements needed to account for Parties' progress toward their objectives, these are different types of information which will be submitted at different points in time and in different types of submissions or reports. Further guidance on ICTU is provided to facilitate the ex-ante comprehension of the NDC. Guidance on accounting will inform Parties on how to demonstrate progress towards and achievement of their contribution (including how the actual transfers of ITMOs that occurred during the timeframe of the NDC have to be accounted for).

The information requirements on tracking of progress with the implementation and achievement of NDCs will be part of the modalities, procedures and guidelines under Article 13.

### **Features of nationally determined contributions, as specified in paragraph 26**

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

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

Features are the common (or defining) characteristics of NDCs. Article 4 of the Agreement refers to several of the characteristics that NDCs must have: such as the inclusion of information to facilitate clarity, transparency & understanding, or that each successive NDC will represent a progression beyond a Party's then current NDC. It also makes clear that Parties' contributions are nationally determined.

The fact that NDCs are nationally determined, while reflecting agreed common characteristics, is built into the design of the Agreement. While there are features that are common to all NDCs, Parties are able to choose how to reflect these features in their own contributions. For example, while all NDCs have a mitigation component, Parties have reflected this in differing ways in the submitted INDCs, including as co-benefits resulting from Parties' adaptation actions and/or economic diversification plans, and through their indications concerning the use of cooperative approaches under Article 6 of the Paris Agreement.

The purpose of discussing features under this agenda item is therefore to elaborate the further guidance that Parties may require when communicating how their NDCs incorporate these features.

*How should features be identified and compiled in a way that is useful for the purpose of NDCs? (added in response to the APA co-chairs' reflection note)*

Many Parties have indicated that the features of NDCs are already specified in the Paris Agreement. It may be the case that several of these do not require further guidance. In the previous submissions, some Parties have also suggested that concepts such as quantifiable are important to be reflected as NDC features.

Therefore, a constructive starting point could be for Parties to identify the common NDC characteristics where they believe further guidance is required, rather than compile a list of all NDC characteristics that could be considered features.

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

A constructive starting point for this work would be for Parties to identify the common NDC characteristics where they believe further guidance is required. This can be done by building on Parties' experiences in elaborating the INDCs.

***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)?***

The further guidance that may be developed on features should be applicable to all NDCs.

Guidance under sub-items 3(b) and 3(c) is likely to be more specific and, while it should also be applicable to all NDCs, some of it may be tailored to fit different NDC types. These subitems also have a different starting point since they are informed by the guiding elements supplied in paragraphs 27 and 31 of Decision 1/CP.21.

**Annex I: accounting**

Non-exhaustive examples of existing accounting approaches under the Convention and its legal instruments	Source
<b>General</b>	
Guidance related to the role of GHG inventories in tracking of progress with GHG targets	Accounting guidance under Art 4 KP (decision 13/CMP.1),
Establishment of an accounting balance for each country to keep track of progress of Parties with targets that use accounting approaches with elements in addition to GHG inventories (e.g. addition/ subtraction of traded units, accounting of LULUCF activities)	Compilation and accounting database under KP (decision 13/CMP.1), decision 19/CP.18
Guidance how units from flexible mechanism are added to /subtracted in accounting balance, when this happens, which units can be accounted	SEF tables, accounting guidance (decision 13/CMP.1)
Guidance related to baseline/ reference whether fixed or recalculated, under KP fixing of base year emissions	Accounting guidance under Art 4 KP (decision 13/CMP.1)
Guidance related to the accounting for Parties that choose to apply the option to implement a joint target	Accounting guidance under Art 4 KP (decision 13/CMP.1)

<b>Land-use</b>	
Definition of land use activities and related definitions (afforestation, reforestation, deforestation, forest management, cropland management, grazing land management, revegetation, wetland drainage and rewetting) and inclusion of the emissions/removals from such activities in an accounting balance	Annex to decision 16/CMP.1, para 1, 2/CMP.7, Annex to decision 13/CMP.1
Election of LULUCF activities for the accounting	Decision 16/CMP.1, 2/CMP.7
Definition of REDD+ activities for the accounting of REDD+	Decision 1/CP.16
Use of forest reference levels in the accounting of forest management under KP and REDD+	Decision 2/CMP.7, IPCC KP supplement, Decision 1/CP.16
Technical corrections of forest reference levels to ensure methodological consistency	Decision 1/CMP.16, 2/CMP.7
Technical assessments of proposed forest reference levels in the context of result-based payments for REDD+ activities and for developed countries under KP	Decision 13/CP.19 and its annex, Decision 2/CMP.6
Accounting approaches for Harvested Wood Products	2006 IPCC Guidelines, IPCC KP supplement,
Guidance to account for natural disturbances	IPCC KP supplement, decision 2/CMP.7
<b>Non-exhaustive examples of existing accounting approaches under the Convention and its legal instruments</b>	<b>Source</b>
Use of concept of spatial assessment units and geographical explicit reporting related to the accounting of LULUCF activities under KP	Decision 1/CMP.16, 2/CMP.7, IPCC KP supplement
Guidance related to how to distinguish harvesting or forest disturbance that is followed by the re-establishment of a forest from deforestation.	Decision 1/CMP.16, 2/CMP.7, IPCC KP supplement
<b>Guidance related to the use of market mechanisms</b>	
Guidance how any units are taken into consideration in the accounting balance of Parties under KP, Guidance how any units are taken into consideration in the accounting balance under Convention	Decision 13/CMP.1, biennial reports
Registry requirements under KP	Decision 13/CMP.1

## Annex II: information to facilitate clarity, transparency and understanding

This annex lists possible information elements that could be further developed by Parties for inclusion in, or as part of, further guidance, building on the categories from paragraph 27 of decision 1/CP.21. The list may not be complete, but is meant to provide an overview and facilitate more structured and in-depth discussions in Bonn.

ICTU from 1/CP.21 §27 and Paris Agreement	Possible elements for further guidance could include
Quantifiable information on the reference point	<ul style="list-style-type: none"> <li>- Base year or base period, reference year or reference period</li> <li>- Quantifiable information related to the reference level(s). e.g. (depending on target type) emissions, BAU emissions, denominator information (such as GDP, population) for intensity targets, etc.)</li> </ul>
Time frame and/or periods for implementation	<ul style="list-style-type: none"> <li>- Time frame and/or periods for implementation (in accordance with Art 4.10 on common timeframes, to be considered at SBI.47))</li> <li>- Target year(s)</li> <li>- If a Party chooses to refer to an absolute emission reduction target: approach used (e.g. specify whether single year target or multi-year emissions trajectory or budget)</li> </ul>
Scope and coverage	<ul style="list-style-type: none"> <li>- Sectors covered and definitions consistent with GHG inventory</li> <li>- Gases and pools covered</li> </ul>
Planning processes	<ul style="list-style-type: none"> <li>- Description of planning processes related to the NDC; e.g. development of implementation measures (intended or proposed) institutional responsibilities, stakeholder consultations and other processes to achieve the objectives of the NDC</li> <li>- If applicable, how the NDC relates to the long term strategy submitted under article 4.19</li> <li>- If applicable, how the NDC relates to other development plans or strategies</li> </ul>

**Assumptions and methodological approaches including those for estimating and accounting for anthropogenic GHG emissions and, as appropriate, removals**

- Target levels (e.g. emission budgets/levels/reductions, emission-intensity levels)
- Metrics and methodologies used to estimate emissions (in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA)
- Intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA (e.g. intended acquisitions and transfers)
- If the Party chooses to include the land sector in its NDC:
  - (i) Treatment in NDC (e.g. accounting like any other sector, sectoral target)
  - (ii) Accounting approach (e.g. land-based vs. Activity-based, in accordance with the guidance decided by the CMA, use of base years/base periods/reference levels, HWP approach used)
  - (iii) Coverage of activities / categories or sub-categories / pools (including HWPs) / fluxes /gases (comprehensive/partial)
  - (iv) Intention to exclude emissions from natural disturbances and provisions to be applied,
  - (v) Information on reference level, if this accounting approach is used, and its relation to the overall baseline.
- If Party chooses to refer to a BAU baseline or scenario:
  - (i) Which policies and measures are included/excluded in the baseline, and on what basis? (e.g. does the baseline include policies/measures adopted up to a specific point in time?)
  - (ii) Assumptions used and sources for data series that form part of the NDC target (e.g. GDP, population, energy use, type of model used if NDC is based on projected values, past trends)
  - (iii) Whether and when it is intended to update the baseline and on what basis (e.g. if GDP or population differ from projections).
- If a Party chooses to refer to emission intensity (e.g. emissions per capita or per GDP):
  - (i) Data sources used to calculate the index
  - (ii) Source and type of GDP used, if relevant
  - (iii) Past trends

	<ul style="list-style-type: none"> <li>(iv) Projections, if available</li> <li>- If a Party chooses to refer to an emission peaking target: <ul style="list-style-type: none"> <li>(i) Intended date of the peak</li> <li>(ii) Expected peak emission level, if available</li> <li>(iii) Expected rate of emissions decline after peak, if available</li> </ul> </li> <li>- If a party chooses to refer to the implementation of policies and measures (intended or proposed): <ul style="list-style-type: none"> <li>(i) List of intended or proposed policies and measures to be implemented, with sectors and gases involved</li> <li>(ii) Implementation milestones</li> <li>(iii) Estimated emissions impact (if available) and underlying assumptions</li> </ul> </li> </ul>
<p><b>How the Party considers that its NDC is fair and ambitious, in the light of its national circumstances?</b></p> <p><b>How its NDC contributes towards achieving the objective of the Convention as set out in its Art. 2?</b></p>	<ul style="list-style-type: none"> <li>- Information on how the NDC takes the temperature goal of the Paris Agreement in to account; how it demonstrates that the successive NDC represents a progression beyond the Party's previous NDC; and reflects its highest possible ambition reflecting its CBDR-RC in the light of different national circumstances (for example through the use of illustrative indicators).</li> <li>- Emissions levels or trajectory under the NDC compared to the appropriate counterfactual (e.g. BAU scenario, historic reference year etc).</li> <li>- Information related to intended or proposed domestic mitigation measures that the Party will pursue to implement its NDC in accordance with Article 4.2 (including for example whether and how mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans as referred to in Article 4.7 contribute to mitigation outcomes).</li> </ul> <p>Information concerning how the NDC has been informed by the previous outcome of the global stocktake in accordance with Article 4.9.</p>

## Kuwait – submission 30 March

### Agenda item 3 – Further guidance in relation to the mitigation section of decision 1/CP.21

(1 April 2017)

The State of Kuwait would like to thank the UNFCCC secretariat and the co-facilitators for their efforts and guidance through the COP 22 negotiation sessions under this matter. Also Kuwait appreciates the invitation made to the parties to submit their views regarding the questions on APA agenda item 3 “Further guidance in relation to mitigation section 1/CP21”.

On agenda 3 Sub-item (a) “Features” Kuwait understands this matter as the way that parties must presents their NDCs, in other words it is the layout/ outline of NDCs were it demonstrates their contributions in a clear and transparent approach to illustrate their actions and efforts in mitigation and adaptation. So the State of Kuwait propose that the secretariat must prepare and provide parties with **NDCs Templates** built on the types of INDCs submitted by parties (Outcomes, actions, outcome and actions). Also there should be a differentiation between developed and developing countries in the templates based on their national circumstances, historical responsibility and the principle of CBDR. Taking into consideration the sustainable development principles and criteria which were affirmed in the convention **preamble and art.3.4** of the convention which states that “*The Parties have a right to, and should, promote sustainable development. Policies and measures to protect the climate system against human-induced change should be appropriate for the specific conditions of each Party and should be integrated with national development programmes, taking into account that economic development is essential for adopting measures to address climate change.*”

Regarding agenda 3 Sub-item (b) “Information” paragraph 27 from 1/CP.21 states clearly that the required information which the parties must provide in their NDCs is based on their national circumstances and CBDR principle. **Paragraph 28** requires information which will facilitate the clarity of NDCs, so in order to maintain the nationally determined aspect of the NDCs “**The Templates**” proposed on the features above will help in clarifying and understanding the information in the NDCs. Furthermore, the information included on those Templates should take into consideration the adaptation, mitigation, means of implantation and the support provided to developing countries.

On the agenda 3 Sub-item (c) “Accounting” art. 4.3, 4.4 & 4.15 demonstrates that developed countries must take the lead in mitigation actions with absolute economy-wide targets as for the developing countries their national circumstances and common but differentiated responsibilities must be taken into consideration especially parties which their economy will be affected by the impacts of the response measures taken. So the accounting for the NDCs should conform with the concerns of the parties mentioned in **art.4.8** of the convention moreover it must be voluntary for the developing countries and estimated by the country itself based on its national circumstances.

*The structure and the progress of the work for all the agenda items (features, information, accounting) could be by:*

- Identifying a work plan to finalize NDCs guidelines.
- A party driven workshops to facilitate shaping the NDCs guidelines.
- The outcome of the workshops should ONLY be used in order to reach to a common understanding between the parties not as an input text for a decision.
- In order to implement the NDCs the developing countries needs a facilitated access for means of implementation and support (technology transfer, capacity building, financial resources etc.) under the convention, Kyoto protocol and Paris agreement.



## Iran on behalf of LMDC Group – submission 30 March

### LMDC SUBMISSION ON FURTHER GUIDANCE FOR THE NATIONALLY DETERMINED CONTRIBUTIONS UNDER THE PARIS AGREEMENT

The Islamic Republic of Iran, on behalf of the Like-Minded Developing Countries in Climate Change (LMDC), is pleased to provide the views of the Group on the questions on further guidance for the nationally determined contributions (NDCs) under the Paris Agreement referred to in the draft conclusions and informal note on Item 3 of the agenda of the Ad Hoc Working Group on the Paris Agreement (FCCC/APA/2016/L.4, paragraph 9).

#### I. General Views

1. First of all, it should be stressed that NDCs are under the Paris Agreement and that the Paris Agreement itself “in enhancing the implementation of the Convention”, “will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances”. This means, therefore, that equity and CBDR permeate and must be reflected in all of the NDC components. While the Paris Agreement provides for a common procedural obligation related to prepare, communicate and implement NDCs, the content of such NDCs and the relevant guidance must adhere to the principles and provisions of the Convention and the provisions of the Paris Agreement and reflect the common but differentiated responsibilities between developed and developing country Parties.
2. It is fundamental to follow the consensus achieved by all Parties in Paris that the term “NDCs” is defined by Article 3 of the Paris Agreement as referring to the Parties’ “ambitious efforts as defined in Articles 4, 7, 9, 10, 11 and 13 with the view to achieving the purpose of this Agreement as set out in Article 2”.
3. In this regard, the chapeau of the APA agenda item 3 “further guidance in relation to the mitigation section of decision 1/CP.21” and its sub-items have to be read and understood in its proper context. Paragraph 26 of decision 1/CP.21 refers to the development of “further guidance on features of the NDCs”, while paragraph 27 of the said decision refers to the development of “further guidance for the information...of NDCs”, while paragraph 31 of the said decision refers to “guidance for accounting for Parties’ NDCs, as referred to in Article 4, paragraph 13 of the Agreement” (which refers to “Parties shall account for their NDCs”).
4. Viewed in this context, the work of the APA “in relation to the mitigation section”, is not about “mitigation NDCs” or the “mitigation component of NDCs” but relates to the comprehensive nature of NDCs as reflected under Article 3.

5. Hence, the work under this agenda item should not only be on mitigation but must also encompass the elements of finance, technology and capacity-building, which are also key components of NDCs as defined under Article 3.
6. The guidance for NDCs should adhere to the nationally determined nature of Parties' contributions. When applying such guidance, on the one hand, leadership shall be undertaken by developed country Parties, and on the other hand, flexibility and support shall be provided to developing country Parties.
7. Parties should apply the guidance on features, information and accounting of the NDCs to their subsequent NDCs (with the timeframe from the year of 2031 and thereafter). Parties may elect to apply such guidance to their existing (most of which are pre-2030) NDCs.

## **II. Further Guidance on Features of NDCs**

### **A. *What is the understanding of features of NDCs under this agenda item?***

1. The Paris Agreement already provides guidance on the NDCs and therefore, the features should be rooted in the Agreement itself.
2. The following would be the guidance on features of NDCs, in accordance with Article 4 of the Convention and the provisions of the Paris Agreement, in particular Article 2, 3, 4.4, 4.5, 9, 10 and 11:
  - (a) *Nationally determined* – “Nationally determined” is the most crucial feature of Parties' contributions. It is up to Parties to determine what should be the content and magnitude of their NDCs. The further guidance for the features of the NDCs should not alter the nationally determined nature of the NDCs or dictate Parties' preparation, communication and implementation of NDCs.
  - (b) *Full Scope* – The scope of NDCs defined by Article 3 of the Paris Agreement covers various elements including mitigation, adaptation and finance, technology development and transfer and capacity-building support, with a view to achieving the purpose of the Paris Agreement under Article 2. The NDCs should not be mitigation-centric or mitigation-focused.
  - (c) *Sustainable development and poverty eradication* – NDCs should be prepared and implemented in the context of sustainable development and poverty eradication, in line with Article 2.1 of the Paris Agreement, which is fundamental to achieve a win-win solution between promoting development and combating climate change.
  - (d) *Progression and ambition* – Progression and ambition should be reflected and operationalized not only in mitigation but also in the provision of finance, technology and capacity-building support, taking into account Parties' common but differentiated responsibilities and recognizing the fundamental and significant role of enhanced support

from developed country Parties in the ambitious mitigation and adaptation actions by developing country Parties.

- (e) *Co-benefits* – Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans which can contribute to mitigation outcomes.
  - (f) *Response Measures* – According to Article 4.15 of the Paris Agreement, NDCs have to take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties.
  - (g) *Differentiation* – The features of the NDCs should reflect differentiated responsibilities and different development stages, national circumstances and capacities of developed and developing country Parties.
3. For developed country Parties, further guidance on features of NDCs includes the following:
- (a) In their NDCs, developed country Parties should continue taking the lead by undertaking ambitious economy-wide absolute emission reduction targets under Article 4.4 and providing enhanced finance, technology and capacity-building support to developing country Parties in accordance with Articles 4.5, 9, 10 and 11 of the Paris Agreement.
  - (b) Regarding the mitigation component of their NDCs, it should be quantified and comparable, without conditions and implemented mainly through domestic actions. It should include not only the quantified emission reduction targets, but also laws, policies and measures with the aim of achieving such quantified targets in their NDCs. Those laws, policies and measures should also demonstrate their leadership on achieving sustainable lifestyles and sustainable patterns of consumption and production.
  - (c) Regarding the adaptation component of their NDCs, it should demonstrate their leadership and offer the experience in all aspects of adaptation, both on domestic planning and actions as well as in international cooperation and support, as set out in Articles 7.7, 7.9 and 7.13.
  - (d) Regarding the finance component of their NDCs, it should include both a quantitative goal and a roadmap as well as qualitative policies and measures, representing a progression beyond their previous efforts on providing support to developing country Parties.
  - (e) Regarding the technology and capacity-building components of their NDCs, it should include quantifiable plans, policies and relevant projects to promote the development, application, diffusion and transfer of climate related technologies to developing country Parties and increase capacities of developing country Parties in all areas of addressing climate change. Also, the provision of technology and capacity-building support should represent a progression beyond previous efforts made by developed country Parties.

- (f) Their NDCs should not include any form of unilateral measures against goods and services from developing country Parties on any grounds related to climate change.
4. For developing country Parties, further guidance on features of NDCs includes the following:
- (a) Their preparation, communication and implementation of NDCs should be enabled and supported by finance, technology development and transfer and capacity-building.
  - (b) In addition, they could take the domestic preparation of NDCs as an opportunity to figure out the costs and barriers of their climate actions, identify their policy priorities and support needed and increase their capacities.
  - (c) The mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans can contribute to mitigation outcomes, as stated in Article 4.7 of the Paris Agreement. Furthermore, policies and actions in other areas of sustainable development with climate co-benefits should also be recognized as their contributions.
  - (d) The diversity of their NDCs on the types and content should be respected, recognizing their different national circumstances. Their NDCs could be qualitative plans, policies and programmes as appropriate if they lack relevant capacities and support to put forward quantifiable targets and actions.

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

1. The purpose of the further guidance on features is to collect and compile agreed features enshrined in the Paris Agreement in a clearer and more well-structured manner, in order to assist Parties with the preparation of NDCs, but not to introduce any new features or renegotiate the Paris Agreement.

*C. 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)?*

1. The boundaries between these three sub-items are not quite clear-cut. All of the sub-items of features, information and accounting have the function of providing some suggestions to Parties for preparing and communicating their NDCs and in facilitating the clarity, transparency and understanding of Parties' NDCs.
2. Information could be a tool to operationalize the features of NDCs, in particular full scope and differentiation.
3. The discussion on features and information should happen in the same room among the same Party participants so as to ensure that the discussion is integrated and coherent.

*D. How could this work be usefully structured and progressed?*

1. The work of the APA on guidance for the NDCs should be done in the context of enhancing the implementation of the Convention as set out under Article 2 of the Paris Agreement, which means that such work must fully take into account and reflect the differentiated responsibilities between developed and developing countries under the Convention and its Paris Agreement as reflected under Article 2.2, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement.
2. The focus of work on this item must be based on and respect the integrity of the Paris Agreement in its entirety and not renegotiate the Agreement. Therefore, common understanding on cross-cutting issues, in particular the scope of NDCs as set out under Article 3 and the operationalization and reflection of differentiation in the guidance as set out under Article 2.2, 4.4, 4.5, 9, 10 and 11 are significant and fundamental for Parties to make progress on the details under each sub-item.
3. Regarding the approaches and methods to advance the work this year, the specific issues under each sub-item should be identified in a Party-driven manner. Further, targeted submissions focusing on these key issues could be considered as appropriate.  
Furthermore, given the short time period between now and the completion of the work in 2018, it is more urgent to enter into the textual negotiations on the basis of consolidation of Parties' inputs, rather than to conduct different formats of technical work.
4. The following questions on guidance on features should be discussed as priorities:
  - (a) What is the purpose of developing the further guidance on features of NDCs?
  - (b) What are the guidance on features of NDCs that have been defined in the relevant provisions of the Paris Agreement?
  - (c) How could Parties achieve a common understanding on the scope of the NDCs based on Articles 3 and 4 of the Paris Agreement? How could Parties deal with different elements of NDCs in an effective, balanced and coherent manner?
  - (d) How should differentiation and ambition be reflected and operationalized in the further guidance on features of NDCs?

### **III. Further Guidance for the Information in NDCs**

- A. *What is the understanding of information to facilitate the clarity transparency and understanding of NDCs under this agenda item?*
  1. The information accompanying NDCs is different from the information under the transparency framework. The former is provided together with the communication of the NDCs. The latter however is provided after the NDCs enter into their implementation stage. Therefore, given the

existence of more uncertainties before implementation, the information on NDCs could be less detailed and specific than the information on transparency.

2. The guidance on information of NDCs is not built from scratch. A series of outcomes have been adopted as the foundation for the work of developing further guidance on information, including, inter alia:
  - (a) Article 12 of the Convention;
  - (b) relevant arrangements resulting from the Kyoto Protocol and Bali Action Plan, including in particular decisions 1/CP.16, 2/CP.17, 1/CP.18 and 19/CP.18; and
  - (c) Article 3, 4.4, 4.5, 4.8, 9.5, 10 and 11 of the Paris Agreement and paragraph 27, 28 and 55 of decision 1/CP.21.
3. The information on NDCs should cover both action and support, given the full scope of the nature of NDCs as set out under Article 3. The content of information that has been set out in paragraph 27 of decision 1/CP.21 is applicable for both action and support, without any indication that it is only limited to information on the mitigation component of NDCs.
4. Although providing information is a procedural obligation as set out in Article 4.8 of the Paris Agreement, the specific content of the information is not “common”, “one size fits all” or mandatory. On the contrary, the content of information should be:
  - (a) on the basis of the different scope, type and content of the NDCs by developed and developing country Parties; and
  - (b) and discretionary, optional and non-exclusive in nature, because of the words “may”, “as appropriate”, and “inter alia” in paragraph 27 of decision 1/CP.21.
5. In the provision of information, there should be differentiated treatment between developed and developing country Parties. This differentiation should be reflected by requiring developed country Parties to provide more types of information with greater levels of detail in relation to their absolute economy-wide emission reduction targets and provision of support in their NDCs, while developing country Parties would be provided with flexibility through less amounts of information or lower levels of detail, in relation to their NDCs. Continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities on providing information.
6. For developed country Parties, further guidance for information includes the following:
  - (a) On their mitigation component of their contributions, they shall provide the entire information in relation to their absolute economy-wide emission reduction targets and

measures relevant to the implementation of their targets at the domestic and international levels. The information should include all items listed in paragraph 27 of decision 1/CP.21 and other information that can clarify these targets, policies and measures, taking fully into account the arrangements as set out in decision 2/CP.17 and 19/CP.18. The information on domestic measures should include both existing and anticipated additional laws, plans and policies. The information on international measures should include the intention to use international transferred mitigation outcomes under Article 6.2 of the Paris Agreement.

- (b) On their adaptation component of contributions, they shall provide relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Article 7.10 and 7.11 of the Paris Agreement.
- (c) On their means of implementation component of contributions, they shall provide indicative quantitative and qualitative information in accordance with Article 4.8, 9.5, 10 and 11 of the Paris Agreement and paragraph 27 and 55 of decision 1/CP.21, as well as taking into account relevant information requirements as set out in decision 19/CP.18.
- (d) The information on finance may include, inter alia:
  - (1) base year,
  - (2) period for implementation,
  - (3) quantitative amount in the following two years and five years,
  - (4) sources, including ratio between public and other resources,
  - (5) delivery channels,
  - (6) areas and priorities of support,
  - (7) relevant assumptions and methodologies for accounting the financial resources, estimating public finance, identifying resources mobilized by public interventions and other policies and attributing private investment,
  - (8) actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments, and
  - (9) fairness and ambition including why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs.
- (e) The information on technology may include, inter alia:
  - (1) types of support,
  - (2) relevant amount of financial resources to be provided,
  - (3) delivery channels,
  - (4) areas and priorities of support,
  - (5) programmes and projects to be conducted by public agencies,

- (6) plans and policies to encourage the participations by business and research institutes,
  - (7) measures on incentivizing innovation, promoting international collaboration on R&D, demonstration and deployment and facilitating the access to technologies and address barriers to their transfer to developing countries,
  - (8) relevant methodologies and assumptions on estimating their support, and
  - (9) fairness and ambition, including how such support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies.
- (f) The information on capacity-building may include, inter alia:
- (1) types of support,
  - (2) relevant amount of financial resources to be provided,
  - (3) delivery channels,
  - (4) areas and priorities of support,
  - (5) policies, programmes and projects in different areas of capacity-building,
  - (6) relevant methodologies and assumptions on estimating their support, and
  - (7) fairness and ambition, including how such support will assist developing countries to strengthen their capacities on combating climate change.
- (g) They should also provide an explanation of why any key information for clarity, transparency and understanding is omitted or excluded in their NDCs and further provide such information no later than the entry into implementation of their NDCs.

7. For developing country Parties, the guidance on information includes the following:

- (a) Paragraph 27 of decision 1/CP.21 is a reference list for developing country Parties when preparing their NDCs and providing their information. Flexibility should be provided to developing country Parties when implementing the arrangement in paragraph 27, which means that:
  - (1) Developing country Parties are allowed at their discretion, to provide information on several or all of the items listed in paragraph 27 of decision 1/CP.21, so long as they do provide some information necessary for the clarity, transparency and understanding of their NDCs; and
  - (2) The specific items listed should be nationally determined by the developing country Parties concerned, taking into account their diversified NDCs, national circumstances, capacities, data availability and support received for preparation and communication of their NDCs.



- (b) They are encouraged to provide information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity building support.
  - (c) Developing country Parties are encouraged to, at any time, provide additional information for further clarity, transparency and understanding of their NDCs. Such additional information should be left up to the discretion of the individual developing country Party to decide.
  - (d) They should be allowed to provide less specific and detailed information due to their constraints in capacities and lack of information on support.
8. Furthermore, a process could be established under the mechanisms on finance, technology and capacity-building that would assist developing countries to translate their actions envisaged in the NDCs, on the basis of the relevant information, into concrete needs of finance, technology and capacity-building support and projects, in order to support and enable them to implement their NDCs. Developed country Parties and relevant international organizations should also assist developing country Parties to identify their needs of support.

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

1. The purpose of the information is to enhance the clarity, transparency and understanding of Parties' NDCs.
2. Particularly, the information on support components of NDCs aims to secure mutual trust between developed and developing country Parties, assist developed country Parties in demonstrating their leadership and enhance the confidence of developing country Parties to put forward ambitious NDCs.
3. The further guidance for information is a tool for Parties' consideration when preparing and communicating their NDCs. Therefore, the guidance should respect and preserve the nationally determined nature of Parties' contributions, without introducing a common format or exerting undue burden on Parties, in particular developing country Parties.
4. Nevertheless, it is not the purpose of the guidance for information on quantifying NDCs and converting all Parties' NDCs into a single form of absolute GHGs effects or expected emissions level in the future. The reasons are:
  - (a) It is easy for developed countries to calculate and predict their future GHG amounts. This is because their NDCs are already in the form of absolute economy-wide absolute emission reduction targets by 2025/2030 compared with a base year, and they have more capacities and more certainties on their economic development. However, it is difficult for developing countries to calculate or estimate their future GHG amounts because of their national circumstances, lack of capacities and

in facing up with enormous uncertainties in their future social and economic development. That is the rationale for the diversity of NDCs by developing countries. If all developing countries were able to do so, they should have communicated economy-wide absolute emission reduction targets.

- (b) Quantifying NDCs through information guidance will alter the nationally determined nature of NDCs and exert undue burden on developing country Parties, which will eventually weaken the confidence of developing countries to put forward ambitious NDCs in the future.
  - (c) Our view on the issue of the quantification of NDCs does not mean that we are against progression and ambition. The need for quantification and data is not the parameter to demonstrate or evaluate the progression; nor does it add value or provide an incentive to increase ambition. Our “direction of travel” in developing the guidance for NDCs should enable the identification of real policy options and projects and unlock the profound opportunities that will allow for progression and ambition in the context of economic and social development and poverty eradication.
  - (d) According to the experience of the existing NDCs, for developing countries, providing qualitative information have met with greater success in terms of board participation and ambition. Hence, flexibility should be provided to developing countries to allow them to put forward qualitative NDCs which are equally beneficial for the clarity, transparency and understanding and demonstration of progression and ambition.
  - (e) Even looking at the issue of “data” related to the NDCs, concrete information on support is the crucial enabler for developing countries to communicate and implement their NDCs and improve the quality of information and data in their NDCs over time. Hence, addressing the problem of inadequate information and data on the means of implementation should be the priority of our work. Otherwise the guidance related to quantification of NDCs will become a game of “numbers on paper” or to “name and shame”, which will make the implementation of the Paris Agreement far away from Parties’ domestic realities and actions on climate change and sustainable development.
5. As underlined above, the information on NDCs is not the same as information to illustrate the progress made on implementation which is under the transparency framework. Therefore, there is little possibility and feasibility to utilize the information on NDCs as a source of input for the global stocktake, given that the global stocktake is to assess the collective progress made by Parties. It is also not an ex-ante assessment of those NDCs that have yet to be implemented, as implementation is the next stage after the communication of the NDC. On the contrary, the information on individual implementation under the transparency framework could be treated, as appropriate, as a source of input to the global stocktake.

6. Furthermore, it will be both pre-mature and inaccurate to figure out the aggregate effect of the contributions via the information on NDCs, because of the vital missing pieces of detailed information on the means of implementation.

*C. 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)?*

The scope of information should be consistent and coherent with the comprehensive scope of NDCs as defined in Article 3 of the Paris Agreement.

*D. How could this work be usefully structured and progressed?*

1. The work in developing the guidance on information should be structured around all the elements of NDCs as well as to operationalize differentiation between developed and developing country Parties as required by Article 2.2, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement.

2. Given the experience from the existing NDCs, most of the gaps of information appear in means of implementation. As a result, future work should focus on developing information guidance on the means of implementation, which is indispensable for developing country Parties to prepare their NDCs, communicate more specific information and implement their NDCs. Some approaches to develop guidance for information on means of implementation include, inter alia:

- (a) dividing the informal consultation into two sections, i.e., action components of NDCs and support components of the NDCs;
- (b) bringing the experts in Parties' delegations on finance, technology and capacity building into the consultation;
- (c) conducting joint consultations on this sub-item and information on finance under the COP as referred to in paragraph 55 of decision 1/CP.21; and
- (d) coordinating with the work under other relevant subsidiary bodies, including Standing Committee on Climate Finance, Technology Framework and Capacity Building Committee.

3. It is not efficient or productive to structure the consultations and negotiations on the basis of different types of NDCs, which is a self-differentiation approach deviating from the differentiation between developed and developing country Parties as enshrined in the Paris Agreement. All in all, developing guidance for information based on different types of NDCs will be unfair and onerous for developing country Parties.

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

1. What should be the scope of information taking into account Parties' understanding on the scope of NDCs based on Article 3 and 4 of the Paris Agreement?
2. What is the relation of the information to be provided under Article 4.8 of the Paris Agreement and the information referred to in Article 9.5, 9.7, 13.7, 13.8, 13.9 and 13.10 of the Paris Agreement?
3. How could differentiation and flexibility be reflected and operationalized in the further guidance for information?
4. What guidance for information is crucial for developed country Parties to demonstrate their leadership in implementing the Paris Agreement and their NDCs?
5. What guidance for information is helpful for developing country Parties to implement the Paris Agreement and their NDCs?
6. How could the guidance on information be elaborated and identified on support provided by developed country Parties and support needed for developing country Parties?

#### **IV. Guidance for Accounting for NDCs**

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

1. Accounting is of significant importance to promote the transparency of implementation. "Accounting for NDCs" is a procedural obligation for all Parties as set out in Article 4.13 of the Paris Agreement. However, the specific methodologies and approaches is not common, "one size fits all" or mandatory for all. The guidance for accounting of Parties' NDCs should be in accordance with Article 2.2, 3, 4.4, 4.5, 4.13, 4.14, 6.2, 9, 10, 11 and 13 of the Paris Agreement and paragraph 31 and 32 of decision 1/CP.21, in particular differentiated NDCs of developed and developing country Parties.
2. The guidance for accounting under the Paris Agreement should cover both actions and support in a balanced manner. Furthermore, the guidance should build on and draw from the existing methods, approaches and guidance under the Convention and its Kyoto Protocol.
3. The guidance for accounting for developed country Parties' NDCs includes:
  - (a) Mitigation component of NDCs:
    - (1) Categories of emissions and removals: they shall account for their economy wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included.

- (2) Methodologies on GHGs: they should apply the IPCC 2006 guidelines and continue taking the lead in applying any updated good practice methodologies accepted by the IPCC and ensure methodological consistency, including base years, baselines, reference levels, and assumptions, between the communication of NDCs and inventory and report on progress. Applying common metrics should be fully taken into consideration.
  - (3) Methodologies and methodology consistency on other aspects of mitigation component of NDCs: they should use comparable methodologies and approaches to explain their other aspects of mitigation component of NDCs, including domestic emissions, policies and utilization of international transferred mitigation outcomes. And they should also ensure methodological consistency between the communication of NDCs and report on progress.
  - (4) Land use, land use change and forestry (LULUCF): they should apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC. Existing rules on LULUCF should be further improved to close any loopholes.
- (b) Finance component of NDCs: they shall also account for their NDCs on financial support in accordance with the modality to be developed referred to in paragraph 57 of decision 1/CP.21, in order to ensure the requirement of “new and additional” and avoid double counting on financial support.
  - (c) Technology and capacity-building component of NDCs: they shall also account for their NDCs on technology development and transfer and capacity-building in accordance with the modalities and methodologies to be further developed under this sub-item.
4. The guidance on accounting for developing country Parties’ NDCs includes:
- (a) The guidance on accounting for developing country Parties should take into consideration their diversified NDCs, national circumstances and capacities.
  - (b) In this regard, flexibility should be provided to developing country Parties in the scope and level of details on application of the relevant guidance. Specific accounting approaches in developing country Parties’ NDCs should be nationally determined by the Parties concerned, in line with the general guidance referred to in Article 4.13 of the Paris Agreement and paragraph 31 and 32 of decision 1/CP.21.
  - (c) Categories of emissions and removals: they should be allowed to choose the categories of emissions and removals, including sectors and gases covered in their NDCs, in a nationally determined manner, and be encouraged to include all categories of emissions and removals after moving towards economy-wide emission reduction or limitation targets

over time in accordance with Article 4.4 of the Paris Agreement, consistent with the provision of support as envisaged under Article 4.5 of the Paris Agreement.

- (d) Methodologies on GHGs: they should follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of their different capacities and circumstances. Applying common metrics should be taken into consideration.
- (e) Methodologies and methodological consistency on other aspects of NDCs: They are allowed to utilize their own methodologies and approaches to explain other references, indicators and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation.
- (f) Forests: they may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects. Agriculture is fundamental to the food production, food security and sustainable development of developing countries. The guidance for accounting should not implicitly or explicitly lead to any requirement for developing country Parties to undertake mitigation actions in agriculture.
- (g) Costs, barriers and support needed: they are encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to the implementation of their NDCs.

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

1. The purpose of accounting is to promote the transparency of implementation of action and support and avoid double counting, while respecting and preserving the nationally determined nature of Parties' NDCs.
2. The guidance on accounting should be a series of general technical arrangements for Parties' consideration when they are preparing, communicating and implementing their NDCs, without imposing detailed common accounting rules or transmitting Parties' NDCs into a unified form of absolute emission amount.
3. The accounting for means of implementation aims to secure mutual trust between developed and developing country Parties, assist developed country Parties demonstrating their leadership and enhance the confidence of developing country Parties to put forward ambitious NDCs.

*C. 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)?*

The scope of guidance for accounting depends on the scope of NDCs. Consistency should be ensured when the work is ongoing.

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

1. The merit of the existing arrangements is taking care of the differentiation between developed and developing countries in accounting and focusing on economy-wide emission reduction targets by developed country Parties who should take the lead.
2. There are Kyoto Protocol rules on accounting for developed countries. Under the Convention, arrangements for forest and REDD+ are available for developing country Parties. When developing the guidance on accounting under the Paris Agreement, Parties should avoid using the language without consensus, such as “AFOLU” or “land sector”. The terms acceptable under the Convention and its related legal instruments are “LULUCF” for developed country Parties and “forest or REDD+” for developing country Parties.

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

1. The work should be structured around the differentiation between developed and developing country Parties.
2. Paragraphs 31 and 32 of decision 1/CP.21 have laid out the basic guidance for accounting. Further elaboration of such guidance should focus on general arrangements rather than detailed rules, without introducing undue and onerous burden to developing country Parties.
3. There have been tremendous mature and comprehensive arrangements, modalities and methodologies under the Convention and Kyoto Protocol, which lays a solid basis for the work on accounting for mitigation. Further discussions could be around how to improve the existing arrangements and close the loopholes for developed country Parties.
4. The work on accounting for developing country Parties should be pragmatic. In this regard, elaboration of accounting rules on different types of NDCs for developing country Parties will exert more onerous burdens to them than developed country Parties, which will, on the opposite, complicate their process of preparation of NDCs, keep them locking into specific type of NDCs and weaken their confidence to make progression in their NDCs.
5. Coordination and consistency is necessary between the work on accounting under the APA and that under the SBSTA on the guidance to avoid double counting in using of the international transfer mitigation outcomes referred to in Article 6.2 of the Paris Agreement, bearing in mind the voluntary nature of such activities.
6. The accounting on means of implementation should be an overriding priority of the work.

- (a) On finance, the work on accounting under the APA should be informed by the progress made under the SBSTA on the development of modalities for the accounting of financial resources referred to in paragraph 57 of decision 1/CP.21. And joint consultations could be conducted if needed.
- (b) On technology development and transfer and capacity-building, accounting for these two elements of NDCs deserves more delicate time slots due to absence of existing arrangements under the Convention and spaces for discussions under the other subsidiary bodies. In this regard, experts of each delegation on technology and capacity-building should be invited to participate in the informal consultation under this sub-item.

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

1. What is the meaning and purpose of “accounting” in the context of the Convention and its Kyoto Protocol and Paris Agreement? Is there any difference?
2. How could the differentiation and flexibility be reflected in the guidance for accounting?
3. What existing arrangements and experience under the Convention and its Kyoto Protocol are valuable and essential to develop the guidance for accounting for Parties’ NDCs?
4. What additional issues should be discussed under this sub-item on accounting for finance component of NDCs?
5. With respect to accounting for technology and capacity-building component of NDCs:
  - (a) What is the definition and scope of technology development and transfer and capacity-building support?
  - (b) What should be appropriate methodologies to count and calculate the scale and possible effects of such support?
  - (c) How could the double counting be avoided?
  - (d) Are there any other issues that should be discussed?



Switzerland is pleased to present its views in relation to mitigation (APA agenda item 3).

**General remarks relating to the relationship between further guidance on features (3a), information to facilitate the clarity, transparency and understanding of NDCs (3b) and accounting (3c).**

- Features provide guidance on what characteristics NDCs need to fulfill (agenda item 3a). The information to facilitate clarity, transparency and understanding of NDCs defines a NDC in terms of (expected) emission levels in CO<sub>2</sub>eq and ensures understanding of the assumptions, effort and fairness considerations at the international level. Respective guidance supports the formulation of that information (agenda item 3b). Rules on accounting provide guidance on what approaches (common rules or a set of possible approaches) are to be applied (agenda item 3c).
- The three agenda items are interlinked to some extent but are neither duplicative nor exclusive to each other: an aspect may be anchored as a feature of NDCs (which by itself does not include guidance on how to implement or demonstrate implementation thereof); demonstration of that aspect may be requested through the guidance on information to be provided; and/or the implementation of that aspect may be ensured and/or defined through specific rules on accounting.
- Given the different purposes of features (3a), information (3b) and accounting rules (3c) they need to be discussed separately in order to allow for efficient negotiations. In each of the discussions under 3a, 3b and 3c, respectively, it should remain open whether the discussed aspect will be operationalized through guidance under the other agenda items.

**(a) Features of nationally determined contributions, as specified in paragraph 26**

*What is the understanding of features of NDCs? What should be the purpose of further guidance?*

- Features are guidance regarding the characteristics of NDCs. Such features / guidance is crucial to allow for comparability at the same time as diversity of NDCs. Features are important to complement the national determination of Parties mitigation contributions in order to bring the national actions together to a global effort.
- In Paris, Parties were able to agree on a few first features for mitigation contributions such as the provision of progression of successive NDCs. This makes sure Parties are not backsliding from the effort of their previous NDC. Further, the mitigation contributions of Parties will reflect Parties highest possible ambition. Concerning the form of the mitigation contributions, developed Parties should continue taking the lead by undertaking economy-wide absolute emission reduction targets and others are encouraged to move over time towards such targets. The importance of increasingly comprehensive mitigation contributions is also reflected in the provision to strive to include all categories of anthropogenic emissions and removals in Parties' NDCs. For effective global emission reductions, it is essential that Parties are not leaving out sectors in their NDC that provide for a considerable amount of their national greenhouse gas inventory. Another feature that we have been calling for and which is reflected in the Paris

Agreement is that Parties shall pursue domestic mitigation measures with the aim of achieving mitigation NDCs. This ensures the implementation of national policies towards the achievement of the NDC through concrete and effective domestic laws, policies and measures. While all Parties have to increase robustness and ambition of their NDCs over time, LDCs and SIDS are encouraged to strive for it in the light of their special circumstances.

- In negotiating further guidance on features, Parties can benefit from the experiences made by formulating their first NDCs. In fact, the synthesis report by the Secretariat on the aggregate effect of the INDCs<sup>1</sup> has highlighted that most of the INDCs formulated reflect already a lot of features. Based on this positive experience, we propose the following features for NDCs to be adopted by the CMA:
  - Be quantifiable in tCO<sub>2</sub>eq: quantification of mitigation contributions is essential to assess the collective efforts towards the long-term goal. Furthermore, it can help Parties to evaluate the effectiveness of contributions and related policies domestically, and enables tracking progress towards the NDC.
  - Clearly present national GHG emission reduction capacity without support: This is useful for other Parties to understand what a Party can do itself and which actions and policies might need support to be implemented. It is also important for the Parties to know what they are able to achieve themselves and to detect additional mitigation potential, which could be exploited by support. For the global community this information is essential to be able to assess the global impact of truly realized emission reductions.
  - Cover all significant emission sectors.
  - Reflect a link to long-term low greenhouse gas emission development strategies (LEDS), if applicable.
  - Be based on real and conservative data/baselines.

This guidance shall be applied by Parties for the NDCs relevant from 2026 to 2030. Parties will need to consider revisions thereof for subsequent NDCs.

LDCs and SIDS, in the light of their special circumstances, should be encouraged to apply these features.

*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)?*

- See under general remarks (above).

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

- Parties should engage in an interactive dialogue where all suggested guidance on features is discussed. In these discussions, it should remain open whether that aspect will be operationalized through further guidance on information to be provided (item 3b) and/or on accounting (item 3c).
- Elements for possible guidance that receives broad engagement should be elaborated by COP23. Elements for guidance that need further work should be clearly identified in order to be matured over the next year.

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<sup>1</sup> FCCC/CP/2015/7, <http://unfccc.int/resource/docs/2016/cop22/eng/02.pdf>

**(b) Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

*What is the understanding of information to facilitate the clarity, transparency and understanding of NDCs under this agenda item?*

- The information to facilitate the clarity, transparency and understanding allows for a diversity of nationally determined contributions (NDC) under the Paris Agreement while ensuring that a NDC is well defined and the efforts underlying the NDC are well explained to the international level;
- The information to facilitate the clarity, transparency and understanding differs in its purpose from the information included in reporting. The information to facilitate the clarity, transparency and understanding is provided at the time of communication of the NDC (ex ante; while reporting is done ex post). Thereby, mutual trust and high levels of ambition are fostered.
- Hence, the information to facilitate the clarity, transparency and understanding is a crucial element in view of achieving Article 2 (a) of the Paris Agreement, i.e. the 2 / 1.5 degrees goals.

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

- We took note, that the current guidance (paragraph 27) does not suffice the purpose of fully defining all Parties' NDCs. This is partly because experience and best practice are still being built by many Parties, particularly in relation to assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals. To another part, there is a discrepancy between the level of guidance in paragraph 27 and the level of detail needed in order to fully define and understand an NDC.

*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(b)?*

- Switzerland is of the view, that some aspects such as methodologies and metrics used to define NDCs require common international approaches. This will highly facilitate clarity of NDCs and the underlying efforts, both necessary to reinforce the global effort to combat climate change and achieve the 2 / 1.5 degrees goals (article 2a). Such common international approaches shall be elaborated under APA item 3c (accounting). As agreed in 1/CP.22, such guidance is to be adopted by 2018 and, hence, used for NDCs relevant from 2026 to 2030.
- In a complementary manner to the guidance on accounting, the information to facilitate the clarity, transparency and understanding is to be further elaborated in view of the communications of NDCs for the period 2026 to 2030.

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

- Parties should engage in an interactive dialogue where all suggested guidance on information is discussed. In these discussions it should remain open whether that aspect will be operationalized through further guidance on accounting (item 3c) and/or guidance on features (item 3a).

- Elements for possible guidance that receives broad engagement should be elaborated by COP23. Elements for guidance that need further work should be clearly identified in order to be matured over the next year.

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

Further guidance on the information to facilitate the clarity, transparency and understanding is to include:

- Quantifiable information on the reference point: Parties shall provide sufficient information on the reference to allow for understanding of the expected emission level in CO<sub>2</sub>eq under the NDC, including information on the expected contribution of the land sector and whether and how a Party plans to cooperate under Art. 6;
- Time frames and/or periods: Parties shall provide information on the expected emission pathway over the period of the relevant NDC for the purpose of understanding the effect of the sum of all NDCs on the concentration of greenhouse gases in the atmosphere. Parties who foresee to engage in cooperation under Article 6 shall provide this information also for the purpose of understanding the expected reference for accounting of internationally transferred mitigation outcomes (ITMOS, originating from Art 6.2 or Art 6.4);
- Scope and coverage: Parties which do not include all IPCC sectors and gases in their NDC shall provide information on the relevance of the excluded sectors or gases in the Party's total emissions (in percentage of total emissions). Parties shall also provide information on the reasons to exclude a specific sector or gas and any considerations on timeline for engaging in an economy-wide emission reduction or limitation target;
- Planning processes:
  - > Parties shall provide information on how a Party plans to anchor its contribution in national policies, measures and laws;
  - > Parties shall provide information on their long-term low greenhouse gas emission development strategies, if applicable, or their planning of such strategies;
- Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals: Parties shall provide information on the assumptions and accounting approaches that will be applied. Clarification is needed in the following areas:
  - > GWP values used
  - > Accounting approach used in the land sector including e.g. on categories / activities included and information on reference point / level
  - > Accounting approach used for cooperation under Article 6.2 and Article 6.4, if applicable > Parameters, assumptions and methodological approaches used for determining the reference point / level including the data source
  - > For contributions depending on non-GHG parameters (e.g. GDP, population), information on past and future trends of the parameters used, as precise as possible
- Considerations on fairness and ambition, in light of national circumstances: Parties shall provide information on what effort is required by the Party to achieve its NDC and include

considerations on the fairness of that effort such as approaches and concepts that the Party has used to operationalize equity and fairness considerations;

- Information on progression: Parties shall provide information on how their successive NDC reflects progression beyond the current NDC;
- Considerations on the contribution towards achieving the temperature goals: Parties shall provide information on how their NDC reflects recommendations by science in view of the longterm goals of 2 and 1.5 degrees.
- Reflection of global stocktake: Parties shall provide information on how the outcome / output of the facilitative dialogue / global stocktake has been reflected in their NDC.

This guidance shall be applied by Parties for the NDCs relevant from 2026 to 2030. Parties will need to consider revisions thereof for subsequent NDCs.

LDCs and SIDS should be encouraged to provide the information above at their discretion.

**(c) Accounting for Parties' nationally determined contributions, as specified in paragraph 31** *What is the understanding for accounting for Parties NDCs under this agenda item?*

- Accounting are approaches, methodologies and metrics for adding and subtracting emissions and removals. It also encompasses common international approaches on how this is being done to ensure mutual understanding.
- The fundamental basis for accounting are robust national greenhouse gas inventories. However, inventories alone are not yet enough to understand progress towards the contributions and their achievement. Added to this are the diversity of approaches to accounting for the land sector and the possibility for Parties to cooperate through the transfer of internationally transferred mitigation outcomes (ITMOs, Art. 6.2 and Art 6.4).
- The Paris agreement already anchors core principles of accounting guidance: *All Parties shall account for their NDCs and by doing so, shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency and ensure the avoidance of double counting (Art. 4.13)*. Furthermore, 1/CP.21 paragraphs 31 and 32 provide some further guidance by ensuring that:
  - generally, the same guidance is used when doing the 'math' of counting and adding up emissions and removals
  - the tracking of progress towards the contribution is being done in the same manner as it has been formulated
  - Parties' NDCs are comprehensive and cover sectors and gases with significant impact on the atmosphere
- This guidance shall be applied by Parties for the NDCs relevant from 2026 to 2030. Parties will need to consider revisions thereof for subsequent NDCs.

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

- A robust accounting framework is the backbone of the Paris agreement. In our view, it serves several purposes. It:
  - allows to track progress in a transparent, accurate, complete, comparable and consistent manner,
  - increases the understanding of Parties contributions, policies and circumstances,
  - provides for a similar level of clarity of NDCs to make sure they can be aggregated for the global stocktake,
  - ensures environmental integrity and
  - builds confidence and trust among Parties.

*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)?*

See above

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

- In Article 4.14 Parties acknowledged that there is already existing guidance for accounting and that when accounting for their NDCs, Parties should take into account existing methods and guidance under the Convention, as appropriate. However, Parties have different experiences with accounting under the Convention due to the different requirements for reporting in National Communications, Biennial Update Reports, Biennial Reports and GHG Inventories as well as the different approaches for land sector accounting chosen. In addition, more guidance might be needed to ensure environmental integrity and sustainable development and avoid double counting for all NDCs.
- As a first step, Parties will need to have an overview of the existing guidance for accounting. In our view, the Secretariat could deliver useful inputs to these discussions by preparing a technical paper with an overview of existing accounting guidance.
- This should then be followed by an exchange on possible gaps of this guidance and discussions on the extent further guidance is needed to ensure all Parties account for their NDCs.

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

- Parties should engage in an interactive dialogue where all suggested guidance on accounting is discussed. In these discussions, it should remain open whether that aspect will be operationalized through further guidance on information to be provided (item 3b) and/or on features (item 3a).

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

The following common guidance is needed for the post-2020 mitigation contributions:

- Use of IPCC guidelines: use the most recent IPCC guidance
- Common accounting principles for the land sector: any future decisions should build on general principles for all sectors as per 1/CP.21 paragraph 31 and Article 4.13 and:

- when using a reference level approach ensure transparency through assessment or review and build on existing guidance
- exclude the effects of natural disturbances and legacy consistent with IPCC guidance
- For internationally transferred mitigation outcomes (ITMOs, Art. 6.2 and Art 6.4) :
  - Guidance on avoidance of double counting to make sure units are not counted towards more than one NDC or one purpose (e.g. mitigation, finance, ICAO)
  - Guidance on the information to be provided on the emissions pathways over the period corresponding to the relevant NDC, which will be used to account for any internationally transferred mitigation outcomes (ITMOs, Art. 6.2 and Art 6.4)
  - guidance regarding banking of ITMOs (Art. 6.2 and Art 6.4)
- Core guidance on setting mitigation NDC types such as “business as usual” (BAU) target, intensity target, etc.;
- Comprehensiveness: All sectors and gases with significant impact on the atmosphere (as agreed) are to be reflected in the contributions, including the categories of the land sector;
- Provisions to improve accounting rules over time.

## Papua New Guinea– submission 31 March

### PAPUA NEW GUINEA SUBMISSION ON FURTHER GUIDANCE FOR THE NATIONALLY DETERMINED CONTRIBUTIONS UNDER THE PARIS AGREEMENT

Papua New Guinea (PNG) is pleased to provide its views on the questions on further guidance for the nationally determined contributions (NDCs) under the Paris Agreement referred to in the draft conclusions and informal note on Item 3 of the agenda of the Ad Hoc Working Group on the Paris Agreement (FCCC/APA/2016/L.4, paragraph 9).

We would also like to advise that this submission intends to complement the initial APA Submission from PNG before on the 23<sup>rd</sup> of September 2016. In that initial submission, PNG tried to be precisely brief as possible by pointing out common features that can be potentially explored and discussed when really considering the development of further guidance on information contained in NDCs. PNG as much, as possible kept itself clear from lengthy narrative, in an attempt to sensitively respect the sovereign capacities of parties in their ability to determine what was entirely feasible, without imposing ideologies for them. This submission; is an extension of that compiled submission; which seeks to further elaborate on the importance of the initial submission as well

#### I. Views on Important Global Principles

##### A. *Political Trust*

It is important to note that the Paris Agreement was intended to build on from the Durban Platform on Enhanced Action which was established by Decision 1/CP.17 of the COP during it's seventeenth session, in Durban, South Africa. One of the most important principles enshrined in the Paris Agreement, which is supposed to guide the actions of all Parties is the consideration that responsible measures are needed, in order to avoid the implications of whatever impacts faced by parties as a result of the measures they undertake to address climate change

This fundamental principle, guided the actions of parties, and gave political confidence to our political leaders during the 21<sup>st</sup> session of the Conference of the Parties, in Paris. As such, the Paris Agreement was



decided upon the trust, that any measures undertaken by Parties will not have adverse impacts on the party's ability to continue address climate change or continue to be resilient against adverse climate change impacts. As such the Paris Agreement sets itself upon the foundations of Political Trust, that needs to be observed and respected when moving forward with the development of the Modalities, Procedures and Guidelines (MPGs) required for mitigation under Article 4 especially on the 'additional features of the NDCs'

### *B. National Relevance*

The second principle is the issue of domestic relevance. This we believe, may have also been emphasised during the domestic ratification process of many parties, whereby the constitutional requirements of their countries, are expected to be respected and addressed accordingly during the implementation of the Paris Agreement, and the development of MPGs on further guidance relating to any Article of the Paris Agreement including Article 4.

This is an important principle, as it compels parties to also respect each other, and not assume that one party knows another party's requirements better than they themselves do. It also compels parties to move away from theoretical assumptions about what is meaningful and relevant for other parties, while compelling them to focus on what they can specifically offer, as a result of the practical implementation measures and progress from their own domestic arrangements.

PNG believes, that this is an important principle that needs to be observed during the development of "further guidance in relation to the mitigation section of decision 1/CP.21" for various reasons, including the fact that it may not legally apply to countries, when taking into consideration their ratification requirements.

For Papua New Guinea, a Ratification Law was enacted during the ratification process, in compliance with Section 117 of the PNG National Constitution, which legally binds PNG to the provisions of the Paris Agreement but not the CP/21 decision in its entire framework; as such, we are not compelled to adhere to every provision of the CP/21 decision but where applicable, we adopt only those that are relevant to our national circumstances. These domestic requirements, are real and evident and have to be complied with and they are those that will need to be reflected when thinking through the development of further guidance in relation to paragraph 26 of the CP/21 decision. However, given that the CP/21 decision does not legally apply to PNG, PNG has flexibility to either take the mandate into consideration or work within

the boundaries of the Paris Agreement as it already has

However, to assist the APA Co-Chairs progress this work under the APA Agenda Item 3 for the upcoming Bonn, Session, PNG is only willing to suggest some practical considerations for guiding contributions to Parties when dealing with the agenda item 3 under the APA

## **II. How to Guide Contributions from Parties: Further Guidance on Features of NDCs**

### *C. Domestic Experience & Practical Realities*

When progressing discussion on further guidance relating to features of the NDCs, parties should be compelled to share their experience on how they understand the legal application of NDCs within the context of their national legislative and policy requirements. Parties must be encouraged to move away from theoretical assumptions, and provide practical suggestions based on their domestic experiences.

This will be useful in informing progress, but it will also be respectful in fostering a common dialogue where one party does not impose its ideologies and suggestions on another party or on all parties. Furthermore, parties must be encouraged to look broadly beyond the Paris Agreement, and provide their conceptual understanding and application of the what they know and understand as features of NDCs.

Parties should be given the flexibility to choose an interpretation that fully allows them in their sovereign capacity to embrace the meaning and understanding of Nationally Determined Contributions and how that goes beyond to empowering parties to take full political ownership at the domestic front in fully determining their own national contributions without being imposed further concepts, on what they need to do without causing them to act outside of their sovereign mandate

### *D. Flexibility for Parties*

There needs to be a certain degree of flexibility given to parties when discussing “further guidance on the features of NDCs”. This flexibility should come in the form of allowing parties to freely choose to suggest what are their significant Nationally Determined Contributions; and why do they choose to identify that. This we believe have already been outlined in the mandate of the CP/21 decision paragraph 31 and 32

This is very important; because it will then guide the scope of the discussions as well on the features of the mitigation component of the NDCs, so as to avoid duplicative suggestions of categories of anthropogenic emissions or removals; or even suggestions on the scope of sectoral reporting within the NDCs

When developing the features of the mitigation component of the NDCs, parties must be aware of paragraph 31 and must be encouraged to avoid suggesting duplicative measures, unless there is merit in associating or referencing it to practical implementation outcomes that have been accounted for already within the context of their own domestic implementation

#### *E. Understanding Article 4 and What is Required within NDCs*

Article 4.1 reminds all parties of their Obligation under Article 2 and Article 3; and the efforts they all need to undertake through addressing their anthropogenic emissions by sources and sinks. The important thing to note here is that; Article 4.1 also emphasizes on the principle of equity, and need to fairly consider sustainable development and poverty eradication as fundamental, and all this comes before the requirements for NDCs as stipulated in Article 4.2

Article 4.2 has clearly spelt out the domestic obligation of parties in undertaking mitigation actions that will be reported in a progressive manner through their NDCs. The outstanding issue now is determining what type of additional information goes into those NDCs, which is not spelt out in the Paris Agreement except the different obligations of both developed and developing country parties.

As spelt out in Article 4.3; each party's NDC should be a progression beyond their current NDC, and should reflect its highest possible ambition, and common but differentiated responsibilities. PNG believes that we must also note that, these requirements do not undermine the underlying principles in Article 4.1 on sustainable development and poverty eradication, which is important and critical for all Parties.

As such, when developing additional features, of NDCs, parties must be aware of the sovereign context in which the role of the NDCs applies; which will also include

#### *E. Issues of TCU as prescribed by Article 4.8 of the Paris Agreement*

When interpreting the application of Article 4.1 on Transparency, Clarity and Understanding (TCU) of information provided in NDCs; TCU must shall not be interpreted as transparency, clarity and understanding for accountability purposes, in a compliance process where other parties can become the 'judge & jury' for all. However, TCUs, should be reflected as part of a party's domestic obligation under Article 13 when communicating their NDC actions under the Transparency Framework, and it should be comparable in the information that they provide, where the elements of accounting shall accompany it

The TCU prescribed under Article 4.8 should not be conceived, as the basis for holding parties, accountable for what they should be obliged to provide as information, which they have compiled and provided through their own respective sovereign mandate without being subjected to another party's ideologies on how to do it. It should be a reflection of each party's capacity to provide information; while upholding the principles enshrined in Article 4.1 which has supreme basis over the requirements set out in Article 4.2

In understanding the requirements for common time frames; parties should be allowed to reflect on what Article 4.9 as presented, compared to what is still required under Article 4.10; and how would those different periods differ from each other in terms of their expectations in different out puts as well.

### **III. Balance Treatment of all Operational Elements of the Paris Agreement**

Although the Paris Agreement in Article 4.2 spells out; the different areas in which the NDC should communicate on; it defeats the purpose of being politically and legally accurate in it's aspirations to promote the real meaning of upholding and conserving the integrity of an NDC. An NDC is nationally determined. Nationally determined, means it's bound by sovereign obligation to reflect the highest and accurate aspirations of parties to promote their relevant and most significant mitigation actions; in which Article 5 and Article 6, should be inclusive in their relevance as well, by reflecting on the aspirations of Article 4.1 and Article 4.2

As such, Article 3 of the Paris Agreement should not be interpreted devoid of the principles of Article 4.1. Parties when discussing the features of the NDCs, parties should be allowed to reflect on their sovereign prerogative to clearly articulate the most significant and most relevant mitigation measures undertaken without being imposed what mitigation measures are relevant for them through the additional guidance

on the features of the NDCs.

#### IV. Legitimising the meaning of “Further Guidance” and Possible Elements to Consider

When we respectfully consider the need to respect the sovereign obligation of country parties to own their NDC development process, PNG tried to abstain from being prescriptive about what Parties can do within the context of “further guidance on NDCs”; we hope it would be valuable to start with some broad elements where all Parties can have some meaningful space to discuss on; which includes the following consideration;

##### *F. Possible Broad Features of updated mitigation section of NDC submissions;*

1. ***Flexibility on Reporting on all Sectors and Gases*** taking into consideration of the important principles outlined in Article 4.1, should they wish to when developing, submitting and confirming their initial NDCs
2. ***In every Periodic Update, all parties should have the flexibility to Commence on a their most significant mitigation sector which is also their largest emissions source***, and volunteer to further include others with developed country parties taking into account Article 4.2 on obligation differences. This should be accompanied with an explanation on how they plan to reduce this either through ‘real-reduction’ using technological advancement and adoption of low-emission strategies or programs or through ‘voluntary cooperative approaches’; bearing in mind the guiding principles of Article 2 in particular promoting sustainable development
3. ***Baselines*** should be set by all parties with special consideration and flexibility for any party who cannot meet such requirement, due to economic and geographic capacity and capability constraints
4. All Parties should include ***unaccounted Sectors*** with special consideration and flexibility for any party who cannot meet such requirement, due to economic and geographic capacity and capability constraints
5. ***Sectors included in ITMOs transactions*** only for those participating in the Article 6.2 cooperative approaches or intending to. This is by linking it to (2) above, where parties should indicate the sources of emissions they will reduce or intend to reduce through ITMOs and the possible sources

of sinks they will offer as ITMOs for other parties. The specific accounting issues should be dealt with separately under Article 6 and the reporting component under Article 13 on 'actions'

6. *Quantified Capacity Needs Assessment* for developing country parties
7. *Quantified Technology Needs Assessment* for developing country parties
8. *Quantified Financial Needs Assessment* for developing country parties
9. **Annex A: A summary of the mitigation measures undertaken as domestic contributions to reducing emissions on international bunker fuels.** Only for parties, who have domestic mitigation initiatives associated or linked to the IMO and ICAO global initiatives (especially the offset projects/programs). Parties, who are currently participating in any initiatives under any framework developed by ICAO and IMO or who wish to participate in future, can choose to include this information in a policy narrative and the quantified narrative can be included in the MPGs developed for mitigation reporting under Article 13

**Annex B:** A Summary of an Adaptation Communication. This should be optional and voluntary for those parties, who choose to or wish to provide this information, depending on their priorities, especially, developing country parties, SIDs and LDCs.<sup>1</sup>

#### **V. Additional Consideration: Annexing a Summary of Sectors or Sources of Sinks allocated for reducing Emissions from International Bunker Fuels (Voluntary Action)**

PNG believes that Article 2 of the Paris Agreement does not prejudice how a Party intends to achieve the global goal of holding the increase in the global average temperatures as articulated in Article 2(a). As such its domestic initiatives and how they are applied to address the global goal articulated in Article 2(a) should not be restricted to reporting actions taken at the domestic level to reduce emissions domestically, but should also have the flexibility to allow parties take into account actions taken at the domestic level to assist reduce global emissions by other sectors globally; which is outside the scope of voluntary cooperative measures, as prescribed in Article 6.2. These should be specific actions implemented in both developing and developed country parties, to assist reduce emissions from fuel use by the international aviation and maritime

PNG wishes, to clarify that this does not duplicate the role ICAO and IMO will undertake, rather it shall complement the work carried out by those two UN Specialised Agencies, but report specifically on any

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<sup>1</sup> The outcome of APA agenda 4; on adaptation communication can inform this section

mitigation action, and or project being used separately to help reduce emissions from international bunker fuels, so as to avoid double accounting for such projects in a country's NDC when reporting under the Transparency Framework

PNG believes that this information, will also be useful in giving clarity on how parties are voluntarily making efforts to assist ICAO and IMO address their global mitigation targets, when it comes to the global stock-take under Article 14. As described above, in updating their NDCs, parties, may volunteer to report is as an annex of their NDCs, in a summary policy narrative, while the specific quantified information be included in the MPGs on reporting for 'action' under Article 13

PNG doesn't see value at this stage to become too prescriptive in defining what a party shall reflect in their NDCs. If Parties, don't have policy or legislative frameworks because their domestic circumstances doesn't allow them to quickly enact these enabling environments, we should respect that and not prescribe it in the features of the NDCs. It could be up to parties to include it in their NDCs, should they wish to

All other information not prescribed here with regards to accounting issues linked to TCU of NDCs should be moved to the Article 13 discussions on MPG developments for the Transparency Framework for Action and Support. As one fundamental requirement of understanding TCU of NDC implementation, is to allow comparability of information, for ease of reference for reviewers, as well as inform the global stock-take process under Article 14

*The government of Papua New Guinea, avails itself it's highest consideration and continued support to the APA co-chairs in progressing and moving forward the development of this agenda item*

## Canada – submission 01 April

Canada's submission on APA Item 3<sup>1</sup>

### Features, up-front information & accounting for Nationally Determined Contributions (NDCs)

March 2017

Canada is pleased to present its views on further guidance in relation to the mitigation section of 1/CP.21, taking into account the questions presented in the co-facilitators' reflection note following COP22.<sup>2</sup> This submission builds on Canada's September 2016 submission on Item 3 of the APA agenda,<sup>3</sup> based on the mandate established by paragraphs 26, 28 and 31 of the mitigation section of 1/CP.21.

#### Item 3(a): Features of NDCs

'Features' is a commonly used term referring to the design characteristics of NDCs. Parties adopted several features for NDCs in paragraphs of Article 4 of the Paris Agreement and in the mitigation section of Decision 1/CP.21. Depending on the wording of relevant paragraphs in the Agreement and Decision, some features are mandatory while others are optional characteristics that Parties may wish to consider at their discretion. Guidance under this sub-item should provide further clarity on parameters and options, where appropriate, for policymakers in developing and updating their Parties' NDCs.

The features contained in Article 4 of the Agreement include, *inter alia*, the requirements for "clarity, transparency and understanding" (CTU) and "accounting".<sup>4</sup> Decision 1/CP.21 specifically requested that the APA develop guidance on these two features, which became sub-items 3(b) and 3(c) respectively.<sup>5</sup> Two other features of NDCs also have dedicated agenda items: the NDC Registry under Article 4.12 (SBI Item 5) and common timeframes under Article 4.10 (to be considered at SBI 47).<sup>6</sup>

Sub-item 3(a) of the APA is a space to discuss further guidance for the remaining features of NDCs that do not otherwise have dedicated agenda items.<sup>6</sup> These 'general' features include, for example: communication of successive NDCs; achievement through mitigation measures; moving towards economy-wide emission targets; reflecting a Party's highest possible ambition in light of different national circumstances; representing a progression of ambition from previous NDCs; and the option to voluntarily adjust NDCs with a view to enhancing ambition, etc.

Canada looks forward to engaging with all Parties under sub-item 3(a) of the APA in order to elaborate further guidance on the general features of NDCs, where appropriate. In particular, Canada seeks further

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<sup>1</sup> Canada has also uploaded their submission in French

<sup>2</sup> Available on the UNFCCC web page for COP22 ([link](#)).

<sup>3</sup> Available on the UNFCCC Submission portal for APA 1–2 ([English](#)) ([Français](#)).

<sup>4</sup> See Articles 4.8 and 4.13, respectively.

<sup>5</sup> Para. 28 and 31 of 1/CP.21.

<sup>6</sup> See FCCC/PA/CMA/2016/3, para.

24. <sup>6</sup> See para. 26 of 1/CP.21



guidance to help Parties show clearly that each NDC contributes to the peaking and rapid decline of global emissions, with a view to achieving the long-term temperature goal under Article 2.

### 3(b) - Information for CTU of NDCs

Article 4.8 of the Paris Agreement requires Parties to provide the information necessary for clarity, transparency and understanding of their NDCs. The core purpose of this mandatory feature is to reduce the ambiguity of Parties' mitigation contributions, so that Parties have clear reference points against which to track their progress and account for their achievements. Some other benefits of CTU include measuring the aggregate global ambition, building mutual trust between Parties and sending clear signals that mobilize actors and stakeholders involved in converting NDCs into policies and measures.

Decision 1/CP.20 provided a list of possible information for the CTU of intended NDCs (iNDCs).<sup>7</sup> The list was both voluntary and non-exhaustive ("as appropriate, *inter alia*") given that the call for iNDCs in 1/CP.20 was non-binding.<sup>8</sup> The Paris Agreement later enshrined the principle of CTU into binding language in Article 4.8, but the associated paragraph of decision 1/CP.21 did not further clarify what types of information would be sufficient to satisfy this requirement.<sup>8</sup> The purpose of further guidance, therefore, is to clarify the information requirements under Article 4.8 so that Parties can uphold them in their new and/or updated NDCs.<sup>9</sup>

The Paris Agreement encourages Parties to move toward economy-wide absolute emission reduction or limitation targets as their NDCs, if they have not already done so.<sup>10</sup> With respect to Parties that have not yet done so, some observers have grouped their NDCs into general categories or "types", for example: intensity targets (per capita or per GDP), deviation from business-as-usual scenarios, sectorspecific targets, and qualitative policies and measures.

Canada proposes that these "NDC types" should be understood as 'examples' or 'ideal-types' of NDCs that are constructed of different 'variables' such as base years, business-as-usual baselines, reference points, measures of intensity, etc. The guidance would then describe the information necessary for CTU of each variable, so that the complete set of guidance would reflect the full diversity of NDCs without constraining any Party's national determination in choosing the appropriate variables for its own NDC.

As a next step, Parties should create a list of NDC variables and undertake technical work to identify what quantitative and/or qualitative information, as appropriate, is necessary for CTU of each variable.

### 3(c) - Accounting for NDCs

Accounting is the quantitative comparison between a set of **results** and the corresponding **objectives**, for the purpose of **tracking progress** and **assessing achievement**. Accordingly, the Paris Agreement requires Parties to account for their emissions and removals (results) corresponding to their NDCs (objectives).<sup>11</sup> The purpose of accounting is to assess whether a Party's mitigation measures under Article 4.2 were

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<sup>7</sup> Para. 19 of 1/CP.20 <sup>8</sup> Para 18 of 1/CP.20

<sup>8</sup> Rather, para. 27 of 1/CP.21 merely repeated that Parties may include, as appropriate, the items from 19 of 1/CP.20.

<sup>9</sup> Para 24–25 of 1/CP.21

<sup>10</sup> Paris Agreement, Article 4.4

<sup>11</sup> Paris Agreement, Article 4.13.

sufficient to achieve, or are on track to achieve, the intended objectives of its NDC. Each Party must regularly report the outputs of this exercise in the enhanced transparency framework, consistent with Article 13.7(b). The aggregate output from all Parties would then inform the tracking of collective mitigation progress under the global stocktake.

Drawing from existing methods and guidance under the Convention as appropriate, including the Kyoto Protocol, while upholding the principles of Article 4.13 and paragraph 31 of 1/CP.21, Canada proposes the following framework to organize accounting activities for NDCs under the Paris Agreement:

#### When to account

Accounting activities should take place, as appropriate, in three stages: (i) at the beginning of the NDC timeframe, (ii) on a regular basis throughout the timeframe, and (iii) as soon as feasible following the target year(s); namely, when data on emissions, removals and the use of ITMOs become available for the full NDC timeframe (e.g. in 2032, for NDCs that have 2030 as their target year).<sup>12</sup>

#### How to account

As illustrated in Annex A below, the guidance should organize Parties' accounting activities into three streams:

1. **Objective:** Operationalizing NDC variables to clarify what the Party intends to do
2. **Result:** Measuring mitigation outcomes to show what the Party is doing and has done
3. **Achievement:** Comparing results against objectives to determine achievement of NDC

**In the Objective Stream**, each Party operationalizes its NDC by assigning quantitative values to the variables they used to construct it (e.g. base year emissions levels, business-as-usual scenarios, etc.) These values allow the Party to calculate an "Objective Indicator" that, if realized, would indicate achievement of its NDC's objectives under Article 4.2. In most cases, the Objective Indicator would be an estimate of the intended target-year emissions in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq). This estimate may be updated periodically as the values for each variable evolve, provided that methodological consistency is maintained and ambition is not reduced.<sup>13</sup>

In the **Result Stream**, each Party calculates and reports its overall "Result Indicator", at regular intervals as per Article 13.7(b), taking care to ensure methodological consistency with its Objective Indicator.<sup>14</sup> The Result Indicator would typically be a quantitative figure comprising the national greenhouse gas inventory data for all sectors and gases covered by the Party's NDC, including net anthropogenic emissions and removals from the land sector, if applicable. It would also take into account net adjustments for Internationally Transferred Mitigation Outcomes (ITMOs), as appropriate.

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<sup>12</sup> These accounting stages draw on the practice established by the Kyoto Protocol, which included accounting guidance for

(i) "initial reports", (ii) "annual reports" and (iii) "end-of-commitment period reports". See Decisions 13/CMP.1 and 15/CMP.1.

<sup>13</sup> See para. 31(b) of 1/CP.21 and Paris Agreement Articles 4.3 and 4.11

<sup>14</sup> If a Party wishes to improve its accounting approach during the NDC timeframe, it must apply any recalculations to both the Objective and previous iterations of the Outcome in order to ensure methodological consistency. See 1/CP.21, para. 31(b).

In the **Achievement Stream**, Parties compare their Objective and Result indicators in order to determine whether they have achieved, or are on track to achieve, the objectives of their NDC. In the initial stage, each Party compares its initial-year results to its Objective Indicator and explains its intended accounting approach in detail. In each subsequent report under Article 13.7(b), the Party tracks the progress of its results toward the objective of its NDC, and reports regularly on the remaining emissions gap. In the final accounting stage, the Parties would show to what extent they achieved, or partially achieved, their intended contributions under Article 4.2.

At each stage in each stream, Parties will need to explain how they put their accounting into practice, including all calculations and re-calculations; how they derived each iteration of their Objective and Result indicators; and how they compared these indicators to measure progress and/or achievement.

## Going forward

Canada proposes that the first iteration of the guidance, to be adopted in 2018, should give confidence to policymakers that their NDCs and accounting activities comply with the rules and principles of the Paris Agreement as well as the mitigation section of 1/CP.21. Subsequent updates to the guidance could address any outstanding gaps and/or make further incremental improvements, based on insights from collective review processes such as the 2018 Facilitative Dialogue and 2023 Global Stocktake.<sup>15</sup>

As a next step, Canada would recommend that Parties adopt a calendar of technical work with a view to circulating possible elements of draft guidance text by the end of 2017. A sample outline of the guidance for Item 3 of the APA, for discussion purposes only, is provided in Annex B below.

## Annex A: Key Elements of the Accounting Framework

Accounting Outputs			
Accounting stages	Objective Indicator (A function of NDC variables)	Result Indicator (General inventory + Lands + ITMOs)	Achievement Indicator (Objective – Result)
<b>Initial Report</b> (at the beginning of the NDC timeframe)	<b>Initial estimate</b> and calculations used to derive it	<b>Initial-year result</b> and calculations used to derive it	<ul style="list-style-type: none"> <li>• “Starting point” or <i>status quo</i></li> <li>• Initial emissions gap</li> <li>• Description of intended accounting approach</li> </ul>
<b>Update reports</b> (regularly, as per Article 13.7b)	<b>Revised estimate</b> and recalculations used to derive it	<b>Most recent year result</b> and calculations used to derive it	<ul style="list-style-type: none"> <li>• Progress from <i>status quo</i></li> <li>• Remaining emissions gap</li> <li>• Description of current accounting approach</li> </ul>
<b>Final report</b> (after the end of the timeframe, when data becomes available)	<b>Final Objective Indicator</b> and final calculations used to derive it	<b>Final Result Indicator</b> and calculations used to derive it	<ul style="list-style-type: none"> <li>• Statement of achievement or final emissions gap</li> <li>• Description of final accounting approach</li> </ul>

<sup>15</sup> See, respectively, paragraph 20 of 1/CP.21 and Article 4.9 of the Paris Agreement

## **Annex B: Possible outline for guidance under Item 3 of the APA**

### **A. Features of NDCs**

- A.1. Showing contribution to emissions peak and rapid decline (Art. 4.1) [APA Item 3(a)]
- A.2. Reflecting highest possible ambition in light of different national circumstances (Art. 4.2) [APA Item 3(a)]
- A.3. Representing a progression of ambition from previous NDCs (Art. 4.3) [APA Item 3(a)]
- A.4. Moving toward economy-wide absolute targets (Art. 4.4) [APA Item 3(a)]
- A.5. Enhancing contributions under certain conditions (Art. 4.5) [APA Item 3(a)]
- A.6. Considering common timeframes (Art. 4.10) [Item TBD at SBI 47]
- A.7. Clarifying/adjusting NDCs with a view to enhancing ambition (Art. 4.11) [APA 3(a)]
- A.8. Recording NDCs in the Public NDC Registry (Art. 4.12) [SBI Item 5]

### **B. Information for clarity, transparency and understanding**

[APA Item 3(b)]

- B.1. Information on variables common to all NDCs
- B.2. Information on variables that are used in some NDCs
- B.3. General information necessary for the clarity, transparency and understanding of NDCs

### **C. Accounting for NDCs**

[APA Item 3(c)]

- C.1. Guidance on general principles, building on para. 31 of 1/CP.21
- C.2. Accounting Framework (See Annex A above)
  - C.2.1. Initial report
  - C.2.2. Update reports
  - C.2.3. Final report

## Guatemala on behalf of AILAC – submission 01 April

### SUBMISSION BY GUATEMALA ON BEHALF OF THE AILAC GROUP OF COUNTRIES COMPOSED BY CHILE, COLOMBIA, COSTA RICA, HONDURAS, GUATEMALA, PANAMA, PARAGUAY AND PERU

Subject: Item 3 Further guidance in relation to the mitigation section of decision 1/CP.21

Reference: FCCC/APA/2016/L.4

#### Introductory Remarks

1. AILAC welcomes the opportunity to submit its views on item 3 of the APA agenda in order to focus the work on:
  - (a) Features of nationally determined contributions, as specified in paragraph 26;
  - (b) Information to facilitate clarity, transparency and understanding (CTU) of nationally determined contributions, as specified in paragraph 28; and
  - (c) Accounting for Parties' nationally determined contributions, as specified in paragraph 31.

These views were elaborated on the basis of the set of questions proposed by the co-facilitators of APA item 3.

2. This submission should be read in conjunction to prior AILAC submissions particularly the one presented in late September 2016, responding to the mandate by the APA co-chairs as stipulated in document FCCC/APA/2016/L.3 paragraph 8 a)<sup>1</sup>.

#### Features of nationally determined contributions, as specified in paragraph 26

##### *a) What is the understanding of features of NDCs under this agenda item?*

3. For AILAC the features of NDCs are already reflected in the Paris Agreement and decision 1/CP.21, as described below:
  - i. The nationally determined nature of contributions;
  - ii. That the implementation of domestic mitigation measures is needed to achieve the objectives of such contributions;
  - iii. That Parties shall account for their NDCs;
  - iv. That NDCs shall be communicated every 5 years; and
  - v. That support shall be provided to developing country Parties for the implementation of their NDCs.

##### *b) What should be the purpose of further guidance on features under this agenda item and how could this work be usefully structured and progressed?*

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4. Taking into account AILAC's viewpoint on the features of NDCs, detailed on paragraph 3 above, and in order to progress on discussions about the mitigation component of NDCs, AILAC proposes to focus only on elaborating further guidance on information to facilitate CTU and guidance for accounting for Parties' NDCs.

**c) *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)?***

5. For AILAC, there is a direct relationship between the features, information and accounting of NDCs, as well as with the transparency framework, although not envisaged in the co-facilitators question. Hence, AILAC is of the view that:

i **The features** represent the attributes of NDCs and form a common basis for their elaboration and presentation. ii **The information that facilitates the CTU of NDCs** lists specific aspects of the NDCs that are necessary for their elaboration and presentation, not only in general terms but also taking into account the particularities of each type of NDC.

iii **The accounting for NDCs** responds to the quantitative tracking of the implementation and achievement of NDCs and determines what should be counted (gases, sectors and categories, etc.), how and when.

iv **Transparency** will detail the methodologies and assumptions used for the accounting of NDCs and help understand better how Parties are progressing in the implementation of their NDCs.

**Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

**a) *What is the understanding of information to facilitate the clarity transparency and understanding of NDCs under this agenda item?***

6. AILAC is of the opinion that information provided by Parties in communicating their NDC is critical to interpret the ensemble of NDCs and their assumptions, methodologies and approaches in a comprehensive manner, in order to facilitate CTU. In this sense, up-front information of NDCs is central to reduce uncertainties in the assessment of progress towards the achievement of the long-term objectives defined in Article 2 of the Paris Agreement.

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

7. The purpose of further guidance on information should be:

- To detail and complement the list of elements contained in decision 1/CP.21 in order to provide Parties with clearer guidance on how to present this information (see answer of question e)).
- Identify additional elements to facilitate the CTU of each type of NDC.

8. In order to meet this purpose and to progress in these discussions, for AILAC it is fundamental to set a common ground on the different types of NDCs. In this sense, we consider relevant to recall that there

is a wide variety of intended Nationally Determined Contributions (iNDCs) that have been presented to this point in time and that include, inter alia, the following<sup>2</sup>:

- i. Economy-wide mitigation targets, with absolute emission reduction targets expressed as an emission reduction below the level in a specified base year.
  - ii. Relative targets for reducing emissions below 'business as usual' (BAU) level, either for the whole economy or for specific sectors.
  - iii. Intensity targets, with reductions in GHG emissions per unit of gross domestic product (GDP) or per capita.
  - iv. Peaking with respect to a specified year or timeframe or level fixed goal.
  - v. Strategies, plans and actions for low GHG emission development. vi. Adaptation actions that could take the form of mitigation benefits.
  - vii. Others.
9. For the design of further guidance on information, it should be taken into account that some Parties have NDCs composed by a combination of several types of mitigation goals (such as those listed in the previous paragraph) and their future NDCs could be designed in the same way.
10. Also, from AILAC's view, once Parties update their NDCs, they should also communicate the changes on the upfront information included in the NDCs in their corresponding biennial communications, following the guidance of information to facilitate CTU of NDCs.

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

11. For AILAC, additional crosscutting information that complements the list included in decision 1/CP.21, paragraph 27 should be discussed under this sub-item, such as:
- i. emissions projections (specially mitigation scenarios that allow to understand the trajectory that will be followed by the Party to meet its mitigation goal),
  - ii. expected future values and assumptions of main drivers of national emissions such as GDP and population on the target year,
  - iii. gas by gas emission data (from the reference point), iv. detailed information on assumptions and methodological approaches:
    - GWP values applied.
    - All Parties that include the LULUCF sector in their NDC should provide information on whether the Party employs land-based accounting or activity-based accounting towards their NDC, and if it is the latter, which sources and sinks are not accounted for.
  - v. How a Party can explain that its latest NDC is more ambitious than the previously submitted
  - vi. How future NDCs reflect Parties' concrete plans to play their role in achieving the collective goals specified in Article 2 of the Paris Agreement.
12. Also, for AILAC it is important that, once Parties present their long term low carbon development strategies, Parties present information on how their NDCs are in line with these long-term mitigation goals.

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<sup>2</sup> On the basis of the Synthesis Report on the Aggregate Effect of the Intended Nationally Determined Contributions: an update, FCCC/CP/2016/2 presented by the Secretariat on May 2, 2016

13. Additional information to facilitate CTU of each type of NDC could cover the following:

<b>TABLE 1. INFORMATION TO FACILITATE CTU OF NDCs BY TYPE OF NDCs</b>	
<b>Economy-wide mitigation targets, with absolute emission reduction targets expressed as an emission reduction below the level in a specified base year</b>	Expected emissions level in target year and expected trajectory towards it.
<b>Relative targets for reducing emissions below BAU level, either for the whole economy or for specific sectors</b>	<ul style="list-style-type: none"> <li>i. Description of the BAU baseline, including assumptions and methodologies, employed in constructing the baseline.</li> <li>ii. Expected emissions trajectory with mitigation</li> <li>iii. policies and actions. Whether the baseline scenario is static or dynamic. If it is dynamic, information on conditions or criteria taken into account to recalculate it should be provided.</li> </ul>
<b>Intensity targets, with reductions in GHG emissions per unit of GDP or per capita</b>	<ul style="list-style-type: none"> <li>i. Assumptions related to GDP, population and GHG emissions.</li> <li>ii. Expected level of emissions intensity in the target year</li> <li>iii. Expected emissions trajectory</li> </ul>
<b>Peaking with respect to a specified year or timeframe or level fixed goal</b>	<ul style="list-style-type: none"> <li>i. Expected amount of emissions at peak or target year</li> <li>ii. In the case of a target for peaking emissions, the trajectory and timeframes to peaking and after peaking, when not included in the NDC timeframe.</li> <li>iii. In the case of a fixed level target, expected emissions level in target year and expected trajectory towards it.</li> </ul>
<b>Strategies, plans and actions for low GHG emission development</b>	<ul style="list-style-type: none"> <li>i. Estimation in terms of GHG emissions impact, i.e. expressed in tCO<sub>2</sub>e in order to be added up as a result of the implementation of NDCs.</li> <li>ii. Underlying assumptions.</li> <li>iii. Methodologies to measure impact of policy, plan or action</li> </ul>
<b>Adaptation actions that could take the form of mitigation benefits</b>	<ul style="list-style-type: none"> <li>i. Estimation in terms of GHG emissions impact, i.e. expressed in tCO<sub>2</sub>e in order to be added up as a result of the implementation of NDCs.</li> <li>ii. Underlying assumptions.</li> </ul>



**Accounting for Parties' nationally determined contributions, as specified in paragraph 31**

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

For AILAC, accounting for NDCs should:

- i. be quantitative: it should be useful to understand the quantitative progress on the implementation and achievement of NDCs,
- ii. be based on common principles and rules,
- iii. fit different types of NDCs and take into account the collective objectives of the Paris Agreement, iv. facilitate the assessment of the achievement of global mitigation goals,
- v. present forward-facing and backward-facing information over time (not only at specific milestone years) to allow for the estimation of global trajectories based on forecasts and data provided by Parties.

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

14. AILAC is of the strong view that further work on guidance for accounting for NDCs is needed to ensure our capacity to review progress in their implementation, and ultimately, to assess collective progress towards achieving the long-term goals set out by the Paris Agreement. This is of special importance in light of the aggregated effect of currently communicated NDCs that is still far from 2°C scenarios and yet farther from 1.5°C scenarios.
15. This guidance should drive the use of the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the Intergovernmental Panel on Climate Change (IPCC), in order to reduce uncertainty.

***c) 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)?***

16. In addition to what was stated in paragraph 5 of this submission, AILAC is of the view that having clear and well described mitigation goals, through the presentation of clear and complete upfront information, will facilitate tracking their progress in an easier and more transparent manner. For example, if a Party provides complete information that helps to understand how the LULUCF sector is included in its NDC, it would be easier to track the progress of mitigation actions in this sector and, therefore, progress of its NDC.

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

17. For AILAC, in the design of accounting guidance, Parties should take into account lessons learned and build on different accounting experiences such as:

- i. accounting of Quantified Emissions Limitation and Reduction Objectives (QELROs) under the Kyoto Protocol and tracking of Quantified Economy-wide Emissions Reduction Targets (QERTS) under the Cancun Agreements from developed country Parties,
- ii. tracking of NAMAs and voluntary pledges from developing country Parties under the Cancun Agreements,
- iii. estimation of national GHG inventories of emissions and removals as the most important instrument for tracking progress of the implementation and achievement of mitigation goals,
- iv. accounting of flexibility mechanisms of the Kyoto Protocol,
- v. accounting of the LULUCF sector under the Kyoto Protocol and the UNFCCC, including experiences of REDD+ accounting.

18. Although for AILAC is important to draw from existing approaches under the Convention and its related legal instruments, it will be useful to consider other good practices on accounting of goals observed outside of the Convention.

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

19. For AILAC, the main elements that should be discussed under this sub-item that also should be part of the guidance are:

TABLE 2. PROPOSAL FOR THE MAIN ELEMENTS OF THE ACCOUNTING GUIDANCE OF NDCs.
<ul style="list-style-type: none"> <li><b>1. Accounting principles.</b></li> <li><b>2. General guidance</b></li> <li><b>3. Guidance to track progress of implementation and achievement of each</b></li> </ul>
<p><b>type of NDC.</b></p> <ul style="list-style-type: none"> <li>3.1 Reference points by each type of NDC.</li> <li>3.2 Methodological approach and information needed to monitor the progress of each type of NDC.</li> </ul> <ul style="list-style-type: none"> <li><b>4. Accounting of LULUCF<sup>3</sup> sector.</b></li> <li><b>5. Accounting at the end of the NDC period.</b></li> </ul>

20. There are two other elements that we consider relevant for the accounting guidance of NDCs. These elements described below have linkages with discussions taking place either under different agenda items (item 5 of the APA) or bodies (SBSTA), namely:

- a.** Accounting for ITMOs and mitigation outcomes transferred under article 6 of the PA<sup>4</sup>.
- b.** Information needed for biennial communications on the implementation and achievement of NDCs.<sup>5</sup>:
  - i.** Description or updating of the NDC.
  - ii.** Quantitative reporting of progress made towards the achievement of emission reduction goals under NDCs.

<sup>3</sup> For those Parties that include this sector in their respective NDCs

<sup>4</sup> Inputs from SBSTA on Article 6 of PA will be needed in order to include this issue in the accounting guidance for NDCs.

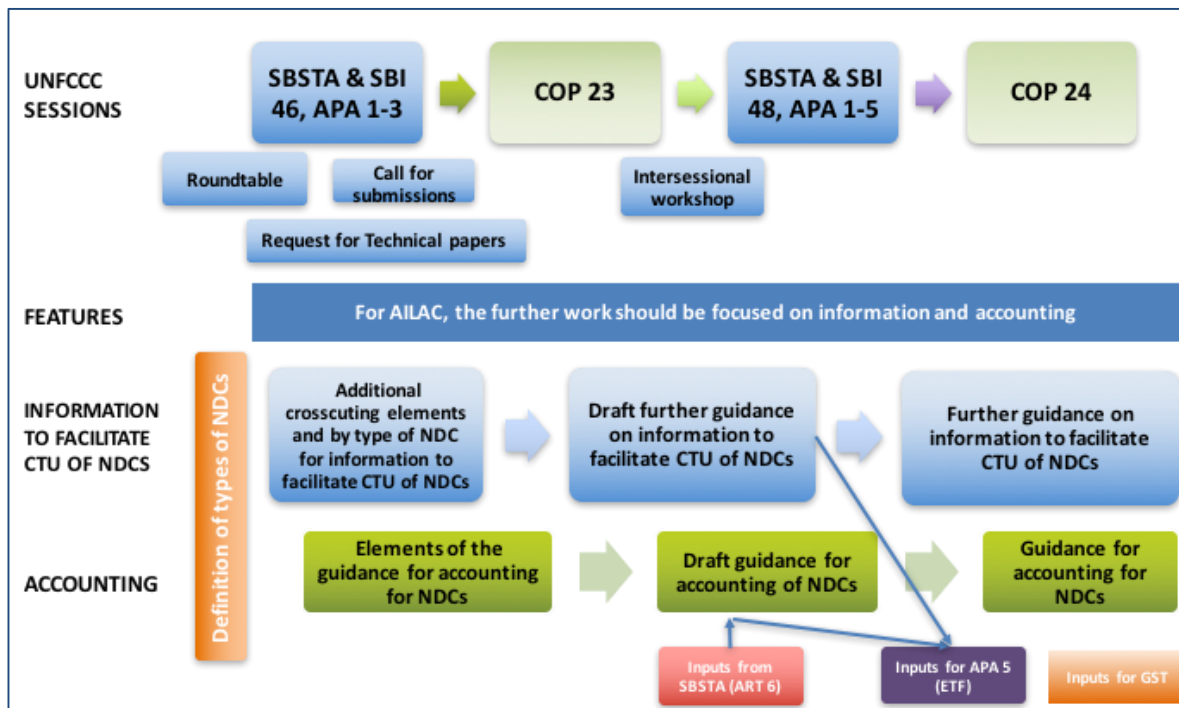
<sup>5</sup> This is the information needed to track the implementation and achievement of NDCs under Article 4 of the Paris Agreement. It should be included in the MPGs of the Enhanced Transparency Framework.

- iii. Information on projections of GHG emissions and removals.
- iv. Information on policies and actions and their progress.
- v. Information related to the implementation of Article 6 of PA.
- vi. Report at the end of the implementation period of the NDC

21. Also, Parties should be provided with general guidance to track the progress of the implementation of their NDCs. For example, regardless of the type of NDC, mitigation efforts should be reflected in each Party's total emissions, so National GHG Inventories will be significant tools for monitoring NDCs. However, the report of the national GHG emissions and removals should be complemented by information on mitigation policies and actions and their progress, including data on emission reductions achieved by those policies and actions that have the most significant impact on emission levels and removals.
22. In addition, guidance for tracking progress of implementation of each type of NDC should be included in the accounting guidance. This guidance could answer questions such as:
- vii. How to choose the reference point/base year?
  - viii. How to calculate a baseline (in the case of NDCs based on deviation from BAU emissions)?
  - ix. How and when should a reference level be re-calculated?
23. With regards to Article 4.13 that refers to the avoidance of double counting, in the accounting guidance there should be clarity on the use of units derived from the implementation of Article 6, in order for their accounting to be assigned to one Party only. This work should take into account the discussions taking place under SBSTA related to Article 6 of the Agreement.
24. From AILAC's perspective, the implementation of this work will require for all Parties to enhance their national systems for emissions accounting and support must be provided for this purpose, with a scale and timeframe consistent with the Enhanced Transparency Framework and the Global Stocktake.

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

25. AILAC wants to emphasize the importance of having a well-organized work plan for the elaboration of further guidance on information to facilitate CTU of NDCs and on accounting for Parties' NDCs. Therefore, AILAC present its views on further work through the following diagram:



26. In order to advance the development of guidance under this item, for AILAC it would be desirable to prioritize discussions on the following issues: type of NDCs, additional crosscutting information to facilitate CTU of NDCs, having a consensus on the scope of accounting as well as the identification of the main elements of guidance for accounting for Parties' NDCs.

27. Finally, AILAC considers crucial for the achievement of collective goals under the Paris Agreement to set common timeframes for NDCs consistent with the five-year cycle of communication of NDCs and the global stocktake. These timeframes should be set considering the latest climate change scenarios, which demonstrate that we are about to exceed the 1.5°C threshold. In consequence, Parties should avoid the risk of locking in a low level of ambition, ensuring that NDCs are timely and appropriately adjusted, so as to ensure that the collective efforts deliver the long term goals and vision set under the Purpose of the Agreement.

## Ethiopia on behalf of the Least Developed Countries Group – submission 03 April

### 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

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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 CO<sub>2</sub> 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 CO<sub>2</sub>-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.

**31 March 2017**



## Japan – submission 4 April

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, 2016<sup>1</sup>.

### 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 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

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<sup>1</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/112\\_279\\_131195456593012249-SUBMISSION%20ON%20APA\\_AGENDA%20ITEM%203%20BY%20JAPAN\\_FINAL.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/112_279_131195456593012249-SUBMISSION%20ON%20APA_AGENDA%20ITEM%203%20BY%20JAPAN_FINAL.pdf)

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 submission<sup>2</sup>
- 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.)
- 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)

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<sup>2</sup> See:

[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/112\\_279\\_131195456593012249-SUBMISSION%20ON%20APA\\_AGENDA%20ITEM%203%20BY%20JAPAN\\_FINAL.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/112_279_131195456593012249-SUBMISSION%20ON%20APA_AGENDA%20ITEM%203%20BY%20JAPAN_FINAL.pdf)

### 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 (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, SF<sub>6</sub>, and NF<sub>3</sub>) 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.
- Credits/units (ITMOs)
  - Parties which acquired credits/units (limited to those convertible to t-CO<sub>2</sub> 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.

## Australia – submission 4 April

### Australian Government

#### Submission on further guidance in relation to the mitigation section of decision 1/CP.21

April 2017

Australia welcomes this opportunity to share views on further guidance in relation to the mitigation section of decision 1/CP.21. This submission addresses **features, and information to facilitate clarity, transparency and understanding (ICTU)** of nationally determined contributions (NDCs) relating to APA agenda items 3(a) and 3(b). A further submission will address issues relating to **accounting** for Parties' NDCs relating to APA agenda item 3(c). In preparing for this submission, we have taken into consideration guiding questions provided by co-facilitators<sup>1</sup>.

Australia recognises the variety of views expressed, and has contributed broader views in a previous submission<sup>2</sup>. We provide further details in this submission, focusing in the first instance on **basic** features and information requirements.

#### UNDERSTANDING OF, AND OVERALL PURPOSE FOR, GUIDANCE ON FEATURES AND ICTU

Features refer to agreed components of NDCs. ICTU refers to information that Parties should provide to express their contributions and demonstrate how they have addressed relevant features.

- Parties agreed a number of features at Paris. Decision 1/CP.21 paragraph 26 mandates a work programme to elaborate these features and consider other features.
- Parties agreed an initial list of information that Parties should provide to describe NDCs in Decision 1/CP.21 paragraph 27. 1/CP.21 paragraph 28 mandates a work programme to elaborate information requirements.

Australia sees these two sub-items as distinct, although they possess obvious connections – Parties will need to reflect in their ICTU how they intend to implement agreed features, among other elements they wish to include.

A decision on these items will provide clarity and certainty for Parties to prepare for future contributions and understand each other's contributions. It is required as the basis to track progress towards NDC implementation and achievement under the transparency framework. It will also facilitate accountability and transparency, and support the global tracking of progress through the Global Stocktake.

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<sup>1</sup> [http://unfccc.int/files/meetings/marrakech\\_nov\\_2016/in-session/application/pdf/informal\\_note\\_item3\\_v2.pdf](http://unfccc.int/files/meetings/marrakech_nov_2016/in-session/application/pdf/informal_note_item3_v2.pdf)

<sup>2</sup>

[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_279\\_131219392499465763Australia%20UNFCCC%20Sub%20Mitigation%20Final%20.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_279_131219392499465763Australia%20UNFCCC%20Sub%20Mitigation%20Final%20.pdf)

Australia sees NDC guidance as facilitative and intended to improve confidence and the function of the Paris Agreement. It is not intended to re-negotiate agreed elements or undermine the nationally determined nature of contributions.

## FEATURES

Article 4.2 is central to the agreed global goal of holding the increase in global average temperature to well below 2 degrees and pursue best efforts to limit to 1.5 degrees. The Article requires Parties to prepare, communicate and maintain NDCs and pursue domestic mitigation actions to achieve the objectives of the contributions. Mitigation contributions are the foundational 'feature' of an NDC.

Article 4 notes additional 'features' of NDCs related to these contributions:

- representing a progression from previous NDC (Article 4.3)
- reflecting highest possible ambition (Article 4.<sup>3</sup>)
- maintaining economy-wide absolute emissions targets or moving toward economy-wide targets over time (Article 4.4)

Guidance on NDC features should, in the first instance, recognise and, where necessary, elaborate these basic features.

Parties' NDCs are nationally determined and are not restricted to these basic features. They may include other elements, for example, mitigation co-benefits resulting from adaptation actions and/or economic diversification plans (Article 4.7).

After Parties have reflected on experience from implementation, there should be recourse for Parties to consider whether additional features will be necessary to achieve the goals of the Agreement.

## INFORMATION FOR CLARITY, TRANSPARENCY AND UNDERSTANDING

Reflecting the requirement to communicate NDCs as expressed under Article 4.2, Article 4.8 requires all Parties to provide the information necessary for clarity, transparency and understanding in accordance with Decision 1/CP.21 and further decisions under the CMA. This submission will focus on guidance to elaborate basic ICTU requirements, starting from those listed in 1/CP.21 paragraph 27, which reflects the initial list of information agreed at Lima under 1/CP.20.

Review of the UNFCCC Secretariat *Synthesis Report on the Aggregate Effect of INDCs*<sup>3</sup> and discussions with Parties indicate that technical elaboration of 1/CP.21 is needed to facilitate clarity, transparency and understanding. Building on experience from the first round of NDCs, Parties are now in a position to elaborate these requirements as mandated under 1/CP.21 paragraph 28.

Australia proposes the following elaboration, which can be adopted as a technical annex to a decision on APA item 3(b). We indicate key areas (i.e. headings) for elaboration, and provide a non-exhaustive list of

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<sup>3</sup> [http://unfccc.int/focus/indc\\_portal/items/9240.php](http://unfccc.int/focus/indc_portal/items/9240.php)



specific elements to be addressed under each area. In our view, these constitute the **minimum** components for further ICTU guidance. In response to co-facilitator guiding questions, we also point out linkages to the other sub-items under APA agenda item 3 – item 3(a) features of NDCs and 3(c) accounting for Parties NDCs, noting that ICTU discussions can and should proceed in parallel.

The elements identified below are summarised in outline format in **Annex A** of this document for convenience.

## 1. Quantifiable Information on Mitigation Contributions

NDCs should provide a clear indication of the Parties' mitigation contributions that is quantifiable in terms of its emissions impact in both the base/reference year(s) and the target/commitment year(s). This information:

- is fundamental to help Parties understand each other's contributions
- is required as the basis to track progress towards NDC implementation and achievement under the transparency framework, and
- is key to aggregating and assessing collective progress for the Global Stocktake.

A key objective for ICTU is that it must allow for the calculation of indicative emissions in the base and target year(s). It should be clear how indicative emissions can be estimated from information provided, in conjunction with existing publically available information (such as UNFCCC inventory submissions), or Parties may choose to provide indicative emissions in their NDC submission. Parties should not be held to these indicative emissions, as the accuracy of their estimation is likely to improve between the NDC submission and the commencement of the implementation period due to regular improvements in data.

Decision 1/CP.21 paragraph 27 provides a starting point, requiring:

*... quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation ...*

Taking this into consideration, we propose Parties specify:

1. the **type of the mitigation contribution** – e.g. absolute, intensity, reduction from BAU, policy and measures, etc
2. the **extent of the mitigation contribution** – e.g. the percentage reduction, and/or policy objectives, etc
3. **parameters and their values used, or sources for these, to define the mitigation contribution, for the base and target year(s), and any other year(s) as relevant** – e.g. emissions, GDP, population, policy metric, etc. Parties need only provide parameters relevant to their target type, for example, for an absolute target only emissions are needed, for an emission per GDP target only GDP and emissions are needed, etc
4. **base year and/or reference period** – e.g. the base year or years used to define relevant baselines, including base years for policy objectives that are part of the contribution such as increasing renewable energy or forest cover

5. **target year and/or periods** – e.g. the end year, or period over which the contribution will be met, taking into account relevant decisions on Article 4.10
6. **aggregation parameters and their values**– e.g. additional parameters such as carbon dioxide equivalent metrics used, to assist in the aggregation of the collective impact of NDCs for the Global Stocktake.

Australia recognises that some Parties have limited capacity to provide quantifiable information in the context of Article 4.6. We continue to work with partners to build capacity to improve the provision of information over time.

Australia considers the above elements as basic information requirements. Additional information may be required to support Parties accounting toward targets consistent with guidance developed under APA agenda item 3(c).

## 2. Scope and Coverage of Mitigation Contributions

NDCs should clearly define which anthropogenic emissions and removals are covered and how this compares against the Party's inventory. This provides transparency of Parties' NDCs and helps demonstrate efforts to strive to increase coverage over time as per Decision 1/CP.21 paragraph 31(c). It also allows for clear identification of focal points for investment and technological development.

Again, Decision 1/CP.21 paragraph 27 provides a starting point, requiring

*... quantifiable information on ... scope and coverage ...*

Taking this into consideration, we propose Parties provide information on:

1. **sectors, categories and gases covered** – including how the nominated sectors and categories are defined with respect to inventory reporting sectors and categories
2. **whether categories of anthropogenic emissions and removals reflect continued coverage of previously covered categories** – in line with 1/CP.21 paragraph 31(c)
3. **how the NDC has considered the encouragement to cover all categories of anthropogenic emissions and removals** – in line with 1/CP.21 paragraph 31(c)
4. **why any categories of anthropogenic emissions or removals are excluded** – in line with 1/CP.21 paragraph 31(d).

In keeping with the nationally determined nature of contributions, this information requirement does not prescribe what sectors, categories and gases Parties must include in their contribution. The requirements above should apply regardless of the outcome under APA agenda item 3(c), which may introduce additional information requirements.

## 3. Assumptions and Methodological Approaches

NDCs should provide information on major assumptions and methodological approaches that Parties took into consideration to arrive at their mitigation contribution, and/or will apply in demonstrating its achievement. This assists in providing transparency and clarity on Parties' intended contributions and in ensuring methodological consistency between the communication and implementation of NDCs as per Decision 1/CP.21 paragraph 31(b).

Again, Decision 1/CP.21 paragraph 27 provides a starting point, requiring information on:

*... assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals...*

Taking this into consideration, we propose Parties provide 'overview level' information on:

1. **the accounting approach(es) to be used** to acquit progress against contribution including, where relevant, approach for the land sector, and information relating to internationally transferable mitigation outcomes (ITMOs), if applicable, consistent with guidance.
2. **how base years, baselines and/or reference levels are constructed**, including
  - a. **key assumptions and parameters**
  - b. **estimation methodologies**
  - c. **where projection based baselines and/or reference levels are used, policies and measures included and projection methodology**

As NDCs are to be submitted some years before the commencement of the implementation period, only 'overview level' information is expected. It is further expected that the accuracy of estimation of some parameters and assumptions used may improve over time due to updated data. However, Parties should make clear underpinning parameters and assumptions used to construct their target at the time of lodgment.

The accounting approaches Parties report under this information requirement should demonstrate consistency with outcomes under APA agenda item 3(c). We note however, the requirements above should apply regardless of the outcome under APA agenda item 3(c), which may introduce additional information requirements.

#### **4. Domestic Process for Determining Contribution**

NDCs should provide information about the domestic planning processes that Parties have undertaken to determine their NDC. As domestic processes are nationally determined and vary between Parties, Parties should retain flexibility in how they address this element.

Again, Decision 1/CP.21 paragraph 27 provides a starting point by requiring information on:

*... planning processes ...*

We propose a non-prescriptive requirement for **information on domestic planning processes** associated with the development of NDC.

We did not identify specific linkages with other sub-items under APA item 3.

#### **5. Progression and Ambition**

Article 4 of the Paris Agreement makes clear several additional features of NDCs, relating to progression and ambition.

- Article 4.3 – NDCs to represent a progression from previous NDC
- Article 4.3 – NDCs to reflect highest possible ambition

- Article 4.4 – Parties to move toward economy-wide targets over time

Parties should **provide information on how they have addressed each of these agreed elements.**

## **6. Consideration of other Features agreed by Parties**

A placeholder can be provided for further features agreed by Parties under APA agenda item 3(a), and a recall to review the set of features following experience from their implementation.

### **PROGRESS AND WAY FORWARD**

Progress on these items, in particular, the basic elements referred to above, is important to provide clarity and confidence for Parties, businesses and other private actors to invest in implementation.

At Bonn, Parties should adopt a clear calendar of work for all sub-items under APA Item 3.

- Under APA agenda item 3(a), we propose Parties commence work on the ICTU technical annex, with a view to circulate possible elements of draft text for the ICTU technical annex by COP23.
- Work on the ICTU technical annex should focus on the basic features and ICTU elements described above.
- In parallel, Parties can discuss potential additional features under APA agenda item 3(a), which may inform additional ICTU guidance to be reflected under APA agenda item 3(b).

### **ISSUES TO BE DISCUSSED AND RESOLVED UNDER THIS ITEM**

In light of the above, Australia proposes the following questions for discussion relating to the ICTU technical annex:

How should information requirements in 1/CP.27 be elaborated to enable Parties to ensure clarity, transparency and understanding of NDCs:

1. What quantifiable information is necessary to describe the variety of mitigation contributions?
2. What information is necessary to describe the scope and coverage of mitigation contributions?
3. What information is necessary relating to assumptions and methodological approaches?
4. How can information demonstrate implementation of agreed features relating to progression and ambition?

## ANNEX A Possible Structure and Elements for CTU Guidance

- 1 Quantifiable information on mitigation contributions
  - 1.1 type of mitigation contribution
  - 1.2 extent of mitigation contribution
  - 1.3 parameters and their values, or sources for these, to define the mitigation contribution, for the base and target year(s), and any other year(s) as relevant
  - 1.4 base year and/or reference period
  - 1.5 target year and/or periods
  - 1.6 aggregation parameters and their values
- 2 Scope and coverage of mitigation contributions
  - 2.1 sectors, categories and gases covered
  - 2.2 whether categories of anthropogenic emissions and removals reflect continued coverage of previously covered categories
  - 2.3 how the NDC has considered the encouragement to cover all categories of anthropogenic emissions and removals
  - 2.4 why any categories of anthropogenic emissions or removals are excluded
- 3 Assumptions and methodological approaches
  - 3.1 accounting approach(es) to be used
  - 3.2 how base years, baselines and/or reference levels are constructed, including
    - 3.2.1 key assumptions and parameters
    - 3.2.2 estimation methodologies
    - 3.2.3 for projection based baselines and/or reference levels, where used, policies and measures included and projection methodology
- 4 Domestic process for determining contribution
  - 4.1 information on domestic planning processes associated with the development of NDC
- 5 Progression and ambition

How NDC has addressed

  - 5.1 progression from previous NDC
  - 5.2 reflecting highest possible ambition
  - 5.3 moving toward economy-wide targets over time
- 6 Consideration of other features agreed by Parties

## Norway – submission 4 April

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

#### APA agenda item 3 (March 2017)

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.

Republic of Rwanda on behalf of the Member States of the Central African Forestry Commission (COMIFAC) – submission  
6 April

## Submission of Views

By the Republic of Rwanda on behalf of the Member States of the Central African Forestry  
Commission (COMIFAC) on APA agenda item 3

29 March 2017

APA invited Parties to submit their views on agenda item 3.

The member states of COMIFAC: Republic of Burundi, Republic of Cameroon, Central African Republic, Republic of Congo, Republic of Gabon, Democratic Republic of Congo, Republic of Chad, Republic of Equatorial Guinea, Republic of Rwanda, and the Republic of Sao Tome and Principe; that harbors the second largest tropical forest block welcome the possibility to present its views on APA agenda item 3.

These countries hereby express their willingness to work with the co-chairs to accompany the entry into force and implementation of the Paris Agreement.

They also recall the principle of common but differentiated responsibility in the context of the overall effort to reduce / stabilize the concentration of greenhouse gases in the atmosphere, without prejudice to Article 3 (2) of the Convention.

The following views are expressed:

### **Agenda item 3, Further guidance in relation to the mitigation section of decision 1/CP.21:**

#### **(A) Features of nationally determined contributions, as specified in paragraph 26**

It suffices to :

1. Identify mitigation sectors to be considered by the NDC;
2. Submit sectorial objectives to be considered for mitigation by NDC based on recommended standards;
3. Invite developed countries and emerging economies to implement their NDC based on their progressive emission trends;
4. Take into account the vulnerability of developing countries, including the most vulnerable states and those with lower or no emissions (such as member countries of COMIFAC) by encouraging them to provide information depending on the technical and financial support;
5. Consider and valorize the voluntary contributions of countries
6. Build on the existing legal and institutional framework at the country level;
7. Integrate gender which is indispensable in the fight against climate change.
8. Encourage developing countries, particularly member countries of COMIFAC, to carry out an assessment of their technological needs for the implementation of the NDC.

**(B) Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

1. NDC must make the actions to be taken more comprehensible in the context of achieving the ultimate objective of the Convention, including mitigation and adaptation.
2. NDC must be based on a country's emission profile, taking into account the flexibility for developing countries, especially the member countries of COMIFAC.
3. National communications and the BURs deserves to be used as the preferred way to report on the progress in the different sectors of the NDC.
4. The emission sectors concerned should take into account reference year, the reference level and emissions reduction target.
5. Lastly it is important to develop a simplified guide to facilitate the understanding, the process and the implementation of NDC.

**(C) Accounting for Parties' nationally determined contributions, as specified in paragraph 31**

1. For the purpose of coherence, it is necessary to maintain the accounting rule under the Convention by building on existing guidelines and methodology of the IPCC.
2. An appeal may be made to SBSTA if the need arises.

**COMIFAC member countries reserve the right to offer additional views to this submission.**

## China's Submission on Further Guidance for the Nationally Determined Contributions under the Paris Agreement

China welcomes the progress made in Marrakech on further guidance for the nationally determined contributions (NDCs) under the Paris Agreement. In accordance with paragraph 17-18 of the report of the Ad Hoc Working Group on the Paris Agreement on the second part of its first session (FCCC/APA/2016/4), China submits the following views:

### I. General Comments on the NDCs

1. NDC is a policy instrument for Parties to fulfill their obligations under the Convention and its Paris Agreement in order to promote low-emission, climate resilient and sustainable development. Implementing the NDCs is an opportunity for Parties to mainstream climate perspectives into their economic and social development, protect their environment and ecosystems, mobilize finance flows towards a low-emission and climate-resilient economy, promote innovation and transfer of climate-friendly technologies and strengthen their capacities on combating climate change.
2. Parties' NDCs should be in full accordance with the principles and provisions of the Convention and the provisions of the Paris Agreement, in particular the principles of equity and common but differentiated responsibilities and respective capabilities.
3. The NDCs should include mitigation, adaptation, finance, technology development and transfer and capacity-building, taking into account differentiated obligations of developed and developing country Parties under the Convention and its Paris Agreement.
4. Developed country Parties' NDCs should include both ambitious actions and enhanced provision of support to developing country Parties.
5. The extent to which developing country Parties would effectively implement their NDCs will depend on the adequate provision of finance, technology and capacity building support by developed country Parties, recognizing that enhanced support for developing countries will allow for higher ambition in their actions.
6. The guidance for the NDCs should respect the nationally determined nature of Parties' contributions. Such guidance should be concise, feasible, pragmatic and facilitative, providing flexibility to developing country Parties, in particular those developing country Parties with least capacities. Incentivizing mechanisms should be established to encourage Parties to prepare, communicate and implement NDCs in a successive and durable manner.

## II. APA Agenda Item 3(a): Further Guidance on Features of NDCs

### A. What is the understanding of features of NDCs under this agenda item?

The meaning of features is “what the NDCs will look like in general”. The features of NDCs are defined and specified in the provisions of the Paris Agreement. There are several aspects of features enshrined in the provisions of the Paris Agreement (Figure 1 below).

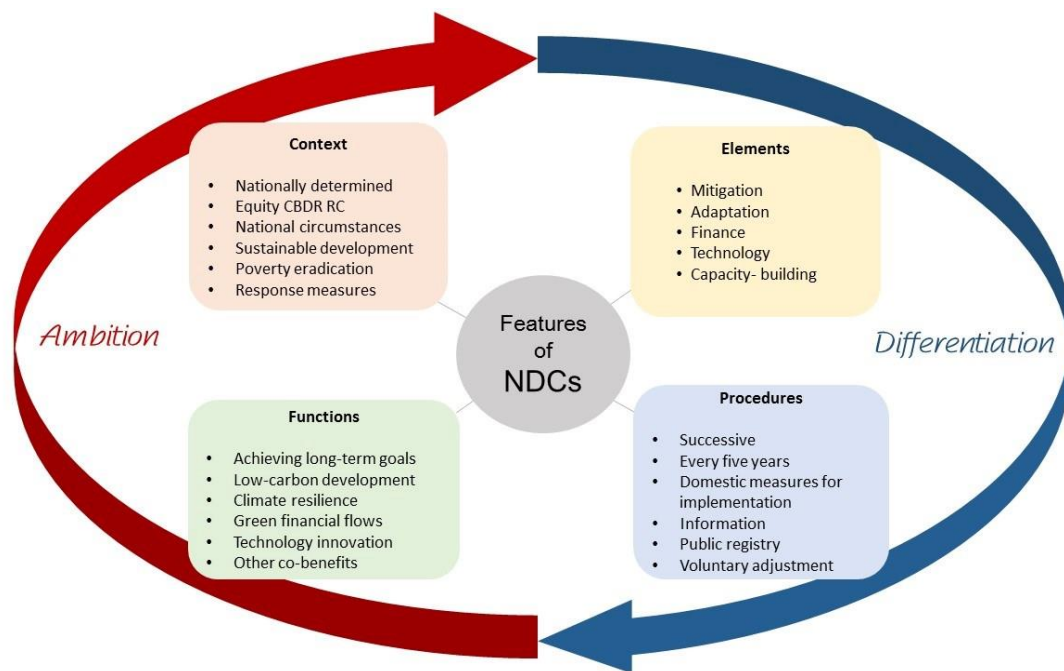


Figure 1: Features of NDCs according to the provisions of the Paris Agreement

#### 1. Context features

- (1) According to Article 3 and 4 of the Paris Agreement, “nationally determined” is one of the key features of the NDCs.
- (2) According to Article 2.2 of the Paris Agreement, the NDCs should be in accordance with the principles of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.
- (3) According to Article 2.1 of the Paris Agreement: the NDCs should be prepared, communicated and implemented in the context of sustainable development and efforts to eradicate poverty.
- (4) Furthermore, Article 4.15 of the Paris Agreement should be considered as a context.

#### 2. Function features:

- (1) The NDCs should be beneficial for achieving the purpose of the agreement and its long-term goals and promote low-emission and climate-resilient development, in line with Article 2.1(a) and (b), 4.1, 7.1 of the Paris Agreement.
  - (2) The NDCs could be a policy instrument for Parties to make finance flows towards a low-carbon and climate-resilient economy and accelerate the development, innovation and transfer of climate-related technologies, in line with Article 2.1(a) and (b), 4.1, 7.1 of the Paris Agreement.
  - (3) In line with relevant preambles of the Paris Agreement, other co-benefits resulting from the Parties' NDCs are encouraged, including economic transition, job creation, energy security and transformation, health, food security, poverty eradication, biodiversity and environment protection, sustainable life styles and sustainable patterns of consumption and production.
3. Element features:
- (1) According to Article 3 of the Paris Agreement, the NDCs should include mitigation, adaptation, finance, technology development and transfer and capacity-building. The NDCs and relevant guidance should not be mitigation-centric.
  - (2) According to Article 4.7 of the Paris Agreement, mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans can contribute to mitigation outcomes. Furthermore, Parties' plans, policies and actions in other areas with climate co-benefits should also be recognized as their contributions on combating climate change.
  - (3) According to Article 4.2 and 4.4 of the Paris Agreement, quantitative targets should not be the only component envisaged in NDCs. Policies and measures are equally important for the NDCs. Developing country Parties' NDCs could be qualitative policies and measures, and are encouraged to move towards quantifiable targets over time, depending on their national circumstances, enabled by incentive and support.
4. Differentiation features
- (1) The features of the NDCs should reflect differentiated responsibilities of developed and developing country Parties, in line with Article 3, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement.
  - (2) Developed country Parties are to demonstrate leadership and ambition in their NDCs through reducing greenhouse gases, strengthening resilience and providing and mobilizing support to developing country Parties.
  - (3) Developing country Parties' NDCs are diversified, taking into account their national circumstances and capacities. Their NDCs could include, as appropriate, mitigation, adaptation and other actions with benefits of low-emission and climate-resilient

development, as well as needs of support. Developing country Parties are encouraged to provide voluntary support to other developing country Parties.

5. Ambition features

- (1) According to Article 4.3 and 9.3 of the Paris Agreement, successive NDCs will represent a progression and reflect the highest possible ambition.
- (2) Progression and ambition should be fulfilled in the context of differentiation, national circumstances and full scope of NDCs, taking into account matching actions with support.

6. Procedure features

- (1) According to Article 4.2 and 4.9 of the Paris Agreement, the NDCs should be successive and communicated every five years.
- (2) According to Article 4.8 of the Paris Agreement, the NDCs should be accompanied with information necessary for clarity, transparency and understanding.
- (3) According to Article 4.12 of the Paris Agreement, the NDCs should be recorded in a public registry.
- (4) According to Article 4.11 of the Paris Agreement, the NDCs may be adjusted by Parties with concerns at any time to a higher level of ambition. Such adjustment should be nationally determined and in accordance with the guidance for features, information and accounting of NDCs to be adopted by the CMA.

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

1. The purpose of the further guidance on features is to:

- (1) further implement the relevant provisions of the Paris Agreement to ensure the full scope, differentiation and ambition of the NDCs;
- (2) facilitate the clarity, transparency and understanding of NDCs;
- (3) assist Parties during their domestic process of preparation of NDCs; and
- (4) facilitate the exchange of best practices on low-emission and climate resilient development among Parties.

2. Furthermore, the guidance on features should respect the nationally determined nature of Parties' contributions to allow them choosing the policy options that are feasible, replicable, cost-effective and environment-friendly in accordance with their nationally defined development priorities. This is fundamental to incentivize Parties to enhance their climate actions and cooperation over time and achieve a win-win solution between robust economy growth and ambitious climate actions.

**C. *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)?***

Features and information are interlinked with each other. Both of them are related to the clarity, transparency and understanding of the NDCs. Therefore, these two sub-items should be discussed coherently in a single setting.

**D. *How could this work be usefully structured and progressed?***

1. The APA negotiation on the guidance for the NDCs should enhance mutual understanding among Parties on key political issues, such as scope of the NDCs and reflection of the differentiation.
2. The work under this sub-item should start with collective understanding of the relevant provisions of the Paris Agreement. Thereafter, Parties can work together cooperatively and constructively to compile the features of the NDCs in a more concise, logical and structured format, without introducing “new issues” beyond the Paris Agreement. Such approach is fundamental to ensure a successful completion of the work programme related to the implementation of the Paris Agreement in 2018.

**III. APA Agenda Item 3(b): Further Guidance for Information of NDCs**

**A. *What is the understanding of information to facilitate the clarity, transparency and understanding of NDCs under this agenda item?***

1. In the UNFCCC context, information is a tool for Parties to communicate to the public to demonstrate the status in fulfilling their obligations under the Convention and its related legal instruments. The “information” discussed under this sub-item means some items that accompanies the communication of NDCs, give further knowledge on the NDCs and facilitate the public awareness on what Parties are going to do on climate change in the following years. Such information will be provided before the NDCs to be implemented and, therefore, distinguished from the information to track progress made to implement the NDCs under the transparency framework referred to in Article 13.7(b) of the Paris Agreement (Table 1 below).

Table 1: Difference between the information of NDCs and information on implementation

	Information of NDCs	Information on Implementation
Purpose	Facilitating the clarity, transparency and understanding of NDCs	Tracking the progress made to implement NDCs



Timing of Submission	Before implementation of the NDCs	Along with and after implementation of the NDCs
'Home' Documents	Together with the communication of NDCs	National Reports referred to in Article 13.7(b) of the Paris Agreement
Item in the APA agenda	Item 3(b): Further guidance in relation to the mitigation section of decision 1/CP.21 on: Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28	Item 5: Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement

2. The content of information has been set out in paragraph 27 of decision 1/CP.21, which is a menu of options for Parties concerned to pick and choose in a nationally determined manner, in line with their differentiated NDCs and different national circumstances and capacities.
3. When applying the guidance for information of the NDCs, developed country Parties should take the lead. Meanwhile, flexibilities should be provided to developing country Parties in the scope and level of specificity.
4. Further guidance for the information of the NDCs of developed country Parties is the following:
  - (1) They are to provide the information on mitigation, adaptation and provision and mobilization of finance, technology and capacity-building support in accordance with Article 3, 4.4, 4.8, 7.10, 9.5, 10 and 11 of the Paris Agreement and paragraph 27 and 55 of decision 1/CP.21, with a view to demonstrating their leadership in combating climate change.
  - (2) The information should include both the descriptions of their NDCs and the quantitative estimated effects resulting from their NDCs.
  - (3) Developed country Parties should also provide information on their existing and envisaged additional policies and measures to support the implementation of their NDCs.
5. Further guidance for the information of the NDCs of developing country Parties is the following:

- (1) Paragraph 27 of decision 1/CP.21 is a list for developing country Parties' reference when communicating their NDCs. The specific items of information should take into account developing country Parties' diversified climate actions, different national circumstances and capacities and support received.
- (2) Developing country Parties are encouraged to provide information on the costs and barriers of implementing their NDCs and finance, technology and capacity-building support needed, as well as possible ambitions, benefits and effects to be achieved correspondent to different scales of support to be received. They are also encouraged to share information on voluntary support to other developing country Parties.
- (3) There may be further improvement on information quality and data accuracy in their subsequent NDCs, depending on continuous, adequate and enhanced support for increasing their capacities.

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

1. The main purpose of information is to facilitate the clarity, transparency and understanding of the NDCs.
2. The guidance for information of the NDCs should also aim to:
  - (1) provide the reference or assistance for the domestic preparation of NDCs;
  - (2) encourage Parties to improve the transparency and predictability of their climate policies and actions continuously, while ensuring that any guidance would make NDCs an opportunity rather than a burden for Parties, in particular developing country Parties;
  - (3) facilitate the exchange of best practices among Parties and incentivize Parties to translate their NDCs into opportunities in terms of green investments and technology innovation.
  - (4) assist developing country Parties to identify the capacity-building needs on the preparation and implementation of their NDCs.
3. Furthermore, to achieve the purposes above, incentivizing mechanisms should be established to encourage and support Parties, in particular developing country Parties to prepare, communicate and implement their NDCs and provide relevant information in a successive and durable manner.

***C. What is the relationship, if any, between further guidance on information to facilitate the clarity, transparency and understanding of NDCs under this subitem, and further guidance on sub-items 3(a) and 3(c)?***

1. The scope of guidance for information should be consistent with the scope of NDCs, covering mitigation, adaptation and means of implementation.
2. According to paragraph 27 of decision 1/CP.21, “assumptions and methodological approaches including those for accounting for anthropogenic GHG emissions and, as appropriate, removals” is one of the items of the information list. Information related to accounting for NDCs can be provided by Parties together with other information when NDCs are communicated. ***D. How could this work be usefully structured and progressed?***
1. The work to developing the information guidance should be structured around all the elements of NDCs and differentiation between developed and developing country Parties.
2. It is of necessity to deepen the understanding of relevant arrangements for information under the Paris Agreement and decision 1/CP.21.
3. Joint discussion between the information of NDCs and reporting under the transparency framework could be launched, in order to identify which items of information belong to the communication stage and/or implementation stage of NDCs.

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

1. Purpose of the information guidance;
2. Timing of application of the information guidance;
3. Basis of the work on information guidance;
4. Understanding the provisions of the Paris Agreement and relevant guidance on information in decision 1/CP.21;
5. General information guidance for all Parties;
6. Information guidance for developed country Parties; 7. Information guidance for developing country Parties;
8. Further key issues to be discussed:
  - (1) Flexibility in applying the information guidance for developing country Parties;
  - (2) Continuous improvement and capacity-building for developing country Parties;
  - (3) Incentivizing mechanisms to encourage and support Parties to prepare, communicate and implement NDCs and provide relevant information in a successive and durable manner.

#### IV. APA Agenda Item 3(c): Guidance for the Accounting for NDCs

##### *A. What is the understanding of accounting for Parties NDCs under this agenda item?*

1. “Accounting for NDCs” means that Parties should be responsible for their NDCs by giving an explanation through certain methods and approaches, such as which sectors and gases will be included in their NDCs and what the meanings of relevant references, indicators and other aspects of NDCs are. Accounting is also an important part of transparency.
2. The guidance for accounting under the Paris Agreement should adhere to the following general principles:
  - (1) reflecting common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement;
  - (2) taking into account differentiated NDCs of developed and developing country Parties, in line with Article 3, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement;
  - (3) consistent with the nationally determined nature of Parties’ contributions;
  - (4) covering both actions and support in a balanced manner;
  - (5) transparency, accuracy, completeness, comparability and consistency, ensuring environmental integrity and avoiding double counting, mentioned in Article 4.13 and 6.2 of the Paris Agreement;
  - (6) drawing from the existing approaches, methods and arrangements under the Convention and its Kyoto Protocol, as referred to in Article 4.14 of the Paris Agreement and paragraph 31 of decision 1/CP.21;
  - (7) in accordance with methodologies and common metrics assessed by the IPCC, methodologies consistency and continuous improvement over time on categories of emissions or removals as set out in paragraph 31(a)-(d) of decision 1/CP.21; and
  - (8) providing flexibility to developing country Parties when they are applying the guidance.
3. Developed country Parties should take the lead in applying the guidance for accounting, to avoid double counting in reducing emissions and providing support. In accounting for mitigation component of their NDCs, the key issue is to illustrate the relation between the economy-wide emission reduction target and their domestic emissions, carbon sinks and international transferred mitigation outcomes.

4. Developing country Parties are allowed to choose, in a nationally determined manner, the sectors and gases covered in their NDCs and specific methodologies used for accounting, in line with the content of their NDCs and their national circumstances and capacities. Furthermore, developing country Parties are encouraged to account for other categories of sinks or removals mentioned in Article 5 of the Paris Agreement, including forests. However, such encouragement should not prejudice any requirements on mitigation in agriculture. In addition, developing country Parties are also encouraged to improve their performance on applying the accounting guidance over time, depending on their capacities and support received.

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

1. The basic purpose of the guidance on accounting is to promote mutual trust among Parties and to provide the public a clear and comprehensive picture on what Parties are planning to do on climate change.
2. Other purposes are as follows:
  - (1) to operationalize transparency, accuracy, completeness, comparability and consistency and to avoid double counting;
  - (2) to promote the application of common metrics;
  - (3) to ensure methodology consistency between the communication and implementation of NDCs;
  - (4) to encourage Parties to enhance their credibility and accountability; and
  - (5) to facilitate developing country Parties to move towards economy-wide mitigation actions and targets over time, enabled by support and incentive.

***C. 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)?***

1. The guidance on accounting is slightly different from the guidance on features and information. Therefore, the work on accounting should be organized separately from features and information.
2. Since “methodologies and assumptions related to accounting” are parts of information as listed in paragraph 27 of decision 1/CP.21, the methodologies and assumptions related to accounting used by Parties could be reflected, as appropriate, in the communication of their NDCs.

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

1. There are tremendous arrangements, modalities and methodologies of accounting under the Convention and its Kyoto Protocol, which lays a basis for the work on accounting for mitigation. Further discussions could be on how the existing arrangements could be further improved.
2. Some technical work could be conducted such as inviting relevant technical experts from the Secretariat to make a presentation on the existing approaches and arrangements under the Convention and its Kyoto Protocol. Developed country Parties are invited to introduce their experience and practices on applying the guidance on accounting under the Convention and its Kyoto Protocol.

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

1. The work to develop the guidance for accounting should start with a better understanding on the word “accounting” itself in the context of the Convention and its Paris Agreement.
2. It is of necessity to deepen the understanding of relevant arrangements for accounting under the Paris Agreement and decision 1/CP.21.
3. Joint consultations between accounting and transparency needs to be conducted.
4. The work should also be informed by the discussion on international transferred mitigation outcomes under Article 6 and modalities for the accounting of financial resources referred to in paragraph 57 of decision 1/CP.21. Joint consultations between this sub-item and relevant items under the SBI/SBSTA could be conducted if needed.

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

1. Common understanding of the word “accounting” under the Paris Agreement;
2. Purpose of the accounting;
3. Understanding the provisions of the Paris Agreement and relevant guidance on accounting in decision 1/CP.21;
4. General principles for the guidance for accounting, including differentiation and flexibilities to developing country Parties in applying the guidance;
5. Existing rules, procedures and experience under the Convention and its Kyoto Protocol;
6. Technical issues related to the accounting guidance
  - (1) Mitigation component of NDCs:
    - a) Common metrics (GWPs/GTPs);
    - b) Methodologies related to GHGs and its inventories (IPCC guidelines and tiered approaches);

- c) methodologies and methodology consistency on other aspects of mitigation component of NDCs;
  - d) Categories of emissions or removals;
  - e) LULUCF and land sector in developed country Parties;
  - f) Forest in developing country Parties; and
  - g) International transferred mitigation outcomes and avoiding double counting (informed by negotiation under the Article 6 and joint consultation if needed)
- (2) Support component of NDCs, including finance, (informed by negotiation under paragraph 57 of decision 1/CP.21 and joint consultation if needed), technology development and transfer and capacity-building (joint consultation with relevant items under the SBI/SBSTA).

China will provide its further views on the guidance for the NDCs and any related issues in due course and is willing to work constructively with other Parties to move the APA process forward.

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## Bangladesh – submission 10 April

### Submission of Bangladesh on Agenda Item 3 (mitigation section of decision 1/CP.21) of Ad hoc Working Group on the Paris Agreement (APA)

Bangladesh welcomes the invitation to the Parties by Ad hoc Working Group on the Paris Agreement (APA) to submit their views on the agenda item 3, “Further guidance in relation to the mitigation section of decision 1/CP.21 specifically on: (a) features of Nationally Determined Contributions (NDCs) as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of NDCs as specified in paragraph 28; and (c) accounting for Parties’ NDCs as specified in paragraph 31”.

It is strongly felt that operationalizing the relevant provisions of NDCs particularly important elements as specified in paragraphs 26, 28 and 31 of decision 1/CP.21 are the key to effectively implement the Paris Agreement as well as to maintain trust and confidence among Parties across the UNFCCC process. We understand that there is a direct linkage between mitigation and adaptation, and the level of adaptation is linked with the level of mitigation. The greater levels of mitigation reduce the need for additional adaptation efforts, and that greater adaptation needs involve greater adaptation costs.

The mandate provided under this agenda item is to develop further guidance on features, information and accounting for Parties’ NDCs as specified in paragraphs 26, 28 and 31 of decision 1/CP.21. While asking for further guidance on the particular issue(s), it signifies the fact that there is guidance already put in place, and now further guidance is sought to make it more effective and functional taking into account changing situations after Paris Agreement. In fact, the previous decisions of the Conference of the Parties (COP) and the Paris Agreement have provided solid foundation to the elements of NDCs as specified in above mentioned paragraphs. The core principles that will guide the framing of NDCs are i) respectfulness of the nationally determined character of NDCs and their diversity taking in to account different national circumstances and capacities; ii) be flexible and not creating additional burden; iii) facilitate clarity, transparency and understanding iv) build consistency, trust and confidence. At the same time, we have to be mindful of the special situations of LDCs, SIDs and particularly vulnerable countries as recognized by the Convention and the Paris Agreement while communicating subsequent NDCs by those countries.

On features, the Paris Agreement specifies features of NDCs with “national determination” the most important consideration. Other important elements are to maintain progression, highest possible ambition, flexibility, transparency and support. With regard to linking support to NDCs, it is important to note that many developing countries particularly LDCs and vulnerable countries put forward conditional mitigation targets as their contributions, which are contingent upon necessary support to be provided by developed countries in terms of finance, technology and capacity building. However, the shape of features depends on the extent, nature and consistency of information and associated accounting rules to be attached to NDCs.

On information, there is a general agreement that paragraph 27 of decision 1/CP.21 specifies the information to facilitate the clarity, transparency and understanding of NDCs and should be a starting point



to developing further guidance. Here, as specified key elements would be 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 greenhouse gas emissions and, as appropriate, removals, etc. The information should also contain how the Party considers its nationally determined contribution is fair and ambitious in the light of national circumstances, and how it contributes towards achieving the objective of the Convention as set out in Article 2 on stabilizing the GHG concentrations in the atmosphere as well as the purpose of the Paris Agreement as set out in Article 2 on holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.

This is also important to identify common information elements as well as differentiated elements, as they relate to different aspects and types of NDCs as stipulated in article 4 and 13 of the Paris Agreement. There is a clear linkage between information of NDCs and the process of transparency framework of the Paris Agreement. We need to carefully consider the difference between accompanying information for the clarity, transparency and understanding of NDCs (ex-ante), and information relevant to the transparency framework (ex-post). Article 13, paragraph 7 (a) provides specific elements of information like a national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases using good practice methodologies accepted by the IPCC and agreed upon by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).

To elaborate guidance on accounting for Parties NDCs, the principles referred to in Article 4, paragraph 13 of the Paris Agreement and the elements specified in paragraph 31 of decision 1/CP.21 are the key basis or starting point to move forward. Here, Article 4, paragraph 13 of the Paris Agreement gives firm call to the Parties for the promotion of environmental integrity, transparency, accuracy, completeness, comparability and consistency, and the avoidance of double counting while accounting for anthropogenic emissions and removals corresponding to their NDCs in accordance with guidance adopted by the CMA. Again, Article 4, paragraph 14 of the Paris Agreement and paragraph 31 of decision 1/CP.21 also reaffirm the importance of elaborating the guidance building on existing approaches and methods established under the Convention and its related legal instruments.

As per paragraph 31, Parties' NDCs must capture the following critical elements:

- a) Ensuring Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA.
- b) Ensuring methodological consistency, including on baselines, between the communication and implementation of NDCs;
- c) Striving to include all categories of anthropogenic emissions or removals in their NDCs and, once a source, sink or activity is included, continue to include it;
- c) Ensuring to provide an explanation of why any categories of anthropogenic emissions or removals are excluded;

Common understanding needs to be established how relevant important issues such as IPCC methodologies on the land sector including forests, internationally transferred mitigation outcomes, etc. can be rationally applied to the elaboration of the guidance. Parties will also need to clarify the purpose of the guidance, and how guidance can take account of differences in Parties' capacities and level of experience. Here existing approaches like developing and communicating national communications, annual national GHG inventory and biennial report for Annex I Parties, biennial update report for Non-annex I Parties, need to be reviewed and enhanced in terms of level of details of information to be provided with robust IPCC methodologies, common metrics and guidelines. Here Parties should continue to strive for moving towards higher tiers in the light of their national circumstances and respective capabilities as they are committed to do so under the Paris Agreement.

## Republic of Korea – submission 14 April

### The Republic of Korea's views on features, information and accounting of NDCs

April 2017

Korea is pleased to submit its views on APA agenda item 3, "Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding (CTU) of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31"

#### 1. Further Guidance on Features of NDCs (APA agenda item 3(a))

The purpose of further guidance on features is to further clarify and elaborate on those features outlined in Article 4. Parties need to enhance their common understanding on ① what features are, ② what features they have already agreed in Article 4, and ③ whether some additional features might be needed.

Features of NDCs are the intrinsic characteristics of NDCs that function as the boundary conditions within which Parties are to nationally determine their NDCs. NDCs are to be nationally determined in accordance with these features or boundary conditions. A Party's NDC, though nationally determined, is not to be intermittent, backward, or without information necessary for clarity, transparency and understanding or without informed consideration of the outcomes of the global stocktake. Nor can it be communicated in a communication cycle other than the 5-year communication cycle Parties have agreed.

Korea presents its understanding of the common features outlined in Article 4 and those features to be further elaborated as follows.

##### 1) Common Features Outlined in Art. 4 (expressed as "shall")

- Successive communication (Article 4.2 – Each Party/shall)
- Anchoring in domestic mitigation measures (Article 4.2 – Parties/shall)
- Information necessary for clarity, transparency and understanding (Article 4.8 – All Parties/shall)
- 5-year communication cycle (Article 4.9 – Each Party/shall)
- Informed consideration of the outcomes of the global stocktake (Article 4.9 – Each Party/shall)
- Accountability (Article 4.13 – Parties/shall)

##### 2) Common Features to be Further Elaborated

Korea is of the view that a few common features might be further elaborated in relation to Article 4.8, 4.10 and 4.13. Common time frame, if agreed and adopted by the CMA, could be an important common feature. Methodological consistency that could be derived from Article 4.13 is also a crucial common feature, particularly in terms of accounting for the achievement of NDCs.

## 2. Further Guidance on Information of NDCs (APA agenda item 3(b))

Information of NDCs operationalizes features. The information for clarity, transparency and understanding (CTU) of NDCs is informational contents of features. As such, features largely determine the scope of the CTU information.

The purpose of further guidance on information is to operationalize features by identifying informational contents of features. Further guidance on information should also clarify and elaborate on the CTU information by specifying different sets of the CTU information required for different NDC types, as the CTU information varies according to different NDC types.

Korea identifies the CTU information common to NDCs and further specifies different sets of the CTU information specific to different NDC types as follows.

### 1) Information Common to NDCs

- Information on the type of NDC (e.g., absolute emissions reduction target, BAU target, Intensity target, etc.)
- Quantitative information on targets (e.g., a given % reduction below a given base year emissions level)
- Quantitative information on reference points
- Information on the time frame of NDC (in accordance with the common time frame to be considered by the CMA)
- Information on the sectors and gases included in NDC (if possible, the sectors and GHG gases defined by IPCC guidelines) and coverage of NDC (e.g., economy-wide)
- How the Party will ensure the methodological consistency between the communication and implementation of its NDC
- How the Party's NDC has been informed by the outcomes of the global stocktake
- How the Party's NDC has been anchored in domestic mitigation measures
- Clear and transparent information as to the unconditional portion and the conditional portion of the Party's NDC (if appropriate)
- How the Party intends to use cooperative approaches in Article 6.2, the Article 6.4 mechanism, and non-market approaches (if appropriate)
- Assumptions and methodological approaches – inventory guideline, GWP value used, accounting rules used in the land sector (if appropriate).
- Planning processes
- How the party considers that its NDC is fair and ambitious, in the light of its national circumstances
- How it contributes towards achieving the objective of the Convention as set out in its Article 2
- Sources of used index/data (if possible)

### 2) Sets of Information Specific to Different NDC Types

- **Absolute emissions reduction target**
  - √ Base and target years, including emissions levels
  - √ Baseline projection (BAU projection)

- √ Parameters, assumptions and methodologies used in setting the baseline projection
  - √ Emissions pathways (for multi-year targets)
- **BAU target**
  - √ Baseline, including projected emissions level
  - √ Parameters, assumptions and methodologies used in setting the baseline projection
- **Intensity target**
  - √ Current/projected index value and sources
  - √ Methodologies and assumptions used
- **Peak target**
  - √ Peak year, including projected emissions level
  - √ Indicators the Party will use to assess the attainment of the objective
- **Policy and measures**
  - √ Qualitative description of the policies and measures
  - √ Progress indicators
  - √ Quantitative information on expected emissions from the policies and measures (if possible)

### 3. Further Guidance on Accounting for NDCs (APA agenda item 3(c))

The guidance to be elaborated in relation to Article 4.13 of the Paris Agreement has to address a few of critical issues. Such key accounting issues include, inter alia, the followings:

- Choice of methodology (the choice of guidelines for national GHG inventories)
- Choice of metrics
- Accounting of reference points (issues related to accounting of emissions levels for base/baseline year, intensity levels for base/target year, etc.)
- Land sector accounting (whether or not to include land sector in the target boundary, which existing methods and guidance under the Convention are to be used)
- Treatment of internationally transferred mitigation outcomes (how ITMOs are to be counted towards the achievement of NDCs)
- Time frame for “accounting for the achievement of NDCs” (when “accounting for NDCs” will take place – “over” a defined period or “in” a given year)

Some of these accounting issues are almost identical with those that Parties to the Kyoto Protocol have been faced with, but others require varied accounting approaches consistent with the multiform targets of NDCs under the Paris Agreement.

Different NDCs require different accounting approaches, particularly in terms of accounting for the achievement of NDCs. An accounting guidance for multi-form targets has to differ, by necessity, from an accounting guidance for uniform targets. This fundamental difference in context is the basis on which the accounting guidance should be built. A key design principle for the accounting guidance under the Paris Agreement is, therefore, not uniformity across Parties’ accounting approaches but “consistency” between a given type of NDC and its corresponding accounting approaches to be developed in the future.

In terms of accounting approaches, NDCs are considerably different depending on whether it is a multi-year target or a single-year target. For example, a multi-year emission reduction target is different from a single-year emission reduction target. The former has emission reduction goals for a period whereas the latter has an emission reduction goal for its target year. As such, each requires different information and accounting approaches to track progress and to account for the achievement of its target. Also, whether a given NDC includes or excludes the land sector in its target boundary entails different accounting implications.

Most of the aforementioned accounting issues have been nationally and differently dealt with by Parties through their NDCs. A Party's NDC contains certain key accounting choices. Such choices include guidelines for national GHG inventories and metrics, and its land sector accounting approaches. Parties have also determined the time frames for accounting for the achievement of their NDCs through their choice of a multi-year or a single year target. A single-year target is to be accounted for in relation to the target year. These key choices are made on the basis of its capacity and national circumstances. They are not just simple matters of choice but fundamentally matters of capacity and national circumstances; limited capacity and different national circumstances limit or preclude certain choices.

Article 4.13 clearly stipulates that Parties shall account for what they have nationally determined (NDCs). The purpose of the accounting guidance is, therefore, to ensure the accountability of that which is nationally determined. The accounting guidance should be developed in a manner that respects and preserves the nationally determined nature of NDCs. This fundamental principle equally applies to the accounting guidance under development in relation to Article 6.

In this context, what is principally relevant for the accountability of a Party's NDC is consistency between the Party's NDC and its accounting approaches. However, it is to be pointed out that Article 4.4 of the Paris Agreement provides dynamism, through which an eventual convergence of Parties' NDCs in terms of target type will occur in time. As Parties' NDCs converge in terms of target type, a great degree of uniformity across Parties' accounting approaches will be also achieved.

#### **4. The way forward**

Being aware that there is not much time left until 2018, Korea suggests the following as a way forward.

- At the Bonn Session in May, technical discussion on the identification of specific elements of each of the guidance (features/information/accounting) should start immediately.
- Based on this discussion, the APA Co-Chairs can compile the commonly identified elements.
- As for the issue on the accounting, the Secretariat can produce a technical paper on where we are.
- An inter-sessional technical workshop is recommended on the topics that need further discussion in a focused manner. /End/

## Maldives on behalf of AOSIS – submission 15 April

Submission on APA Agenda item 3, Further guidance in relation to mitigation section of decision by  
the Republic of the Maldives on behalf of the Alliance of Small Island States

12 April 2017

*APA Agenda item 3: Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31*

On behalf of the Alliance of Small Island States (AOSIS), and taking into consideration the views of members with certain ratification requirements, the Republic of the Maldives welcomes this opportunity to provide its views to the Ad Hoc Working Group on the Paris Agreement (APA) in response to the call for submissions contained in paragraph 17 of the draft conclusions of the coChairs of the Ad Hoc Working Group on the Paris Agreement (APA) contained in FCCC/APA/2016/4, on features, information and accounting.

1. In Marrakesh, the APA invited Parties to submit, by 1 April 2017, their views on issues discussed under this agenda item, taking into consideration the questions identified by Parties as relevant for this item and listed in the annex to the informal note by the cofacilitators.<sup>1</sup> This submission is made with respect to the mitigation component of NDCs only.
2. Nationally determined contributions (NDCs) form the backbone of the Paris Agreement. Discussions on this agenda item should respect and uphold the nationally determined nature of Parties' contributions. At the same time, our ability to understand the mitigation implications of Parties' NDCs is important in order to determine their future aggregated effects and to evaluate progress towards the achievement of our long-term goals.
3. AOSIS recognizes that 1/CP.21 requires us to produce guidance on three distinct topics: a)  
features under paragraph 26,  
b) information under paragraph 28 and  
c) accounting under paragraph 31.

We look forward to addressing these mandates constructively under this Agenda item.

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<sup>1</sup> See: [http://unfccc.int/meetings/marrakech\\_nov\\_2016/items/9974.php](http://unfccc.int/meetings/marrakech_nov_2016/items/9974.php)

4. More detailed guidance on these three items would assist Parties in preparing NDCs. All guidance should recognize the capacity constraints and special circumstances of SIDS, as recognized in the Paris Agreement.
5. AOSIS is of the view that due to the technical nature of the issues, in-depth discussions will be needed to further elaborate guidance on these topics. A series of technical workshops, technical papers, synthesis reports, etc. could be organized to inform and structure work in 2017 so that appropriate guidance can be developed and delivered in 2018.
6. For example, one or more technical workshops could be scheduled for 2017 to progress work. Supporting technical papers could include:
  - a) a paper on the challenges faced by the secretariat in developing its Synthesis Report, with relevance to features, information and accounting.
  - b) a paper on lessons learned under the Convention and the Kyoto Protocol that would be relevant to discussions under APA Agenda item 3, including issues encountered and options for addressing these issues.
  - c) a paper on developing BAU baselines on economy-wide basis or for significant emitting sectors such as power generation, transportation and industry

**Agenda sub-item (a): Features of nationally determined contributions, as specified in paragraph 26**

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

7. While the term “feature” is not defined in the Paris Agreement, it can be understood to refer to the characteristics, elements, content, or attributes of NDCs.
8. Current mitigation-related characteristics, elements, content, or attributes of NDCs, contained in Article 4 of the Paris Agreement, include:
  - a) NDCs are nationally-determined (Art. 4.2)
  - b) NDCs are maintained (Art. 4.2).
  - c) NDCs are to be supported by domestic mitigation measures that aim to achieve the objectives of the contributions (Art. 4.2).
  - d) Each successive NDC will represent a progression beyond the Party's then current NDC (Art. 4.3).
  - e) Each successive NDCs will reflect a Party's highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances (Art. 4.3).
  - f) NDCs of developed countries should be economy-wide absolute emission reduction targets (Art. 4.4).
  - g) NDCs of developing countries are encouraged to move toward economy-wide emission reduction or limitation targets in light of different national circumstances (Art. 4.4).



- h) NDCs are to be accompanied by the information necessary for clarity, transparency and understanding (Art. 4.8).
  - i) NDCs are to be informed by the outcomes of the Global Stocktake (Art. 4.9).
  - j) NDCs may be carried out by Parties acting jointly (Art. 4.16), in which case their communication is to be accompanied by the underlying agreement between Parties and each Party is accountable for its emission level.
  - k) NDCs are communicated by each Party every five years (Art. 4.9).
  - l) NDCs are adjustable at any time, with a view to enhancing their ambition, consistent with guidance (Art. 4.11).
  - m) NDCs are recorded in a public registry maintained by the secretariat (Art. 4.12).
9. Some countries have submitted NDCs with the following aspects:
- a) reference years or periods
  - b) timeframes
  - c) statements of coverage in sectors or gases
  - d) statements of metrics and accounting guidance applied
  - e) conditional aspects
  - f) the quantification of reductions in tonnes of CO<sub>2</sub>-eq emissions

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

10. Paragraph 26 of decision 1/CP.22 calls for the development of further guidance on features of the NDCs. This agenda sub-item should provide Parties with the opportunity to explore ways in which further guidance on the various features of NDCs could assist Parties in developing their new, updated, adjusted or successive NDCs, in the context of the purpose of the Paris Agreement as set out in its Article 2.
11. Further guidance might address, for example, among other issues:
- a) quantifiability of efforts in tonnes of CO<sub>2</sub>-eq. emissions (if applicable)
  - b) progression
  - c) highest possible ambition

*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)?*

12. Our ability to aggregate the mitigation effects of NDCs is important for evaluating progress towards the achievement of our long-term goals. In this way, guidance on features, information and accounting are closely related.
13. More detailed guidance on these three sub-agenda items would assist all Parties when they start the process of updating their NDCs and developing new NDCs.

14. The issue of common timeframes under Article 4.10, which is to be considered by the CMA, is also relevant.

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

15. The discussion under this agenda sub-item should be informed by the experience gained by Parties with the initial preparation and submission of their iNDCs. Parties should be encouraged to identify those features that in their view require further guidance, the type of guidance they feel would be appropriate, and their reasons for why such guidance would further the purpose of the Paris Agreement as set out in Article 2.

**Agenda sub-item (b): Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

*What is the understanding of information to facilitate the clarity, transparency and understanding of NDCs under this agenda item?*

16. Article 4.8 of the Paris Agreement requires Parties to provide information necessary for clarity, transparency and understanding (CTU) of their NDCs, in accordance with Decision 1/CP.21 and any relevant CMA decisions.
17. Facilitating CTU has at least two central purposes:
  - a) To provide a clear picture of what Parties' NDCs will deliver for the atmosphere in aggregate.
  - b) To enable a clear understanding of what is being pledged under each Party's NDC.

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

18. Paragraph 28 of decision 1/CP.21 requests the APA to develop further guidance for the information to be provided by Parties in order to facilitate CTU of NDCs.
19. Guidance should aim to address the challenges the secretariat encountered in developing its "Synthesis report on the aggregate effect of the intended nationally determined contributions" while trying to assess the aggregate effect of the iNDCs in terms of global GHG emissions.
20. Parties under agenda sub-item 3(b) should work toward developing detailed guidance on the information that should be provided with NDCs to facilitate CTU, to help achieve the two central purposes of CTU:
  - a) To provide a clear picture of what Parties' NDCs will deliver for the atmosphere in aggregate.
  - b) To enable a clear understanding of what is being pledged under each Party's NDC.
21. To address the concerns of Parties on issues of national sovereignty, guidance should not seek to change the nationally-determined nature of the NDCs themselves.
22. Therefore, guidance on information to be provided should take into account the diversity of NDCs submitted by Parties, information applicable to the form of the NDC submission, and the respective capabilities and national circumstances of the Party submitting this information.

23. Guidance could clarify what types of information would facilitate CTU from different types of NDCs, recognizing that not all types of information would necessarily be relevant to all types of NDCs. Some information accompanying the NDCs that have been communicated by Parties include:
  - a) reference years or periods
  - b) timeframes (e.g., 2025, 2030)
  - c) statements of coverage in sectors and gases
  - d) statements of metrics and accounting guidelines applied, and
  - e) the quantification of reductions in tonnes of CO<sub>2</sub>-eq. emissions.
24. Guidance might address, for example, reporting on:
  - a) use of common IPCC metrics
  - b) coverage, sources and removals
  - c) reference points
  - d) BAU baseline construction (where applicable)
  - e) time frames for submission
  - f) target years
  - g) outline of key assumptions

*What is the relationship, if any, between further guidance on information to facilitate CTU of NDCs under this sub-item, and further guidance on sub-items 3(a) and 3(b)?*

25. Our ability to aggregate NDCs is important for evaluating progress towards the achievement of our long-term goals.
26. More detailed guidance on features, information, and accounting would assist all countries, in particular capacity constrained countries when they start the process of updating their NDCs and developing new NDCs.

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

27. As highlighted at pages 4-5 of the UNFCCC secretariat's Synthesis Report, most iNDCs fell into a relatively limited number of categories:
  - a) Economy-wide absolute emissions reduction targets relative to a base year, or absolute targets that establish an overall maximum absolute limit on emissions,
  - b) Economy-wide or sectoral emissions reduction targets relative to below a business as usual level,
  - c) Intensity targets,

- d) Peaking year or timeframe, and
  - e) Strategies, plans, and actions.
28. These NDC types would provide a good framework for beginning the discussion under this agenda sub-item. The NDC types listed above should not be considered exhaustive or prescriptive, and Parties could suggest other NDC types that should be discussed. The organization of this discussion by NDC type should not in any way undermine the nationally determined character of NDCs.
29. The discussion under this agenda sub-item could begin by sharing of views on how the types of information identified in paragraph 27 of decision 1/CP.21 apply to the various NDC types. Parties would also be encouraged to suggest additional information that might be provided with NDCs and to explain why that information would facilitate CTU. Capacity building must be central to efforts to improve CTU, including through the Capacity Building Initiative on Transparency.

**Agenda sub-item (c): Accounting for Parties' nationally determined contributions, as specified in paragraph 31**

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

30. Accounting for NDCs is the process of measuring Parties' progress towards implementing and achieving their NDCs.
31. Accounting is also important for determining the aggregate impact of NDCs in relation to the long-term temperature goal under the Paris Agreement, in the context of Article 4.1.

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

32. Parties are required to account for their NDCs under Article 4.13. Article 4.13 further provides that in accounting for emissions and removals corresponding to their NDCs, Parties shall promote environmental integrity and transparency, accuracy, completeness, comparability and consistency ("TACCC"), and ensure the avoidance of double counting.
33. Accounting guidance should support Parties in accounting for their NDCs, reflect application of the TACCC principles, and ensure delivery of each element of decision 1/CP.21, para 31 (a) to (d). It should also support Parties in applying internationally agreed methodologies
34. A robust accounting framework is a pre-requisite for use of internationally transferred mitigation outcomes or use of market-based units toward NDCs under Article 6 in order to ensure the avoidance of double counting of emission reductions or units between Parties.
35. A robust accounting framework is needed to assess the impact of NDCs that include the land sector, since the land sector involves a mix of anthropogenic and nonanthropogenic emissions.
36. To facilitate aggregation of the impacts of NDCs in relation to the long-term goal, and to support the tracking of progress, accounting guidance should be applicable to Parties that have communicated different types of NDCs, including those that present target emissions levels as an end-point or over a multi-year period.

37. Key issues for accounting guidance to consider include the relationship between accounting and GHG inventories, and reporting on LULUCF, recognizing that detailed work on rules and guidance for cooperative approaches under Article 6.2 and use of the Article 6.4 mechanism, and for the transfer and use of ITMOs, will be undertaken in the related SBSTA work programme under Article 6.

*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)?*

38. Information on features, information, and accounting, taken together, will help to:
- a) provide a clear picture of what Parties' NDCs will deliver for the atmosphere in aggregate.
  - b) enable a clear understanding of what is being pledged under each Party's NDC.
39. More detailed guidance on features, information, and accounting will assist Parties when they start the process of updating their NDCs or developing new NDCs.
40. Parties are required to apply the accounting guidance referred to in paragraph 31 to their second and subsequent NDCs, but they may also elect to apply this guidance to their first NDC.

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

41. The discussion under this agenda sub-item should be informed by lessons learned from existing approaches under the Convention and its other related legal instruments, and lessons learned from the challenges faced in the preparation of the secretariat's Synthesis Paper aggregating the effect of Parties' NDCs.
42. This agenda sub-item is linked to discussions in other Articles of the Paris Agreement, for example Article 6 and Article 13. It would be useful to clarify which issues will be addressed under APA Agenda item 3 (features, information, and accounting) which under APA Agenda item 5 (transparency) and which under SBSTA Agenda item on Article 6, so that the same issues are not being debated in multiple fora.

#### **Guidance on 6 May 2017 Roundtable**

43. The APA has requested the secretariat to organize, under the guidance of the APA CoChairs, a roundtable that takes into account Parties' submissions and is also guided by the set of questions above.
44. This roundtable should be organised in a manner that enables the Co-Chairs to collate the views of Parties on each agenda sub-item, presenting options where options are identified, and to identify practical ways forward through future inter-sessional work that will facilitate the drafting of necessary guidance by the end of 2018.
45. Parties should mandate the Co-Chairs to produce a workplan with clear milestones that will guide the completion of the work by COP24.

46. Invite the Secretariat to produce technical papers on: a) information provided in Parties' submissions; and b) existing approaches under the Convention and its other related legal instruments.

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## Australia – submission 21 April

### Submission on further guidance in relation to the mitigation section of decision 1/CP.21

April 2017

Australia welcomes this opportunity to share views on further guidance in relation to the mitigation section of decision 1/CP.21. This submission addresses **accounting** for Parties' nationally determined contributions (NDCs) relating to APA agenda item 3(c). Issues relating to **features** and **information to facilitate clarity, transparency and understanding (ICTU)** of NDCs relating to APA agenda items 3(a) and 3(b) are addressed in a separate submission<sup>1</sup>. In preparing for this submission, we have taken into consideration guiding questions provided by co-facilitators<sup>2</sup>. This submission builds on previous views Australia has expressed on this issue<sup>3</sup>.

Guidance for accounting is a key element of the Paris accountability framework to build mutual trust and confidence among Parties. A credible accountability framework is foundational to driving necessary public and private investment. It will be important to accelerate the work on this item in order to see its completion by CMA1 at COP24, as mandated.

#### UNDERSTANDING OF, AND PURPOSE FOR, ACCOUNTING

Accounting refers to the comparison of mitigation outcomes against contributions nominated in NDCs. The purpose of accounting guidance is to enable Parties to **demonstrate** progress toward their NDCs in accordance with agreed requirements under Article 4.13 of promoting environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensuring the avoidance of double counting. This will:

1. Build confidence and trust between Parties, and for investors, in the integrity of mitigation efforts achieved.
2. Support the tracking of progress made in implementing and achieving NDCs under the transparency framework.
3. Support the assessment of collective progress toward agreed goals through the Global Stocktake.
4. Underpin the integrity of cooperative approaches under Article 6, for those wishing to use them.

In order to achieve these goals, accounting guidance should comprise two elements:

1. Facilitative **principles and technical guidance on how accounting is undertaken**, in order to operationalise requirements under Article 4.13. Decision 1/CP.21 Paragraph 31 (a) to (d) provides some basic requirements and a mandate to elaborate further guidance.

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<sup>1</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_321\\_131357642219580657-AUSTRALIA-APA%20Mitigation-Apr2017.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_321_131357642219580657-AUSTRALIA-APA%20Mitigation-Apr2017.pdf)

<sup>2</sup> [http://unfccc.int/files/meetings/marrakech\\_nov\\_2016/in-session/application/pdf/informal\\_note\\_item3\\_v2.pdf](http://unfccc.int/files/meetings/marrakech_nov_2016/in-session/application/pdf/informal_note_item3_v2.pdf)

<sup>3</sup>

[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_279\\_131219392499465763Australia%20UNFCC%20Sub%20Mitigation%20Final%20.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_279_131219392499465763Australia%20UNFCC%20Sub%20Mitigation%20Final%20.pdf)

2. Guidance to Parties on the **information to be reported, to track progress toward achievement of NDCs**, as required under Article 13.7(b), in accordance with the principles and technical guidance agreed above.
  - a. This information relating to accounting will be a key input to the Paris Agreement transparency framework, noting that information requirements under Article 13.7(b) are broader than the elements discussed here.
  - b. It may also inform the information required to facilitate transparency, clarity and understanding of NDCs as discussed under APA item 3(b).

These elements are necessary to promote environmental integrity, transparency, accuracy, completeness, comparability and consistency and the avoidance of double counting.

Accounting guidance is intended to facilitate the functions of the Paris Agreement and should not renegotiate agreed elements of the Paris Agreement, or undermine the nationally determined nature of contributions.

## PRINCIPLES AND TECHNICAL GUIDANCE

Parties' accounting toward NDCs should be performed in a manner consistent with agreed principles and technical guidance that operationalises requirements under Article 4.13.

Parties have expressed a number of **areas** where accounting guidance could be developed. Australia proposes the following areas should be explored as a starting point as they address basic issues applicable to the range of NDC types:

1. **General integrity principles** for accounting – these principles would apply to all accounting issues and should include, inter-alia, elaboration of Decision 1/CP.21 Paragraph 31 (a) to (d).
2. **Clear definition of covered sectors, categories and gases** – including the requirement to show how nominated sectors and categories are defined with respect to inventory reporting sectors and categories, in accordance with the requirement under decision 1/CP.21 paragraph 31(a) to account for anthropogenic emissions and removals in accordance with IPCC methodologies.
3. **Principles and facilitative guidance for the construction, comparison against, and update of base years, baselines and reference levels, as appropriate** – including for sectoral base years, baselines and reference levels used as a component of an NDC.
4. **Land sector issues** – principles and facilitative guidance for the addressing land-sector specific issues where not already addressed in one of the above areas.
5. Guidance relating to **Internationally Transferrable Mitigation Outcomes** that are not addressed under Article 6.

A draft decision for accounting guidance could contain the general integrity principles referred to under point 1 above, with further elements under points 2 to 5 contained in a technical annex.

We emphasise guidance is intended to be facilitative. It should not undermine national determination, nor be used to prescribe specific mitigation action.

Following experience with implementation, Parties should have recourse to review and update guidance and consider whether additional guidance is needed to ensure the agreed requirements of Article 4.13 and Article 13.7(b) are being met.



## INFORMATION TO REPORT TO TRACK PROGRESS TOWARDS ACHIEVEMENT OF NDCs

Consistent with our previous submission on this issue and in our recent submission on APA agenda item 5<sup>4</sup>, Australia identifies three distinct stages in tracking toward the achievement of NDCs in each commitment cycle. Accounting activities at each of these stages will be informed by the guidance outlined in the section above. Discussions under APA agenda item 3(c) should also provide guidance to Parties on the **accounting information to report** at each stage.

This will form a core input to the modalities, procedures and guidelines (MPGs) for the Paris Agreement Transparency Framework to assist Parties in meeting the requirement under Article 13.7(b) to track progress made toward the implementation and achievement of NDCs. The guidance will also be informed by discussion on the information to be provided to facilitate the clarity, transparency and understanding of NDCs.

The three stages of accounting are:

Stage 1 – Quantifying or clarifying NDCs at the start of or prior to implementation

Stage 2 – Tracking progress during NDC implementation

Stage 3 – Comparing outcomes against NDCs at the end of the implementation period

For example, during Stage 1, Parties quantify or clarify their current NDC by providing information on, inter alia, the type and extent of mitigation contribution, its base year(s), the baseline, or reference level, scope and coverage, underpinning information including definitions, key parameters and their values, and assumptions and methodological approaches used. This information should be provided in the earliest Party submission under Article 13 that takes place during the relevant commitment period. Some of this information may confirm or update information that Parties have previously provided as part of their NDC (see Australia's ICTU submission<sup>56</sup>), while other information may be provided here for the first time. This information should be arrived at in a manner consistent with agreed accounting principles and technical guidance.

During Stage 2, Parties provide a quantitative indication of how they are tracking toward their NDC, and report on how this estimate has been arrived at in a manner that is consistent with agreed principles and technical guidance. This would comprise, in most cases, a comparison of base year(s) or reference point emissions and relevant indicators, with commensurate quantities in the reporting year. This information is only intended to provide an indication of progress made, and it may be updated in subsequent reporting if more accurate information becomes available. It should not be interpreted as a metrics of whether a Party has fulfilled their NDC.

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<sup>4</sup> See Australia's 2016 submission on mitigation

[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_279\\_131219392499465763Australia%20UNFCCC%20Sub%20Mitigation%20Final%20.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_279_131219392499465763Australia%20UNFCCC%20Sub%20Mitigation%20Final%20.pdf) and our 2017 submission on transparency:

[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_323\\_131316743394320089-Submission%20APA%205%20Australia\\_15%20feb%202017.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_323_131316743394320089-Submission%20APA%205%20Australia_15%20feb%202017.pdf)

<sup>5</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_321\\_131357642219580657-AUSTRALIA-APA%20Mitigation-Apr-](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_321_131357642219580657-AUSTRALIA-APA%20Mitigation-Apr-.pdf)

<sup>6</sup> .pdf

At stage 3, Parties provide a final quantitative comparison between outcomes and their NDC, taking into account outcomes under cooperative approaches, where used. For most NDC types this will involve providing their accounted net emissions in the target year(s), and relevant indicators. Parties should reflect how this comparison has been arrived at in a manner that is consistent with agreed principles and technical guidance.

For accounted net emissions reported during stage 2 and 3, Parties should make clear how the quantity has been arrived at with respect to anthropogenic emissions and removals reported in their national inventory.

In addition to reporting information discussed here, the Transparency Framework MPGs will include further guidance on the information to report to demonstrate progress toward the implementation and achievement of NDCs. Australia has provided views on the information required in its recent submission under APA agenda item 5<sup>7</sup>.

Australia recognises that some Parties have limited capacity to provide all relevant information in the context of Article 4.6. We continue to work with partners to build capacity to improve the provision of information over time.

## EXISTING GUIDANCE

Guidance can build on valuable experience, lessons learnt and technical guidance from the development and implementation of previous accounting frameworks (Article 4.14), including supplementary guidance from the IPCC. However, the structure of the Paris Agreement and the nature of Parties' contributions are different to previous frameworks and not all existing guidance will be applicable, or sufficient. Additional guidance will be necessary to allow Parties to account for NDCs in accordance with Article 4.13 and decision 1/CP.21 paragraph 31.

## RELATIONSHIP WITH OTHER SUB-ITEMS UNDER APA AGENDA ITEM 3

Australia has expressed views on basic information to facilitate clarity, transparency and understanding of NDCs in a separate submission<sup>89</sup> relating to APA agenda item 3(b). Discussions under this item may identify **additional** information to facilitate CTU that Parties should provide in their NDCs. Discussions under this agenda item and under APA agenda items 3(a) and 3(b) are not duplicative and should proceed in parallel.

## WAY FORWARD

Progress on this item and completion by COP24 is important to provide clarity and confidence for Parties, businesses and private actors to invest in implementation. At Bonn, Parties should adopt a clear calendar of work on this item.

- Australia proposes that Parties identify at Bonn in May 2017 a) key principles and areas for the development of technical guidance such as the ones proposed above and b) key accounting information that should be reported.

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<sup>7</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_323\\_131316743394320089-Submission%20APA%205%20Australia\\_15%20feb%202017.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_323_131316743394320089-Submission%20APA%205%20Australia_15%20feb%202017.pdf)

<sup>8</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_321\\_131357642219580657-AUSTRALIA-APA%20Mitigation-Apr-](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_321_131357642219580657-AUSTRALIA-APA%20Mitigation-Apr-)

<sup>9</sup> .pdf

- The identified principles and areas for guidance can form the starting point for further discussions and targeted submissions, with view to develop 'straw' text from COP23 onward.
- These discussions do not conflict with discussions under APA agenda item 3(a) and 3(b) which should proceed in parallel.

Given the technical nature of this item, it will be important for straw text to be circulated as early as possible for Parties' consideration.

### **ISSUES TO BE DISCUSSED AND RESOLVED UNDER THIS ITEM**

Australia proposes the following specific discussion questions.

To promote environmental integrity, transparency, accuracy, completeness, comparability and consistency and avoid double counting:

1. What key principles should accounting guidance reflect?
2. What are areas that require technical guidance?
3. What accounting information is required to support the tracking of progress under Article 13.7(b)?
4. What aspects of existing guidance and experiences in their development and implementation can inform the present discussion of key principles and specific areas for technical guidance?

**SUBMISSION OF TURKEY ON AGENDA ITEM 3 (MITIGATION SECTION OF DECISION 1/CP.21) OF AD HOC WORKING GROUP ON THE PARIS AGREEMENT (APA)**

Turkey welcomes the invitation to the Parties by Ad hoc Working Group on the Paris Agreement (APA) to submit their views on the agenda item 3, “Further guidance in relation to the mitigation section of decision 1/CP.21 specifically on: (a) features of Nationally Determined Contributions (NDCs) as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of NDCs as specified in paragraph 28; and (c) accounting for Parties’ NDCs as specified in paragraph 31”.

**APA Agenda Item 3(a): Further Guidance on Features of NDCs**

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

“Nationally determined” is the most crucial feature of Parties’ contributions according to Article 3 and 4 of the Paris Agreement. Further guidance” phrase in this item must not undermine nationally determined nature of contributions and it must not mean to adjust the content of NDCs. It should create the operational essentials for submission and communication of NDCs. “Further guidance” must not interfere in format, adjustment, revision or way of implementation of NDCs and/or submission of successive NDCs for next implementation cycles of Paris Agreement. The features of the NDCs should reflect differentiated responsibilities, different national circumstances, development levels, capacities and needs of Parties and CBDR-RC. Contribution of NDCs towards achieving the goal of the Convention must be determined in a country driven manner.

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

The purpose of the further guidance on features is not to undermine the nationally determined nature of Parties’ contributions, not to dictate Parties’ preparation, communication and implementation of NDCs and not to introduce any new features or renegotiate the Paris Agreement. Further guidance" also relates to operational aspects of how Parties to the Paris Agreement will communicate their NDCs, not on the NDCs themselves”. The purpose of the further guidance on features is to further implement the relevant provisions of the Paris Agreement to ensure the scope, differentiation and ambition of the NDCs, assist Parties during their domestic process of preparation of NDCs.

Flexibility should be provided to developing country Parties when they are applying the guidance. Developing country Parties should be allowed to choose, in a nationally determined manner, the sectors and gases covered in their NDCs and specific methodologies on accounting, in line with the content of their NDCs and in light of their national circumstances and capacities. While all

NDCs have to adhere to the communication cycle stipulated under Article 4 (9), developing countries may choose the timeframe for their NDC keeping in mind their national circumstances. Developing countries, common timeframes is not appropriate, considering their differing and differentiated national capabilities and circumstances.

***C. 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)?***

The relationship between this sub item (3a) and other two sub items is quite vague. The sub-items; features, information and accounting are providing some suggestions to Parties for preparing and communicating their NDCs and in facilitating the clarity, transparency and understanding of Parties' NDCs.

***D. How could this work be usefully structured and progressed?***

The work of the APA on guidance for the NDCs should be done in the context of enhancing the implementation of the Paris Agreement. The specific issues under each sub-item should be defined in a Party-driven manner. Guidance for the NDCs should enhance mutual understanding among Parties on crucial political issues, particularly the reflection of differentiation.

**APA Agenda Item 3(b): Further Guidance for Information of NDCs**

***A. What is the understanding of information to facilitate the clarity, transparency and understanding of NDCs under this agenda item?***

The guidance provided in Para 27 is not mandatory. It is clearly indicated in the language of this paragraph that the information to be provided by Parties communicating their NDCs is discretionary, optional and non-exclusive in nature, because it uses words indicating discretionary intent such as "may", "as appropriate", and "inter alia. Specific information of developing country Parties' NDCs should take into account their diversified climate actions, different national circumstances and capacities and support received.

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

The purpose of the information is to enhance the clarity, transparency and understanding of Parties' NDCs. The further guidance for the information should be consistent with the nationally determined nature of Parties' contributions, without introducing common format or undue burden on Parties. Article 13, paragraph 7 already puts a framework for the information to be

provided by the Parties to facilitate clarity, transparency and understanding of NDCs. Parties may submit additional information, as appropriate, on a voluntary basis for their progress to be tracked. This encouragement of providing additional information must be non-intrusive.

The guidance for information of the NDCs should also aim to provide the reference or assistance for the domestic preparation of NDCs and assist developing country Parties to identify the capacity-building, technology transfer and finance needs on the preparation and implementation of their NDCs.

***C. 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)?***

The scope of guidance for information should be consistent with NDCs and means of implementation.

***D. How could this work be usefully structured and progressed?***

The work to developing the information guidance should be structured around all the elements of NDCs.

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

Purpose of the information guidance, basis of the work on information guidance, general information guidance for all Parties should be discussed and resolved under this agenda item.

**APA Agenda Item 3(c): Guidance for the Accounting for NDCs**

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

Accounting for NDCs” means that Parties should be responsible for their NDCs by giving an explanation through existing methods and approaches. The Paris Agreement requires Parties to account for their NDCs, i.e. to count emissions and removals corresponding to their nationally determined contributions in Article 4.13. The guidance for accounting should;

- i. be consistent with the nationally determined nature of Parties’ contributions.
- ii. take into account the different content of NDCs, accommodate various types of the NDCs and reflect CBDR-RC

- iii. be flexible and take in to account national circumstances and development priorities and objectives.
- iv. use the most recent IPCC guidelines/guidance.

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

The aim of the guidance for accounting is not to alter the nationally determined character of Parties' NDCs. The guidance for accounting must consider different features, components and types of NDCs, and it must also reflect the principles of CBDR-RC. The guidance for accounting for mitigation contributions of Parties should conserve the nature of differentiated NDCs of developed and developing countries as mentioned in Article 4.4. The purpose of the guidance on accounting is to promote the application of common metrics.

***C. 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)?***

The guidance on accounting should be organized individually from sub-items 3(a) and 3 (b), since the guidance on accounting is moderately different from them.

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

The Kyoto Protocol under the Convention lays a basis for the work on accounting with arrangements, modalities and methodologies on mitigation. Further work should be on how the existing arrangements could be improved. Developed countries could help developing countries by sharing their experiences and practices on applying the guidance on accounting Convention and its Kyoto Protocol.

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

The work under this sub-item should preface with common understanding of the word "accounting" and the disambiguation of purpose of the accounting under the Paris Agreement. The assessment and identification of current approaches under the Convention, its Kyoto Protocol and its related legal instruments could be step up for developing further guidance on accounting. Different types of NDCs by parties should be identified and classified, and then the guidance should be developed taking into account the different accounting approaches and parameters existing in NDCs. The relation with the transparency framework should be identified. The conditional part of NDCs should be considered throughout identifying the elements of further guidance on accounting.

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

- i. Common understanding of the word “accounting” under the Paris Agreement;
- ii. Purpose of the accounting;
- iii. Understanding the provisions of the Paris Agreement and relevant guidance on accounting in decision 1/CP.21;
- iv. General principles for the guidance for accounting, including differentiation and flexibilities to Parties in applying the guidance;
- v. Existing rules, procedures and experience under the Convention and its Kyoto Protocol;
- vi. Support component of NDCs, including finance, (informed by negotiation under paragraph 57 of decision 1/CP.21 and joint consultation if needed), technology development and transfer and capacity-building (joint consultation with relevant items under the SBI/SBSTA).



Saint Lucia on behalf of CARICOM – submission 30 April

Submission by Saint Lucia on behalf of CARICOM

APA Agenda Item 3 - Nationally Determined Contributions: *features, information and accounting*

*29 APRIL 2017*

Saint Lucia has the honour to support the submission from AOSIS on APA Agenda item 3, dated 12 April 2017, and to provide the following attached additional inputs on behalf of the Caribbean Community (CARICOM), comprised of **Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St Kitts and Nevis, Saint Lucia, St Vincent and Grenadines, Suriname, and Trinidad and Tobago.**

Parties have been invited to submit their views on issues discussed under this agenda item, taking into consideration the questions identified by Parties as relevant for this item and listed in the annex to the informal note by the co-facilitators. See Informal Note by the Co-Facilitators 14 November 2016@1500h and box below.<sup>1</sup> As CARICOM's 7 October 2016 Submission responds to many of these questions, it is resubmitted in full for the convenience of Parties. For information, the term "land sector" in the annexed document is used as an umbrella term.

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<sup>1</sup> [http://unfccc.int/files/meetings/marrakech\\_nov\\_2016/in-session/application/pdf/informal\\_note\\_item3\\_v2.pdf](http://unfccc.int/files/meetings/marrakech_nov_2016/in-session/application/pdf/informal_note_item3_v2.pdf) at p. 3

**Annex – Questions that Parties may consider for further work under APA agenda item 3 – Further guidance in relation to the mitigation section of decision 1/CP.21**

**3(a) - Features of nationally determined contributions, as specified in paragraph 26** ☐ What

is the understanding of features of NDCs under this agenda item?

- What should be the purpose of further guidance on features under this agenda item?
- 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)?
- How could this work be usefully structured and progressed?

**3(b) - Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

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

**3(c) - Accounting for Parties' nationally determined contributions, as specified in paragraph 31** ☐

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

- What should be the purpose of the guidance on accounting for NDCs under this agenda item?
- 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)?
- How can Parties draw from existing approaches under the Convention and its related legal instruments?
- How could the work under this sub-item be usefully structured and progressed?
- What issues should be discussed and resolved under this sub-item?

APA Agenda Item 3 - Nationally Determined Contributions: *features, information and accounting*

7 October 2016

Saint Lucia is pleased to support the submission from AOSIS on APA Agenda item 3 and has the further honour to provide inputs on behalf of the Caribbean Community (CARICOM), comprised of Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St Kitts and Nevis, Saint Lucia, St Vincent and Grenadines, Suriname, and Trinidad and Tobago, in response to the invitation by the Ad Hoc Working Group on the Paris Agreement (APA) to submit views by 30 September 2016 on:

*Item 3, "Further guidance in relation to the mitigation section of decision 1/CP.21 on:*

*(a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and*

*(c) accounting for Parties' nationally determined contributions, as specified in paragraph 31"*

## BACKGROUND

In advance of Paris, Parties were invited to provide their intended nationally determined contributions (INDCs), guided by an agreed list of "up front" information to facilitate the clarity, transparency and understanding of these INDCs. See Lima decision 1/CP.20, para 14. In response, many different types of INDCs were submitted, with different levels of supporting information.

The varied nature and content of the INDCs that were communicated presented substantial challenges to the Secretariat in preparing a synthesis report of what these planned efforts would deliver in aggregate, as Parties had requested. See *Aggregate effect of the intended nationally determined contributions: an update* (FCCC/CP/2016/2, May 2, 2016) ("Synthesis Report") and accompanying Technical Annex (available at [http://unfccc.int/focus/indc\\_portal/items/9240.php](http://unfccc.int/focus/indc_portal/items/9240.php)).

Some of the *key challenges* highlighted by the Secretariat in its effort to aggregate the effect of the intended nationally determined contributions included the following:

*106. The approach and methods described above include a number of uncertainties linked to data availability and quality.*

*107. One key challenge relates to the different ways in which Parties have chosen to express their INDCs, including time frames and reference years as well as the sectors and gases covered.*

*108. Further challenges relate to the methodologies used for estimating and projecting GHG emissions as well as to the quality, clarity and completeness of the data used (see chapter II.D below). The latter includes, for example: missing information on metrics, such as GWP values applied; lack of gas-by-gas emission data to be able to aggregate emissions with the same consistent metrics; missing or incomplete data on the BAU scenario and expected future values for GDP or population; lack of clarity on approaches to the accounting of the LULUCF sector; missing information on the application of conditions in the target year; and lack of information on the use of international market-based mechanisms and how double counting was avoided.*

...

*110. A major area of uncertainty relates to the approaches used for estimating, projecting and accounting emissions and removals from the LULUCF sector. (Synthesis Report, Technical Annex, paras. 106-110).*

Undoubtedly, in the absence of further guidance on features, information and accounting, Parties' common efforts to achieve the goals set out in the Paris Agreement will be undermined and projections of what future NDCs aim to achieve will be uncertain.

It will be important to develop guidance that facilitates the process of preparing NDCs by giving **clear direction on the commonalities required of Parties** in the presentation of their NDCs, clear guidance on **supporting information** necessary for clarity, transparency and understanding of all NDCs, and guidance on **accounting** to enable a better understanding of what NDCs deliver for what the atmosphere sees.

### 3(a) FEATURES OF NATIONALLY DETERMINED CONTRIBUTIONS, AS SPECIFIED IN PARAGRAPH 26

#### A. CURRENT GUIDANCE ON FEATURES

There is no definition of the term "features" in the Paris Agreement or in its covering decision 1/CP.21. Nevertheless, features can be readily understood as "elements" or "aspects" of Party NDCs set out in Article 4 or in Parties' NDCs. There are a number of agreed aspects of NDCs under the Paris outcome; some are content-related and some are process-related:

##### Content-related features of NDCs

- Each successive NDC will represent **a progression** beyond the Party's then current NDC (Art. 4.3)
- Each successive NDCs will reflect a Party's **highest possible ambition**, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances (Art. 4.3).
- NDCs are **maintained** (Art. 4.2).
- NDCs of developed countries should be **economy-wide absolute emission reduction targets** (Art. 4.4)
- NDCs of developing countries are encouraged to move toward **economy-wide emission reduction or limitation targets** in light of different national circumstances (Art. 4.4).

- NDCs are to be supported by **domestic mitigation measures** that aim to achieve the objectives of the contributions (Art. 4.2).
- NDCs are to be **accompanied by the information necessary for clarity, transparency and understanding** (Art. 4.8).
- NDCs are to be **informed by** the outcomes of the Global Stocktake (Art. 4.9)
- NDCs **may be carried out by Parties acting jointly** (Art. 4.16), in which case their communication is to be accompanied by the underlying agreement between Parties and each Party is accountable for its emission level.

#### Process-related elements

- NDCs are **recorded** in a public registry maintained by the secretariat (Art. 4.12).
- NDCs are **maintained** (Art. 4.2).
- NDCs are **adjustable** at any time, with a view to enhancing their ambition, **consistent with guidance** (Art. 4.11)
- NDCs are **communicated by each Party every five years** (Art. 4.9)
- NDCs shall **be submitted 9-12 months in advance** of the relevant CMA session (Decision 1/CP.21, para. 25).

Other **features of the NDCs that have been communicated by Parties include:**

- reference years or periods
- common timeframes (2025, 2030)
- statements of coverage in sectors and gases
- statements of metrics and accounting guidelines applied, and  the quantification of reductions in tonnes of CO<sub>2</sub>-eq. emissions.

Finally, the CMA will consider **common timeframes** for NDCs at its first session (Art. 4.10).

## B. FURTHER GUIDANCE ON FEATURES

Against the backdrop of the content and process-related elements above, Decision 1/CP.21, para 26 tasks the APA to develop **further guidance** on "feature of the NDCs":

*26. Requests the Ad Hoc Working Group on the Paris Agreement to develop **further guidance on features of the nationally determined contributions for consideration and adoption by [CMA 1].***

While the ambition and type of NDCs that are submitted are necessarily nationally-determined, based on the experience of the Secretariat's synthesis report, it is clear that further guidance, setting out a set of minimum **mandatory common features** of NDCs, will be helpful to Parties in preparing their future NDCs for communication, helpful to the secretariat in aggregating Party efforts, and essential in improving uncertainties around what NDCs aim to deliver – information that will be central to periodic stocktakes under the Paris Agreement. Guidance will also be helpful to Parties in understanding important concepts that are fundamental to the delivery of the Article 2 long-term goal, including **progression** and **highest possible ambition**.

Minimum mandatory common "features" of NDCs to be addressed through guidance include:

- quantifiability of efforts in tonnes of CO<sub>2</sub>-eq. emissions
- progression
- highest possible ambition
- use of common IPCC metrics
- coverage, sources and removals
- reference points
- time frames for submission
- target years
- outline of all key assumptions
- statement of nature of NDC - economy-wide absolute emission reduction target, **economywide emission reduction or limitation target, or other** ☐ domestic mitigation measures in place in support.

**C. PROCESS GOING FORWARD FROM MARRAKECH FOR DEVELOPMENT OF FURTHER GUIDANCE ON FEATURES**

- Parties have been encouraged to communicate new and updated NDCs by 2020, and will want to begin planning for their successive five-yearly NDCs. For this reason, it will be useful to deliver guidance on features at the earliest possible date.

Work on guidance could be supported by technical papers, and workshops supported by technical papers prepared by the secretariat, to ensure the adoption of guidance on features by 2018.

**3(b) - INFORMATION TO FACILITATE CLARITY, TRANSPARENCY AND UNDERSTANDING OF NATIONALLY DETERMINED CONTRIBUTIONS, AS SPECIFIED IN PARAGRAPH 28**

**A. REQUIREMENTS**

It is clear from the first round of NDCs that, in the absence of more detailed information from many Parties, it will continue to be difficult to understand what Parties' NDC will ***deliver for the atmosphere in aggregate***. The synthesis report prepared by the secretariat was hampered in aggregating planned mitigation efforts due to information gaps that made it challenging to assess what NDCs aim to achieve in quantified terms over future time periods. In the absence of more detailed, clear, complete and transparent information, it will also be difficult to ***track Parties' progress*** in achieving these NDCs. More clear, complete and transparent information, presented in a consistent format, will be helpful for these purposes.

The following requirements have already been agreed

- In communicating their nationally determined contributions, all Parties **shall provide the information necessary** for clarity, transparency and understanding in accordance with decision 1/CP.21 and any relevant decisions of the [CMA]. (Art. 4.8)
- Each Party shall regularly provide ***information necessary to track progress*** made in implementing and achieving its NDC. (Art. 13.7)
- Parties are accountable for their NDCs and Parties will account for their NDCs ***using IPCC methodologies and common metrics*** (Decision 1/CP.21, para. 31).
- In accounting for emissions and removals corresponding to their NDCs, ***Parties are required to promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and avoid double counting*** (Art. 4.13).

## B. MANDATE

Decision 1/CP.21, paragraphs 27 and 28, set out the mandate for further guidance on the information to be provided in connection with NDCs:

**27.** *Agrees that the information to be provided* by Parties communicating their nationally determined contributions, in order to facilitate clarity, transparency and understanding, **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 greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its nationally determined contribution 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 (Decision 1/CP.21, para. 27).

**28.** *Requests* the [APA] **to develop further guidance for** the information to be provided by Parties in order to facilitate clarity, transparency and understanding of nationally determined contributions for consideration and adoption by the [CMA] at its first session.

**Further guidance for the information listed in paragraph 27 is not intended to impact the ambition of Parties' NDCs, but only their presentation**, building on the common features agreed for all NDCs, and ensuring the presentation of the information necessary to support clarity, transparency and understanding.

## C. FURTHER GUIDANCE ON INFORMATION

Further guidance on information should address:

- All information necessary to quantify contributions in tonnes of emissions
- All information necessary to track progress toward achievement of NDCs

This common guidance for all Parties should recognize the listing of information in 1/CP.21, para. 27 as **mandatory "necessary" information**. It should additionally address any additional information needed from Parties to make particular types of NDCs clear, understandable and transparent.

It will be most convenient for Parties if this guidance is found in a single place. Accordingly, one set of guidance should be developed, containing general information needed for all NDCs, and specific information needed for clarity, transparency and understanding of different types of NDCs. It will also be helpful to Parties if guidance is provided on how to apply common requirements to different NDC type features (e.g. how to quantify different NDC types in tonnes).

## 1. General Information to be addressed in further guidance, applicable to all NDCs:

- **Description of NDC: (1) economy-wide absolute emission reduction target; (2) economy-wide emission reduction or limitation target, (3) other, with specificity**
- **target year or target period** (e.g., 2025, 2030)
- **base year or base period or reference**
- **reference year emissions or reference period emissions**
- **gases** included (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, additional)
- **sectors** included
- **metrics used** to calculate impact of GHG emissions
- **approach used to account** for emissions and removals from forests, land use
- expected use of **international market-based mechanisms**
- expected **need for financial support** (for developing countries)
- Information to understand the **ambition** of the NDC, including
- past emission trends
- projections of future emissions
- description of relevant national circumstances
- assumptions related to mitigation potentials
- mitigation costs
- description of domestic mitigation targets
- **policies** implemented or planned to achieve the contribution
- how NDC has been informed by outcomes of Global Stocktake

## 2. More detailed information, to be provided in communicating various NDC types:

### **absolute reduction or limitation targets**

- emission level in base year
- coverage in sectors
- coverage in gases
- multi-year or single year targets (budget-based or single year approach)

### **targets relative to a projected business-as-usual (BAU) scenario**

- the individual elements of the methodology for establishing the BAU scenario  model used to develop BAU baseline
- explanation of assumptions used for key inputs (e.g., trends in population, GDP, energy prices, technology assumptions)
- is BAU fixed or will it be updated?



- timing of updates and parameters that will be updated

#### intensity targets

- index used (e.g. GDP or population) and source
- timing of planned updates
- parameters that will be updated

#### carbon neutrality targets

- the accounting approach used for carbon neutrality,
- how emissions from the land sector will be accounted for,
- explanation whether and to what extent units from international market mechanisms or other compensation activities/credits will be used to reach target

#### policies, measures and mitigation actions

- qualitative information describing the intended policies, measures or actions in detail
- quantification of future expected emission reductions from their implementation

**Further clarification of current NDCs:** Under Article 4 all Parties have agreed to provide **necessary** information for clarity, transparency and understanding ("CTU") of their NDCs. Parties should be encouraged to augment the information they have provided **as soon as possible** to inform the facilitative dialogue in 2018. In addition, work on further guidance on information should be expedited, as Parties have been encouraged to communicate new and updated NDCs by 2020 and this guidance can inform those efforts.

### D. PROCESS GOING FORWARD FROM MARRAKECH ON DEVELOPMENT OF FURTHER GUIDANCE ON INFORMATION

Useful tools to advance guidance on information include:

- ☐ a Secretariat **paper on information gaps** encountered in preparing the synthesis report and the implications of these gaps for achieving the mandate of the Paris Agreement ☐ **Workshops** to develop draft guidance on information ☐ **Work plan** for delivery of guidance by 2018.

### 3(c) ACCOUNTING FOR PARTIES' NATIONALLY DETERMINED CONTRIBUTIONS, AS SPECIFIED IN PARAGRAPH 31

#### A. REQUIREMENTS AND MANDATE

A robust accounting system is needed under the Paris Agreement

- (1) to understand the **expected mitigation effects** of Parties' planned NDCs and the impacts of any overlaps between Parties' pledged efforts;
- (2) **to track progress** toward meeting pledged efforts and aggregate goals;

(3) **assess** what has been accomplished, after considering use of internationally transferred mitigation outcomes, and emissions and removals from the land sector, and the avoidance of double counting.

The Paris Agreement includes the following requirements, among others, which need to be addressed through guidance:

- Parties **shall account** for their NDCs (Art. 4.13)
- **In accounting for emissions and removals corresponding to their NDCs, Parties shall promote** environmental integrity and transparency, accuracy, completeness, comparability and consistency ("TACCC"), ensure the avoidance of double counting, and apply common methodologies (Art. 4.13), in accordance with guidance to be developed by the APA.
- Parties are obliged to apply accounting guidance to their 2nd and subsequent NDCs but may elect to apply this guidance to their first NDC (1/CP.21, para. 32).
- When "recognizing" mitigation actions with respect to emissions and removals, Parties should take into account existing methods and guidance under the Convention, in light of the provisions of 4.13 (4.14) (which in turn refers to "TACCC" principles).

Building on this provision, Decision 1/CP.21, paragraph 31, requests the APA to elaborate guidance for accounting for Parties' NDCs, "drawing from the approaches established under the Convention and its related legal instruments", and ensuring that Parties:

- (a) **account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC** and adopted by the CMA; (b) **ensure methodological consistency, including on baselines**, between the communication and implementation of NDCs;
- (c) **strive to include all categories** of anthropogenic emissions or removals in their NDCs and, once a source, sink or activity is included, continue to include it;
- (d) explain why any categories of anthropogenic emissions or removals are excluded;

## C. RELATIONSHIP WITH GHG INVENTORIES AND ROLE OF ACCOUNTING GUIDANCE

Although Parties will be submitting GHG inventories, inventory reporting alone will not be sufficient to enable an understanding of what countries' NDC will in aggregate deliver toward global goals, to track many Parties' progress toward achieving their NDCs, or to determine what NDCs have achieved. This is because the NDCs communicated take different forms, use different timeframes, some have not used IPCC sectors or IPCC methodologies, the scope of some include the land use sector, and some NDCs contemplate the use of internationally transferred mitigation outcomes.

A robust accounting framework is a **pre-requisite** for use of internationally transferred mitigation outcomes or use of market-based units toward NDCs under Article 6, in order to ensure the avoidance of double counting of emission reductions or units between Parties. A robust accounting framework is also needed to assess **the impact of NDCs that include the land sector**, since the land sector involves a mix of anthropogenic and non-anthropogenic emissions. An accounting system is also needed to address the

fact that **some NDCs present target emissions levels for a single year** (e.g., 2025 or 2030) while some use budgets or multi-year targets.

Types of NDCs that present particular accounting challenges include:

- single year targets where a Party intends to use internationally transferred mitigation outcomes toward its target, or to include the land sector toward its target
- targets that are a reduction from BAU projections or emissions intensity targets, where the land sector is involved, or the use or transfer of internationally transferred mitigation outcomes is contemplated
- carbon neutral pledges that rely on LULUCF removals or the acquisition of emission reductions from other countries
- LULUCF and use of carbon market units

#### **D. APPROACHES ESTABLISHED UNDER THE CONVENTION AND ITS RELATED LEGAL INSTRUMENTS (KYOTO PROTOCOL)**

Approaches and institutional arrangements established under the Convention and Kyoto Protocol offer valuable lessons and approaches for the development of an accounting system under the Paris Agreement. Some of these include:

- The importance of reliable national systems for the production of annual inventories
- The value of National registries, established according to common rules, with common definitions and functions, where the transfer of international units is contemplated
- Common reporting formats and metrics to enhance transparency, accuracy, completeness, consistency and comparability of inventories
- Expert reviews of inventories, with authority to recommend adjustments
- an international transaction log for the tracking and oversight of units and outcomes generated and/or transferred
- Individual unit identifiers and vintages of emission reductions
- Systems and tools to avoid double counting where transfers are contemplated
- Separate accounting modalities for the land use sector
- Systems to reflect and process a share of proceeds from market-related units toward adaptation
- Supplementary information addressing the land sector and emission projections
- The notion of complementarity – that the major part of emission reductions reported by Parties should come from domestic mitigation efforts
- Ways to manage the issue of hot air / surplus, in the context of emissions trading or cooperative approaches
- Quantified approaches to protect the environmental integrity of domestic targets (e.g., through systems to prevent over-selling)
- Eligibility rules and initial requirements for participation in transfers of internationally recognized units
- Compliance reviews to ensure inventory reporting of sufficient quality and consistency with accounting rules, where transfers of internationally-recognized units are involved.

The goals of transparency and the protection of environmental integrity that led to the establishment of these systems are equally present and relevant under the Paris Agreement.

#### **E. ISSUES TO BE ADDRESSED IN GUIDANCE ON ACCOUNTING**

- Purpose
- Definitions
- Elements listed in 1/CP.21, para. 31
- Common IPCC metrics, gases, sectors, timeframes
- Multi-year v. single year targets
- Multiple contributions of different types within an NDCs
- Institutional elements and tools (registries, tracking, international oversight, transparent governance, transparency, reporting)
- Means to ensure the avoidance of double counting (including double issuance of units for the same reductions, double claiming between host country and acquiring Party, double claiming of reductions between types of domestic programmes, double claiming in different or multiple time periods, potential double claiming under UNFCCC and ICAO or IMO ) <sup>2</sup> Link between inventories and accounting system
- Options for land sector accounting that guarantee an acceptable level of environmental integrity and transparency in given contexts
- Avoidance of perverse incentives in the context of successive periods requiring progression
- Relationship with existing accounting guidance applied by Parties

#### **F. CONNECTION WITH ACCOUNTING UNDER ARTICLE 6**

SBSTA has been mandated to recommend guidance under Article 6.2, relating to internationally transferable mitigation outcomes, including **guidance to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties** for both anthropogenic emissions by sources and removals by sinks covered by their nationally determined contributions under the Agreement. Decision 1/CP.21, para. 36. SBSTA has also been requested to develop rules, modalities and procedures for the mechanism established by Article 6.4 (Decision 1/CP.21, para. 37-38).

Accounting guidance in relation to Article 6.2 will have to address the promotion of sustainable development, and how environmental integrity and transparency, including in governance, will be ensured. It will also have to establish systems and tools to avoid the double counting that may arise in many ways, and be integrated with rules established in relation to other Article 6 provisions.

Internationally-agreed guidance must be in place at the international level before mitigation outcomes are transferred between Parties for use toward NDCs, and the proper application of this guidance must be a condition precedent for the recognition of transferred outcomes.

The implications of developments under ICAO and IMO for accounting under Articles 4 and 6 warrant consideration.

**G. PROCESS GOING FORWARD FROM MARRAKECH ON DEVELOPMENT OF FURTHER GUIDANCE ON ACCOUNTING**

Useful tools to advance guidance on accounting include:

- Technical paper(s) from the secretariat on lessons learned under the Convention and its related legal instruments for accounting and the implications of these lessons for achieving the mandate of the Paris Agreement, options for addressing issues and the implications of these options
- One or more workshop(s) to develop draft guidance on accounting
- Work plan for delivery of guidance by 2018
-

New Zealand – submission 4 May

NEW ZEALAND

Submission to the APA on Agenda item 3: Further guidance in relation to the mitigation section of decision 1/CP.21  
May 2017

1. New Zealand welcomes the invitation by the APA to present further views on Item 3, “Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties’ nationally determined contributions, as specified in paragraph 31”.
2. These views supplement those set out in our submission of September 2016 on APA agenda item 3 and interventions made at previous sessions of the APA. Our recent submissions on transparency (February 2017) and Article 6(2) guidance (March 2017) should be read alongside this submission.

**Context**

3. Nationally Determined Contributions (NDCs) are the primary vehicle for achieving our shared mitigation objectives as set out in the Paris Agreement. Recognising this, Parties have agreed to provide further guidance on three key issues related to NDCs: features, upfront information, and accounting.
4. Our work on providing further guidance on these issues serves our efforts to achieve the mitigation aim of the Agreement (as set out in Article 2(1)(a)) and the mitigation goal in Article 4(1). Each Party decides its own contribution to meeting these efforts according to the principles of national determination and progression in ambition.
5. We want to understand the contribution each country intends to make and the impact it will have. We also want visibility of the country’s achievement as it progresses. To enable this:
  - guidance on NDCs (developed under Article 4) should facilitate understanding what countries’ contributions are and how they will demonstrate (measure) achievement; and
  - guidance on tracking progress (developed under Article 13) should facilitate reporting on progress towards achievement of NDCs at three stages: before, during, and at the end of the period covered by a NDC.
6. Our understanding of the various sub-items under this agenda item is as follows:
  - ‘Features’ describes the characteristics of NDCs – the parameters we have agreed will put boundaries around the principle of national determination in certain key areas.

- 'Information provided for the clarity, transparency and understanding of NDCs' means, amongst other things, the indicators that will be used to track progress towards achievement of a Party's NDC. Use of appropriate information will also assist our understanding of the aggregate impact of NDCs.
- 'Accounting' means defining, measuring, and demonstrating achievement of NDCs – it is the comparison of results against goals.

### **3(a) - Features of nationally determined contributions, as specified in paragraph 26**

7. Guidance on 'Features' should help Parties to prepare NDCs. In Article 4 of the Agreement Parties agreed to certain aspects of how an NDC should look. In effect, we have agreed to certain parameters around the overarching principle of national determination. For example:

- Each Party's successive NDC will represent a progression beyond the then current NDC and reflect its highest possible ambition (Article 4(3));
- Developed country Parties should undertake economy-wide absolute emission reduction targets; developing country Parties should continue enhancing their mitigation efforts over time, and are encouraged to continue moving towards economy-wide emission reduction or limitation targets (Article 4(4));
- In communicating NDCs, all Parties shall provide the information necessary for clarity, transparency, and understanding (ICTU) (Article 4(8));
- Each Party shall communicate a NDC every five years in accordance with decision 1/CP.21; (paragraphs 23 and 24: NDCs will be on the basis of either 5 or 10 year periods) (Article 4(9)).

8. These are examples of boundaries around the principle of national determination agreed by Parties in the interests of achieving the mitigation aim and long-term mitigation goal of the Paris Agreement. Over time, informed by experience and by facilitative processes (including the global stocktake established under Article 14 of the Paris Agreement), we may find it useful to agree NDCs should have additional features (for example, a common timeframe).

9. When Parties submit NDCs, they need to ensure they are consistent with the agreed features. Therefore, the guidance on features should confirm and clarify for Parties what these features are.

### **3(b) - Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

10. ICTU is essential to:

- promote understanding of NDCs, which aids in building mutual trust and confidence and in promoting implementation;
  - make clear which indicators a Party will use to track and report progress towards achievement of its NDC;
  - promote transparency and allow for easier aggregation of each Party's efforts in the assessment of collective progress towards the long-term mitigation goals of the Agreement for purposes of the Global Stocktake established in Article 14.
11. Submitted INDCs and NDCs reveal considerable variation in content and presentation. This presents challenges in aggregating their collective impact. Decision 1/CP.20 contains a list of information Parties were able to select from 'as appropriate' in communicating INDCs. The guidance on ICTU should assist Parties to clearly and transparently communicate the key information – including goals, baselines, reference levels, metrics, or other indicators – they intend to use to define, measure and demonstrate achievement of NDCs. The guidance can do this by identifying the most appropriate information to communicate in respect of these different elements of NDCs. New Zealand's experience in convening regional workshops on INDCs is that guidance on appropriate information would be welcome.

### **3(c) - Accounting for Parties' nationally determined contributions, as specified in paragraph 31**

#### *Purpose of accounting guidance*

12. In the context of the Paris Agreement, accounting means measuring and demonstrating achievement of (or progress towards achievement of) a NDC. In accounting for NDCs, Parties should, where appropriate, draw from existing approaches under the Convention or the Kyoto Protocol. Where existing approaches are not suitable for its NDC, a Party should explain the accounting methodology it is instead using. In all cases, accounting approaches applied should be appropriate for the NDC and consistent with the principles set out in Article 4(13) of the Agreement. Each Party will need to assure all other Parties its accounting will conform to these principles by clearly explaining accounting methodologies and approaches it applies and including all information relevant for measuring and tracking progress towards achievement of the NDC.

13. Principles-based accounting guidance will help Parties understand how to either draw from existing approaches or apply and explain new approaches, as appropriate. The accounting guidance will assist each Party to ensure its approach to accounting for its NDC is consistent with each of: promoting environmental integrity; transparency, accuracy, completeness, comparability and consistency; and ensuring the avoidance of double counting.

14. New Zealand thinks it important the guidance should also be elaborated in such a way as to support achievement of the Agreement's mitigation aim and long-term goal, with a



strong focus on transparency and facilitative peer-review. The guidance should ensure Parties' accounting for NDCs is subject to peer review.

#### *Content of Guidance*

12. Paragraph 31 of Decision 1/CP.21 provides a solid basis from which to elaborate accounting guidance. The guidance could comprise the following:

I	Guidance on accounting methodologies and common metrics A Guidance in relation to accounting methodologies: <ul style="list-style-type: none"><li>• on general issues relating to accounting for NDCs</li><li>• on selection of methodologies</li><li>• on Article 4.13 principles</li><li>• in relation to quantified baselines/ elements</li><li>• in relation to qualified baselines/ elements</li><li>• in relation to land use</li><li>• in relation to use of ITMOs towards NDCs</li></ul>
	B guidance in relation to common metrics for accounting for NDCs
II	Guidance on ensuring methodological consistency
III	Guidance on coverage
IV	Guidance on explanation of omitted categories

#### *Process of accounting for NDCs*

13. The accounting guidance should assist Parties by setting out how to define, measure and demonstrate achievement of NDCs in a manner that is consistent with the principles of Article 4. Parties should apply this guidance in regularly reporting progress towards achieving their NDCs as set out in Article 13.5.

14. We see three stages to this process of accounting for NDCs.

#### I Commencement report

Prior to the start of the relevant NDC period (for example, in 2020), New Zealand proposes each Party would submit a 'commencement report' to the UNFCCC. This report would:

- outline how the Party intends to account for its NDC
- explain why that approach is appropriate for the NDC and the Party's national circumstances
- explain how that approach is consistent with Article 4 accounting guidance and the Article 4.13 principles
- clearly communicate the key information, goals, baselines, reference levels, metrics, or other indicators the Party will use to measure, define, and demonstrate achievement of

the NDC. This information should be consistent with the information provided for clarity, transparency, and understanding of

the NDC, but it may be more focussed. This information will also be used to track progress towards achievement of the NDC.

Alternatively, a Party that has already provided this information in its NDC could be considered to have met the commencement report requirement; the information would still be subject to technical expert review through the vehicle of its biennial reporting.

## II Progress report

As part of the biennial communication process (described in New Zealand's submission on Transparency, and also referenced in our submission on Article 6.2), each Party should provide a 'progress report' that tracks measurement of progress towards achievement of the NDC. The progress report should use the same information, baselines, reference levels, metrics or other indicators communicated in the commencement report. Where appropriate, the progress report would also include a 'net position report' detailing transfers of ITMOs (refer also to our submission on Article 6.2 guidance). The progress report would be provided in accordance with the modalities, procedures and guidelines developed for the enhanced transparency framework, and would also be subject to facilitative peer review.

## III Achievement report

In the first biennial communication after the end of its NDC, each Party should submit an 'achievement report', showing how it has achieved its NDC. This report should set out the final measurement appropriate to the NDC, for example:

- Absolute, economy-wide NDC: the total of all emissions and removals over the period, accounted for on the basis of the approach, assumptions and methodologies communicated by the Party in its commencement report and applied in its progress reports (including a final net position report with respect to ITMOs where appropriate); or
- Business as Usual NDC: A description of policies and measures included or excluded in the BAU baseline, a description of which assumptions were used in the calculation of the BAU baseline (including data sources for relevant indicators), and a description of when and on what basis these might be recalculated (for example, to bring projections into line with actual data).
- Policies and Measures: a description of implementation of any policies and measures communicated in the NDC, measured against the (qualitative or quantitative) indicators nominated by the Party in its commencement report and applied in its progress reports.

*Relationship between Articles 4, 6, and 13*

15. As described above, New Zealand considers the (Article 4) guidance on accounting for NDCs should be operationalised through the enhanced transparency framework. While (Article 4) guidance on accounting for NDCs will set out how Parties can define, measure and demonstrate achievement of NDCs, the (Article 13) guidance will set out how Parties track (and report) that progress. The commencement report, the progress reports, and the achievement report should be submitted under the enhanced transparency framework, while also subject to the guidance on accounting for NDCs.

16. Integration into the transparency framework means that these reports will be subject to facilitative peer review. Following facilitative peer review, each report (commencement, progress, or achievement, as appropriate) should set out how facilitative peer review recommendations have been addressed; how they have been implemented, and (if not), why not.

17. The guidance on accounting for NDCs should specify that, where any mitigation outcomes (including those from the Article 6(4) mechanism) are transferred between Parties and used towards NDC achievement, they become ITMOs and the provisions of Article 6(2) apply.

**Conclusion**

21. New Zealand looks forward to discussing these issues (at both the meeting of the APA and the roundtable preceding it), with a view to seeking consensus on how guidance to be developed under paragraphs 26, 28, and 31 of 1/CP.21 can best build trust and enable progression of collective ambition over time towards achievement of the mitigation aim and long-term mitigation goal of the Paris Agreement.

## Mali on behalf of the African Group of Negotiators – submission 5 May

### Submission by the Republic of Mali on behalf of the African Group of Negotiators on Agenda Item 3: Further guidance in relation to the Mitigation section of 1/CP21: 5 May 2017

#### General Remarks

The Africa Group welcomes the opportunity to submit its views on the APA Agenda item 3: Further guidance in relation to the Mitigation section of 1/CP21 on: (a) features of nationally determined contributions (NDCs), as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of NDCs, as specified in Para 28 and (c) accounting for Parties' NDCs as specified in Paragraph 31. This submission is guided by the questions from the informal notes of APA 1.2 held in Marrakesh and Co-chairs reflections note.

In line with the Paris Agreement, NDCs are nationally- determined and in our view, should contain adaptation, mitigation and means of implementation components. The African Group recognises that this agenda item is a mitigation space, but emphasises the need to discuss other components of NDCs elsewhere.

Features of, information contained in, and the way in which Parties account for, their NDCs, should facilitate the achievement of all the goals of the PA, and also provide a rigorous basis for transparency provisions, the global stocktake, and provision of the means of implementation. On the issue of differentiation, it is the African group view that Art 4 of PA provides for differentiated mitigation contributions among the developed and developing countries, with further flexibility for LDCs.

Therefore, features, information & accounting should be developed taking into account the diversity of NDCs and national circumstances of Parties and the different obligations of Parties and flexibility embedded in the Paris Agreement

#### **3(a) - Features** of nationally determined contributions, as specified in paragraph 26

i) What is the understanding of features of NDCs under this agenda item?

Features are common distinctive characteristics/attributes of the mitigation component of NDCs communicated by Parties in fulfilling their procedural obligation under the Paris Agreement.

ii) What should be the purpose of further guidance on features under this agenda item?

Further guidance on features of mitigation components of NDC is necessary to enhance clarity of NDCs and facilitate the achievement of the goals of the Paris Agreement. Further guidance on features of NDCs is needed to provide guidance to Parties in their preparation of NDCs and a rigorous basis for transparency, the global stocktake, and provision of the means of implementation.

Features such as quantifiability and common time-frames of NDCs are crucial to build consistency and facilitate aggregation of the mitigation efforts.

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)?

There are clear linkages between the sub-items a, b and c of the Agenda item. The Agenda item relate to the mitigation component of NDCs, taking into account their diversity as submitted by Parties. While features provide for the general characteristics of NDCs, the information to facilitate clarity, transparency and understanding provide for specific minimum information required to promote the corresponding features of the NDCs. iii) How could this work be usefully structured and progressed?

- Exchange on information relevant for the different types of NDCs is an important first step to understand key aspects of features
- Features should be kept simple and general building on emerging understanding on information as such more space should to be dedicated to features following in depth-exchange on information.

**3(b) - Information** to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28

i) What is the understanding of information to facilitate the clarity, transparency and understanding of NDCs under this agenda item?

These are the minimum sets of upfront information that should be submitted by Parties when they communicate their NDCs, in order to provide clarity, transparency and understanding of the NDCs, which should build from paragraph 14 of decision 1/CP.20.

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

The purpose of further guidance on information is to enhance clarity and understanding of NDCs and to facilitate rigorous transparency and global stocktake processes, that is, quantify and compare NDCs, add them up internationally and provide the information basis for analysis.

Additionally, further guidance on information is necessary to enhance transparency and help build trust and confidence among parties and facilitate ambition. The INDC synthesis report FCCC/CP/2015/7 identifies about 6 types of INDCs, which were informed by paragraph 14 of decision 1/CP.20, however several assumptions by the Secretariat were necessary for presenting an aggregate effect. This should inform the purpose of defining information and features for the different types of NDCs.

iii) What is the relationship, if any, between further guidance on information to facilitate the clarity, transparency and understanding of NDCs under this subitem, and further guidance on sub-items 3(a) and 3(b)?

The sub-items are related as explained above:

iv) How could this work be usefully structured and progressed?

In addition to the points in questions (iii) on Features above, there is need for:

- Technical paper on types of mitigation NDCs in FCCC/CP/2015/7, information submitted by parties and information gaps building from paragraph 14 of decision 1/CP.20.
- Structured discussion on types of mitigation components of NDCs and the needed further guidance in relation to information, taking into account the differentiation and flexibilities provided to Parties in the Paris Agreement.

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

- General information of the mitigation component for all types of NDCs corresponding to features in the Agreement building on the provisions of the Paris Agreement and decision 1/CP.21 Paragraph 27.
- Specific information of the mitigation component on different types of NDCs

**3(c) -Accounting** for Parties nationally determined contributions, as specified in paragraph 31:

i) What is the understanding of accounting for Parties NDCs under this agenda item?

Accounting means to put an emissions reduction number on an action, thereby being able to add up numbers from different actions and countries, and, hence, to understand if actions are sufficient or need for enhanced actions to close the emissions gap. The mandate of accounting discussions under this sub-item should be limited to accounting for mitigation components of NDCs as indicated in Para 31 of decision 1/CP. 21, informed by the type of NDC, and not accounting rules.

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

Guidance on accounting for the mitigation component of NDCs is essential to enhance understanding of mitigation contributions and to facilitate aggregation of mitigation effort. Accounting guidance is also necessary for tracking individual and collective progress towards the 2 and 1.5 degrees' Celsius goal.

iii) 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)?

All the sub-items of Agenda item 3 are related, however, item 3 (c) could be discussed separately.

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

Existing accounting approaches under the Convention and Kyoto Protocol are applicable to certain types of NDCs and not others. The accounting framework should be developed considering the diversity of the mitigation component of NDCs, national circumstances and development priorities and objectives of Parties different obligations of Parties and flexibility in the Paris Agreement

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

- Common accounting methodologies based on a common set of inventory guidelines and metrics as reviewed by the IPCC. – 2006 IPCC methodologies
- A workshop on experience of existing accounting arrangements under Convention and Kyoto Protocol
- Specific guidance on accounting for each type of mitigation component of NDCs

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

- Scope of accounting and how guidance apply to different NDCs
- Linkages with Art 6, 13 and Art 14

## **SUBMISSION BY INDONESIA**

### **APA Agenda item 3 - Further guidance in relation to the mitigation section of decision 1/CP.21 on:**

- (a) features of nationally determined contributions, as specified in paragraph 26;**
- (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and**
- (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31**

Pursuant to the Informal Note by the Co-Facilitators on the Second Part of Ad-hoc Working Group on the Paris Agreement (APA1-2), the Government of the Republic of Indonesia herewith submits its view on the questions identified by Parties as relevant for each agenda sub-item and listed in the Annex, as follow:

#### 3(a) - Features of nationally determined contributions, as specified in paragraph 26

- i. Our understanding of what is meant by “features of NDCs” as discussed under this agenda item is the features that define the content or structure of the NDC itself, which should therefore cover common important elements in Parties' NDCs, for instance:

- a. National conditions

- b. Mitigation

- This section expresses country's ambition in climate change mitigation. c.

- Adaptation

- This section portrays the country's strategy on climate resilience, such as in the areas of economic, ecosystem, livelihood, disaster management and landscape. d. Strategic approach

- e. Planning process

- f. Review and adjustment, as necessary

The element that specifies the country's level of ambition in climate change mitigation will have to be accompanied by the necessary “information to facilitate clarity, transparency and understanding (CTU)” as discussed on agenda sub-item 3(b).

- ii. The purpose of developing further guidance on features is to provide a common reference for Parties in drafting their NDCs, with common format, structure and elements which will facilitate consistency and comparability. It will also define what NDC elements are mandatory and what are complementary or supplementary, which may vary between developed and developing country Parties.



- iii. The relationship between further guidance under this sub-item, and those under sub-items 3(b) and 3(c), is that the Guidance on the feature (3.a.) will provide an underlying reference for the Guidance under sub items (3.b.) and 3(c), which will further clarify and elaborate the underlying feature.
- iv. In order to have a more structured discussions and to make further progress on this issue, the work under this agenda item should be facilitated through in-session meetings during the 2017 SB-meetings (SB46 and SB47), coordinated by facilitators that are assigned by Parties for the agenda item. The facilitators will report the progress of discussions at the end of SB46 and SB47, with a view of reaching an agreement for adoption at COP23.

Regarding this sub-agenda item, Indonesia is of the view that having a technical paper to be developed by the Secretariat that extracts and compares the features of the 128 submitted NDCs will be beneficial for having a more comprehensive understanding on the features of NDC that will lead to common determination of elements or structures of NDC.

### **3(b) - Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28**

- i. Our understanding of what is meant by “information to facilitate the clarity transparency and understanding of NDCs” under this agenda item is required information that is necessary to support complete understanding of the NDC features. In this regard, Indonesia sees the value of having systematic information in the form of a list of required information that is needed to clarify the NDC. For example, the list of required information to facilitate CTU for the NDC mitigation section can include as follows:
  - Level of GHG reduction (unconditional and conditional reduction, type, coverage, scope, baseline);
  - Key assumption in mitigation (metric applied, methodology for estimating emission which facilitate the yearly basis of the estimating emission, baseline, target year or target period, assumption used for projection and policy scenario of target period, coverage of emission reduction, projected BAU and emission reduction from each sector category).
- ii. The purpose of developing further guidance on information to facilitate the clarity, transparency and understanding of NDCs is to provide clarity on what types of information are needed to accompany NDC contents/elements/targets. The guidance will thus identify and establish a list of required information for this purpose.
- iii. The relationship between further guidance under this sub-item, and further guidance on subitems 3(a) and 3(b)

Further guidance on information to facilitate CTU (3.b.) will be seen as a pivotal part to clarify the features of NDC (3.a.). It will be measured and elaborated by the Guidance on sub-item (3.c) to track the progress of NDC implementation for accountability.

- iv. In order to have a more structured discussions and to make further progress on this issue, the work under this agenda item should be facilitated through in-session meetings during the 2017 SB-meetings (SB46 and SB47), coordinated by facilitators that are assigned by Parties for the agenda

item. The facilitator will report the progress of discussions at the end of SB46 and SB47, with a view of reaching an agreement for adoption at COP23.

Regarding this sub-agenda item, Indonesia is of the view that having a technical paper to be developed by Secretariat that extracts and compares information from the 128 submitted NDCs, will be beneficial for having a more decisive understanding on the information to facilitate CTU.

- v. Some issues that should be discussed and resolved under this sub-item are as follows:  Agreed list of required information to facilitate CTU in NDC;
- Minimum required information;
  - Various base year and/or baseline used by Parties;
  - More description of methodology in order to support the tracking of GHG emission reduction.

### **3(c) - Accounting for Parties' nationally determined contributions, as specified in paragraph 31**

- i. Our understanding of the meaning of "accounting for Parties NDCs" under this sub-agenda item is a set of methodologies used to measure the NDC implementation which should be agreed among Parties. It will be used as a common tool for having NDC implementation progress being monitored, tracked, and aggregated.

Some example of the methodologies should be developed under this agenda are:

- how to measure the NDC implementation;
  - how to track progress: before and after the implementation of NDC;
  - how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.).
- ii. The purpose of developing a guidance on accounting for NDCs under this sub agenda item is to elaborate, specify and clarify the methodology on how to showcase/measure the NDC implementation. It is expected to result in a common/agreed methodology in tracking progress (before and after the implementation of NDC) and on how to aggregate various NDC.
- iii. The relationship between further guidance under this sub-item, and further guidance on subitems 3(a) and 3(b)

The guidance for accounting for NDCs under this sub-item will measure and elaborate the further guidance as discussed under sub-items 3(b) to track the progress of NDC implementation for having its accountability as well as its comparability which will be linked to MRV-parameters.

- iv. Toward this direction, Parties can draw experiences, challenges and lessons learned from the implementation of Kyoto Protocol by Annex I countries and other relevant schemes such as REDD+ by developing countries.
- v. Further work on this sub-item requires in-depth and technical works, rather than a negotiation setting, to achieve desired deliverables.

Indonesia, however, is of the view that the negotiation setting conducted during SB46 and SB47 that eventually leads to adoption in COP23 is beneficial to allow Parties to agree on a work schedule between now and 2018, which will guide the technical work.

With reference to relevant COP-decisions, the required technical work can be carried out starting from 2017 through expert-level technical workshops, which would serve the purpose of providing necessary technical input to the negotiations on further guidance to establish the accounting guidance, aimed to be adopted in COP24 of 2018.

- vi. The issues should be discussed and resolved under this sub-item are as follows:
- common methodology of accounting, which refers to or modified by IPCC Guidelines;
  - consistency in using methodology;
  - ensure the linkage between and accounting system and GHG inventory (for instance through national communications, BUR) as well as transparency framework, global stock-take and other related agenda items.
  - Need to address specific accounting for the existing framework as set out in related guidance and decisions already agreed under the Convention, including results-based payments for REDD+.

Brazil on behalf of Argentina, Brazil and Uruguay – submission 8 May

**IEWS 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.<sup>1</sup> 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 pragmatically 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.

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<sup>1</sup> 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](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:

- i. 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;

- ii. Promote clear and transparent information about each Party's mitigation efforts and progress;
- iii. 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 reports<sup>2</sup> 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 as demonstrate that the assumptions used to

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<sup>2</sup> Biennial transparency report, as referred to in the submission by Argentina, Brazil and Uruguay submission to APA agenda 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\\_131324648255521982Bra%20Arg%20Uy%20-%20Submission-Art13%20Transparency%20Framework%20FINAL.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/525_323_131324648255521982Bra%20Arg%20Uy%20-%20Submission-Art13%20Transparency%20Framework%20FINAL.pdf)



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"<sup>3</sup>. 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.

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<sup>3</sup> (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.