



Switzerland's views on mitigation (APA agenda item 3)

March 2017

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 CO₂eq 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 INDCs¹ 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 tCO₂eq: 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.

¹ 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 CO₂eq 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 long-term 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.