

## NEW ZEALAND SUBMISSION

### ***AWG-LCA – Nationally Appropriate Mitigation Actions and Transparency Provisions***

October 2011

This submission responds to the invitation to Parties to submit their views on the in-session material reflecting the work undertaken by the Ad Hoc Working Group on Long-term Cooperative Action under the Convention at the third part of its fourteenth session (AWG-LCA 14.3).

New Zealand views mitigation and the transparency provisions as central to a successful outcome in Durban at COP 17. To that end we submit the following inputs:

#### **Mitigation**

1 New Zealand recognises there are a number of ways countries could increase their level of ambition, including through the means outlined in the co-facilitator's summary of discussion on matters relating to paragraphs 36-38 of the Cancun Agreements<sup>1</sup>. However, we believe that ambition by individual countries cannot be independent of what others are doing, and therefore it will evolve over time. A foundation for increased ambition is transparency of actions and their effects, thus the most valuable contribution we can make at this time is to increase the transparency of countries' actions and begin regular reporting of greenhouse gas emissions by all countries, in particular major emitters. This will demonstrate the aggregate level of action and promote confidence that all countries are doing their fair share.

2 While it is New Zealand's preference to see a future comprehensive multilateral agreement emerge quickly, we also acknowledge that there is likely to be a transitional period until we reach that agreement. During this transition period we need to maximise transparency of mitigation action, while providing Parties with the flexibility to undertake diverse actions that reflect their national circumstances.

3 With regard to pledges already on the table, developed countries should identify which accounting rules are to be applied, and which market mechanisms are being employed. While recognising the diversity of mitigation actions by developing countries, there is still a need to better understand assumptions and to estimate the expected aggregate emissions reduction outcome.

4 A structured approach would be useful to help clarify both developed and developing country targets and actions included in the INF documents (annexed to decision 1.CP/16). This approach should take account of the diversity of national circumstances and actions and enable both flexibility and the identification of commonality. We see this as being useful to advance the negotiations, and to provide certainty to carbon markets (and the public) about ongoing mitigation action.

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<sup>1</sup> [http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/lca/application/pdf/co-facilitators\\_summary\\_14\\_oct\\_for\\_web.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/co-facilitators_summary_14_oct_for_web.pdf)

5 We also propose a complementary exercise of establishing a work programme to define and develop an accounting framework, including the use of market mechanisms. Such an accounting framework would need to accommodate national circumstances. This work programme would examine how much of the accounting framework is “common”, the degree of flexibility taking into account national circumstances, and how it would provide environmental integrity and transparency at the country level. COP 17 should agree to the work programme and invite submissions from Parties to allow the work to begin early in 2012. The work programme should aim to complete its task by COP 18.

## **Transparency**

### *Reporting*

6 New Zealand recognises a sense of urgency (which is shared by many other Parties) for COP 17 to agree guidelines on both biennial update reports from developing country Parties and biennial reports from developed country Parties. To that end, in August 2011, New Zealand submitted draft guidelines for biennial update reports from developing country Parties.

7 To help facilitate a decision, we include in this submission draft decision text on biennial (update) report guidelines for both developed and developing countries. These decisions include crucial elements for Parties to consider, including: confirming the first submission date and frequency of reporting; potential flexibilities according to national circumstances; how recent the data reported needs to be; and an agreed date for reviewing the guidelines.

8 We have also resubmitted proposed templates for biennial update reports from developing countries, as we believe reporting in tabular format will help to streamline the reports. Given that reporting by developed countries is more mature than for developing countries, the use of templates or tabular formats is already included in national communications and national inventory reports. Further use of templates should also be applied to biennial reports from developed countries.

9 As per New Zealand’s previous submission we believe that biennial update reports should be submitted in English. This is because executive summaries of non-Annex I Parties’ national communications are submitted in English. Given that the biennial update report is expected to be short and succinct (similar to an executive summary) with much of the information presented in tabular format, English should be the language of submission for biennial update reports.

10 We note with caution the attempt to pre-empt decisions by Parties on legal form and accounting through these reporting guidelines. Accounting is different from reporting, and requires separate consideration. We support the use of the approach in paragraph 7 of the draft guidelines for biennial reports from developed countries<sup>2</sup>, in which reporting relative to the target would be done according to an agreed accounting framework, which should be adopted at COP 18. We suggest a process to clarify pledges together with a work programme to agree an accounting framework by COP 18.

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<sup>2</sup> [http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/lca/application/pdf/non-paper\\_3.2.1\\_v8\\_for\\_web2.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/non-paper_3.2.1_v8_for_web2.pdf)

11 In agreeing the guidelines in section VI, Parties should ensure that the resulting guidance for reporting on the provision of support is practicable. For example distinguishing between mitigation, adaptation and 'other activities', as proposed in paragraph 27, may sound simple in theory, but in practice, support could deliver benefits to mitigation as well as other co-benefits. We believe reporting on the provision of support would be best done using a tabular format.

12 New Zealand recognises that reporting biennially is a step change from the present system and that many developing countries could benefit from increased support to help facilitate this change. All developing countries need to report (with flexibility for LDCs and SIDS) and New Zealand supports the early mobilisation of funding and decisions to bring this about.

#### *Analysis and review*

13 New Zealand would like to reinforce the importance of analysis and review processes to promote confidence in the mitigation actions and reporting by all countries.

14 We note that the co-facilitators' non-paper on international assessment and review (IAR) has several references to compliance. While important, compliance is related to the legal form of an agreement, and therefore is not an issue to be determined through IAR. New Zealand does not see a role for compliance in the IAR process.

15 The **scope of IAR** is clearly articulated in decision 1.CP/16. Paragraphs 44 and 46(d) define the scope of IAR as being an assessment and review of:

*“emissions and removals related to quantified economy-wide emission reduction targets ... including the role of land use, land-use change and forestry, and carbon credits from market-based mechanisms”*

This does not include the provision of support to developing countries, nor does it include any reference to a “supplementary review” process. As such, New Zealand requests that all sections relating to these issues be bracketed in the revised version of the co-facilitators' text.

16 In paragraphs 63 and 64 of 1.CP/16, Parties decided that all developing countries would produce biennial update reports, and that international consultations and analysis (ICA) of these reports would be conducted. Therefore, ICA is not a voluntary process.

17 Likewise, decision 1.CP/16 (in paragraphs 63 and 64) is clear about the **scope of the ICA process**, as being:

*“biennial reports... information considered should include the national greenhouse gas inventory report, information on mitigation actions, including a description, analysis of the impacts and associated methodologies and assumptions, progress in implementation and information on domestic measurement, reporting and verification, and support received;”*

New Zealand reiterates that information on domestic measurement, reporting and verification is included in the scope of ICA, and hence agree that reporting on

domestic measurement, reporting and verification should be included in biennial update reports.

18 The overriding **aim of the ICA process** is provided in paragraph 63 of decision 1.CP/16, that is: “to increase transparency of mitigation actions and their effects”. Therefore New Zealand requests that paragraph 3 of the co-facilitators’ text should be up front, the first objective listed in section I: Objectives of ICA.

19 The **process of ICA** is also made clear in decision 1.CP/16, that ICA will achieve its goals “through analysis by technical experts in consultation with the Party concerned and through a facilitative sharing of views”. New Zealand’s view is that the order of procedure is made clear in this text: technical expert analysis, followed by a facilitative sharing of views.

**Draft Decision Text**  
**Guidelines for the preparation of biennial reports from Parties included in Annex I to the Convention**

*The Conference of the Parties,*

*Recalling*, the relevant provisions of the United Nations Framework Convention on Climate Change, in particular, [Article 4, paragraph 2 (a), (b) and (c), Article 5, Article 7, paragraph 2 (a), (b), (d) and (e), Article 10, paragraph 2 (a) and (b), and Article 12] [Articles 4, 5, 7, 10 and 12],

*Recalling also* its decision 1/CP.16 that Parties included in Annex I to the Convention (Annex I Parties) shall submit their national communications to the Conference of the Parties, in accordance with Article 12, paragraph 1, of the Convention, every four years,

*Recognising* that, by decision 1/CP.16, Parties had initiated a process of developing the guidelines for the preparation of biennial reports from Annex I Parties,

*Noting* decision 1/CP.16 to conduct international assessment and review of biennial reports submitted by Annex I Parties under the Subsidiary Body for Implementation,

*Emphasizing* that information submitted by Annex I Parties under Article 12 of the Convention is the main source of information for reviewing the implementation of the Convention by these Parties,

*Noting* that delays in or absence of submissions from some Parties will hinder the assessment of implementation, as well as delays in completion of international assessment and review,

*Recognizing* the important contribution enhanced reporting, including biennial reports from Annex I Parties, has in the review of the global goal agreed by Parties in decision 1/CP.16,

1. *Adopts* the guidelines contained in the annex to this decision for the preparation of biennial reports by Annex I Parties: UNFCCC reporting guidelines on biennial reports (hereafter referred to as ‘the Guidelines’);

2. *Decides*:

(a) That Annex I Parties should use the Guidelines for the preparation of biennial update reports;

(b) That, in using the Guidelines, Annex I Parties should take into account their national circumstances;

(c) That the first biennial update report from Annex I Parties shall update the sections of the most recent full national communication submission, as outlined in the Guidelines;

(d) That Annex I Parties shall submit a full national communication every four years, the next due date after this decision being 1 January 2014;

(e) That Annex I Parties shall submit their first biennial report to the Secretariat by 30 April 2013, and the second and subsequent biennial reports shall be submitted within two years of the due date of a full national communication (i.e. 2016, 2020);

(f) That the sections of biennial reports submitted by an Annex I Party that are subject to international assessment and review are sections II, III, IV and V<sup>3</sup>;

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<sup>3</sup> This is based on the current sections of the co-facilitators’ non-paper on possible elements of a draft decision for adoption of the guidelines for biennial reports of developed country Parties, version of 14

(h) That the full annual greenhouse gas inventory submission is outside the scope of the international assessment and review process;

(i) That the Guidelines shall be reviewed, and revised guidelines adopted by [2016], taking into consideration the principles of transparency, consistency, comparability, completeness and accuracy of the reported national greenhouse gas inventories, experience with the first round of biennial update reports, and other information including incorporation [as appropriate] of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories,

3. *Requests* the secretariat to prepare a compilation and synthesis of the information reported by Annex I Parties in the biennial update reports referred to in paragraph 2(d) above, to be available for the COP at its [20th] session.

**Draft Decision Text**  
**Guidelines for the preparation of biennial update reports from Parties not included in Annex I to the Convention**

*The Conference of the Parties,*

*Recalling*, the relevant provisions of the United Nations Framework Convention on Climate Change, in particular, Article 4, paragraphs 1, 3 and 7, Article 5, Article 7, paragraph 2 (a), (b), (d) and (e), Article 9, paragraph 2 (b), Article 10.2, Article 12, paragraphs 1, 5, 6 and 7, of the Convention,

*Recalling also* its decision 1/CP.16 that Parties not included in Annex I to the Convention (non-Annex I Parties) shall submit their national communications to the Conference of the Parties, in accordance with Article 12, paragraph 1, of the Convention, every four years,

*Conscious of* its decision to provide additional flexibility for the least developed country Parties and small island developing States in their reporting requirements,

*Recognising* that, by its decision 1/CP.16, it had initiated a work programme for developing the guidelines for the preparation of biennial update reports from non-Annex I Parties,

*Noting* decision 1/CP.16 to conduct international consultations and analysis of biennial update reports submitted by non-Annex I Parties under the Subsidiary Body for Implementation,

*Recognizing* the important contribution that enhanced reporting, including biennial update reports from non-Annex I Parties, has in the review of the global goal,

*Emphasizing* that information submitted by non-Annex I Parties under Article 12 of the Convention is the main source of information for reviewing the implementation of the Convention by these Parties;

*Noting* that delays in or absence of submissions from some Parties hinder the assessment of implementation, as well as delays in completion of international consultations and analysis,

1. *Adopts* the guidelines contained in the annex to this decision for the preparation of biennial update reports by non-Annex I Parties: UNFCCC reporting guidelines on biennial update reports (hereafter referred to as ‘the Guidelines’);

2. *Decides*:

(a) That non-Annex I Parties should use the Guidelines for the preparation of biennial update reports;

(b) That, in using the Guidelines, non-Annex I Parties should take into account their development priorities, objectives and national circumstances;

(c) That the Guidelines should be used to provide guidance to an operating entity of the financial mechanism for funding the preparation of biennial update reports from non-Annex I Parties;

(e) That as outlined in the Guidelines, the biennial update report from each non-Annex I Party shall update the information contained in the sections of its most recent full national communication submission, and that the greenhouse gas inventory information contained in the biennial update report will be for the year [N-3], where N denotes the year of submission;

(f) That each non-Annex I Party that has already submitted an initial national communication or a subsequent national communication shall submit its first biennial update report to the Secretariat by [date] [April][month] [2013][2014];

(g) That, where an initial national communication has not yet been submitted by a non-Annex I Party, the first biennial update report shall contain the information required by the Guidelines to the extent possible, and will be submitted to the Secretariat by [date] [April][month] [2013][2014];

(h) That a full national communication shall be submitted every four years, the first due date following this decision being [date] [April][month] [2015][2016];

(i) That the submissions of second and subsequent biennial update reports by non-Annex I Parties shall be made within two years of the due date of a full national communication;

(k) That all sections included in the Guidelines will be subject to international consultations and analysis;

(l) That the Guidelines for non-Annex I Parties shall be reviewed, and revised guidelines adopted by [2016], taking into consideration the principles of transparency, consistency, comparability, completeness and accuracy of the reported national greenhouse gas inventories, experience with the first round of biennial update reports, and other information including incorporation [as appropriate] of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories,

3. *Urges* those non-Annex I Parties that have not submitted their first, second or third national communication, to do so as soon as possible;

4. *Requests* the secretariat to facilitate assistance to non-Annex I Parties in the preparation of their biennial update reports, in accordance with Article 8, paragraph 2 (c), of the Convention, and to prepare reports thereon for consideration by the Subsidiary Body for Implementation;

5. *Requests* the secretariat to prepare a compilation and synthesis of the information reported by non-Annex I Parties in the biennial update reports referred to in paragraph 1(f) above, to be available for the COP at its [20th] session.



**Annex to biennial update report guidelines**

The templates in this annex are provided to assist non-Annex I Parties with the compilation and submission of their biennial update reports.

**Template 1: Submission information**

Year  
Submission  
Country

Country	
Inventory Years	
Contact Name	
Title	
Organization	
Address	
Phone	
Fax	
E-mail	
URL	

**Additional information**

Status	
Submission	
Comments	

## Template 2: Outline of biennial update report

National greenhouse gas inventory		Notes
	Summary report	Emission/removal summary by sector and by gas using standard reporting table
	Sectoral table for Energy	Summary of each sector using standard reporting tables
	Sectoral table for Industrial Processes	
	Sectoral table for Solvent and Other Product Use	
	Sectoral table for Agriculture	
	Sectoral table for Land-Use Change and Forestry	
	Sectoral table for Waste	
	Key category analysis	Parties should identify their national key categories for the latest reported inventory year, using the IPCC tier 1 level assessment.
	Methodologies used	Choice of methods/activity data/emission factors, assumptions, parameters and conventions underlying the emission and removal estimates – the rationale for their selection, any specific methodological issues
	Recalculations and improvements	Any changes in estimates of emissions and removals, compared with previously submitted inventories, regardless of magnitude. Clearly indicate the reason for the changes using the template provided. Parties should also describe planned improvements to methodologies, activity data, emission factors, etc. (optional)
	Procedures and arrangements for the national greenhouse gas inventory	A description of the GHG inventory procedures and arrangements, using the template provided
	Uncertainties	Encouraged to provide information on uncertainties using IPCC good practice guidance as basis
Mitigation actions and their effects		
	Description of the action	Using the template provided, for each action or suite of actions, a description, including the nature of the

		action, base year, coverage (i.e. sectors and gases,) quantitative goals and progress indicators
	Progress of implementation	Using the template provided, for each action or suite of actions information on the progress of implementation, and the results so far: such as estimated outcomes (metrics depending on type of action) and estimated emission reductions
	Methodologies and assumptions	Using the template provided, for each action or suite of actions information on methodologies and assumptions specific to the mitigation action, including where relevant, methods for determining the baseline used, business-as-usual information or other metrics
	Use of international or domestic offsets	Using the template provided, report on the use of international or domestic emission reduction credits or allowances. Information also to be provided on any rules/documentation/verification of such units
Domestic MRV		An up-to-date description of system of domestic measurement, reporting and verification using the template provided
Support received		Summary level information using the template provided
Other information		



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**Template 5: Summary report of mitigation actions**

**Template 5.1: Report table of update/change in policy framework<sup>(1)</sup>**

Title	Description

1. Development plan, climate change policy, change in regime, etc.

**Template 5.2: Report table of mitigation actions**

Description of Mitigation Action	Base year	Coverage		Implementing Entities	Quantitative goal	Progress indicators	Progress to date	Estimated outcomes/ Emissions reductions	Methodologies and assumptions
		Sector <sup>1</sup>	gas						

1. IPCC sector (Energy, Industrial processes, Solvent and Other Product Use, Agriculture, LULUCF, Waste)

**Template 6: Use of Offsets**

Units sold (type of unit)	Tonnes of CO <sub>2</sub> -equivalent	Information on rules/documentation/verification
Units purchased (type of unit)		

<b>Total</b>		
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**Template 7: General description of domestic systems for MRV**

Component of MRV system <sup>1, 2</sup>	Methodologies applied/rationale for approach taken

1. Includes any updates since last submission
2. For example: entities responsible of MRV of mitigation actions; description of data collection system including models used for projections; selection of performance indicators; QA/QC system; third party verification; process for reporting.

**Template 8: Support received**

Project/activity	Supported by <sup>1</sup>	Type of support <sup>2</sup>	Timescale		Total funding		Proportion of costs from various sources of funding	Mitigation and/or other results achieved	Relationship to the needs identified in the LCDS
			Start	Finish	Local currency	USD			

1. GEF; Annex II Party; other Party; bilateral institution or fund; multilateral institution or fund
2. Finance, technology transfer, capacity building, other

