

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; and
- accounting for Parties' nationally determined contributions, as specified in paragraph 31

Informal note by the co-facilitators – final version

*Upon request of Parties at the informal consultation on 11 November 2017, this is the Co-facilitators' attempt to informally capture views expressed by Parties, including in their submissions and at the round table. It has been prepared under the Co-facilitators' own responsibility and thus has no formal status. The content is not exhaustive and Parties may decide to add additional views to this note. It does not represent agreed views, ideas or text and nor does it attempt to draw any conclusions on possible areas of convergence or divergence. The order of the information contained in this note does not correspond to any hierarchy or sequencing of proposals according to convergence or importance. The Co-facilitators also recognize that nothing is final until the guidance on NDCs is final. The Co-facilitators further recognize that there are varying views on the structure of the guidance, including differentiation and scope of NDCs. There is no intention to prejudge or prejudice any next steps relating to the preparation of a draft negotiating text or the position of Parties on further guidance and its contents.*

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## I. Features

*A wide range of strongly-held views on how to discuss the issues of scope of NDCs and differentiation were shared. While a number of Parties expressed the view that these issues should be discussed under features, a number of other Parties expressed the view that these issues should be discussed elsewhere under the process, and another number of Parties expressed the view that these issues were already treated within the overall architecture of the Paris Agreement.*

### A. Identify and list existing features

#### *Option 1:*

- Art 2.1: NDCs to achieve the purpose of the agreement, promote low emissions and climate resilient development, make financial flows consistent with this and accelerate the development and transfer of technology; context of sustainable development and efforts to eradicate poverty;
- Art 2.2: equity, CBDRCC, national circumstances and differentiation;
- Art 3: National determination, include elements of mitigation, adaptation, financial support, technology development and transfer and capacity building;
- Art 4.1: long-term goals (peaking – slower for developing countries, and “a balance between anthropogenic emissions by sources and removals by sinks” by the second half of this century). “On the basis of equity”, aggregable;
- Art 4.2: national determination, Parties pursue domestic mitigation measures, successive, maintain NDCs, unconditional component, successive increment;
- Art 4.3: progression, highest ambition, national circumstances; CBDRCC;
- Art 4.4: economy-wide absolute emission reduction targets by developed countries, leadership by developed countries, encouragement for developing country Parties to move over time towards economy-wide absolute emission reduction targets, differentiation;
- Art 4.5: support to developing country Parties, differentiation, conditional component;
- Art 4.6: LDCs and SIDS to prepare and communicate plans and actions for low greenhouse gas emissions development;
- Art 4.7: mitigation co-benefits resulting from Parties adaptation actions and/or economic diversification plans;
- Art. 4.8: clear, transparent and understandable;
- Art. 4.9: communication every five years, informed by global stocktake, NDCs to be either for a 5 or 10-year period;
- Art. 4.10: common timeframes;
- Art. 4.11: upward adjustment;
- Art 4.12: registry;
- Art 4.13: accounting, quantifiable;
- Art 4.15: consideration of response measures, quantifiable;
- Art 4.16-4.18: collaborative or joint action;
- Art. 4.19: successive increment in a long-term time series;
- Art. 7.1: achieve the purpose of the agreement;
- Art 9.1: differentiation;
- Art 9.3: differentiation;
- Art 9.5: differentiation;
- Art 9.7: differentiation;
- Art 10: differentiation;
- Art 11: differentiation;
- Decision 1/CP.21, paragraph 25: communication 9-12 months in advance of relevant CMA session;

- Decision 1/CP.21, paragraph 27: reference years or periods, coverage in sectors and gases, metrics and guidelines.

*Option 2:*

- Recognize the work carried out so far;
- Features of NDCs are outlined in [[Article 3][Article 4][Articles 3 and 4][the relevant provisions] of the Paris Agreement;
- While the efforts and level of ambition communicated by Parties are nationally determined, NDCs should be prepared and communicated pursuant to the Paris Agreement and the guidance adopted by the CMA, as applicable;
- Flexibility related to the nature of the features and characteristics included in NDCs shall be provided to LDCs and SIDS;
- Agrees to conclude the consideration of further guidance on features.

*Option 3: no text*

**B. New/additional features**

*Option 1:*

- Identification of unaccounted sectors;
- Identification of sectors included in transactions of Internationally Transferred Mitigation Outcomes;
- Quantified support assessment for developing country Parties;
- Quantified support disbursement and pledged;
- Summary of mitigation measures linked to bunker fuels;
- Low carbon and climate resilience development strategies;
- Low carbon long term development strategies;
- Quantifiability, in terms CO<sub>2</sub>e;
- Conditions and circumstances or specification of emissions reduction capacity without support;
- Coverage of all significant emission sectors and gases;
- Reflect a link to a Party's long-term strategy;
- To be based on real and meaningful data and/or baselines;
- Information related aspects: coverage of sectors and gases, reference years or periods, metrics and accounting applied;
- NDCs to be in line with domestic development or poverty eradication strategies.

*Option 2: no text*

**C. Guidance/Elaboration on features**

*Option 1: Guidance addressing all or a subset of features set out in A and B, where such guidance would assist Parties in preparing and communicating their NDCs, including inter alia on:*

- quantifiability of efforts in tonnes of CO<sub>2</sub>-eq.;
- 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, economy-wide emission reduction or limitation target, or other;
- domestic mitigation measures in place in support;
- movement over time towards economy-wide emission limitation or reduction targets.

*Option 2: no text*

## II. Information

*A wide range of strongly-held views on how to discuss the issues of scope of NDCs and differentiation were shared. While a number of Parties expressed the view that these issues should be discussed under information, a number of other Parties expressed the view that these issues should be discussed elsewhere under the process, and another number of Parties expressed the view that these issues were already treated within the overall architecture of the Paris Agreement.*

### A. Objectives

- Facilitate the implementation of Article 4, paragraph 8, of the Paris Agreement;
- Enhance the clarity, transparency and understanding of Parties' NDCs, or contribute to a better understanding of NDCs;
- Be a tool or reference document to assist Parties in preparing and communicating their NDCs in line with the Paris Agreement;
- Assist Parties' domestic preparation of their NDCs, facilitate the exchange of best practices among Parties and contribute to raising public awareness of what Parties are going to do about climate change in the future;
- Enhance the transparency and predictability of climate action and foster trust among Parties;
- Facilitate the tracking of progress;
- Facilitate the aggregation and synthesizing of NDCs, including by the secretariat, also with a view to facilitating the global stocktake;
- Suitable for and relevant for the whole range of NDCs (target types, national capacities and circumstances);
- Provide sufficient comparable information in the NDC submissions
- Not present an additional burden on Parties, especially developing country Parties, in particular LDCs and SIDS;
- Not be prescriptive;
- Not aim to enable the quantification of NDCs or provide quantitative information;
- Not impose a common type of, or format for, NDCs.

### B. Capacity of developing countries

- Developing countries, in particular LDCs and SIDS, require support in order to progressively improve the information included to contextualize their NDCs.
- Recognize different starting points and capacities;
- Flexibility shall be provided to developing countries based on their NDC/type of NDCs, in particular LDCs and SIDS, recognizing that LDCs and SIDS may communicate plans and actions for low GHG emissions development;
- Incentive mechanisms should be established by the CMA to encourage and support developing country Parties to prepare, communicate and implement their NDCs and to provide relevant information in a successive and durable manner;
- Provide continuous and adequate support to developing country Parties to identify their capacity-building needs and increase their capacity for enhancing the clarity, transparency and understanding of their NDCs over time;
- Consider to identify their capacity-building needs and increase their capacity for enhancing the clarity, transparency and understanding of their NDCs over time, including what support would be required relative to what is available;

- Work with partners to build the capacity to improve the provision of information over time and support the implementation of NDCs

### C. Procedural elements

#### a. Channel

- Vehicle for communicating is the NDC, submitted to the NDC registry;
- Parties are to put forward the information of NDCs when communicating their NDCs;
- The guidance should specify that the ICTU is to be provided in an information table that is annexed to the Party's NDC submission;
- Parties may provide additional or updated information at any time.

#### b. Timing/Application

- Second and subsequent NDCs/any future NDC submission;
- Parties should apply the guidance for information of NDCs to their subsequent NDCs (with the timeframe from 2031 onwards);
- Guidance should not apply retrospectively to NDCs (or INDCs) already submitted;
- Parties may elect to apply such guidance to their existing NDCs (most of which are pre-2030);
- LDCs and SIDS, in the light of their special circumstances, are encouraged to apply the guidance to the extent possible;
- The ICTU for the first NDCs should be provided as well with communication or update of those NDCs by 2020;
- The guidance on information for clarity, transparency and understanding of NDCs should be applied by each Party as it communicates or updates its NDC in 2020, as required under 1/CP.21 paragraphs 23 and 24.

#### c. Revision

##### *Option 1:*

- The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis;
- After the first global stocktake.

##### *Option 2: no text*

### D. Substantive elements

*A wide range of strongly-held views on how to structure substantive elements for further guidance on information to facilitate the clarity, transparency and understanding of NDCs were shared. Some Parties expressed the view that such elements should be organized in different structures, clearly separating proposals from different groups of Parties. Other Parties were of the view that all elements should be arranged within a single structure. It was not possible for Parties to reach a common understanding on how to structure these elements.*

*Following the request from Parties, we, the co-facilitators, have streamlined the appendix 1.1 from our previous tool. The bullets below do not prejudge whether any specific bullet/element is needed or the extent to which they should be elaborated further, or not at all. The bullets are for reference purpose only.*

- Quantifiable information on the reference point (including, as appropriate, a base year);
- Time frames and/or periods;
- Scope and coverage;
- Planning processes;
- Assumptions and methodological approaches;
- Fairness and ambition
- Additional<sup>1</sup> general information on the NDC;
- Additional<sup>1</sup> information on the mitigation target of the NDC;
  - Description of the target/of each of the different targets if there are several
- Additional<sup>1</sup> information on adaptation;
- Additional<sup>1</sup> information on support:
  - Additional<sup>1</sup> Information on finance;
  - Additional<sup>1</sup> information on technology;
  - Additional<sup>1</sup> information on capacity building;
  - Information on support needs/received.
- [other elements]

a. Input by Parties

*Parties agreed that submissions from Parties should be compiled in this document, with attribution to those parties that wish to be attributed. For ease of identification, the input by Parties have been shaded.*

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<sup>1</sup> Parties have different views on the need of the word “additional”.

**Substantive elements on information**<sup>2</sup>**A. Quantifiable information on reference point**

- **Absolute emissions reduction target**
  - Emissions levels for the base and target years in terms of CO<sub>2</sub> eq.
  - Headline number in terms of emission reduction in %
- **BAU target**
  - Baseline, including emissions level in terms of CO<sub>2</sub> eq.
  - Emissions level for the target year in terms of CO<sub>2</sub> eq.
  - Headline number in terms of emission reduction in %
- **Intensity target**
  - Base and target years
  - Intensity level for the base year
  - Headline number in terms of intensity reduction in %
  - index value for the base year
- **Policies and measures**
  - Qualitative description of the policies and measures, including adaptation co-benefits
  - Quantitative information on expected emissions from the policies and measures (if possible)
- **Emission Peaking target**
  - Peak year
  - Indicators the party will use to assess the attainment of the objective

**B. Time frames and/or periods for implementation**

- Information on the time frame of NDC (in accordance with the common time frame to be considered by the CMA)
- Information on whether the target is a single-year or a multi-year target

**C. Scope and Coverage**

- Information on the sectors and gases included in NDC (the sectors and GHG gases defined by IPCC guidelines) and coverage of NDC (e.g., economy-wide)
- If not all IPCC gases and/or sectors are included, provide an explanation for any gases and/or sectors excluded.

**D. Planning Processes**

- Planning processes
- How the Party's NDC has been anchored in domestic mitigation measures
- Information on legal and institutional arrangements
- How the Party's NDC has been informed by the outcomes of the global stocktake
- Information on any conditional element beyond headline number

**E. Assumptions and Methodologies**

- Metrics and methodologies – IPCC inventory guideline, GWP value used, accounting

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<sup>2</sup> Input by Republic of Korea

approach used in the land sector in accordance with the accounting guidance (if appropriate).

- How the Party will ensure the methodological consistency between the communication and implementation of its NDC
- Whether the Party intends to use cooperative approaches in Article 6.2, the Article 6.4 mechanism, and non-market approaches (if appropriate).
- **BAU target**
  - Parameters, assumptions and methodologies used in setting the baseline projection
  - Information on whether the baseline is static or dynamic
- **Intensity target**
  - Data sources for the index value
- **Policy and measures**
  - Progress indicators and milestones

#### **F. Fairness and Ambition**

- How the party considers that its NDC is fair and ambitious, in the light of its national circumstances
- How the Party's NDC represents a progression beyond the Party's then current NDC from its previous NDC and reflects its highest possible ambition, reflecting CBDR-RC and in the light of national circumstances
- A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection.

#### **G. Contribution to the Objective of the Convention**

- Information on How the NDC contributes towards achieving the objective of the Convention as set out in its Article 2 and the long-term goals under the Paris Agreement of holding the increase in the global average to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C.

### **Substantial elements on information**

#### **A. Basic information list for all Parties – As set out in paragraph 27 of decision 1/CP.21**

#### **B. Further information guidance for developed country Parties**

##### **(a) General information of NDCs**

- all the items listed in paragraph 27 of decision 1/CP.21;
- in particular, indicating whether their NDCs include mitigation, adaptation and/or support to developing country Parties through information on “scope” referred to in paragraph 27 of decision 1/CP.21;

##### **(b) Information on mitigation component of NDCs**

- 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, including the general information in paragraph 27 of decision 1/CP.21 and other information as set out in decision

2/CP.17 and 19/CP.18;

- information on domestic measures, including both existing and anticipated additional laws, plans and policies;
- information on international measures, including joint implementation as set out in Articles 4.16-4.18 of the Paris Agreement and the intention to use international transferred mitigation outcomes under Article 6 of the Paris Agreement;
- additional information on Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans,
- specific information on the implementation of Article 4.15 of the Paris Agreement.

**(c) Information on adaptation component of NDCs**

- relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Articles 7.10 and 7.11 of the Paris Agreement, taking into account the outcome of APA agenda item 4;
- additional specific information on Parties' adaptation actions and/or economic diversification plans that result in Mitigation co-benefits.

**(d) Information on support to be provided component of NDCs**

- indicative quantitative and qualitative information in accordance with Articles 4.8, 9.5, 10 and 11 of the Paris Agreement and paragraphs 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;
- Specifically, the information on finance may include, inter alia:
  - base year,
  - period for implementation,
  - quantitative amount in the following two years and five years,
  - sources, including ratio between public and other resources,
  - delivery channels,
  - areas and priorities of support,
  - 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,
  - 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
  - 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.
- The information on technology may include, inter alia:
  - types of support,
  - relevant amount of financial resources to be provided,
  - delivery channels,
  - areas and priorities of support,
  - programmes and projects to be conducted by public agencies,
  - plans and policies to encourage the participations by business and research institutes,
  - 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,
  - relevant methodologies and assumptions on estimating their support, and
  - fairness and ambition, including how such support will assist developing

country Parties to implement their NDCs and increase their access to climate related technologies.

- The information on capacity-building may include, inter alia:
  - types of support,
  - relevant amount of financial resources to be provided,
  - delivery channels,
  - areas and priorities of support,
  - policies, programmes and projects in different areas of capacity-building,
  - relevant methodologies and assumptions on estimating their support, and
  - fairness and ambition, including how such support will assist developing countries to strengthen their capacities on combating climate change.

### **C. Further information guidance for developing country Parties**

#### **(a) General information of NDCs**

- paragraph 27 of decision 1/CP.21 as a reference list for developing country Parties when preparing their NDCs and providing their information;
- information on several or all of the items listed in paragraph 27 of decision 1/CP.21 at their discretion, taking into account their diversified NDCs, national circumstances, capacities, data availability and support received for preparation and communication of the NDCs;

#### **(b) Information on mitigation component of NDCs**

- taking into account the general information of NDCs above, if applicable;
- additional information on Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans,
- specific information on the implementation of Article 4.15 of the Paris Agreement.

#### **(c) Information on adaptation component of NDCs**

- taking into account the general information of NDCs above, if applicable and the outcome of APA agenda item 4;
- additional specific information on Parties' adaptation actions and/or economic diversification plans that result in Mitigation co-benefits.

#### **(d) Information on support needed related to NDCs**

- to be encouraged to provide information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support.

### **Substantive elements of the information guidance**

1. The information on mitigation, adaptation and means of implementation may include, as appropriate, the items in the information list as set out in paragraph 27 of decision 1/CP.21;
2. Information on sustainable life styles;
3. Further information in this list may include:
  - a. best practices and experience related to the preparation of the NDCs;
  - b. potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs; and
  - c. measures and policies related to the implementation of the NDCs.
  - d. Developed country Parties should provide the information on their economy-wide

absolute emission reduction targets, including:

- i. the quantitative estimated effects resulting from the mitigation component of their NDCs;
  - ii. existing and envisaged policies and measures to support the implementation of their emission reduction targets;
  - iii. intentions to use ITMOs under Article 6 of the Paris Agreement; and
  - iv. how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change.
- e. Developing country Parties should provide the information on their enhanced mitigation efforts and are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received.
  - f. Parties should provide information on the adaptation component of their NDCs, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement.
  - g. Developed country Parties are to provide the information on provision and mobilization of support in accordance with Articles 3, 4.5, 4.8, 9.5, 10 and 11 of the Paris Agreement and paragraphs 27 and 55 of decision 1/CP.21.
  - h. Developing country Parties are encouraged to provide information on finance, technology and capacity-building support needed related to implementation of their NDCs.

## Substantive elements on information

### **A. Information on mitigation component of NDCs**

- Developed countries parties shall provide complete 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, including the general information in paragraph 27 of decision 1/CP.21 and other information as set out in decision 2/CP.17 and 19/CP.18; including information on the implementation of article 4 paragraph 15
- Developing countries parties may provide mitigation information, on several or all of the items listed in paragraph 27 of decision 1/CP.21 at their discretion, including information related mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans taking into account their diversified NDCs, national circumstances, capacities, data availability and support received for preparation and communication of the NDCs;
- Optional information

### **B. Information on adaptation component of NDCs**

- Developed countries parties shall provide information on their adaptation efforts in their NDCs and developed countries parties to the Convention shall provide indicative information in their NDCs on support to be provided for adaptation efforts by developing countries parties;
- Developing countries parties may provide information on their adaptation efforts and needs in their NDCs, including information on Adaptation action that result in Mitigation

co-benefits.

- [place holder]

### **C. Finance**

- Developed countries parties shall provide quantified information on provision of finance support in their NDCs, including the following information:
  - o base year,
  - o period for implementation,
  - o quantitative amount in the following two years and five years,
  - o sources, including ratio between public and other resources,
  - o delivery channels,
  - o areas and priorities of support,
  - o relevant assumptions and methodologies for accounting the financial resources, and
  - o why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs;
- developing countries parties may provide their information on finance support needed in relation to implementing their NDCs;

### **D. Technology development and transfer**

- Developed countries parties shall provide quantifiable information on provision of technology development and transfer support in their NDCs, including the following information:
  - o types of support,
  - o base year,
  - o period for implementation,
  - o relevant amount of financial resources to be provided,
  - o delivery channels,
  - o areas and priorities of support,
  - o plans and policies,
  - o relevant methodologies and assumptions on estimating their support, and
  - o how such support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies.
- Developing countries parties may provide their information on technology development and transfer support needed in relation to implementing their NDCs;

### **E. Capacity-building**

- Developed countries parties shall provide information on provision of capacity-building support in their NDCs, including the following information:
  - o types of support,
  - o base year,
  - o period for implementation,
  - o relevant amount of financial resources to be provided,
  - o delivery channels,
  - o policies, programmes and projects of capacity-building,
  - o relevant methodologies and assumptions on estimating their support, and
  - o how such support will assist developing countries to strengthen their capacities on combating climate change.
- Developing countries parties may provide their information on capacity-building support

needed in relation to implementing their NDCs.

### Substantive elements on information<sup>3</sup>

[New heading]. **Objective(s)/target(s)**

- Description of the objective(s)/target(s) of the NDC, as determined by the Party, including the indicator or indicator(s) that the Party will use to measure and track progress, as applicable to the NDC

#### **A. Reference point**

*Edit heading of appendix section A*

- Quantifiable information on base year or base period, reference year or reference period, as applicable tailored to the type of target and indicators determined by the Party:
- Further information, as applicable, on:
  - Absolute emissions reduction target:
    - Emissions levels for the base and target year in terms of CO2 eq.;
    - Headline number in terms of emission reduction in %.
  - BAU target:
    - Baseline, including emissions level in terms of CO2 eq.;
    - Emissions level for the target year in terms of CO2 eq.;
    - Headline number in terms of emission reduction in %;
  - Intensity target:
    - Quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or another indicator;
    - Base and target years;
    - Intensity level for the base year;
    - Headline number in terms of intensity reduction in %;
    - Expected emissions level for the target year;
    - index value for the base year.
    - Assumptions of models utilized and whether these assumptions are consistent overtime
    - Models should be open sourced
  - Policies and measures:
    - Actions, including adaptation co-benefits;
    - Qualitative description of the policies and measures;
    - Quantitative information on expected emissions reductions from the policies and measures (if possible);

<sup>3</sup> Input by Argentina, Brazil and Uruguay

- Mitigation co-benefits from adaptation actions:

- Description of actions, including diversification plans;
- Indicators the party will use to assess the attainment of the objective;
- Estimated impact of adaptation actions in emissions levels

- Parameters and their values used to define the mitigation contribution, including information on related data sources and methodologies as relevant (e.g. emissions, GDP, population, policy metric, etc.);

#### **B. Time frames and/or periods for implementation**

- This section of the appendix does not need much elaboration. A simple cross reference to the consideration by the CMA of Article 4.10 would suffice.

#### **C. Scope and coverage**

- Sectors, categories, pools and gases covered and definitions used, explaining how indicated sectors and categories are defined with respect to categories from IPCC guidance on national greenhouse gas inventories;
- If an NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories;
- Whether categories of anthropogenic emissions and removals reflect continued coverage of categories covered in previous NDCs;

#### **D. Planning processes**

- Information on the domestic planning processes conducted in the design of the NDCs, as appropriate.
- Information on the (most important) laws, policies, legal and institutional frameworks, plans and processes relevant for the implementation of NDCs.
- If applicable, how the NDC relates to other development plans or strategies, including the long-term low greenhouse gas emission development strategies submitted under Article 4(19);

#### **E. Assumptions and methodological approaches**

*Edit heading of appendix section E*

- Information on the accounting approaches and relevant emissions estimation methodologies to be used, in accordance with guidance on accounting adopted by the CMA
- Metrics and methodologies used to estimate emissions (in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA);
- [PLACEHOLDER for specific guidance as per type of target]
- Treatment of hard wood products
- Natural disturbances & legacy effects for LULUCF

#### **F. Fairness and ambition**

*Edit heading and subheadings of appendix section F*

*How the Party considers that its nationally determined contribution is fair and ambitious*

- Information on how the Party considers that its NDC represents a progression beyond current NDC as per Article 4.3 of the Paris Agreement;
- Information on how the NDC reflects the Party's highest possible ambition reflecting its CBDR-RC in the light of different national circumstances; e.g. using illustrative indicators such as [...]
- Information on how the NDC has been informed by the outcome of the global stocktake in accordance with Article 4.9 of the Paris Agreement, or the 2018 Facilitative Dialogue as relevant;
- Information on how the Party has addressed Article 4.4 of the Paris Agreement and Article 4.6 of the Paris Agreement:
  - How the developed country Party considers that its economy-wide absolute emission reduction target reflects that the Party continues to take the lead;
  - How the developing country Party envisions to move over time towards economy-wide emission reduction or limitation targets;
  - How the special circumstances of Parties that are SIDS and LDCs are reflected in the Party's NDC or strategies, plans and actions for low greenhouse gas emissions development;

*How the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2 and the objectives of the Paris Agreement:*

- Information on how the NDC is a contribution towards achieving the objective of the Convention as set out in its Article 2;
- Information on how the NDC is consistent with the agreed global temperature goal as described in Article 2.1(a) of the Paris Agreement
- Information on how the Party considers that its efforts are strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty;
- Information on how the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production;

**G. Other elements***Edit heading of appendix section G*

- Specific information applicable to Parties that decided to act jointly under Article 4(2), including the Parties that agreed to act jointly and the terms of this agreement and quantified emission levels allocated to each party acting jointly, in accordance with articles 4.16-18;
- Information on how Parties take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties;
- Parties may provide any additional information they believe it is relevant to the clarity, understanding and transparency of its NDC, noting that such information would not be subject to review under article 13;

**H. Specific information on mitigation**

*Edit heading of appendix section H*

- [PLACEHOLDER: further additional information requirements to types of NDC could be inserted in this section]

#### **I. Specific information on adaptation**

*Edit heading of appendix section I*

- If Party included an adaptation communication as a component of its NDC, should follow the guidance being developed under APA agenda item 4

#### **J. Specific information on support**

*Edit heading of appendix section J*

- Developed country Parties are to provide indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Article 9.5 and its related guidance
- Developing country Parties to provide information on how enhanced support will allow for higher ambition in their efforts.

### **Substantive elements on information**<sup>4</sup>

#### **A. Quantifiable information on the reference point**

- a) The base year or the other reference point
- b) The quantified value including emissions and emissions intensity in the base year and/or the other reference point, including;
  - ✓ The value in the base year, if a base year is used
  - ✓ The value in the base year and the target year, if a projected baseline is used
  - ✓ The value in the target year, if a peak value is used

#### **B. Time frames and/or periods for implementation**

#### **C. Scope and coverage**

- a) Sectors, categories, activities, gases and pools covered
- b) Explanation of the reasons of exclusion of the sectors, categories, activities, gases and pools, if any of them are excluded
- c) Definition of the sectors and/or the categories, if there is difference with the definitions used in the national inventory report

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<sup>4</sup> Input by Japan

**D. Planning processes****E. Assumptions and methodological approaches**

- a) Contribution expressed in terms of GHG emissions and removals
  - i) Methodologies used for estimating anthropogenic emissions and removals
  - ii) Metrics used for calculating carbon dioxide equivalent
  - iii) Accounting approaches to track the progress and achievement
  - iv) Additional accounting approaches for land sector and the assumptions and coverage related to the approaches, if land sector specific approaches are applied
  - v) Intended use of internationally transferred mitigation outcomes (ITMOs) including emission reductions resulting from the cooperative approaches referred to in Article 6, paragraph 2 and the mechanism referred to in Article 6, paragraph 4, if relevant
  - vi) Information on the projected baseline, if relevant, including;
    - ✓ Key assumptions used to construct the projected baseline, including GDP and population projection, and their data sources
    - ✓ Scope of the policies and measures included, if applicable
    - ✓ Intention to update the baseline, if applicable
  - vii) Information on the emissions intensity, if relevant, including;
    - ✓ The Indicator used to calculate emission intensity, including GDP and population, and its value in the base year and the target year
    - ✓ Data sources of the indicator
- b) Non-GHG contribution including implementation of policies and measures
  - i) Detailed explanation on the contribution
  - ii) Explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators
  - iii) Estimated emission reduction effects, as available

**F. How the Party considers that its nationally determined contribution 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**

- a) Explanation including on how the Party reflects the following provisions of the Paris Agreement in preparing its NDC;
  - ✓ Art. 4.3: Highest possible ambition and progression beyond the previous nationally determined contribution
  - ✓ Art. 4.4: Moving towards economy-wide emission reduction or limitation targets
  - ✓ Art. 4.9: Informed by the outcomes of the global stocktake
- b) Explanation on conditional part of the contribution, if relevant

**Substantive elements on information<sup>5</sup>****A. Description of the NDC**

- Nature of mitigation contribution(s)
- Extent of the mitigation contribution(s)

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<sup>5</sup> Input by Australia

**B. Quantifiable information on the reference indicator(s)**

- Base year and/or reference period
- Reference indicators and their values used, or sources, to define the mitigation contribution
- Information on conditions under which values of reference indicators will be updated

**C. Time frames and/or periods for implementation**

**D. Scope and coverage of mitigation contribution(s)**

- Sectors, categories, and gases covered and definitions used
- Information on excluded sectors, gases or categories, and any considerations on the timeline for economy-wide coverage
- Whether the Party intends to use voluntary cooperation under Article 6

**E. Planning processes**

- Information about the domestic planning processes that Parties have undertaken to determine their NDC
- Information on the long-term low greenhouse gas emission development strategies referred to in Article 4.19, as relevant

**F. Assumptions, accounting approaches and relevant emissions estimation methodologies**

- Information on the accounting approaches and relevant emissions estimation methodologies to be used
- Information on how base years, baselines, reference levels or projections were constructed
- IPCC methodologies and metrics to be used, consistent with 1/CP.21 paragraph 31(a)
- Further technical information on mitigation contributions as necessary

**G. Fairness and ambition**

- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances
- Information on how Parties have addressed each of Articles 4.3 and 4.4
- How the contribution takes into account the agreed global temperature goal as described in Article 2.1(a)

How the contribution takes into account information from the most recent GST, or the 2018 Facilitative Dialogue as relevant.

**Substantive elements on information**

**Procedural guidance**

- Channels for putting forward the information:
  - Vehicle for communications the NDC;

- Parties are to put forward the information of NDCs when communicating their NDCs;
- With the NDC, 9-12 month in advance of the relevant session of the CMA;
- The guidance should specify that the ICTU is to be provided in an information table that is annexed to the Party's NDC submission;
- Parties are encouraged to highlight the information as set out in the guidance in their NDCs documents;
- Parties may provide additional or updated information that are useful to facilitate the clarity, transparency and understanding at any time.
- Timing of application of the further guidance for information:
  - Guidance on information should will be applied to the Second and subsequent NDCs;
  - Guidance should apply only to subsequent NDCs to countries who have already announced their NDCs. Para 23 and 24 of 1/CP.21 should guide in this regard;
  - ICTU guidance should apply for NDCs that Parties are required to communicate or update by 2020 as required under 1/CP.21 paragraphs 23 and 24;
  - Parties should apply the guidance for information of NDCs to their subsequent NDCs (with the timeframe from 2031 onwards);
  - Guidance should not apply retrospectively to NDCs (or INDCs) already submitted;
  - Parties may elect to apply such guidance to their existing NDCs (most of which are pre-2030);
  - The ICTU for the first NDCs should be provided as well with communication or update of those NDCs by 2020;
  - The guidance on information for clarity, transparency and understanding of NDCs should be applied by each Party as it communicates or updates its NDC in 2020.
- Application and Revision:
  - Parties shall apply this guidance for NDCs communications pursuant to Paris Agreement Art. 4.9, Art. 4.11, or para. 22 of 1/CP.21;
  - LDCs and SIDS, in the light of their special circumstances, are encouraged to apply the guidance to the extent possible;
  - The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis.

#### **Quantifiable information on the reference point (including, as appropriate, a base year)**

- Quantifiable information on base year or base period, reference year or reference period, as applicable tailored to the type of target and indicators determined by the Party:
  - Absolute emissions reduction target:
    - Emissions levels for the base and target year in terms of CO<sub>2</sub> eq.;
    - Headline number in terms of emission reduction in %.
  - BAU target:
    - Baseline, including emissions level in terms of CO<sub>2</sub> eq.;
    - Emissions level for the target year in terms of CO<sub>2</sub> eq.;
    - Headline number in terms of emission reduction in %;
  - Intensity target:
    - Quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or another indicator;
    - Base and target years;
    - Intensity level for the base year;
    - Headline number in terms of intensity reduction in %;

- Expected emissions level for the target year;
    - index value for the base year.
  - Policies and measures:
    - Actions, including adaptation co-benefits;
    - Qualitative description of the policies and measures;
    - Quantitative information on expected emissions reductions from the policies and measures (if possible);
  - Emission Peaking target:
    - Peak year;
    - Indicators the party will use to assess the attainment of the objective;
    - Estimated emissions level in the peak year;
    - Emissions trajectory towards peak year.
- Information on the conditions and point in time under which the base year/baselines/reference level will be updated, if applicable;
  - Parameters and their values used to define the mitigation contribution, including information on related data sources and methodologies as relevant (e.g. emissions, GDP, population, policy metric, etc.);
  - Information on the base year(s) used to define relevant baselines, including the base year(s) for policy objectives that are part of the contribution such as increasing energy efficiency or forest cover;
  - Gas by gas total GHG emissions and removals in the reference point/period (base year or starting year of the BAU or peaking projection);
  - quantifiable data on base-year greenhouse gas (GHG) emissions from the Party's national inventory for the applicable year(s);
  - NDCs that refer to emissions trends or trajectories would need to provide or cite quantifiable information on the assumptions and methodologies used to construct these trajectories;
  - NDCs that refer to mitigation policies and measures that are not reflected in national inventories should provide, for each such policy and measure, an estimate of the resulting GHG emissions reduced or avoided as a result of the policy or measure, in aggregable units;
  - Information about reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable;
  - Developed country Parties to provide information on finance, including on the base year;
  - Relevant quantifiable information on the reference point (including, as appropriate, a base year) in relation to the adaptation component (if applicable for developing countries);
  - Developed country Parties to provide quantifiable information on the reference point for means of implementation;

#### **Time frames and/or periods for implementation**

- Time frame and/or period for implementation, including end year; (in accordance with Article 4(10) on common timeframes, to be considered by the CMA);
- Target year;
- If a Party has referred to an absolute emission reduction target: approach used (e.g. specify whether single year target or multi-year emissions trajectory or budget);

- NDCs that use single-year GHG targets would need to specify a base year and a target year;
- NDCs that use multi-year emissions averages or “carbon budgets” would need to specify which years they intend to use for those purposes;
- Developed country Parties to provide information on finance, including on the period for implementation;
- Relevant information on time frames and/or periods for implementation in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on time frames and/or periods for implementation for means of implementation.

### Scope and coverage

- Sectors, categories, pools and gases covered and definitions used, explaining how indicated sectors and categories are defined with respect to categories from IPCC guidance on national greenhouse gas inventories;
- If an NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories;
- Definition of the sectors and/or the categories, if there is difference with the definitions used in the national inventory report;
- Whether categories of anthropogenic emissions and removals reflect continued coverage of categories covered in previous NDCs;
- How the NDC has considered the encouragement to include all categories of anthropogenic emissions and removals;
- Information on excluded sectors, gases or categories, and any considerations on the timeline for economy-wide coverage, and if available, provide information on the significance of that gas or sector in national emissions;
- Whether the Party intends to use voluntary cooperation under Article 6;
- Information on geographical coverage;
- Information on whether NDCs include mitigation, adaptation and/or means of implementation;
- Relevant information on scope and coverage in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on scope and coverage of means of implementation.

### Planning processes

- Information on the (domestic) planning processes conducted in the design of the NDCs; and to achieve the objectives of the NDC; incl. considerations related e.g.:
  - how different public agencies and levels of government helped design the NDC;
  - institutional responsibilities;
  - development of implementation measures;
  - stakeholder consultations;
  - indigenous peoples and local communities;
  - elders and youth;
  - just transition;
  - gender;
  - human rights;

- other important considerations.
- Information on the (most important) laws, policies, legal and institutional frameworks, plans and processes relevant for the implementation of NDCs;
- Information on how the Party's NDC has been anchored in domestic mitigation measures;
- Information on how the Party's NDC has been informed by the outcomes of the global stocktake;
- Information on any conditional element beyond headline number;
- Description of information gaps, barriers or issues that the Party faced during NDC design process;
- Information relating to long-term low greenhouse gas emission development strategies submitted under Article 4(19);
- If applicable, how the NDC relates to other development plans or strategies;
- Relevant information on planning processes in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide existing and envisaged policies and measures to support the implementation of their emission reduction targets;
- Developed country Parties to provide information on planning processes for means of implementation.

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

- Information on the accounting approaches and relevant emissions estimation methodologies to be used, in accordance with guidance on accounting adopted by the CMA, including on:
  - how the Party will draw from existing approaches;
  - how the approach is consistent with the NDC and the Party's national circumstances;
  - how the approach is consistent with the accounting guidance and the Article 4.13 principles.
- Methods and assumptions related to main drivers of national GHG emissions that allow to understand the evolution of those emissions as well as their expected value in the target year;
- Information on how base years, baselines, reference levels or projections were constructed – including key assumptions and parameters; relevant estimation methodologies; where projection based baselines and/or reference levels are used, information on policies and measures included and projection methodology;
- Metrics and methodologies used to estimate emissions (in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA), consistent with 1/CP.21 paragraph 31(a);
- Quantification of emission reductions in tonnes of CO<sub>2</sub> or CO<sub>2</sub> equivalent;
- To ensure consistency, comparability and to facilitate aggregation Parties shall use the most recent IPCC Guidelines and any further methodological guidance from the IPCC if adopted by the CMA;
- Information on how the Party will ensure the methodological consistency between the communication and implementation of its NDC;
- For common metrics, Parties shall continue to use the well-established GWP-100 values from the IPCC, if adopted by the CMA;

- Intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA, including the intended accounting approach to be used in accordance with relevant guidance;
- Developed countries to provide intentions to use ITMOs under Article 6 of the Paris Agreement;
- All Parties that include the LULUCF sector in their NDC should provide information on accounting methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for;
- If the Party has included the LULUCF sector in its NDC:
  - Treatment in NDC (e.g. accounting like any other sector, sectoral target);
  - 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);
  - Coverage of activities/categories or sub-categories/pools (including HWPs) /fluxes/gases (comprehensive/partial);
  - Intention to exclude emissions from natural disturbances and provisions to be applied;
  - Information on reference level, if this accounting approach is used, and its relation to the overall baseline;
  - Treatment of HWP, Natural disturbance, Legacy, Other;
  - Linkage to IPCC categories/pools;
  - If using managed land proxy, specify which land is classed as managed;
  - Construction of any specific baselines for land use categories/activities.
- If a Party has referred to an absolute, economy-wide target
  - Further information to help understand the NDC;
  - Multi-year or single year targets, (budget-based or single year approach)
- If Party has referred to a BAU baseline or scenario:
  - 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);
  - Model used to develop BAU baseline;
  - Whether the baseline scenario is static or dynamic;
  - 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?);
  - Timing of updates and parameters that will be updated.
- If a Party has referred to emission intensity (e.g. emissions per capita or per GDP):
  - Data sources used to calculate the index (e.g. population or any other macroeconomic indicators);
  - Source and type of GDP used, if applicable;
  - Past trends;
  - Projections, if available;
  - Timing and parameters of updates.
- If a Party has referred to an emission peaking target:
  - Intended date of the peak;
  - Expected peak emission level, if available;
  - Expected rate of emissions decline after peak, if available.
- If a party has referred to the implementation of policies and measures (intended or proposed):

- Detailed list and scope of intended or proposed policies and measures to be implemented, with sectors and gases involved;
  - Implementation milestone;
  - Estimated quantified emissions impact (if available) and underlying assumption;
  - Explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators.
- If a Party has referred to achieving carbon/emission neutrality:
  - Information explaining the Party's definition of carbon or emission neutrality;
  - 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.
- Further technical information on mitigation contributions as necessary – e.g. any additional technical information the Party deems relevant to specify their GHG and/or non-GHG mitigation contributions, including related mitigation co-benefit resulting from Parties' adaptation actions and/or economic diversification plans, and other kinds of contributions;
- Any changes that may occur during implementation and that affect the NDC should be reflected in the progress report as referred to in Art. 13.7 (b) of the Paris Agreement;
- Relevant information on assumptions and methodological approaches in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on 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;
- Developed country Parties to provide information on relevant methodologies and assumptions on estimating their support;
- Developed country Parties to provide information on assumptions and methodological approaches related to the means of implementation.

**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**

*How the Party considers that its nationally determined contribution is fair and ambitious*

- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances;
- Information on fairness considerations of efforts such as approaches and concepts that the Party has used to operationalize equity and fairness considerations, and emissions levels or trajectory under the NDC compared to the appropriate counterfactual;
- Information on how the Party considers that its NDC represents a progression beyond current NDC as per Article 4.3 of the Paris Agreement;
- Information on how the NDC reflects the Party's highest possible ambition reflecting its CBDR-RC in the light of different national circumstances; e.g. using illustrative indicators such as past emission trends, projections, national circumstances, mitigation costs, mitigation potentials or domestic mitigation targets;
- A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection;

- Guidance should recognize that progression on ambition is co-terminus with progression on support provided;
- Information on how inputs from the best available science was considered in the Party's NDC, in a view of the UNFCCC and the Paris Agreement goals;
- A Party's national circumstances may include any features of its geography, climate or economy that set practical limits on its ambition;
- Information on how the NDC has been informed by the outcome of the global stocktake in accordance with Article 4.9 of the Paris Agreement, or the 2018 Facilitative Dialogue as relevant;
- Information on how the Party has addressed Article 4.4 of the Paris Agreement and Article 4.6 of the Paris Agreement:
  - How the developed country Party considers that its economy-wide absolute emission reduction target reflects that the Party continues to take the lead;
  - How the developing country Party envisions to move over time towards economy-wide emission reduction or limitation targets;
  - How the special circumstances of Parties that are SIDS and LDCs are reflected in the Party's NDC or strategies, plans and actions for low greenhouse gas emissions development;
  - Developed countries to provide how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change.
- Relevant information on fairness and ambition in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on fairness and ambition relating to the provision of financial support including why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs;
- Developed country Parties to provide information on fairness and ambition, including how support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies;
- Developed country Parties to provide information on fairness and ambition, including how support will assist developing countries to strengthen their capacities on combating climate change;
- Developed country Parties to provide information on how the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances, in relation to the means of implementation;

*How the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2:*

- Information on how the NDC is a contribution towards achieving the objective of the Convention as set out in its Article 2;
- Information on how the NDC is consistent with the agreed global temperature goal as described in Article 2.1(a) of the Paris Agreement and the collective aim to reach global peaking of GHG emissions as soon as possible and undertake rapid reductions thereafter (Article 4.1);
- Information on how the Party considers that its efforts are strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty;

- Information on how the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production;
- Information related to intended or proposed domestic mitigation measures that the Party will pursue to implement its NDC in accordance with Article 4.2 of the Paris Agreement (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 of the Paris Agreement contribute to mitigation outcomes);
- Once a Party presents its LT-LEDS, it should present information on how its NDCs are in line with its long-term mitigation goal. This mitigation goal should be aligned with the long term global mitigation goal set by Article 2.1 (a) of the Paris Agreement;
- Relevant information on how the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2, in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on how the Party considers that its nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2 in relation to the means of implementation.

#### **Additional general information on the NDC**

- Information on best practices and experience related to the preparation of the NDCs;
- Information on potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs;
- Information on measures and policies related to the implementation of the NDCs;
- Specific information applicable to Parties that decided to act jointly under Article 4(2), including the Parties that agreed to act jointly and the terms of this agreement, in accordance with articles 4.16-18;
- Information on compliance to implementation;
- Information on review & verification;
- Developed country Parties to indicate whether their NDCs include mitigation, adaptation and/or support to developing country Parties through information on "scope" referred to in paragraph 27 of decision 1/CP.21.

#### **Additional information on the mitigation target of the NDC**

- **Description of the target/of each of the different targets if there are several**
  - General description of the target(s), including type(s) (e.g. absolute, intensity, reduction from BAU, policies and measures etc., including information on how the contribution is expressed – e.g. as point target, carbon budget, or multi-year target) and/or mitigation efforts;
  - Information should be quantified or quantifiable, to the extent possible, as applicable to the type of target and indicators determined by the Party;
  - Extent of the mitigation contribution (e.g. headline percentage reduction, and/or policy objective);
  - For all type of quantified mitigation targets, Parties should include information on expected emissions trajectory that will be followed by the Party to meet its mitigation goal;
  - Provide a forward-looking estimate of its future economy-wide emissions that would be consistent with the achievement of its NDC (tCO<sub>2</sub> eq);

- Provide indicator(s) that the Party intends to use to track progress and account for its NDC;
  - Explanation on conditional part of the contribution, if relevant;
  - Sub-targets and sectoral mitigation plan;
  - Criteria for determining targets;
  - Developed country Parties should provide the information on their economy-wide absolute emission reduction targets, in accordance with paragraph 27 of decision 1/CP.21, and other information as set out in decision 2/CP.17 and 19/CP.18;
  - Developing country Parties should provide the information on their enhanced mitigation efforts, in accordance with paragraph 27 of decision 1/CP.21;
  - Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received.
- Quantified impacts of policies and measures;
  - Developed countries to provide the quantitative estimated effects resulting from the mitigation component of their NDCs;
  - Voluntary information on indicators/parameters which are deemed necessary by Parties, considering national capacity and needs;
  - Information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC;
  - Mitigation costs.

#### **Additional information on adaptation**

- Parties should provide information on the adaptation component of their NDCs, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement;
- The information on adaptation component of NDCs could be informed by the discussions under APA Agenda Item 4, the outcomes of which will form part of the guidance for information;
- Developed country Parties to provide relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Articles 7.10 and 7.11 of the Paris Agreement, taking into account the outcome of APA agenda item 4;
- Developed country Parties to provide relevant information on adaptation activities including experience in various aspects of adaptation, considering Articles 7.1, 7.7, 7.9, 7.10, 7.11 and 7.13 of the Paris Agreement, taking into account the outcome of APA agenda item 4.

#### **Additional Information on support**

- Developed country Parties are to provide indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Articles 3, 4.5, 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;
- Further guidance for information on finance, technology and capacity-building support by developed country Parties could be informed by the discussions under the relevant

COP/SBI Agenda Items, the outcome of which shall be available as part of the package of guidance for information under the Paris Agreements, well in advance of the adoption of such guidance;

- Developing country Parties are encouraged to provide information on finance, technology and capacity-building support needed related to implementation of their NDCs. They may share information on voluntary support to other developing country Parties;
- Information on how enhanced support will allow for higher ambition in the developing country's efforts.

- **Additional Information on finance**

- Information on the developed country's communication on funding to be provided, referred to in article 9.5, including as a summary, an attachment or a weblink, as applicable;
- Developed country Parties to provide information on quantitative amount in the following two years and five years;
- Developed country Parties to provide information on sources, including ratio between public and other resources;
- Developed country Parties to provide information on relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;
- Developed country Parties to provide information on actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments.

- **Additional information on technology**

- Developed country Parties to provide information on types of support;
- Developed country Parties to provide information on relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;
- Developed country Parties to provide information on programmes and projects to be conducted by public agencies;
- Developed country Parties to provide information on plans and policies to encourage the participations by business and research institutes;
- Developed country Parties to provide information on 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.

- **Additional information on capacity building**

- Developed country Parties to provide information on types of support;
- Developed country Parties to provide information on the relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;

- Developed country Parties to provide information on policies, programmes and projects in different areas of capacity building.

- **Information on support needs/received**

- Developing country Parties to be encouraged to provide information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support;
- Expected need for financial support (for developing countries);
- Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received;
- Developing country Parties would require a differentiated framework in projecting their needs for resources for achieving their NDCs and the different types of contributions.

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## Substantive elements on information<sup>6</sup>

### Procedural guidance

- Channels for putting forward the information:
  - Vehicle for communications the NDC;
  - Parties are to put forward the information of NDCs when communicating their NDCs;
  - With the NDC, 9-12 month in advance of the relevant session of the CMA;
  - The guidance should specify that the ICTU is to be provided in an information table that is annexed to the Party's NDC submission;
  - Parties are encouraged to highlight the information as set out in the guidance in their NDCs documents;
  - Parties may provide additional or updated information that are useful to facilitate the clarity, transparency and understanding at any time.
- Timing of application of the further guidance for information:
  - Guidance on information should will be applied to the Second and subsequent NDCs;
  - Guidance should apply only to subsequent NDCs to countries who have already announced their NDCs. Para 23 and 24 of 1/CP.21 should guide in this regard;
  - ICTU guidance should apply for NDCs that Parties are required to communicate or update by 2020 as required under 1/CP.21 paragraphs 23 and 24;
  - Parties should apply the guidance for information of NDCs to their subsequent NDCs (with the timeframe from 2031 onwards);
  - Guidance should not apply retrospectively to NDCs (or INDCs) already submitted;
  - Parties may elect to apply such guidance to their existing NDCs (most of which are pre-2030);
  - The ICTU for the first NDCs should be provided as well with communication or update of those NDCs by 2020;

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<sup>6</sup> Input by Norway

- The guidance on information for clarity, transparency and understanding of NDCs should be applied by each Party as it communicates or updates its NDC in 2020.
- Application and Revision:
  - Parties shall apply this guidance for NDCs communications pursuant to Paris Agreement Art. 4.9, Art. 4.11, or para. 22 of 1/CP.21;
  - LDCs and SIDS, in the light of their special circumstances, are encouraged to apply the guidance to the extent possible;
  - The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis.

#### **Quantifiable information on the reference point (including, as appropriate, a base year)**

- Quantifiable information on base year or base period, reference year or reference period, as applicable tailored to the type of target and indicators determined by the Party:
  - Absolute emissions reduction target:
    - Emissions levels for the base and target year in terms of CO<sub>2</sub> eq.;
    - Headline number in terms of emission reduction in %.
  - BAU target:
    - Baseline, including emissions level in terms of CO<sub>2</sub> eq.;
    - Emissions level for the target year in terms of CO<sub>2</sub> eq.;
    - Headline number in terms of emission reduction in %;
  - Intensity target:
    - Quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or another indicator;
    - Base and target years;
    - Intensity level for the base year;
    - Headline number in terms of intensity reduction in %;
    - Expected emissions level for the target year;
    - index value for the base year.
  - Policies and measures:
    - Actions, including adaptation co-benefits;
    - Qualitative description of the policies and measures;
    - Quantitative information on expected emissions reductions from the policies and measures (if possible);
      - Emission Peaking target:
        - Peak year;
        - Indicators the party will use to assess the attainment of the objective;
        - Estimated emissions level in the peak year;
        - Emissions trajectory towards peak year.
- Information on the conditions and point in time under which the base year/baselines/reference level will be updated, if applicable;
- Parameters and their values used to define the mitigation contribution, including information on related data sources and methodologies as relevant (e.g. emissions, GDP, population, policy metric, etc.);

- Information on the base year(s) used to define relevant baselines, including the base year(s) for policy objectives that are part of the contribution such as increasing energy efficiency or forest cover;
- Gas by gas total GHG emissions and removals in the reference point/period (base year or starting year of the BAU or peaking projection);
- quantifiable data on base-year greenhouse gas (GHG) emissions from the Party's national inventory for the applicable year(s);
- NDCs that refer to emissions trends or trajectories would need to provide or cite quantifiable information on the assumptions and methodologies used to construct these trajectories;
- NDCs that refer to mitigation policies and measures that are not reflected in national inventories should provide, for each such policy and measure, an estimate of the resulting GHG emissions reduced or avoided as a result of the policy or measure, in aggregable units;
- Information about reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable;
- Developed country Parties to provide information on finance, including on the base year;
- Relevant quantifiable information on the reference point (including, as appropriate, a base year) in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide quantifiable information on the reference point for means of implementation;

#### **Time frames and/or periods for implementation**

- Time frame and/or period for implementation, including end year; (in accordance with Article 4(10) on common timeframes, to be considered by the CMA);
- Target year;
- If a Party has referred to an absolute emission reduction target: approach used (e.g. specify whether single year target or multi-year emissions trajectory or budget);
- NDCs that use single-year GHG targets would need to specify a base year and a target year;
- NDCs that use multi-year emissions averages or "carbon budgets" would need to specify which years they intend to use for those purposes;
- Developed country Parties to provide information on finance, including on the period for implementation;
- Relevant information on time frames and/or periods for implementation in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on time frames and/or periods for implementation for means of implementation.

#### **Scope and coverage**

- Sectors, categories, pools and gases covered and definitions used, explaining how indicated sectors and categories are defined with respect to categories from IPCC guidance on national greenhouse gas inventories;
- If an NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories;

- Definition of the sectors and/or the categories, if there is difference with the definitions used in the national inventory report;
- Whether categories of anthropogenic emissions and removals reflect continued coverage of categories covered in previous NDCs;
- How the NDC has considered the encouragement to include all categories of anthropogenic emissions and removals;
- Information on excluded sectors, gases or categories, and any considerations on the timeline for economy-wide coverage, and if available, provide information on the significance of that gas or sector in national emissions;
- Whether the Party intends to use voluntary cooperation under Article 6;
- Information on geographical coverage;
- Information on whether NDCs include mitigation, adaptation and/or means of implementation;
- Relevant information on scope and coverage in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on scope and coverage of means of implementation.

#### Planning processes

- Information on the (domestic) planning processes conducted in the design of the NDCs; and to achieve the objectives of the NDC, incl. considerations related e.g.:
  - how different public agencies and levels of government helped design the NDC;
  - institutional responsibilities;
  - development of implementation measures;
  - stakeholder consultations;
  - indigenous peoples and local communities;
  - elders and youth;
  - just transition;
  - gender;
  - human rights;
  - other important considerations.
- Information on the (most important) laws, policies, legal and institutional frameworks, plans and processes relevant for the implementation of NDCs;
- Information on how the Party's NDC has been anchored in domestic mitigation measures;
- Information on how the Party's NDC has been informed by the outcomes of the global stocktake;
- Information on any conditional element beyond headline number;
- Description of information gaps, barriers or issues that the Party faced during NDC design process;
- Information relating to long-term low greenhouse gas emission development strategies submitted under Article 4(19);
- If applicable, how the NDC relates to other development plans or strategies;
- Relevant information on planning processes in relation to the adaptation component (if applicable for developing countries);

- Developed country Parties to provide existing and envisaged policies and measures to support the implementation of their emission reduction targets;
- Developed country Parties to provide information on planning processes for means of implementation.

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

- Information on the accounting approaches and relevant emissions estimation methodologies to be used, in accordance with guidance on accounting adopted by the CMA, including on:
  - how the Party will draw from existing approaches;
  - how the approach is consistent with the NDC and the Party's national circumstances;
  - how the approach is consistent with the accounting guidance and the Article 4.13 principles.
- Methods and assumptions related to main drivers of national GHG emissions that allow to understand the evolution of those emissions as well as their expected value in the target year;
- Information on how base years, baselines, reference levels or projections were constructed – including key assumptions and parameters; relevant estimation methodologies; where projection based baselines and/or reference levels are used, information on policies and measures included and projection methodology;
- Metrics and methodologies used to estimate emissions (in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA), consistent with 1/CP.21 paragraph 31(a);
- Quantification of emission reductions in tonnes of CO<sub>2</sub> or CO<sub>2</sub> equivalent;
- To ensure consistency, comparability and to facilitate aggregation Parties shall use the most recent IPCC Guidelines and any further methodological guidance from the IPCC if adopted by the CMA;
- Information on how the Party will ensure the methodological consistency between the communication and implementation of its NDC;
- For common metrics, Parties shall continue to use the well-established GWP-100 values from the IPCC, if adopted by the CMA;
- Intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA, including the intended accounting approach to be used in accordance with relevant guidance;
- Developed countries to provide intentions to use ITMOs under Article 6 of the Paris Agreement;
- All Parties that include the LULUCF sector in their NDC should provide information on accounting methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for;
- If the Party has included the LULUCF sector in its NDC:
  - Treatment in NDC (e.g. accounting like any other sector, sectoral target);
  - 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);
  - Coverage of activities/categories or sub-categories/pools (including HWP) /fluxes/gases (comprehensive/partial);

- Intention to exclude emissions from natural disturbances and provisions to be applied;
- Information on reference level, if this accounting approach is used, and its relation to the overall baseline;
- Treatment of HWP, Natural disturbance, Legacy, Other;
- Linkage to IPCC categories/pools;
- If using managed land proxy, specify which land is classed as managed;
- Construction of any specific baselines for land use categories/activities.
- If a Party has referred to an absolute, economy-wide target
  - Further information to help understand the NDC;
  - Multi-year or single year targets, (budget-based or single year approach)
- If Party has referred to a BAU baseline or scenario:
  - 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);
  - Model used to develop BAU baseline;
  - Whether the baseline scenario is static or dynamic;
  - 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?);
  - Timing of updates and parameters that will be updated.
- If a Party has referred to emission intensity (e.g. emissions per capita or per GDP):
  - Data sources used to calculate the index (e.g. population or any other macroeconomic indicators);
  - Source and type of GDP used, if applicable;
  - Past trends;
  - Projections, if available;
  - Timing and parameters of updates.
- If a Party has referred to an emission peaking target:
  - Intended date of the peak;
  - Expected peak emission level, if available;
  - Expected rate of emissions decline after peak, if available.
- If a party has referred to the implementation of policies and measures (intended or proposed):
  - Detailed list and scope of intended or proposed policies and measures to be implemented, with sectors and gases involved;
  - Implementation milestone;
  - Estimated quantified emissions impact (if available) and underlying assumption;
  - Explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators.
- If a Party has referred to achieving carbon/emission neutrality:
  - Information explaining the Party's definition of carbon or emission neutrality;
  - 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.
- Further technical information on mitigation contributions as necessary – e.g. any additional technical information the Party deems relevant to specify their GHG and/or non-GHG

- mitigation contributions, including related mitigation co-benefit resulting from Parties' adaptation actions and/or economic diversification plans, and other kinds of contributions;
- Any changes that may occur during implementation and that affect the NDC should be reflected in the progress report as referred to in Art. 13.7 (b) of the Paris Agreement;
  - Relevant information on assumptions and methodological approaches in relation to the adaptation component (if applicable for developing countries);
  - Developed country Parties to provide information on 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;
  - Developed country Parties to provide information on relevant methodologies and assumptions on estimating their support;
  - Developed country Parties to provide information on assumptions and methodological approaches related to the means of implementation.

**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**

*How the Party considers that its nationally determined contribution is fair and ambitious*

- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances;
- Information on fairness considerations of efforts such as approaches and concepts that the Party has used to operationalize equity and fairness considerations, and emissions levels or trajectory under the NDC compared to the appropriate counterfactual;
- Information on how the Party considers that its NDC represents a progression beyond current NDC as per Article 4.3 of the Paris Agreement;
- Information on how the NDC reflects the Party's highest possible ambition reflecting its CBDR-RC in the light of different national circumstances; e.g. using illustrative indicators such as past emission trends, projections, national circumstances, mitigation costs, mitigation potentials or domestic mitigation targets;
- A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection;
- Guidance should recognize that progression on ambition is co-terminus with progression on support provided;
- Information on how inputs from the best available science was considered in the Party's NDC, in a view of the UNFCCC and the Paris Agreement goals;
- A Party's national circumstances may include any features of its geography, climate or economy that set practical limits on its ambition;
- Information on how the NDC has been informed by the outcome of the global stocktake in accordance with Article 4.9 of the Paris Agreement, or the 2018 Facilitative Dialogue as relevant;
- Information on how the Party has addressed Article 4.4 of the Paris Agreement and Article 4.6 of the Paris Agreement:
  - How the developed country Party considers that its economy-wide absolute emission reduction target reflects that the Party continues to take the lead;

- How the developing country Party envisions to move over time towards economy-wide emission reduction or limitation targets;
  - How the special circumstances of Parties that are SIDS and LDCs are reflected in the Party's NDC or strategies, plans and actions for low greenhouse gas emissions development;
  - Developed countries to provide how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change.
- Relevant information on fairness and ambition in relation to the adaptation component (if applicable for developing countries);
  - Developed country Parties to provide information on fairness and ambition relating to the provision of financial support including why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs;
  - Developed country Parties to provide information on fairness and ambition, including how support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies;
  - Developed country Parties to provide information on fairness and ambition, including how support will assist developing countries to strengthen their capacities on combating climate change;
  - Developed country Parties to provide information on how the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances, in relation to the means of implementation;

*How the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2:*

- Information on how the NDC is a contribution towards achieving the objective of the Convention as set out in its Article 2;
- Information on how the NDC is consistent with the agreed global temperature goal as described in Article 2.1(a) of the Paris Agreement and the collective aim to reach global peaking of GHG emissions as soon as possible and undertake rapid reductions thereafter (Article 4.1);
- Information on how the Party considers that its efforts are strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty;
- Information on how the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production;
- Information related to intended or proposed domestic mitigation measures that the Party will pursue to implement its NDC in accordance with Article 4.2 of the Paris Agreement (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 of the Paris Agreement contribute to mitigation outcomes);
- Once a Party presents its LT-LEDS, it should present information on how its NDCs are in line with its long-term mitigation goal. This mitigation goal should be aligned with the long term global mitigation goal set by Article 2.1 (a) of the Paris Agreement;

- Relevant information on how the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2, in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on how the Party considers that its nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2 in relation to the means of implementation.

#### **Additional general information on the NDC**

- Information on best practices and experience related to the preparation of the NDCs;
- Information on potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs;
- Information on measures and policies related to the implementation of the NDCs;
- Specific information applicable to Parties that decided to act jointly under Article 4(2), including the Parties that agreed to act jointly and the terms of this agreement, in accordance with articles 4.16-18;
- Information on compliance to implementation;
- Information on review & verification;
- Developed country Parties to indicate whether their NDCs include mitigation, adaptation and/or support to developing country Parties through information on “scope” referred to in paragraph 27 of decision 1/CP.21.

#### **Additional information on the mitigation target of the NDC**

- Description of the target/of each of the different targets if there are several
  - General description of the target(s), including type(s) (e.g. absolute, intensity, reduction from BAU, policies and measures etc., including information on how the contribution is expressed – e.g. as point target, carbon budget, or multi-year target) and/or mitigation efforts;
  - Information should be quantified or quantifiable, to the extent possible, as applicable to the type of target and indicators determined by the Party;
  - Extent of the mitigation contribution (e.g. headline percentage reduction, and/or policy objective);
  - For all type of quantified mitigation targets, Parties should include information on expected emissions trajectory that will be followed by the Party to meet its mitigation goal;
  - Provide a forward-looking estimate of its future economy-wide emissions that would be consistent with the achievement of its NDC (tCO<sub>2</sub> eq);
  - Provide indicator(s) that the Party intends to use to track progress and account for its NDC;
  - Explanation on conditional part of the contribution, if relevant;
  - Sub-targets and sectoral mitigation plan;
  - Criteria for determining targets;
  - Developed country Parties should provide the information on their economy-wide absolute emission reduction targets, in accordance with paragraph 27 of decision 1/CP.21, and other information as set out in decision 2/CP.17 and 19/CP.18;

- Developing country Parties should provide the information on their enhanced mitigation efforts, in accordance with paragraph 27 of decision 1/CP.21;
- Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received.
- Quantified impacts of policies and measures;
- Developed countries to provide the quantitative estimated effects resulting from the mitigation component of their NDCs;
- Voluntary information on indicators/parameters which are deemed necessary by Parties, considering national capacity and needs;
- Information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC;
- Mitigation costs.

#### **Additional information on adaptation**

- Parties should provide information on the adaptation component of their NDCs, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement;
- The information on adaptation component of NDCs could be informed by the discussions under APA Agenda Item 4, the outcomes of which will form part of the guidance for information;
- Developed country Parties to provide relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Articles 7.10 and 7.11 of the Paris Agreement, taking into account the outcome of APA agenda item 4;
- Developed country Parties to provide relevant information on adaptation activities including experience in various aspects of adaptation, considering Articles 7.1, 7.7, 7.9, 7.10, 7.11 and 7.13 of the Paris Agreement, taking into account the outcome of APA agenda item 4.

#### **Additional Information on support**

- Developed country Parties are to provide indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Articles 3, 4.5, 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;
- Further guidance for information on finance, technology and capacity-building support by developed country Parties could be informed by the discussions under the relevant COP/SBI Agenda Items, the outcome of which shall be available as part of the package of guidance for information under the Paris Agreements, well in advance of the adoption of such guidance;
- Developing country Parties are encouraged to provide information on finance, technology and capacity-building support needed related to implementation of their NDCs. They may share information on voluntary support to other developing country Parties;
- Information on how enhanced support will allow for higher ambition in the developing country's efforts.

- **Additional Information on finance**

- Information on the developed country's communication on funding to be provided, referred to in article 9.5, including as a summary, an attachment or a weblink, as applicable;
- Developed country Parties to provide information on quantitative amount in the following two years and five years;
- Developed country Parties to provide information on sources, including ratio between public and other resources;
- Developed country Parties to provide information on relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;
- Developed country Parties to provide information on actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments.
- Additional information on technology
  - Developed country Parties to provide information on types of support;
  - Developed country Parties to provide information on relevant amount of financial resources to be provided;
  - Developed country Parties to provide information on delivery channels;
  - Developed country Parties to provide information on areas and priorities of support;
  - Developed country Parties to provide information on programmes and projects to be conducted by public agencies;
  - Developed country Parties to provide information on plans and policies to encourage the participations by business and research institutes;
  - Developed country Parties to provide information on 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.
- Additional information on capacity building
  - Developed country Parties to provide information on types of support;
  - Developed country Parties to provide information on the relevant amount of financial resources to be provided;
  - Developed country Parties to provide information on delivery channels;
  - Developed country Parties to provide information on areas and priorities of support;
  - Developed country Parties to provide information on policies, programmes and projects in different areas of capacity building.
- Information on support needs/received
  - Developing country Parties to be encouraged to provide information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support;
  - Expected need for financial support (for developing countries);
  - Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received;

- Developing country Parties would require a differentiated framework in projecting their needs for resources for achieving their NDCs and the different types of contributions.

### Substantive elements on information<sup>7</sup>

#### Description of the target 8:

- Quantitative description of the target that should include, for instance, information of the expected emissions reduction/deviation (expressed in % for those mitigation targets that are quantified) and the expected emissions level, depending on the type of mitigation target:

Type of target	Information to describe the target
Mitigation targets based on BAU deviation	Expected emissions level in the target year
Mitigation intensity targets	Expected emissions intensity in the target year
Peaking emissions target	Expected emissions level in peaking year and emissions trajectory towards it (that should include not only the peaking year but also some years after it, when not included in the NDC timeframe)
Fixed level target	Expected emissions level in target year
Targets based on mitigation strategies, plans and actions or low GHG emission development or adaptation actions	<ul style="list-style-type: none"> <li>- Clear non GHG goals that could facilitate the understanding of the impact of a policy, strategy or action.</li> <li>- Estimation in terms of GHG emissions impact, i.e. expressed in tCO<sub>2</sub>e for the purpose of informing the Global Stocktake.</li> </ul>

- For all type of quantified mitigation targets, Parties should include information on expected emissions trajectory that will be followed by the Party to meet its mitigation goal.

#### Quantifiable information of the reference point/period

Parties should strive to provide not only complete quantitative information of baselines/reference points but also all necessary information that helps to understand how those baselines/reference points were calculated. Some of these quantitative information, and depending on the type of mitigation goal, could include:

<sup>7</sup> Input by AILAC

<sup>8</sup> This heading represents an addition to those elements included in the paragraph 27 of the Decision 1/CP.21

- Gas by gas total GHG emissions and removals in the reference point/period (base year or starting year of the BAU or peaking projection).
- For mitigation targets based on BAU deviation: Description of the baseline, including quantitative information of projected emissions for every year of the implementation period.
- For mitigation intensity targets: level of emissions intensity in the base year.

#### **Time frames and/or periods for implementation**

- Time frame and/or period for implementation
- Target year

#### **Scope and coverage**

- Sectors, categories, gases or carbon sinks covered by the Party's NDC.
- If a NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories.
- Description on how a Party is considering to increase the level of coverage of its NDC (in the case of NDCs that are not based on economy-wide emission reduction targets).

#### **Planning process**

- Information on the process conducted in the design of the NDC.
- Description of information gaps, barriers or issues that the Party faced during NDC design process.
- Information on the most important policies and actions that the Party could implement to reach its NDC mitigation goal.

#### **Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and removals**

- Detailed information on assumptions, data and methodological approaches that could include elements such as:
  - IPCC methodologies and metrics used (i.e. GWP) for estimations of GHG emissions and removals.
  - All Parties that include the LULUCF sector in their NDC should provide information on accounting methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for.
  - Methods and assumptions related to main drivers of national GHG emissions that allow to understand the evolution of those emissions as well as their expected value in the target year. For example, in the case of emissions intensity targets: assumptions related to projections for GDP, population or any other macroeconomic indicators used and GHG emissions.
  - In the case of a mitigation target based on a deviation from BAU:
    - Description of assumptions and methodologies employed in baseline setting (including those related to GDP, population or others), as well as mitigation actions and policies included in the baseline.
    - Whether the baseline scenario is static or dynamic. If it is dynamic, information on conditions or criteria that should be taken into account in case it should be necessary to recalculate/update the baseline.

- For targets based on mitigation strategies, plans and actions or low GHG emission development or adaptation actions: description of methodological approaches used to measure impact of policy, plan or action.

#### **How the Party considers that its nationally determined contribution is fair and ambitious**

- Information on how inputs from the best available science was considered in the Party's NDC, in a view of the UNFCCC and the Paris Agreement goals.
- Explanation on how a Party's NDC represents a progression beyond its previous/last NDC and reflects its highest possible ambition.
- Explanation on how a Party's NDC takes into account the outcomes of the global stocktake and increases its ambition as a result.

#### **How Party's NDC contributes towards achieving the objective of the Convention**

- Once a Party presents its LT-LEDS, it should present information on how its NDCs are in line with its long-term mitigation goal. This mitigation goal should be aligned with the long term global mitigation goal set by Article 2, paragraph 1 a) of the Paris Agreement
- Explanation on how NDCs reflect Parties' concrete plans in achieving the collective goals specified in Article 2 of the Paris Agreement.

#### **Substantive elements on information for CTU<sup>9</sup>**

##### **A. Quantifiable information on the reference point (including, as appropriate, a base year)**

- Quantifiable information on base year or base period, reference year or reference period, as applicable tailored to the target and indicators determined by the Party:
  - Base year
    - Quantifiable data quantifiable data on base-year greenhouse gas (GHG) emissions from the Party's national inventory for the applicable year(s) in terms of CO<sub>2</sub> eq;
  - Emissions reduction or limitation target:
    - Emissions levels for the base and target year(s) in terms of CO<sub>2</sub> eq.;
    - Headline number in terms of emission reduction or limit in % relative to the base year.
  - Emissions trends or trajectories, including BAU:
    - Baseline, including emissions level in terms of CO<sub>2</sub> eq. for relevant years;
    - Emissions level for the target year in terms of CO<sub>2</sub> eq.;
    - Headline number in terms of emission reduction in %;
    - Quantifiable information on the relevant assumptions of methodologies used to construct these trajectories
  - Economic or demographic indicators, including population and GDP:
    - Estimated values of the economic measures/indicators in the base and target years
    - unit of product/output or population, or another indicator;

<sup>9</sup> Input by Canada

- Headline number in terms of intensity reduction in %;
- Expected emissions level for the target year;
- index value for the base year.
- Policies and measures:
  - Qualitative description of the policies and measures;
  - Quantitative information on expected emissions reduced or avoided from the policies and measures in terms of CO<sub>2</sub> eq;
- Emission Peaking target:
  - Peak year;
  - Indicators the party will use to assess the attainment of the objective;
  - Estimated emissions level in the peak year and initial year of implementation;

- Information on the conditions and point in time under which the base year/baselines/reference level will be updated, if applicable;
- Parameters and their values used to define the mitigation contribution, including information on related data sources and methodologies as relevant (e.g. emissions, GDP, population, policy metric, etc.);
- Information on the base year(s) used to define relevant baselines, including the base year(s) for policy objectives that are part of the contribution such as increasing energy efficiency or forest cover;
- Gas by gas total GHG emissions and removals in the reference point/period (base year or starting year of the BAU or peaking projection);
- quantifiable data on base-year greenhouse gas (GHG) emissions from the Party's national inventory for the applicable year(s);
- NDCs that refer to emissions trends or trajectories would need to provide or cite quantifiable information on the assumptions and methodologies used to construct these trajectories;
- NDCs that refer to mitigation policies and measures that are not reflected in national inventories should provide, for each such policy and measure, an estimate of the resulting GHG emissions reduced or avoided as a result of the policy or measure, in aggregable units;
- Information about reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable;

#### **B. Time frames and/or periods for implementation**

- Time frame and/or period for implementation, including end year; (in accordance with Article 4(10) on common timeframes, to be considered by the CMA);
- Target year;
- Approach used (e.g. specify whether single year target or multi-year emissions trajectory or budget);
- NDCs that use single-year GHG targets would need to specify a base year and a target year;
- NDCs that use multi-year emissions averages or "carbon budgets" would need to specify which years they intend to use for those purposes.

#### **C. Scope and coverage**

- Sectors, categories, pools and gases covered and definitions used, explaining how indicated sectors and categories are defined with respect to categories from IPCC guidance on national greenhouse gas inventories adopted by the UNFCCC;
- If an NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories;

- Definition of the sectors and/or the categories, if there is difference with the definitions used in the national inventory report;
- Whether categories of anthropogenic emissions and removals reflect continued coverage of categories covered in previous NDCs;
- How the NDC has considered the encouragement to include all categories of anthropogenic emissions and removals;
- Information on excluded sectors, gases or categories, and any considerations on the timeline for economy-wide coverage, and if available, provide information on the significance of that gas or sector in national emissions;
- Whether the Party intends to use voluntary cooperation under Article 6;
- Information on geographical coverage;

#### **D. Planning processes**

- Information on the (domestic) planning processes conducted in the design of the NDCs; and to achieve the objectives of the NDC, incl. considerations related e.g.:
  - how different public agencies and levels of government helped design the NDC;
  - institutional responsibilities;
  - development of implementation measures;
  - stakeholder consultations;
  - indigenous peoples
  - local communities;
  - elders and youth;
  - just transition;
  - gender;
  - human rights;
  - other important considerations.
- Information on the (most important) laws, policies, legal and institutional frameworks, plans and processes relevant for the implementation of NDCs;
- Information on how the Party's NDC has been anchored in domestic mitigation measures;
- Information on how the Party's NDC has been informed by the outcomes of the global stocktake;
- Information on any conditional element beyond headline number;
- Description of information gaps, barriers or issues that the Party faced during NDC design process;
- Information relating to long-term low greenhouse gas emission development strategies submitted under Article 4(19);
- If applicable, how the NDC relates to other development plans or strategies.

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

- Information on the accounting approaches and relevant emissions estimation methodologies to be used, in accordance with guidance on accounting adopted by the CMA, including on:
  - how the Party will draw from existing approaches;
  - how the approach is consistent with the NDC and the Party's national circumstances;
  - how the approach is consistent with the accounting guidance and the Article 4.13 principles.
- Methods and assumptions related to main drivers of national GHG emissions that allow to understand the evolution of those emissions as well as their expected value in the target year;
- Information on how base years, baselines, reference levels or projections were constructed – including key assumptions and parameters; relevant estimation methodologies; where projection

- based baselines and/or reference levels are used, information on policies and measures included and projection methodology;
- Metrics and methodologies used to estimate emissions (in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA), consistent with 1/CP.21 paragraph 31(a);
  - Quantification of emission reductions in tonnes of CO<sub>2</sub> or CO<sub>2</sub> equivalent;
  - To ensure consistency, comparability and to facilitate aggregation Parties shall use the most recent IPCC Guidelines and any further methodological guidance from the IPCC adopted by the UNFCCC;
  - Information on how the Party will ensure the methodological consistency between the communication and implementation of its NDC;
  - For common metrics, Parties shall continue to use the most recent GWP-100 values from the IPCC adopted by the UNFCCC;
  - Intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA, including the intended accounting approach to be used in accordance with relevant guidance;
  - If the Party has included the LULUCF sector in its NDC:
    - Treatment in NDC (e.g. accounting like any other sector, sectoral target);
    - 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);
    - Coverage of activities/categories or sub-categories/pools (including HWP) /fluxes/gases (comprehensive/partial);
    - Intention to exclude emissions from natural disturbances and provisions to be applied;
    - Information on reference level, if this accounting approach is used, and its relation to the overall baseline;
    - Treatment of HWP, Natural disturbance, Legacy, Other;
    - Linkage to IPCC categories/pools;
    - If using managed land proxy, specify which land is classed as managed;
    - Construction of any specific baselines for land use categories/activities.
  - If a Party has referred to an absolute, economy-wide target
    - Further information to help understand the NDC;
    - Multi-year or single year targets (budget-based or single year approach).
  - If Party has referred to a BAU baseline or scenario:
    - 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);
    - Model used to develop BAU baseline;
    - Whether the baseline scenario is static or dynamic;
    - 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?);
    - Timing of updates and parameters that will be updated.
  - If a Party has referred to emission intensity (e.g. emissions per capita or per GDP):
    - Data sources used to calculate the index (e.g. population or any other macroeconomic indicators);
    - Source and type of GDP used, if applicable;
    - Past trends;
    - Projections, if available;
    - Timing and parameters of updates.
  - If a Party has referred to an emission peaking target:
    - Intended date of the peak;

- Expected peak emission level, if available;
- Expected rate of emissions decline after peak, if available.
- If a party has referred to the implementation of policies and measures (intended or proposed):
  - Detailed list and scope of intended or proposed policies and measures to be implemented, with sectors and gases involved;
  - Implementation milestone;
  - Estimated quantified emissions impact (if available) and underlying assumption;
  - Explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators.
- If a Party has referred to achieving carbon/emission neutrality:
  - Information explaining the Party's definition of carbon or emission neutrality;
  - 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.
- Further technical information on mitigation contributions as necessary – e.g. any additional technical information the Party deems relevant to specify their GHG and/or non-GHG mitigation contributions, including related mitigation co-benefit resulting from Parties' adaptation actions and/or economic diversification plans, and other kinds of contributions;
- Any changes that may occur during implementation and that affect the NDC should be reflected in the progress report as referred to in Art. 13.7 (b) of the Paris Agreement.

**F. 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**

*How the Party considers that its nationally determined contribution is fair and ambitious*

- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances;
- Emissions levels or trajectory under the NDC compared to the appropriate counterfactual;
- Information on how the Party considers that its NDC represents a progression beyond current NDC as per Article 4.3 of the Paris Agreement;
- Information on how the NDC reflects the Party's highest possible ambition in the light of different national circumstances; e.g. using illustrative indicators such as past emission trends, projections, national circumstances, mitigation costs, mitigation potentials or domestic mitigation targets;
- A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection;
- Information on how inputs from the best available science was considered in the Party's NDC, in a view of the UNFCCC and the Paris Agreement goals;
- A Party's national circumstances may include any features of its geography, climate or economy that set practical limits on its ambition;
- Information on how the NDC has been informed by the outcome of the mitigation component of the global stocktake in accordance with Article 4.9 of the Paris Agreement, or the 2018 Facilitative Dialogue as relevant;
- Information on how the Party has addressed Article 4.4 of the Paris Agreement and Article 4.6 of the Paris Agreement:
  - How the developing country Party envisions to move over time towards economy-wide emission reduction or limitation targets;

How the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2:

- Information on how the NDC is a contribution towards achieving the objective of the Convention as set out in its Article 2;
- Information on how the NDC is consistent with the agreed global temperature goal as described in Article 2.1(a) of the Paris Agreement and the collective aim to reach global peaking of GHG emissions as soon as possible and undertake rapid reductions thereafter (Article 4.1);
- Information on how the Party considers that its efforts are strengthening the global response to the threat of climate change
- Information on how the Party considers that its efforts foster low greenhouse gas emissions development;
- Once a Party presents its LT-LEDS, it should present information on how its NDCs are in line with its long-term mitigation goal. This mitigation goal should be aligned with the long term global mitigation goal set by Article 2.1 (a) of the Paris Agreement;

**G. Headline or Abstract**

- General description of the target(s), including indicators (e.g. absolute or relative to intensity, reduction from BAU, policies and measures etc., including information on how the contribution is expressed – e.g. as point target, carbon budget, or multi-year target) and/or mitigation efforts;
- Quantified or quantifiable information as applicable to the type of target and indicators determined by the Party;
- Extent of the mitigation contribution (e.g. headline percentage reduction, and/or policy objective);
- For all type of quantified mitigation targets, Parties should include information on expected emissions trajectory that will be followed by the Party to meet its mitigation goal;
- Provide a forward-looking estimate of its future economy-wide emissions that would be consistent with the achievement of its NDC (tCO<sub>2</sub> eq);
- Provide indicator(s) that the Party intends to use to track progress and account for its NDC;
- Explanation on conditional part of the contribution, if relevant;
- Quantified impacts of policies and measures.

**H. End-year emissions estimate**

- Forward-looking estimate of future economy-wide emissions in the target year or final year of implementation that would be consistent with achievement of the Party's NDC, in units of CO<sub>2</sub> eq.

**Substantive elements on information**<sup>10</sup>

We acknowledge the disclaimer in the preliminary material from the co-facilitators related to scope and differentiation. On this regard, the EU is of the view that this agenda item focuses on mitigation as per its mandate. On differentiation, we see the diversity of the NDCs as a key strength of the Paris Agreement. Through the concept of national determination, as well as

<sup>10</sup> Input by EU

through dynamic provisions such as in Article 4(3) and 4(4), the Agreement safeguards this diversity and operationalises the principle of CBDR-RC & NC. In determining their individual NDCs, Parties take into account their national circumstances, capabilities, and different starting points.

Consequently, the guidance needs to be sufficiently detailed in order to guide Parties in the formulation of their NDC. Given the diversity of the NDCs, parts of the guidance will only be applicable to certain NDCs, depending on what Parties included in their NDC. We call this idea applicability, although many other Parties refer to a similar approach using different wording (e.g. in the submissions we find “if applicable”, “where relevant”, references to types of targets...). However, we see applicability as a broader concept than one that refers to types of targets. Indeed, applicability not only refers to the types of contributions, but also to other elements that may give need for information, such as the sectors included, the intention to use cooperatives approaches from art 6, whether a Party has published a long term strategy under art 4.19, etc.

In our view, Parties shall provide all of the necessary information detailed below, as applicable to their NDCs.

*(all headings except A) and I) are taken from decision 1/CP.21 paragraph 27)*

#### **A. Description of the target / of each of the different targets if there are several**

- General description of the target(s), including type(s) (e.g. absolute, intensity, reduction from BAU, policies and measures etc., including information on how the contribution is expressed – e.g. as point target, carbon budget, or multi-year target)
- Extent of the mitigation contribution (e.g. headline percentage reduction, and/or policy objective)

#### **B. Quantifiable information on the reference point (including base year) or period**

- Base year or base period, reference year or reference period
- Quantifiable information related to the reference level(s). e.g. (depending on target type) emissions, BAU projected emissions, denominator information (such as GDP, population) for intensity targets, etc.)

*Update of information on reference point (including base year) or period*

- Information on the conditions and point in time under which the base year/baselines/reference level will be updated, if applicable

*Parameters used to formulate the NDC*

- Parameters and their values used to define the mitigation contribution, including information on related data sources and methodologies as relevant (e.g. emissions, GDP, population, policy metric, etc.)

#### **C. Time frames and/or periods for implementation**

- Time frame and/or periods for implementation (in accordance with Article 4(10) on common timeframes, to be considered at SBI.47))

- Target year(s)
- If a Party has referred to an absolute emission reduction target: approach used (e.g. specify whether single year target or multi-year emissions trajectory or budget)

#### **D. Scope and coverage of mitigation commitments**

- Sectors, categories, pools and gases covered and definitions used, explaining how indicated sectors and categories are defined with respect to categories from IPCC guidance on national greenhouse gas inventories

##### *Increasing comprehensiveness and explanation for exclusion*

- Whether categories of anthropogenic emissions and removals reflect continued coverage of categories covered in previous NDCs
- How the NDC has considered the encouragement to include all categories of anthropogenic emissions and removals
- Explanation of why any categories of anthropogenic emissions or removals are excluded

#### **E. Planning processes**

##### *Laws, policies, plans and processes relevant for the NDCs*

- 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
- If applicable, how the NDC relates to other development plans or strategies
- Information about the domestic planning processes that Parties have undertaken to determine their NDC

##### *Information relating to long-term low greenhouse gas emission development strategies*

- If applicable, how the NDC relates to the long-term strategy submitted under Article 4(19)

#### **F. Assumptions & methodological approaches including those for estimating and accounting for emissions and removals**

##### *Information on accounting*

- Information on accounting approach(es) to be used to track progress against the mitigation contribution, in accordance with guidance on accounting adopted by the CMA  
*Construction of base years/baselines/reference levels including assumptions and parameters*
- If Party has referred 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)

*Metrics and methodologies used*

- Metrics and methodologies used to estimate emissions (in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA)

*Specific information*

- 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 has included the land sector in its NDC:
  - o Treatment in NDC (e.g. accounting like any other sector, sectoral target)
  - o 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)
  - o Coverage of activities / categories or sub-categories / pools (including HWPs) / fluxes /gases (comprehensive/partial)
  - o Intention to exclude emissions from natural disturbances and provisions to be applied
  - o Information on reference level, if this accounting approach is used, and its relation to the overall baseline
- If a Party has referred to emission intensity (e.g. emissions per capita or per GDP):
  - o Data sources used to calculate the index
  - o Source and type of GDP used, if applicable
  - o Past trends
  - o Projections, if available
- If a Party has referred to an emission peaking target:
  - o Intended date of the peak
  - o Expected peak emission level, if available
  - o Expected rate of emissions decline after peak, if available
- If a party has referred to the implementation of policies and measures (intended or proposed):
  - o List of intended or proposed policies and measures to be implemented, with sectors and gases involved
  - o Implementation milestone
  - o Estimated emissions impact (if available) and underlying assumption
- If a Party has referred to achieving carbon / emission neutrality, information explaining the Party's definition of carbon or emission neutrality

**G. Fairness and ambition***Fairness*

- How the Party considers that its nationally determined contribution is fair, in the light of its national circumstances
- Information on fairness considerations of efforts such as approaches and concepts that the Party has used to operationalise equity and fairness considerations

*Ambition*

- Information on how the Party demonstrates that the successive NDC represents a progression beyond the Party's previous NDC as per Article 4(3)

- Information on how the NDC reflects the Party's highest possible ambition reflecting its CBDR-RC in the light of different national circumstances (for example through the use of illustrative indicators)
- Emissions levels or trajectory under the NDC compared to the appropriate counterfactual (e.g. BAU scenario, historic reference year etc)
- Information on how the Party has addressed Article 4(4) (encouragement to move toward economy-wide targets over time)

## H. Contribution to the objective of the Convention

### *Reflection of the global stocktake*

- Information concerning how the NDC has been informed by the previous outcome of the global stocktake in accordance with Article 4(9)

### *Consideration of the contribution to the temperature goal*

- Information on how the NDC takes the temperature goal of the Paris Agreement in to account
- 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)

## I. Intention to act jointly with other countries (Article 4(16))

- Specific information applicable to Parties that decided to act jointly under Article 4(2), including the Parties that agreed to act jointly and the terms of this agreement

## Substantive elements on information

In communicating their nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement, **all Parties to provide the information necessary for clarity, transparency and understanding including, inter alia:**

*(Existing para 27 as headlines)*

- Quantifiable information on the reference point or points, including;
  - o The metrics used to quantify the reference point; eg, GDP, etc.
  - o The quantified value in the base year, should a base year be used;
  - o The quantified value of the base year and target year, should a projected baseline be used;
  - o Sources for data used in quantifying the reference point or points;
- Time frames and/or periods for implementation, including:
  - o The time period for the implementation, or end date, of the NDC
  - o The reference period, should a historical baseline be used;

- Scope and coverage, including:
  - o Economy-wide scope, or less than economy-wide. Percentage of the national net GHG emissions addressed by the nationally determined contribution;
  - o Sectors
  - o Gasses
  - o Pools
  - o Key categories
  - o Land categories or lands, if applicable
  - o Activities, if applicable
  - o An explanation of why any categories of anthropogenic emissions or removals are excluded, if any have not been included in the nationally determined contribution;
  - o A confirmation that all sources, sinks or activities previously included in nationally determined contributions continue to be included;
  - o For Parties considering the use of international markets consistent with Article 6, a description of how these markets may be used, including the estimated volume of internationally transferred mitigation outcomes that may be used towards the achievement of the nationally determined contribution, or transferred to another stakeholder, or another Party for use towards a nationally determined contribution;
- Planning processes, including:
  - o Information on the planning processes used to develop and communicate the nationally determined contribution;
- Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, including:
  - o Approaches that will be used for accounting for anthropogenic greenhouse gas emissions and removals (for example, net-net reduction of GHG emissions against a base year; net-net reduction of GHG emissions against a projected base line, reduction of gross emissions per unit of GDP);
  - o Information on how any existing methods and guidance under the convention has been taken into account, including inter alia as appropriate:
    - The approach used to establish a projected baseline, if any;
      - If the approach will vary by sector or activity, describe each approach in detail;
      - Provide any additional details needed to understand the accounting approach for AFOLU components of the target, including:
        - o Approach that will be used to account for Harvested Wood Products, if any;
        - o Approach that will be used to factor out emissions from natural disturbances, if any;
    - o Methodologies and assumptions including but not limited to those used in the construction of any projected baseline or intensity target;
    - o IPCC guidance and guidelines used, consistent with decision XXX of CMA;
    - o GHG Metrics used, consistent with decision XXX of CMA, if relevant;
    - o Definitions used in the nationally determined contribution (for example, “renewable energy,” or “native forest”);
      - If the definition of a sector or land category varies from definitions used for national inventory report categories, explain the difference;
    - o Key data sources;
    - o Models used, if any;
- Information on how the nationally determined contribution is fair and ambitious, in the light of its national circumstances;

- Information on how the NDC contributes towards achieving the objective of the Convention as set out in its Article 2;

### Substantive elements on information

#### Cluster 1.1 A. Quantifiable information on the reference point (including, as appropriate, a base year)

**Comment:** Policies and measures does not belong in the section on quantifiable information. This could be reframed to focus on 1) Quantitative information on expected emission reductions from the policies and measures; and 2) supporting qualitative information related to those policies and measures, and actions including adaptation co-benefits. Or alternatively could be moved to a section that focuses on narrative or qualitative information.

### Substantive elements on information<sup>11</sup>

#### Elements of guidance on information

##### A. Description of the NDC

- Type of mitigation contribution: e.g. absolute, intensity, reduction from BAU, policies and measures etc.
- How the contribution is expressed: e.g. as point target, carbon budget – Extent of the mitigation contribution: e.g. headline percentage reduction, and/or policy objective
- Information on conditionality: where applicable e.g. conditions; extent of the conditional component

##### B. Quantifiable information about the reference point or period

- Base year(s) and/or reference period/ level: e.g. the base year or years used to define relevant baselines, including base year(s) and/or reference level(s) for policy objectives that are part of the contribution (e.g. increasing renewable energy or forest cover)
- Reference indicators and values used to define the mitigation contribution: e.g. net emissions, GDP, etc. for the base and target year(s) and data sources used
- Updating: conditions under which the base year/baselines/reference level will be updated, if applicable; information about reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable

##### C. Time frames and/or periods for implementation

- end year, or period over which the contribution will be implemented, taking into account relevant decisions under Art. 4.10

<sup>11</sup> Input by New Zealand

**D. Scope and coverage**

- Sectors, categories, gases and pools covered and definitions used: e.g. how the nominated sectors and categories are defined with respect to inventory reporting sectors and categories; whether categories of anthropogenic emissions and removals reflect continued coverage (i.e. once in, always in)
- Relevance of any excluded sector, category, pool and/or gas and reasons for their exclusion
- Movement towards economy-wide coverage: including how the Party has considered the encouragement to cover all categories of anthropogenic emissions and removals over time
- Intended voluntary cooperation under Article 6

**E. Planning processes**

- Domestic mitigation measures aimed at achieving the NDC
- Domestic planning processes to determine the NDC
- Long-term low greenhouse gas emission development strategies

**F. Assumptions and methodological approaches including those for estimating and accounting for emissions and removals**

- Accounting approach(es) to be used: including o how the Party will draw from existing approaches
  - o how the approach is consistent with the NDC and the Party's national circumstances
  - o how the approach is consistent with the accounting guidance and the Article 4.13 principles
- Assumptions and methodological approaches specific to land use: (if included in NDC):
  - o Treatment of HWP, Natural disturbance, Legacy, Other
  - o Specify which land categories are included; or, if using activity based approach, define activities, and hierarchy
  - o Specify definition of categories and pools
  - o Linkage to IPCC categories/pools
  - o if using managed land proxy, specify which land is classed as managed.
  - o Construction of any specific baselines for land use categories/activities
- Construction and/ or selection of base years/ baselines/reference levels:
  - o key assumptions and parameters; o estimation methodologies;
  - o use of projection based baselines and/or reference levels, including coverage of policies and measures and projection methodology
- IPCC metrics and methodologies:
  - o IPCC guidelines, methodologies and metrics used
  - o Quantification of emission reductions in tonnes of CO<sub>2</sub> or CO<sub>2</sub> equivalent
- Further information to help understand the NDC (as appropriate):
  - o Absolute, economy-wide targets
  - o BAU baselines or scenarios
  - o Information appropriate to emission intensity targets
  - o Information appropriate to emission peaking targets
  - o Information appropriate to NDCs containing policies and measures
  - o related mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans

**G. Fairness and ambition**

- How the NDC is fair and ambitious, in the light of the Party's national circumstances
- How the NDC is consistent with Articles 4.3 and 4.4 of the Agreement

**H. Contribution to the objective of the Convention, as set out in its Article 2**

- How the NDC is consistent with the long-term goals set out in Articles 2. 1a) and 4.1 of the Agreement
- How the NDC was informed by the GST

**Substantive elements on information**<sup>12</sup>**First proposal (GDP based)****A. Parties with GDP higher than 100 billion (in US\$) and those in a position to do so**

- Quantifiable information on reference point (including, as appropriate, a base year)
  - Absolute emissions reduction target
    - Emissions levels for the base and target year in terms of CO<sub>2</sub> eq.
    - Headline number in terms of emission reduction in %
  - BAU target
    - Baseline, including emissions level in terms of CO<sub>2</sub> eq.
    - Emissions level for the target year in terms of CO<sub>2</sub> eq.
    - Headline number in terms of emission reduction in %
  - Intensity target
    - Base and target years;
    - Intensity level for the base year;
    - Headline number in terms of intensity reduction in %;
    - Expected emissions level for the target year;
    - index value for the base year
  - Policies and measure
    - Qualitative description of the policies and measures
    - Quantitative information on expected emissions reductions from the policies and measures (if possible)
  - Emission Peaking target
    - Peak year
    - Indicators the party will use to assess the attainment of the objective
    - Estimated emissions level in the peak year
- Time frames and/or periods for implementation
  - Information on the time frame of NDC (in accordance with the common time frame to be considered by the CMA)
  - Information on whether the target is a single-year or a multi-year target
- Scope and Coverage

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<sup>12</sup> Input by Switzerland

- Information on the sectors and gases included in NDC (the sectors and GHG gases defined by IPCC guidelines) and coverage of NDC (e.g., economy-wide)
- If not all IPCC gases and/or sectors are included, provide an explanation for any gases and/or sectors excluded, and if available, provide information on the significance of that gas or sector in national emissions
- Planning Processes
  - Planning Processes
  - How the Party's NDC has been anchored in domestic mitigation measures
  - Information on legal and institutional arrangements
  - How the Party's NDC has been informed by the outcomes of the global stocktake
  - Chocolate consumption per capita (in kg), including the share of chocolate produced in Switzerland (in %)
- Assumptions and Methodologies, including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals
  - Metrics and methodologies—IPCC inventory guideline, GWP value used, accounting approach used in the land sector in accordance with the accounting guidance (if appropriate)
  - How the Party will ensure the methodological consistency between the communication and implementation of its NDC
  - Whether the Party intends to use cooperative approaches in Article 6.2, the Article 6.4 mechanism, and non-market approaches (if appropriate), including the intended accounting approach to be used in accordance with relevant guidance.
  - BAU Target
    - Parameters, assumptions and methodologies used in setting the baseline projection
  - Intensity target
    - Data sources for the index value
  - Policy and measures
    - Progress indicators and milestones
- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances
  - How the party considers that its NDC is fair and ambitious, in the light of its national circumstances
  - How the Party's NDC represents a progression beyond the Party's then current NDC from its previous NDC and reflects its highest possible ambition, reflecting CBDR-RC and in the light of national circumstances
  - A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection.
- Contribution to the Objective of the Convention
  - How it contributes towards achieving the objective of the Convention as set out in its Article 2 and the long-term goals under the Paris Agreement of holding the increase in the global average to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C.

## **B. Parties with GDP lower than 100 billion (in US\$)**

- Quantifiable information on reference point (including, as appropriate, a base year)
  - Absolute emissions reduction target

- Emissions levels for the base and target year in terms of CO2 eq.
    - Headline number in terms of emission reduction in %
  - BAU target
    - Baseline, including emissions level in terms of CO2 eq.
    - Emissions level for the target year in terms of CO2 eq.
    - Headline number in terms of emission reduction in %
  - Intensity target
    - Base and target years;
    - Intensity level for the base year;
    - Headline number in terms of intensity reduction in %;
    - Expected emissions level for the target year;
  - Policies and measure
    - Qualitative description of the policies and measures
- Time frames and/or periods for implementation
  - Information on the time frame of NDC (in accordance with the common time frame to be considered by the CMA)
  - Information on whether the target is a single-year or a multi-year target
- Scope and Coverage
  - Information on the sectors and gases included in NDC (the sectors and GHG gases defined by IPCC guidelines) and coverage of NDC (e.g., economy-wide)
- Planning Processes
  - How the Party's NDC has been anchored in domestic mitigation measures
  - Information on any conditional element beyond headline number
  - Information on how the NDC is in line with domestic development or poverty eradication strategies
  - Chocolate consumption per capita (in kg), including the share of chocolate produced in Switzerland (in %)
- Assumptions and Methodologies, including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals
  - Metrics and methodologies—IPCC inventory guideline, GWP value used, accounting approach used in the land sector in accordance with the accounting guidance (if appropriate)
  - Whether the Party intends to use cooperative approaches in Article 6.2, the Article 6.4 mechanism, and non-market approaches (if appropriate), including the intended accounting approach to be used in accordance with relevant guidance.
  - BAU Target
    - Parameters, assumptions and methodologies used in setting the baseline projection
  - Intensity target
    - Data sources for the index value

- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances
  - How the party considers that its NDC is fair and ambitious, in the light of its national circumstances
  - How the Party's NDC represents a progression beyond the Party's then current NDC from its previous NDC and reflects its highest possible ambition, reflecting CBDR-RC and in the light of national circumstances
- Contribution to the Objective of the Convention

### Second proposal (based on emissions)

#### **A. Parties with a share of global emissions higher than 1% and those in a position to do so**

- Quantifiable information on reference point (including, as appropriate, a base year)
  - Absolute emissions reduction target
    - Emissions levels for the base and target year in terms of CO<sub>2</sub> eq.
    - Headline number in terms of emission reduction in %
  - BAU target
    - Baseline, including emissions level in terms of CO<sub>2</sub> eq.
    - Emissions level for the target year in terms of CO<sub>2</sub> eq.
    - Headline number in terms of emission reduction in %
  - Intensity target
    - Base and target years;
    - Intensity level for the base year;
    - Headline number in terms of intensity reduction in %;
    - Expected emissions level for the target year;
    - index value for the base year
  - Policies and measure
    - Qualitative description of the policies and measures
    - Quantitative information on expected emissions reductions from the policies and measures (if possible)
  - Emission Peaking target
    - Peak year
    - Indicators the party will use to assess the attainment of the objective
    - Estimated emissions level in the peak year
- Time frames and/or periods for implementation
  - Information on the time frame of NDC (in accordance with the common time frame to be considered by the CMA)
  - Information on whether the target is a single-year or a multi-year target
- Scope and Coverage
  - Information on the sectors and gases included in NDC (the sectors and GHG gases defined by IPCC guidelines) and coverage of NDC (e.g., economy-wide)
  - If not all IPCC gases and/or sectors are included, provide an explanation for any gases and/or sectors excluded, and if available, provide information on the significance of that gas or sector in national emissions
- Planning Processes
  - Planning Processes
  - How the Party's NDC has been anchored in domestic mitigation measures
  - Information on legal and institutional arrangements

- How the Party's NDC has been informed by the outcomes of the global stocktake
- Assumptions and Methodologies, including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals
  - Metrics and methodologies—IPCC inventory guideline, GWP value used, accounting approach used in the land sector in accordance with the accounting guidance (if appropriate)
  - How the Party will ensure the methodological consistency between the communication and implementation of its NDC
  - Whether the Party intends to use cooperative approaches in Article 6.2, the Article 6.4 mechanism, and non-market approaches (if appropriate), including the intended accounting approach to be used in accordance with relevant guidance.
  - BAU Target
    - Parameters, assumptions and methodologies used in setting the baseline projection
  - Intensity target
    - Data sources for the index value
  - Policy and measures
    - Progress indicators and milestones
- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances
  - How the party considers that its NDC is fair and ambitious, in the light of its national circumstances
  - How the Party's NDC represents a progression beyond the Party's then current NDC from its previous NDC and reflects its highest possible ambition, reflecting CBDR-RC and in the light of national circumstances
  - A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection.
- Contribution to the Objective of the Convention
  - How it contributes towards achieving the objective of the Convention as set out in its Article 2 and the long-term goals under the Paris Agreement of holding the increase in the global average to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C.

#### **B. Parties with a share of global emissions smaller than 1%**

- Quantifiable information on reference point (including, as appropriate, a base year)
  - Absolute emissions reduction target
    - Emissions levels for the base and target year in terms of CO<sub>2</sub> eq.
  - BAU target
    - Baseline, including emissions level in terms of CO<sub>2</sub> eq.
    - Emissions level for the target year in terms of CO<sub>2</sub> eq.
  - Intensity target
    - Base and target years;
    - Intensity level for the base year;
    - Expected emissions level for the target year;
    - index value for the base year
  - Policies and measure
    - Qualitative description of the policies and measures

- Time frames and/or periods for implementation
  - Information on the time frame of NDC (in accordance with the common time frame to be considered by the CMA)
  - Information on whether the target is a single-year or a multi-year target
- Scope and Coverage
  - Information on the sectors and gases included in NDC (the sectors and GHG gases defined by IPCC guidelines) and coverage of NDC (e.g., economy-wide)
- Planning Processes
  - Planning Processes
  - How the Party's NDC has been anchored in domestic mitigation measures
  - Information on how the NDC is in line with domestic development or poverty eradication strategies
  - Information on any conditional element beyond headline number
- Assumptions and Methodologies, including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals
  - Metrics and methodologies—IPCC inventory guideline, GWP value used, accounting approach used in the land sector in accordance with the accounting guidance (if appropriate)
  - Whether the Party intends to use cooperative approaches in Article 6.2, the Article 6.4 mechanism, and non-market approaches (if appropriate), including the intended accounting approach to be used in accordance with relevant guidance.
- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances
  - How the party considers that its NDC is fair and ambitious, in the light of its national circumstances
  - How the Party's NDC represents a progression beyond the Party's then current NDC from its previous NDC and reflects its highest possible ambition, reflecting CBDR-RC and in the light of national circumstances
- Contribution to the Objective of the Convention
  - How it contributes towards achieving the objective of the Convention as set out in its Article 2 and the long-term goals under the Paris Agreement of holding the increase in the global average to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C.

### Substantive elements on information<sup>13</sup>

#### **A. Quantifiable information on the reference point (including, as appropriate, a base year)**

- Quantifiable information [\[for developed country parties\]](#) on base year or base period, reference year or reference period, as applicable tailored to the type of target and indicators determined by the Party:
  - Absolute emissions reduction target:
    - Emissions levels for the base and target year in terms of CO<sub>2</sub> eq.;

<sup>13</sup> Input by AGN

- Headline number in terms of emission reduction in %.
- BAU target:
  - Baseline, including emissions level in terms of CO<sub>2</sub> eq.;
  - Emissions level for the target year in terms of CO<sub>2</sub> eq.;
  - Headline number in terms of emission reduction in %;
- Intensity target:
  - Quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or another indicator;
  - Base and target years;
  - Intensity level for the base year;
  - Headline number in terms of intensity reduction in %;
  - Expected emissions level for the target year;
  - index value for the base year.
- Policies and measures:
  - Actions, including adaptation co-benefits;
  - Qualitative description of the policies and measures;
  - Quantitative information on expected emissions reductions from the policies and measures (if possible);<sup>14</sup>
- Emission Peaking target:
  - Peak year;
  - Indicators the party will use to assess the attainment of the objective;
  - Estimated emissions level in the peak year;
  - Emissions trajectory towards peak year.

- Developed country parties [to provide information](#) on the conditions and point in time under which the base year/baselines/reference level will be updated, if applicable;
- [Developed country parties to provide information on Parameters](#) and their values used to define the mitigation contribution, including information on related data sources and methodologies as relevant (e.g. emissions, GDP, population, policy metric, etc.);
- [Developed country parties to provide information](#) on the base year(s) used to define relevant baselines, including the base year(s) for policy objectives that are part of the contribution such as increasing energy efficiency or forest cover;
- [Developed country parties to provide information on Gas](#) by gas total GHG emissions and removals in the reference point/period (base year or starting year of the BAU or peaking projection);
- [Developed country parties to provide](#) quantifiable data on base-year greenhouse gas (GHG) emissions from the Party's national inventory for the applicable year(s);

<sup>14</sup> Comment: Not sure this belongs here. Qualitative information describing the quantifiable information is useful. But this is a purely qualitative section, unless it actually captures the expected emission reduction from policies and measures. Otherwise this qualitative information should be captured in a section that is purely qualitative in nature.

This could be reframed:

\*Quantitative information on expected emissions reduction from the policies and measures; and

\*Supporting qualitative information related to policies and measures, and actions including adaptation co-benefits

- [Developed country parties'](#) NDCs that refer to emissions trends or trajectories would need to provide or cite quantifiable information on the assumptions and methodologies used to construct these trajectories;
- [Developed country parties'](#) NDCs that refer to mitigation policies and measures that are not reflected in national inventories should provide, for each such policy and measure, an estimate of the resulting GHG emissions reduced or avoided as a result of the policy or measure, in aggregable units;
- [Developed country parties to provide](#) information about reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable;
- Developed country Parties to provide information on finance, including on the base year;
- Relevant quantifiable information on the reference point (including, as appropriate, a base year) in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide quantifiable information on the reference point for means of implementation;
- [Developing country parties to provide quantifiable information on several or all of the items listed in paragraph 27 of decision 1/CP.21 at their discretion, taking into account their diversified NDCs, national circumstances, capacities, data availability and support received for preparation and communication of the NDCs.](#)

#### A. Time frames and/or periods for implementation

- Time frame and/or period for implementation, including end year; (in accordance with Article 4(10) on common timeframes, to be considered by the CMA);
- Target year;
- If a Party has referred to an absolute emission reduction target: approach used (e.g. specify whether single year target or multi-year emissions trajectory or budget);
- NDCs that use single-year GHG targets would need to specify a base year and a target year;
- NDCs that use multi-year emissions averages or “carbon budgets” would need to specify which years they intend to use for those purposes;
- [Developed country Parties to provide information on finance, including on the period for implementation;]
- Relevant information on time frames and/or periods for implementation in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on time frames and/or periods for implementation for means of implementation.

#### B. Scope and coverage

- [The scope of information should be consistent and coherent with the comprehensive scope of NDCs as defined in Article 3 of the Paris Agreement.](#)
- Sectors, categories, pools and gases covered and definitions used, explaining how indicated sectors and categories are defined with respect to categories from IPCC guidance on national greenhouse gas inventories;
- If an NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories;
- Definition of the sectors and/or the categories, if there is difference with the definitions used in the national inventory report;

- Whether categories of anthropogenic emissions and removals reflect continued coverage of categories covered in previous NDCs;
- How the NDC has considered the encouragement to include all categories of anthropogenic emissions and removals;
- Information on excluded sectors, gases or categories, and any considerations on the timeline for economy-wide coverage, and if available, provide information on the significance of that gas or sector in national emissions;
- Whether the Party intends to use voluntary cooperation under Article 6;
- Information on geographical coverage;
- Information on whether NDCs include mitigation, adaptation and/or means of implementation;
- Relevant information on scope and coverage in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on scope and coverage of means of implementation.

### C. Planning processes

- [At the discretion of the party, #](#) information on the (domestic) planning processes conducted in the design of the NDCs; and to achieve the objectives of the NDC; incl. considerations related e.g.:
  - how different public agencies and levels of government helped design the NDC;
  - institutional responsibilities;
  - development of implementation measures;
  - stakeholder consultations;
  - indigenous peoples and local communities;
  - elders and youth;
  - just transition;
  - gender;
  - human rights;
  - other important considerations.
- [At the discretion of the party, #](#) information on the (most important) laws, policies, legal and institutional frameworks, plans and processes relevant for the implementation of NDCs;
- Information on how the Party's NDC has been anchored in domestic mitigation measures, [as appropriate](#);
- Information on how the Party's NDC has been informed by the outcomes of the global stocktake, [as appropriate](#);
- Information on any conditional element beyond [\[headline number\]](#);
- Description of information gaps, barriers or issues that the Party faced during NDC design process;
- Information relating to long-term low greenhouse gas emission development strategies submitted under Article 4(19);
- [At the discretion of the party, #](#) if applicable, how the NDC relates to other development plans or strategies;
- Relevant information on planning processes in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide existing and envisaged policies and measures to support the implementation of their emission reduction targets;

- Developed country Parties to provide information on planning processes for means of implementation.

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

- [Developed country parties to provide information on the accounting approaches and relevant emissions estimation methodologies to be used, in accordance with guidance on accounting adopted by the CMA, including on:](#)
  - how the Party will draw from existing approaches;
  - how the approach is consistent with the NDC and the Party's national circumstances;
  - how the approach is consistent with the accounting guidance and the Article 4.13 principles.
- [Developed country parties to provide information on Methods and assumptions related to main drivers of national GHG emissions that allow to understand the evolution of those emissions as well as their expected value in the target year;](#)
- [Developed country parties to provide Information on how base years, baselines, reference levels or projections were constructed – including key assumptions and parameters; relevant estimation methodologies; where projection based baselines and/or reference levels are used, information on policies and measures included and projection methodology;](#)
- [Developed country parties to provide information on Metrics and methodologies used to estimate emissions \(in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA\), consistent with 1/CP.21 paragraph 31\(a\);](#)
- [Developed country parties to provide information on Quantification of emission reductions in tonnes of CO<sub>2</sub> or CO<sub>2</sub> equivalent;](#)
- [Developed country parties to ensure consistency, comparability and to facilitate aggregation Parties shall use the most recent IPCC Guidelines and any further methodological guidance from the IPCC if adopted by the CMA;](#)
- Information on how the [developed country](#) Party will ensure the methodological consistency between the communication and implementation of its NDC;
- For common metrics, [developed country](#) Parties shall continue to use the well-established GWP-100 values from the IPCC, if adopted by the CMA;
- Intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA, including the intended accounting approach to be used in accordance with relevant guidance;
- Developed countries to provide intentions to use ITMOs under Article 6 of the Paris Agreement;
- All Parties that include the LULUCF sector in their NDC should provide information on accounting methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for;
- If the Party has included the LULUCF sector in its NDC:
  - Treatment in NDC (e.g. accounting like any other sector, sectoral target);
  - 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);
  - Coverage of activities/categories or sub-categories/pools (including HWP)/fluxes/gases (comprehensive/partial);
  - Intention to exclude emissions from natural disturbances and provisions to be applied;
  - Information on reference level, if this accounting approach is used, and its relation to the overall baseline;
  - Treatment of HWP, Natural disturbance, Legacy, Other;

- Linkage to IPCC categories/pools;
  - If using managed land proxy, specify which land is classed as managed;
  - Construction of any specific baselines for land use categories/activities.
- If a [developed country](#) Party has referred to an absolute, economy-wide target
  - Further information to help understand the NDC;
  - Multi-year or single year targets, (budget-based or single year approach)
- If a [developed country](#) Party has referred to a BAU baseline or scenario:
  - 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);
  - Model used to develop BAU baseline;
  - Whether the baseline scenario is static or dynamic;
  - 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?);
  - Timing of updates and parameters that will be updated.
- If a [developed country](#) Party has referred to emission intensity (e.g. emissions per capita or per GDP):
  - Data sources used to calculate the index (e.g. population or any other macroeconomic indicators);
  - Source and type of GDP used, if applicable;
  - Past trends;
  - Projections, if available;
  - Timing and parameters of updates.
- If a [developed country](#) Party has referred to an emission peaking target:
  - Intended date of the peak;
  - Expected peak emission level, if available;
  - Expected rate of emissions decline after peak, if available.
- If a [developed country](#) party has referred to the implementation of policies and measures (intended or proposed):
  - Detailed list and scope of intended or proposed policies and measures to be implemented, with sectors and gases involved;
  - Implementation milestone;
  - Estimated quantified emissions impact (if available) and underlying assumption;
  - Explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators.
- If a [developed country](#) Party has referred to achieving carbon/emission neutrality:
  - Information explaining the Party's definition of carbon or emission neutrality;
  - 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.
- Further technical information on mitigation contributions as necessary – e.g. any additional technical information the Party deems relevant to specify their GHG and/or non-GHG mitigation contributions, including related mitigation co-benefit resulting from Parties' adaptation actions and/or economic diversification plans, and other kinds of contributions;
- Any changes that may occur during implementation and that affect the NDC should be reflected in the progress report as referred to in Art. 13.7 (b) of the Paris Agreement;
- Relevant information on assumptions and methodological approaches in relation to the adaptation component (if applicable for developing countries);

- Developed country Parties to provide information on 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;
- Developed country Parties to provide information on relevant methodologies and assumptions on estimating their support;
- Developed country Parties to provide information on assumptions and methodological approaches related to the means of implementation.
- [Developing country](#) Parties may provide quantified information on the NDC and information on methodologies and assumptions that underpin the NDC, including any reference points, baselines, base year etc. and, as applicable, coverage (sectors and gases etc.).

**E. 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**

*How the Party considers that its nationally determined contribution is fair and ambitious*

- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances;
- Information on fairness considerations of efforts such as approaches and concepts that the Party has used to operationalize equity and fairness considerations, and emissions levels or trajectory under the NDC compared to the appropriate counterfactual;
- Information on how the Party considers that its NDC represents a progression beyond current NDC as per Article 4.3 of the Paris Agreement;
- Information on how the NDC reflects the Party's highest possible ambition reflecting its CBDR-RC in the light of different national circumstances; e.g. using illustrative indicators such as past emission trends, projections, national circumstances, mitigation costs, mitigation potentials or domestic mitigation targets;
- A [developed country](#) Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection;
- Guidance should recognize that progression on ambition is co-terminus with progression on support provided;
- Information on how inputs from the best available science was considered in the Party's NDC, in a view of the UNFCCC and the Paris Agreement goals;
- A Party's national circumstances may include any features of its geography, climate or economy that set practical limits on its ambition;
- Information on how the NDC has been informed by the outcome of the global stocktake in accordance with Article 4.9 of the Paris Agreement, or the 2018 Facilitative Dialogue as relevant;
- Information on how the Party has addressed Article 4.4 of the Paris Agreement and Article 4.6 of the Paris Agreement:
  - How the developed country Party considers that its economy-wide absolute emission reduction target reflects that the Party continues to take the lead;
  - How the developing country Party envisions to move over time towards economy-wide emission reduction or limitation targets;
  - How the special circumstances of Parties that are SIDS and LDCs are reflected in the Party's NDC or strategies, plans and actions for low greenhouse gas emissions development;
  - Developed countries to provide how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change.

- Relevant information on fairness and ambition in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on fairness and ambition relating to the provision of financial support including why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs;
- Developed country Parties to provide information on fairness and ambition, including how support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies;
- Developed country Parties to provide information on fairness and ambition, including how support will assist developing countries to strengthen their capacities on combating climate change;
- Developed country Parties to provide information on how the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances, in relation to the means of implementation;

*How the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2:*

- Information on how the NDC is a contribution towards achieving the objective of the Convention as set out in its Article 2;
- Information on how the NDC is consistent with the agreed global temperature goal as described in Article 2.1(a) of the Paris Agreement and the collective aim to reach global peaking of GHG emissions as soon as possible and undertake rapid reductions thereafter (Article 4.1);
- Information on how the Party considers that its efforts are strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty;
- Information on how the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production;
- Information related to intended or proposed domestic mitigation measures that the Party will pursue to implement its NDC in accordance with Article 4.2 of the Paris Agreement (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 of the Paris Agreement contribute to mitigation outcomes);
- Once a Party presents its LT-LEDS, it should present information on how its NDCs are in line with its long-term mitigation goal. This mitigation goal should be aligned with the long term global mitigation goal set by Article 2.1 (a) of the Paris Agreement;
- Relevant information on how the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2, in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on how the Party considers that its nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2 in relation to the means of implementation.
- Information on how the NDC comprises an equitable contribution to the global goal under Article 4.1 of the Paris Agreement.

**F. Additional general information on the NDC**

- Information on best practices and experience related to the preparation of the NDCs;

- Information on potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs;
- Information on measures and policies related to the implementation of the NDCs;
- Specific information applicable to Parties that decided to act jointly under Article 4(2), including the Parties that agreed to act jointly and the terms of this agreement, in accordance with articles 4.16-18;
- Information on compliance to implementation;
- Information on review & verification;
- Developed country Parties to indicate whether their NDCs include mitigation, adaptation and/or support to developing country Parties through information on “scope” referred to in paragraph 27 of decision 1/CP.21.
- Information on how Parties take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties;
- Information on economic diversification plans.

#### G. Additional information on the mitigation [\[target\]](#) [\[component\]](#) of the NDC

- Description of the target/of each of the different targets if there are several
  - [General description of the target(s), including type(s) (e.g. absolute, intensity, reduction from BAU, policies and measures etc., including information on how the contribution is expressed – e.g. as point target, carbon budget, or multi-year target) and/or mitigation efforts;
  - Information should be quantified or quantifiable, to the extent possible, as applicable to the type of target and indicators determined by the Party;
  - Extent of the mitigation contribution (e.g. headline percentage reduction, and/or policy objective);
  - For all type of quantified mitigation targets, Parties should include information on expected emissions trajectory that will be followed by the Party to meet its mitigation goal;
  - Provide a forward-looking estimate of its future economy-wide emissions that would be consistent with the achievement of its NDC (tCO<sub>2</sub> eq);
  - Provide indicator(s) that the Party intends to use to track progress and account for its NDC;
  - Explanation on conditional part of the contribution, if relevant;
  - Sub-targets and sectoral mitigation plan;
  - Criteria for determining targets]
  - [Developed country Parties should provide the information on their economy-wide absolute emission reduction targets, in accordance with paragraph 27 of decision 1/CP.21, and other information as set out in decision 2/CP.17 and 19/CP.18;
  - Developing country Parties should provide the information on their enhanced mitigation efforts, in accordance with paragraph 27 of decision 1/CP.21;
  - Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received.]
- Quantified impacts of policies and measures;
- Developed countries to provide the quantitative estimated effects resulting from the mitigation component of their NDCs;
- Voluntary information on indicators/parameters which are deemed necessary by Parties, considering national capacity and needs;
- Information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC;

- Mitigation costs.

#### H. ~~Additional~~ information on adaptation [\[component of the NDC\]](#)

- Parties should provide information on the adaptation component of their NDCs, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement;
- The information on adaptation component of NDCs could be informed by the discussions under APA Agenda Item 4, the outcomes of which will form part of the guidance for information;
- Developed country Parties to provide relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Articles 7.10 and 7.11 of the Paris Agreement, taking into account the outcome of APA agenda item 4;
- Developed country Parties to provide relevant information on adaptation activities including experience in various aspects of adaptation, considering Articles 7.1, 7.7, 7.9, 7.10, 7.11 and 7.13 of the Paris Agreement, taking into account the outcome of APA agenda item 4.

#### I. ~~Additional~~ Information on support [\[component of the NDC\]](#)

- Developed country Parties are to provide indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Articles 3, 4.5, 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;
- Further guidance for information on finance, technology and capacity-building support by developed country Parties could be informed by the discussions under the relevant COP/SBI Agenda Items, the outcome of which shall be available as part of the package of guidance for information under the Paris Agreements, well in advance of the adoption of such guidance;
- Developing country Parties are encouraged to provide information on finance, technology and capacity-building support needed related to implementation of their NDCs. They may share information on voluntary support to other developing country Parties;
- Information on how enhanced support will allow for higher ambition in the developing country's efforts.
- Information on support provided by developed countries.

#### • ~~Additional~~ Information on finance [\[component of the NDC\]](#)

- Information on the developed country's communication on funding to be provided, referred to in article 9.5, including as a summary, an attachment or a weblink, as applicable;
- Developed country Parties to provide information on quantitative amount in the following two years and five years;
- Developed country Parties to provide information on sources, including ratio between public and other resources;
- Developed country Parties to provide information on relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;
- Developed country Parties to provide information on actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments.

#### • ~~Additional~~ information on technology

- Developed country Parties to provide information on types of support;
- Developed country Parties to provide information on relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;
- Developed country Parties to provide information on programmes and projects to be conducted by public agencies;
- Developed country Parties to provide information on plans and policies to encourage the participations by business and research institutes;
- Developed country Parties to provide information on 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.

- **Additional** information on capacity building

- Developed country Parties to provide information on types of support;
- Developed country Parties to provide information on the relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;
- Developed country Parties to provide information on policies, programmes and projects in different areas of capacity building.

- Information on support needs/received

- Developing country Parties to be encouraged to provide information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support;
- Expected need for financial support (for developing countries);
- Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received;
- Developing country Parties would require a differentiated framework in projecting their needs for resources for achieving their NDCs and the different types of contributions.

Information on support required by developing countries.

### III. Accounting

*A wide range of strongly-held views on how to discuss the issues of scope of NDCs and differentiation were shared. While a number of Parties expressed the view that these issues should be discussed under accounting, a number of other Parties expressed the view that these issues should be discussed elsewhere under the process, and another number of Parties expressed the view that these issues were already treated within the overall architecture of the Paris Agreement.*

#### A. Understanding of accounting

##### *Option 1:*

- Being responsible for NDCs:
  - Parties should explain their NDCs in the communication and implementation stage in a responsible manner;
  - by giving an explanation through certain methodologies and approaches, such as which sectors and gases will be included in their NDCs and what the meanings of relevant reference, parameters and other aspects of NDCs are;
- The process where Parties use information from their national greenhouse gas inventories and other sources to track progress and compare outcomes against NDCs;
- Parties compare the intended value of the indicators in the target year reflecting their NDCs, with the actual value in the year of tracking progress or target year;
- A set of methodologies used to measure implementation of NDC including anthropogenic emissions/removal of GHG;
- “Accounting for” is equivalent to accountability, and to the “information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4”;
- Demonstrating the achievement of the objectives by providing, through the biennial reports under the transparency framework, information on implemented results (e.g., national GHG inventory data, information on ITMOs, and other relevant information corresponding to the attributes of the mitigation targets) in relation to the target year(s);
- A common tool for having NDC implementation progress being monitored, tracked, and aggregated;
- Assess what has been accomplished, after considering use of internationally transferred mitigation outcomes, emissions and removals from the land sector, and the avoidance of double counting.

##### *Option 2: no text*

#### B. Objectives

##### *Option 1:*

- Ensure that the principles contained in Article 4, paragraph 13, of the Paris Agreement are implemented in the process of reporting and tracking progress with implementing and achieving NDCs;
- Promote mutual trust among Parties and to provide the public a clear, accurate and comprehensive explanation on what Parties are planning to do on climate change;
- Help/assist Parties in fulfilling existing obligations under the Paris Agreement Article 4;
- Have clear methodological approaches to estimate data;
- Provide guidance and/or support on how a Party could undertake a quantitative assessment on the achievement of its NDC;

- Link between the NDCs and the information provided under the Enhanced Transparency Framework;
- Allow Parties to demonstrate that their most recent emission levels are consistent with targets, in accordance with the parameters and indicators they have set out in their own NDCs;
- [Developed country Parties may not][No Party may] backtrack from existing requirements.
- Facilitate aggregation of the impacts of NDCs in relation to the long-term goal, and to support the tracking of progress;
- Be flexible, particularly for LDCs and SIDS, and promote progression and ambition;
- The adoption of further requirements to developing countries is contingent upon the provision of new, additional and adequate resources to meet their agreed full costs, or a portion of those costs.

*Option 2: no text*

### **C. Capacity of developing countries**

- In accordance with Article 13, paragraph 14 and Article 13, paragraph 15, support shall be provided to assist developing country Parties in the accounting of their NDCs, including integrating and incorporating accounting elements in national MRV systems;
- Continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities on implementing the guidance for accounting;
- Incentivizing mechanisms should be established by the CMA to encourage and support developing country Parties to apply the guidance for accounting;
- Support is addressed under other APA and SBSTA agenda items;
- Capacity concerns must be addressed through strong and sustained capacity building support and frameworks for developing countries – not in the guidance, which should be common and applicable to all.
- Flexibility to be provided to developing country Parties, in particular LDCs and SIDS, in the scope and level of details related to application of the relevant guidance, with specific accounting approaches in developing country Parties' NDCs to 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;
- Recognize the special circumstances of LDCs and SIDS in terms of the accounting provisions applied, and that progressive improvement in accounting systems is dependent on support provided.

### **D. Drawing from approaches under the Convention and the 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;
- The guidance for accounting for mitigation targets in the NDCs by developed country Parties [and/or all Parties] could be drawn from the experience from the application of the accounting rules for quantified emission limitation or reduction commitments under the Kyoto Protocol, bearing in mind the difference between single-year targets in the NDCs and multi-year targets under the Kyoto Protocol;
- Use of GHG inventories for the accounting for their NDCs when NDCs are expressed in terms of GHG emissions;
- Guidance related to emissions and removals from LULUCF that refers to approaches under the Convention and its legal instruments on which Parties could draw from;

- Outline of the existing methods and guidance under the Convention and IPCC with references to the appropriate decisions and/or IPCC Publications.

## E. Principles

- Promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and to ensure the avoidance of double counting;
- Preserve the national determination of NDCs by respecting the accounting approaches embedded in their NDCs, which correspond to their highest possible ambition in the light of different capacities and national circumstances;
- Reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement, particularly in line with the diversity of NDCs of developed and developing country Parties;
- Consistent with the scope of NDCs and covering both actions and support component of NDCs in accordance with Article 3 of the Paris agreement;
- Parties should strive to increase coverage over time;
- Flexibility to be provided to developing country Parties in the scope and level of details related to application of the relevant guidance;
- Information used to be consistent with, and underpinned by, inventory;
- A framework whereby:
  - Developed countries use comparable methodologies and approaches, and to ensure methodological consistency between the communication of NDCs and reporting on implementation;
  - Developing countries are allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
- A framework for accounting in which all countries use comparable methodologies and approaches and ensure methodological consistency between the communication of NDCs and reporting on implementation;
- A robust accounting framework with clear provisions on how to avoid double counting is a pre-requisite for use of internationally transferred mitigation outcomes or use of market-based units toward NDCs under Article 6;
- The contribution from forest and land use must represent real, permanent and verifiable emission reductions that would not occur irrespective of the Party's actions.
- Applicability to all;
- Progress in quality and coverage;
- Capacity principle: Expectation that the high income and upper middle income countries follow robust accounting guidance;
- Responsibility principle: Expectation that the biggest emitters follow robust accounting guidance.

## F. Procedural elements

### a. Channel

#### *Option 1:*

- In the NDCs documents;
- Under the enhanced Transparency Framework (Article 13 of the Paris Agreement);
- [PLACEHOLDER cross reference to guidance on Article 13]

- The guidance on reporting on accounting is inherently different from guidance on transparency, and is intended to give a sense of the planned actions by Parties, which can then be evaluated against actuals in the transparency framework.

*Option 2: no text*

b. Timing/Application

- In accordance with 1/CP.21 paragraph 32, accounting guidance will apply to second and subsequent NDCs/following NDCs;
- The guidance on accounting shall be applied to the NDC relevant from 2026
- In accordance with paragraph 32 of decision 1/CP.21, Parties shall apply the guidance for accounting in their subsequent rounds of NDCs (from 2030 onwards). Parties may elect to apply the guidance for accounting in their NDCs up to 2030;
- Each Party shall apply the following guidance for accounting of NDCs for the first NDC on the basis that:
  - they voluntarily elect to apply the guidance for the first NDC; or
  - they wish to avail themselves of Article 6, paragraph 2 or Article 6, paragraph 4 of the Paris Agreement in the achievement of the first or subsequent NDC.

c. Revision

Option 1:

- Review and, if necessary, revision of guidance at a future point following experience with implementation;
- 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;
- The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis.

Option 2: no text

## G. Specific elements

*A wide range of strongly-held views on how to structure substantive elements for guidance on accounting of NDCs were shared. Some Parties expressed the view that such elements should be organized in different structures, clearly separating proposals from different groups of Parties. Other Parties were of the view that all elements should be arranged within a single structure. It was not possible for Parties to reach a common understanding on how to structure these elements.*

*Following the request from Parties, we, the co-facilitators, have streamlined the appendix 1.2 from our previous tool. The bullets below do not prejudge whether any specific bullet/element is needed or the extent to which they should be elaborated further, or not at all. The bullets are for reference purpose only.*

- Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a)):
  - Parties strive to use the most recent methods, guidance and metrics produced by the IPCC and adopted by the CMA. Parties who are unable to use the most recent methods and

- guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
  - Parties should use GHG emissions reported in the most recent national inventory reports based on the methodologies and metrics defined by the reporting guidelines under the transparency framework under Article 13 of the Paris Agreement;
  - Parties with GHG targets need to ensure consistency between their NDC accounting and their national GHG inventories and report on progress;
  - Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
  - The metrics should be assessed by the IPCC, and include the Global Warming Potential (GWP) and the Global Temperature Potential;
  - Develop guidance whereby:
    - Developed countries continue taking the lead in applying any updated good practice methodologies accepted by the IPCC, in particular the 2006 IPCC Guidelines;
    - Developing countries follow the IPCC methodology by choosing the most appropriate IPCC guidelines, or categories of emissions and removals, in light of their different capacities and circumstances.
  - Fairness and ambition of NDCs and contribution to achieving the objectives the Convention;
  - How to aggregate NDCs, including comparability aspect of various NDCs;
  - Use of indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels;
  - Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of GHG impacts of policies or actions implemented.
  - Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b)).
    - Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation, including on baselines;
    - Parties wishing to make improvements to their accounting approach or methodologies, would need to apply any necessary recalculations to their initial reference points, base years and baselines, as well as to the estimates;
    - Definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made, describe any updates to data and parameters used during an implementation period and describe any changes in approaches and assumptions, as relevant, between implementation periods;
    - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;
    - The guidance should elaborate on:

- The meaning of methodological consistency and how it can be ensured and applied based on existing IPCC guidance;
    - How to apply recalculations;
    - Procedures that Parties should follow in case of methodological inconsistencies; or
    - technical corrections to baselines or reference levels(s);
    - Indicators for base years, baselines, reference levels and projections, such as to avoid overestimation/underestimation, use of historical data, extrapolations, modelling, projections and updates, and what information should be reported.
  - Develop guidance whereby:
    - Developed countries ensure methodological consistency between the communication of NDCs and reporting on implementation;
    - Developing countries make their best endeavor to ensure methodological consistency between communication and implementation;
- Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paragraphs c and d).
  - Include all categories (gases, activities, pools) of anthropogenic emissions or removals;
  - Provide during the implementation period a description of sectors, gases, categories, pools covered and definitions;
  - A Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC; in this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
  - Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs;
  - Coverage may increase at any time and Parties should communicate any changes in coverage between implementation periods as well as definitions;
  - Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
  - Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation;
  - Develop guidance whereby:
    - Developed countries account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included;
    - Developing countries are 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 over time, in accordance with Articles 4.4 and 4.5 of the Paris Agreement.
- Article 6
  - To be informed by the discussions on the use of internationally transferred mitigation outcomes under Article 6
  - Cover the avoidance of double counting in relation to the use of Article 6 internationally transferred mitigation outcomes towards achieving NDCs
  - Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards achieving their NDCs must be subject to additional and more stringent accounting rules and should report on various aspects, including how to avoid double counting and how the mechanisms are additional.

- LULUCF, forests and REDD+
  - Parties are encouraged to include the land sector in their NDCs and those that include it shall continue to do so in the future;
  - No prejudging any requirements on mitigation in agriculture;
  - Develop specific guidance on:
    - Natural disturbances;
    - Harvested wood products;
    - Treatment of lagged emissions.
  - Develop guidance whereby:
    - Developed countries apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC, with the improvement of the existing rules on LULUCF to close any loopholes;
    - Developing countries may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects.
- Accounting for adaptation;
  - Placeholder for outcome under agenda item 4;
- Support component of NDC:
  - Developed countries account for their NDCs on financial support in accordance with the modalities 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;
  - Developed countries to account for their NDCs on technology development and transfer and capacity-building with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding double counting;
- Harmonization of accounting rules with those developed by ICAO and IMO.
  - a. Input by Parties

*Parties agreed that submissions from Parties should be compiled in this document, with attribution to those Parties that wish to be attributed. For ease of identification, the input by Parties have been shaded.*

**Specific Elements on accounting**<sup>15</sup>**1. (Accounting for) Emissions and reference point**

- Parties to strive to use the most recent IPCC guidelines adopted by the CMA for their national GHG inventories for the NDCs relevant from 2031 (i.e. the NDCs communicated 9-12 months prior to COP31 in 2025) and may elect to do so in earlier communications (PA Art 4.11; 1/CP.21 para 22)
- Parties to use common IPCC metrics adopted by the CMA.
- Parties to ensure that the same accounting approaches, including baselines, methodologies, and definitions, are used throughout the NDC cycle or provide an explanation and the relevant information necessary to understand the implications of the changes made, through their biennial reports under the transparency framework.

**2. (Accounting for) Land sector**

- Parties that choose to include the land sector in their NDCs strive to continue to include it.
- Parties, when using existing guidance, provide information on the exact use of the guidance, including choices made within that guidance.

**3. (Accounting for) The use of Internationally transferred mitigation outcomes (ITMOs) towards NDCs**

- Accounting for the achievement of NDCs, which involves the use of ITMOs, should be done in accordance with the Article 6 guidance on corresponding adjustment taking into account the diversity of NDCs, including target year and period.

**Specific elements on specific accounting****1. Specific accounting guidance for all Parties**

- (a) **Common metrics** – to apply common metrics, as appropriate;
- (b) **Article 6 related accounting** – to avoid double counting when a Party use the ITMOs to implement the mitigation component of its NDC, with further guidance to be elaborated under the SBSTA agenda Item “matters related to Article 6 of the Paris Agreement”.

**2. Specific accounting guidance for developed country Parties****(a) Accounting for mitigation component of NDCs**

- Methodologies on GHGs – to 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;
- Methodologies and methodological consistency on other aspects of mitigation

<sup>15</sup> Input by Republic of Korea

component of NDCs, including on Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans – to 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 to ensure methodological consistency between the communication of NDCs and reporting on implementation;

- Categories of emissions and removals – to account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included;
- LULUCF related accounting – to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC, with the improvement of the existing rules on LULUCF to close any loopholes;

**(b) Accounting for support to be provided component of NDCs**

- Finance component of NDCs – to 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;
- Technology and capacity-building component of NDCs – to 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, with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding the double counting.

**3. Specific accounting guidance for developing country Parties**

**(a) Accounting for mitigation component of NDCs**

- Methodologies on GHGs – to follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of their different capacities and circumstances.
- Methodologies and methodological consistency on other aspects of mitigation component of NDCs, including on Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans – to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation.
- Categories of emissions and removals – to be allowed to choose the categories of emissions and removals, including sectors and gases covered in their NDCs, in a nationally determined manner;
- Forest related accounting for developing country Parties – may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;

**(b) Accounting for support needed related to NDCs by developing country Parties**

- To be encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to their NDCs.

## Specific elements of the accounting guidance

### 1. Accounting for mitigation targets in NDCs

#### a) Common metrics

- Applying common metrics should be taken into consideration.

#### b) Methodologies related to GHGs

- Developed country Parties should apply the IPCC 2006 and any updated good practice methodologies accepted by the IPCC.
- Developing country Parties should follow the IPCC methodology by choosing the most appropriate tier of the IPCC guidelines.

#### c) Methodologies related to other aspects

- Developed country Parties should use comparable methodologies and approaches to explain their other aspects of mitigation component of NDCs, including base years, baselines, reference levels, assumptions, domestic emissions, policies and using international transferred mitigation outcomes.
- Developing country Parties are allowed to use their own methodologies and approaches to explain other aspects of the targets in their NDCs, as appropriate.

#### d) LULUCF in developed country Parties

- Developed country Parties should apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC.

#### e) Forest in developing country Parties

- Developing country Parties are encouraged to account for their actions related to relevant sinks and reservoirs including forest, as referred to in Article 5 of the Paris Agreement.

#### f) *{placeholder and further mandate after 2018 for accounting issues related to Article 6 of the Paris Agreement}*

### 2. Accounting related to adaptation relevant targets in NDCs, as appropriate

### 3. Accounting for targets on provision of support in NDCs

- Developed country Parties are to account for their contributions on provision of support in accordance with Articles 4.5, 4.13, 9.7, 10 and 11 and paragraph 57 of decision 1/CP.21.

### **Specific Elements on accounting**

1. [placeholder outcome of Agenda item 5]
2. Accounting no text

### **Specific Elements on accounting**<sup>16</sup>

#### **Section III A. Understanding of accounting**

- 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”;

#### **Section III B. Objectives**

- Promote the principles contained in Article 4, paragraph 13, of the Paris Agreement are implemented in the process of reporting and tracking progress with implementing and achieving NDCs.
- Link between the NDCs and the information provided under the Enhanced Transparency Framework;
- Allow Parties to demonstrate that their most recent emission levels are consistent with targets, in accordance with the parameters and indicators they have set out in their own NDCs;
- Require Parties to clearly indicate (either in the NDC itself or in the transparency reports under article 13) which indicators and parameters the Party will adopt to track progress of their efforts, noting that developed country parties may not backtrack from existing requirements.
- The adoption of further requirements to developing countries is contingent upon the provision of new, additional and adequate resources to meet their agreed full costs;

#### **Section III C Capacity building**

- In accordance with Article 13, paragraph 14 and Article 13, paragraph 15, support shall be provided to assist developing country Parties in the accounting of their NDCs, including integrating and incorporating accounting elements in national MRV systems;
- Continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities on implementing the guidance for accounting;
- Incentivizing mechanisms should be established by the CMA to encourage and support developing country Parties to apply the guidance for accounting;

#### **Section III D. Drawing from approaches under the Convention and the Kyoto Protocol**

- Outline of the existing existing methods and guidance under the Convention and IPCC with references to the appropriate decisions and/or IPCC Publications

#### **Section III E. Principles**

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<sup>16</sup> Input by Argentina, Brazil and Uruguay

- Reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement,
- Parties should strive to increase coverage over time;
- Flexibility to be provided to developing country Parties in the scope and level of details related to application of the relevant guidance;

### Section III F. Procedural elements

#### a. Channel

- Reporting the accounting related to NDCs under the information provided under the enhanced Transparency Framework (Article 13 of the Paris Agreement);
- [PLACEHOLDER cross reference to guidance on Article 13]

#### b. Timing

- In accordance with 1/CP.21 paragraph 32, accounting guidance will apply to second and subsequent NDCs;

#### c. Revision

##### *Option 1*

- The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis.

##### *Option 2*

- No text on review

### Section III G. Specific elements / appendix

#### A. Methodologies and common metrics

*Edit heading of appendix section A*

- Use IPCC guidance as adopted by CMA;
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, an explanation shall be provided
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- The guidance should also adopt the metrics assessed by the IPCC to quantify emissions from different gases, the Global Warming Potential (GWP) and the Global Temperature Potential (GTP). In this context, Parties would be required to clearly indicate which metrics and values (i.e., from which Assessment Report) have been adopted to track progress of their NDCs, as well as to continue to report GHG inventories on a gas-by-gas basis and in units of mass.

**B. Methodological consistency***Edit heading of appendix section B*

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Describe any updates to data and parameters used during an implementation period, as applicable to the indicator(s) the Party has decided to track progress;
- Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- [PLACEHOLDER specific information for different types of NDCs]

**C. Parties strive to include all categories***Edit heading of appendix section C*

- Consistently to include all categories (gases, activities, pools) of anthropogenic emissions or removals;
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC. In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs.

**D. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

- Transparency
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- Accuracy
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)
  - Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
  - Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;

- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
  - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
- Environmental integrity and 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.

#### **E. Article 6 related accounting**

- With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms. This section requires only a cross reference to the guidance being developed under SBSTA.

#### **F. LULUCF**

*Edit heading of appendix section F*

- The Warsaw Framework for REDD+ guidance clearly states that REDD+ reference levels are exclusively for the purposes of obtaining results based finance. REDD+ is therefore NOT an accounting approach for tracking progress of NDCs, but to match action and support. Our group strongly objects to any reference to REDD+ under this agenda item.
- This section is not required, since it is already addressed in section A methodologies. There is no need to single out guidance to LULUCF, beyond the treatment of natural disturbances and hard wood products.

#### **G. Adaptation**

*Edit heading of appendix section G*

- Accounting for adaptation component of NDCs could be informed, if needed, by the discussions under APA Agenda Item 4 and the Adaptation Committee, the outcomes of which may form part of guidance for accounting as appropriate.

#### **H. Support**

*Edit heading of appendix section H*

- Developed countries to account for their NDCs on financial support in accordance with the modalities and procedures being developed under articles 9.5 and 9.7

## I. ICAO and IMO

*Edit heading of appendix section I*

- Delete section. The treatment of emissions in ICAO and IMO are outside the scope of the NDCs by definitions, considering they are not included in national inventory. Furthermore, references to IMO prejudice the outcomes of discussions under IMO on the kind of measures to be adopted. There are also reservations towards the use by ICAO of units and standards developed outside of the Convention. Any possible relationship, if any, between CORSIA and UNFCCC should be dealt under the guidance on Article 6.

## Specific elements on accounting<sup>17</sup>

### I. Methodological approaches to account for each component of mitigation contributions

#### 1. Contribution expressed in terms of GHG emissions

##### a) GHG emissions and removals (including the use of ITMOs)

##### i) General

- ✓ Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework.
- ✓ Striving to move towards economy-wide and cover all gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, SF<sub>6</sub>, PFCs and NF<sub>3</sub>) to include all categories of anthropogenic emissions and removals, and continuing to include those once included. In case Parties exclude any categories, the Parties provide an explanation of why these categories are excluded.
- ✓ When Parties improve coverage, methodologies, parameters or other elements of estimation of emissions corresponding to their NDCs, the 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 base year and/or the other reference point.

##### ii) Land sector

- ✓ Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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.
- ✓ Parties should follow the general guidance described above to account for land

<sup>17</sup> Input by Japan

sector.

- ✓ Parties may draw the accounting approaches from the existing methods and guidance under the Convention including on accounting of LULUCF activities decided by the CMP and accounting of REDD+ activities decided by the COP.
- ✓ Parties explain which approaches to use and the assumptions and coverage (e.g. land use categories, activities and/or carbon pools) related to the approaches. Parties specify the approaches for each land categories/activities/elements, if necessary.
- ✓ Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting.

iii) ITMOs (Credits/units)

- ✓ In accounting for credits/units used for achieving NDCs, Parties follow the guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, and the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Agreement.

b) Other components

Parties use the following guidance in addition to a) above, if relevant:

iv) Projected baseline

- ✓ Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable.
- ✓ Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These update should not lower ambitions of the Parties' NDCs.

v) Emissions intensity

- ✓ Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.

2. Non-GHG contributions including implementation of policies and measures

Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

## II. Tracking progress in implementation/achievement of NDCs and provision of information

1. Parties identify the quantified value including emissions or emissions intensity in the base year and/or the other reference point and the accounting approaches in accordance with section II of this guidance, and provide those information in accordance with the ICTU guidance.
2. During the timeframe or the implementation period, Parties track the progress in implementation of NDCs in accordance with paragraph 4 below, and provide the information on the progress and how they track it as well as any update on the information provided as per paragraph 1 above in accordance with the reporting guideline under the transparency framework.
3. After the end of the timeframe or the implementation period, Parties assess the achievement of NDCs in accordance with paragraph 4 below, and provide the information on the assessment

and how they assess it in accordance with the reporting guideline under the transparency framework.

4. Parties track progress in implementation and assess achievement of their NDCs including by following;
  - a) Contribution expressed in absolute emissions
    - ✓ Parties compare intended net emissions in the target year reflecting their NDCs, with actual net emissions in the year of tracking progress or target year based on the same assumptions and methodological approaches they used for preparing their NDCs.
    - ✓ Parties can take into account ITMOs in accordance with section II of this guidance.
  - b) Contribution expressed in emission intensity
    - ✓ Parties compare intended net emissions intensity in the target year reflecting their NDCs, with actual net emissions intensity in the year of tracking progress or target year based on the same assumptions and methodological approaches they used for preparing their NDCs.
    - ✓ Parties can take into account ITMOs in accordance with section II of this guidance.
  - c) Non-GHG contribution implementation of policies and measures
    - ✓ Based on the indicators identified to assess the progress and achievement of the targets by Parties, Parties compare the intended value of the indicators in the target year reflecting their NDCs, with the actual value in the year of tracking progress or target year.

## Specific elements for accounting <sup>18</sup>

### 1. General accounting principles

- Account in a manner that demonstrates TACCC and environmental integrity
- Strive for continuous improvement over time
- Information used to be consistent with, and underpinned by, inventory
- GHG mitigation contributions to be expressed in terms of tCO<sub>2e</sub>
- Accounting approaches to be based on sound science and evidence
- Parties strive to increase coverage over time
- Once a sector, gas, category is covered, should remain covered
- In constructing reference indicators avoid overestimating or underestimating and use verifiable information sources
  - Where projections are used, take into account all relevant policies and measures in place at time of construction, explaining exclusions
  - Demonstrate that parameters and values used are consistent with historical and publically available data
- Periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies, report any updates at the earliest opportunity
- Avoiding double counting

<sup>18</sup> Input by Australia

- a given outcome to be used toward a single NDC only

## 2. Metrics and methodologies

- Use IPCC guidance as adopted by CMA
- Use IPCC metrics as adopted by CMA

## 3. Methodological consistency

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency)
- Describe any updates to data and parameters used during an implementation period
- Describe any changes in approaches and assumptions, as relevant, between implementation periods
- Parties to describe at the earliest opportunity, how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s)
  - Maintain method of comparison throughout implementation period
- Describe approach to natural disturbance

## 4. Coverage

- For GHG targets, provide at earliest opportunity during implementation period:
  - description of sectors, gases, categories, pools covered; where they differ from inventory coverage and definitions
  - other definitions used as relevant (e.g. for forests)
- May increase coverage at any time, should communicate at next earliest opportunity
- Describe any changes in coverage between implementation periods
- Describe any changes in definitions between implementation periods
- General description of how the base year indicator(s), baseline(s), reference level(s) and projection(s) was constructed – including approaches, assumptions and relevant estimation methodologies,
  - Sectors, categories and gases, and as relevant, activities and pools, that have been included, including explaining exclusions or omissions
  - Policies and measures that have been included and their implementation timeframes, reasons for exclusion of relevant policies and measures
  - Contributions from sub-national or sectoral baselines, reference levels and projections as relevant

## 5. Use of Article 6 outcomes toward NDCs

- Placeholder, pending further developments in relation to Article 6.

We note that Australia has further views as to when and how information should be provided by Parties with regard to the above. This is outlined in our submission to the UNFCCC of 19 September 2017:

[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_356\\_131502678156998053-2017-Sept-APA%203%20Submission-Australia.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_356_131502678156998053-2017-Sept-APA%203%20Submission-Australia.pdf)

### Specific Elements on accounting

detailed list of elements for accounting

#### **Understanding of what is meant by accounting**

- Accounting of NDCs means being responsible for NDCs, which is understood in the context of the Paris Agreement that Parties should explain their NDCs in the communication and implementation stage in a responsible manner;
- Accounting mean Parties being responsible for their 'Nationally Determined Contributions' with the purpose to promote transparency of action and support with a view to enhance the mutual trust among Parties. The information is of ex-ante nature, i.e., before the NDCs are implemented.
- Accounting for NDCs means that Parties should be responsible for their NDCs by giving an explanation through certain methodologies and approaches, such as which sectors and gases will be included in their NDCs and what the meanings of relevant reference, parameters and other aspects of NDCs are. Accounting is also an important issue related to transparency;
- Accounting is the process where Parties use information from their national greenhouse gas inventories and other sources to track progress and compare outcomes against NDCs. Guidance for accounting should promote TACCC and environmental integrity, and help Parties accurately understand and track progress toward NDCs;
- Based on the indicators identified to assess the progress and achievement of the targets by Parties, Parties compare the intended value of the indicators in the target year reflecting their NDCs, with the actual value in the year of tracking progress or target year.
- Accounting of NDC is a set of methodologies used to measure implementation of NDC including anthropogenic emissions/removal of GHG;
- Accounting for their NDCs involves clarifying the mitigation targets set out in NDCs by providing the CTU information on the reference point, and assumptions and methodological approaches;
- Accounting of 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 are not common, "one size fits all" or mandatory for all;
- Accounting 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";
- Accounting consists in demonstrating the achievement of the objectives by providing through the biennial reports under the transparency framework, information on implemented results (e.g., national GHG inventory data, information on ITMOs, and other relevant information corresponding to the attributes of the mitigation targets) in relation to the target year(s);
- 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;

- Accounting will be used as a common tool for having NDC implementation progress being monitored, tracked, and aggregated;
- A robust accounting system is needed under the Paris Agreement:
  - to understand the expected mitigation effects of Parties' planned NDCs and the impacts of any overlaps between Parties' pledged efforts;
  - to track progress toward meeting pledged efforts and aggregate goals;
  - to 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.

#### **Objective/purpose of the guidance on accounting**

- The purpose of accounting guidance is to ensure that the principles contained in Article 4, paragraph 13, of the Paris Agreement are implemented in the process of reporting and tracking progress with implementing and achieving NDCs. This includes promoting/operationalizing transparency, accuracy, completeness, comparability and consistency; ensuring the avoidance of double-counting; and promoting environmental integrity;
- The basic purpose of guidance for accounting is to promote mutual trust among Parties and to provide the public a clear, accurate and comprehensive explanation on what Parties are planning to do on climate change;
- Purpose of the guidance under APA 3 is to help/assist Parties in fulfilling existing obligations under the Paris Agreement Article 4. No new obligations will derive from the guidance;
- A common/agreed methodology in tracking progress (before and after the implementation of NDC) and on how to aggregate various NDC;
- Having clear methodological approaches to estimate data related to these specific moments is crucial to report the progress on the implementation of Parties' NDCs under the enhanced transparency framework;
- Accounting guidance should provide support on how a Party could undertake a quantitative assessment on the achievement of its NDC;
- The accounting framework also has to be differentiated with differentiated guidance;
- Guidance is the link between the NDCs and the information provided under the Enhanced Transparency Framework; ○ Guidance on accounting for Parties NDCs should allow parties to demonstrate that their most recent emission levels are consistent with targets, in accordance with the parameters and indicators they have set out in their own NDCs;
- Guidance should require Parties to clearly indicate (either in the NDC itself or in the transparency reports under article 13) which of these the Party will adopt to track progress of their efforts, noting that developed country parties may not backtrack from existing requirements. The adoption of further requirements to developing countries is contingent upon the provision of new, additional and adequate resources to meet their agreed full costs;
- The objective of guidance is to clarify the contents of NDCs, progress made, and whether or not NDCs have been achieved in a rigorous and objective way;
- Guidance on which elements are relevant for "accounting for" progress towards and/or achievement of the NDC; guidance on how to "account for" progress towards and/or achievement of the NDC and guidance on how to count emissions and removals;
- Elements as relevant for accounting for progress towards and/or achievement of the NDC:

- I) inventory emissions and removals, II) information on emissions and/or removals in case the assumptions underlying the NDC differ from the inventory (e.g. land sector), III) transfers of ITMOs;
- Guidance elaborated under this item should assist each Party to demonstrate it is meeting this responsibility to account for its NDC.
  - The guidance on accounting for NDCs must accommodate:
    - the universal nature of obligations under Article 4;
    - the nationally determined nature of NDCs; and
    - the diversity of NDCs communicated.
  - The structure of the guidance to be developed under this agenda item could be outlined as follows:
    - Principles
      - Principles outlined in decision 1/CP/21, paragraph 31
    - Existing methods and guidance
      - Cross reference to relevant decisions and IPCC documents
      - Request to clearly indicate, in the NDC and biennial reports, the methods and guidance adopted to track progress. In case there has been changes between the communication of the NDC and the reports, a justification shall be provided.
    - Common metrics
      - Adoption of GWP and GTP (100 years) to estimate emissions
      - Obligation to continue to report GHG inventories on a gas-by-gas basis and in units of mass (this provision should also be reflected under the Enhanced Transparency Framework)
    - Additional elements
      - Guidance on the use of additional parameters, assumptions and/or indicators associated with the Party's NDC, as applicable
      - Additional elements of guidance associated to general types of mitigation targets, as applicable.
      - Cross reference to the decision on article 6, applicable to Parties that intend to use the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs.
  - Issues to be addressed in the guidance
    - 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)
      - 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
- Elements of guidance for accounting
  - Anthropogenic
    - exclusion of non-anthropogenic effects where possible, e.g.:
    - Use of Managed Land Proxy or use of methods to address/ exclude emissions and subsequent removals from natural disturbances on managed land
  - Environmental integrity
    - Demonstration mitigation represents real, measurable, and verifiable changes relative to baselines
  - Transparency, Accuracy, Consistency, Completeness, Comparability (Article 4.13)
    - Use of accurate and verifiable data; provision of information (e.g. data and methodology) to allow Technical Expert Review teams to reconstruct baselines/ projections
    - Avoiding under- and over-estimation (if you can be, be accurate; if you can't, be conservative)
    - Expression of GHG mitigation as tCO<sub>2</sub>-eq
  - Avoidance of double counting (Article 4.13)
    - Avoiding counting Mitigation outcomes more than once within or among Parties
  - Accounting methodologies
    - Use of latest IPCC guidance for GHG estimation
    - Drawing from existing methodologies for accounting: use of latest IPCC guidance, where available; taking existing guidance into account if no CMA guidance exists; explaining how existing guidance has been drawn from; alignment over time
    - Projection of baseline/reference level guidance for all Parties and all sectors
    - Application of KP-LULUCF IPCC guidance to inventory land-based categories
    - Accommodation of REDD+ mitigation
    - Use of IPCC metrics as adopted by CMA
  - Methodological consistency
    - Consistency in accounting approaches, assumptions, and definitions
    - Time series consistency
    - Consistency with GHG inventory
    - Process for updating/ recalculating of data and initial benchmark/ parameters
    - Inclusion of both emissions and removals consistently
  - Coverage
    - Application of guidance to sectors, gases, categories and pools
    - Inclusion of all source categories of emissions or removals adherence to
    - "Once in, always in" unbiased coverage

- Explanation of omitted categories
- Timeline or improvement plan for inclusion of omitted categories in future
- Explanation of how certain matters were considered when omitting categories

- 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;
- Specific accounting guidance is required for the different types of NDCs and should capture the range of NDCs adopted by Parties;
- Given the diversity of NDCs, the development of prescriptive guidance applicable to all types of NDCs would probably be a fruitless and/or vague exercise;
- Some provisions of the accounting guidance will be relevant to all NDCs, whereas others will be relevant only in certain circumstances based on the components determined as part of the NDCs. 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 voluntary cooperation under Article 6, would only apply to Parties that pursue such voluntary cooperation;
- Parties that determine additional parameters and/or indicators to track progress other than emission levels should also indicate these, including information on relevant methodologies, assumptions and/or statistical sources. There may be need therefore for additional elements to cater to specific types of NDCs, indicating or cross-referencing existing methods to follow the evolution of these other parameters and/or indicators. As such, for example, Parties that adopt intensity targets would be required to indicate the sources of statistical information used to measure their GDPs, unit of product/output, their populations, or other indicator, as appropriate. Parties that adopt "business as usual scenarios" would also clarify the premises, assumptions, models and calculations associated with their projections and their expected trajectories over time;
- 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;
- The guidance for accounting of Parties' NDCs should be in accordance with differentiated NDCs of developed and developing country Parties; o However, Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11. With a view to avoid duplication of work, the discussion on "accounting for" NDCs should refrain from elaborating on the use of market based mechanisms.

#### Linkages

- 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;
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;

- APA3 Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11. With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms;
- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
- 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:
  - Their national governance system, including their national transaction log;
  - How they will avoid double counting;
  - How they will avoid environmental impacts of such mechanisms;
  - How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development;
  - How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
  - 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.
- Specific accounting guidance is required for the relationship between accounting and GHG inventories, 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;
- 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;

- Accounting guidance only applies to relevant quantified elements of Parties' NDCs. It does not cover the full suite of information to be reported under Article 13.7(b) such as broader reporting on policies and measures;
- Further guidance must recognize the inherent difference in the nature and purpose of NDC accounting and Transparency accounting. While the former is ex-ante i.e. before the implementation of NDC, the latter is ex-post, i.e. after the implementation. The details of the information required of NDCs can therefore be less as compared to details of information pertaining to Transparency. Moreover, the purpose of NDC accounting is to give a sense of the planned actions by Parties, which can be then evaluated against actuals in the transparency framework;
- Guidance developed under this agenda sub-item is thus the link between the NDCs and the information provided under the Enhanced Transparency Framework. 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 appropriate. As such, Parties would be expected to report through the Enhanced Transparency Framework on emissions levels, estimated through their national inventories, against the targets they have established in their respective NDCs;
- The accounting guidance is an essential element to be able to aggregate progress across Parties under the Paris Agreement.

#### **Revision of the guidance**

- 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;
- Review and, if necessary, revision of guidance at a future point following experience with implementation;
- 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;
- The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis;

#### **Capacity of developing countries**

- Flexibility should be provided to developing country Parties in application of the relevant guidance;
- Guidance on accounting should accommodate different national capacities and national circumstances of Parties, and recognize different starting points;
- Along with difference in national capacities, national circumstances, and starting points, further guidance should also recognize the difference in historical responsibilities of Parties;
- Least developed countries and small island developing States may prepare and communicate strategies, plans and actions for low greenhouse gas emissions development reflecting their special circumstances (Article 4.6);
- Providing the different methodologies corresponding to components of a variety of NDCs would be one way of accommodating each Party's capacities and circumstances;
- The guidance should also take into consideration that Parties will improve environmental integrity, transparency, accuracy, completeness, comparability and consistency of their accounting over time.

### How to draw from existing approaches established under the Convention and the Kyoto Protocol (Decision 1/CP.21, para. 31)

- There are tremendous arrangements of accounting under the Convention and its Kyoto Protocol, which lays a basis for the work on accounting for mitigation targets;
- The guidance for accounting for mitigation targets in the NDCs by developed country Parties could be on the basis of the experience from the application of the accounting rules for quantified emission limitation or reduction commitments under the Kyoto Protocol, bearing in mind the difference between single-year targets in the NDCs and multi-year targets under the Kyoto Protocol;
- Some technical work could be conducted such as inviting relevant technical experts from the Secretariat to make a presentation on the existing arrangements under the Convention and its Kyoto Protocol. Developed country Parties are also invited to introduce their experience, practices and lessons learned on applying the arrangements for accounting under the Convention and its Kyoto Protocol;
- Existing guidance: Guidance can build on valuable experience and lessons learnt from the development and implementation of previous accounting frameworks (Article 4.14). The structure of the Paris Agreement and the nature of Parties' contributions are different to previous frameworks and the additional guidance provided under this item are necessary to allow Parties to account for NDCs in accordance with Article 4.13 and decision 1/CP.21 paragraph 31;
- As a first step, it is necessary to identify which existing accounting approaches under the Convention and its related legal instruments should serve as a basis for the accounting guidance under the Paris Agreement. In some areas, it may be possible to draw from existing approaches with simple references to existing decisions which would transfer the existing approach to the Paris Agreement. In other areas, the existing guidance may need some clarification or modifications in order to be applied under the Paris Agreement;
- Previous experiences showed that the use of an accounting balance will also be required to track progress with quantified NDCs. An accounting balance is a structured summary of all relevant quantified components that were determined as being part of the NDC, combining the information from GHG inventories, accounting of LULUCF activities, and information from voluntary cooperation under Article 6 in a transparent manner. It will be necessary to define the elements of an accounting balance, based on the provisions under the Paris Agreement and accounting elements of the NDCs;
- Use of GHG inventories under Article 13(7)(b) for the accounting for their NDCs when NDCs are expressed in terms of GHG emissions;
- Guidance related to emissions and removals from LULUCF that refers to approaches under the Convention and its legal instruments on which Parties could draw from include, inter alia:
  - Guidance on accounting for Harvested Wood Products (2/CMP.7, 2006 IPCC Guidelines, IPCC KP supplement);
  - Definition of LULUCF categories and activities (Annex to Decision 16/CMP.1, Paragraph 1, 2/CMP.7, Annex to Decision 13/CMP.1 IPCC 2006);
  - Guidance related to REDD+ (Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19);
  - Guidance on how to account for natural disturbances (IPCC KP supplement, Decision 2/CMP.7);
  - Guidance on the use of reference levels in the LULUCF and REDD+ Decisions (2/CMP.6, 2/CMP.7, IPCC KP supplement, Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19);

- Procedure for technical corrections of forest reference levels to ensure methodological consistency (Decision 1/CMP.6, 2/CMP.7, 1/CMP16; 13/CP.19);
- The guidance should flow from the existing provisions of Convention and its Kyoto Protocol, the latest IPCC guidelines and the best experiences drawn from national communications;
- The existing guidelines are well established and are already differentiated for developed and developing country Parties based on the principle of CBDR-RC;
- Guidance on how Parties may draw from existing approaches, and what to do where there is no appropriate existing approach;
- 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.

#### Principles for accounting

- Accounting guidance should support Parties in accounting for their NDCs, including integrating and incorporating accounting elements in national MRV systems;
- Guidance to facilitate understanding of quantitative progress in the implementation and achievement of NDCs;

- Guidance to facilitate the assessment of the collective progress towards achievement of the global mitigation goals;
- Guidance to promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and to ensure the avoidance of double counting;
- Key elements of the accounting will only be meaningful if they are included in the provision of ICTU as well;
- Reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement, particularly in line with differentiated NDCs of developed and developing country Parties;
- Consistent with the scope of NDCs and covering both actions and support component of
  - NDCs in accordance with Article 3 of the Paris agreement;
  - Guidance should maintain the nationally determined nature of NDCs;
  - Parties should strive to increase coverage over time;
  - Guidance in the form of 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;
  - Flexibility to be provided to developing country Parties in the scope and level of details related to application of the relevant guidance, with specific accounting approaches in developing country Parties' NDCs to 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;
  - Guidance to promote environmental integrity, the contribution from forest and land use must represent real, permanent and verifiable emission reductions that would not occur irrespective of the Party's actions. Permanence is particularly important with respect to contribution from forest and other land use, as removals is a slow process, while carbon from the terrestrial stock can be quickly released, e.g. due to change of policies and natural disasters;
  - A number of processes could give rise to the risk of double-counting, including during the estimation of national inventories and the use of internationally transferred mitigation outcomes (ITMOs). While specific guidance for these scenarios should be discussed under the appropriate agenda items, Parties should also develop general guidance on how to avoid double-counting under this sub-item. For example:
    - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward its NDC cannot also be used by another Party toward its own NDC;
    - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward account for its NDC cannot be re-used by that Party toward the same NDC or any future NDC;
    - Parties who voluntarily agree to share or transfer ITMOs under Article 6 are both responsible for demonstrating the environmental integrity of those ITMOs when accounting for them toward their NDC.
- The guidance should be facilitative and practical, in order to assist Parties in meeting their accounting obligations under the Agreement;
- Information used to be consistent with, and underpinned by, inventory;
- The differentiated framework of accounting guidance for developed country Parties needs to be rich in nature of information being accounted, types of information being

- accounted, and the level of details of the information being accounted. The information sought needs to be reasonable and commensurate to the capacities of the developed country Parties. Such a framework will ensure that developed country Parties are able to demonstrate the lead that they have been mandated to take under Articles 4.4 and 9.3. These levels of details will also inspire confidence in developing country Parties to undertake further ambitious NDCs;
- Developed countries to 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 to ensure methodological consistency between the communication of NDCs and reporting on implementation and developing countries to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
  - The guidance shall preserve the national determination of NDCs by respecting the accounting approaches embedded in their NDCs, which correspond to their different capacities and national circumstances;
  - The NDCs submitted by Parties use a variety of approaches in accounting for emissions (e.g. 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;
  - With respect to accounting for NDCs, paragraph 31 provides a sound basis for establishing a uniform approach to the development of common accounting rules;
  - 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 countries;
  - Reporting of GHG inventories 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;
  - 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.
  - 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;

- In measuring progress towards achievement of NDCs, the accounting impact of emissions and removals from the land sector and any internationally transferred mitigation outcomes must be taken into account (where appropriate). One way of doing this is by providing an 'accounting balance'. Measuring the final inventory figures against the stated objective of the NDC in the achievement phase would facilitate clarity with respect to achievement of the NDC;
- Timing of application
  - In accordance with 1/CP.21 paragraph 32, accounting guidance will apply to second and subsequent NDCs;
  - In accordance with paragraph 32 of decision 1/CP.21, Parties shall apply the guidance for accounting in their subsequent rounds of NDCs (from 2030 onwards). Parties may elect to apply the guidance for accounting in their NDCs up to 2030;
  - The first iteration of the guidance, to be adopted in 2018, should be sufficient to give confidence to national policymakers that their NDCs communicated after 2020, and corresponding accounting activities, will comply with rules and principles of Article 4 of the Paris Agreement as well as the mitigation section of 1/CP.21. Consistent with paragraph 32 of decision 1/CP.21, Parties may also elect to apply this guidance to their pre-2020
    - NDCs on a voluntary basis;
    - Each Party shall apply the following guidance for accounting of NDCs for the first NDC on the basis that:
      - a) they voluntarily elect to apply the guidance for the first NDC; or
      - b) they wish to avail themselves of Article 6, paragraph 2 or Article 6, paragraph 4 of the Paris Agreement in the achievement of the first or subsequent NDC.

#### Channel to report the accounting related to NDCs

- Parties could report the relevant information related to paragraph 31 (a)-(d) of decision 1/CP.21 in their NDCs documents and ensure the methodological consistency in their reports on the implementation under the transparency framework;
  - Since “Methodologies and assumptions related to accounting” are in the information list in paragraph 27 of decision 1/CP.21, Parties may report relevant information on accounting in their NDCs documents;
- Information needed to understand whether and/or to which extent a Party achieved its target, will vary according to target. The way to operationalize the principles in Art. 4.13 and paragraph 31 will therefore depend on the target:
  - For GHG targets, the national inventory reports (NIR) will provide a solid foundation for the accounting in line with these principles. Inventory information may need to be supplemented by other information, for example information on approaches for accounting for the land sector, the use of ITMOs or process indicators for tracking non-GHG and/or qualitative targets;
  - Developing accounting guidance for non-GHG targets seems more challenging. Parties have less experience with such targets, and they are less linked to the GHG inventories. Accounting for such targets should, as for all accounting, must be consistent with the principles in Art 4.13 and paragraph 31. Such accounting could include information on implementation of policies and measures that can

indicate if a Party has reached its target, and as well information on any other relevant progress indicators. As far as possible, Parties should estimate the effects of implementing the NDCs on their GHG emissions and removals;

- Regarding accounting for multiple targets we expect that Parties account for the range of target(s) put forward in their NDC, unless otherwise is stated in the first NDC/ICTU of the relevant target period.

#### **Tracking progress in implementation/achievement of NDCs and provision of information**

- Parties identify the quantified value including emissions or emissions intensity in the base year and/or the other reference point and the accounting approaches in accordance with section II of this guidance, and provide those information in accordance with the ICTU guidance.
- During the timeframe or the implementation period, Parties track the progress in implementation of NDCs in accordance with paragraph 4 below, and provide the information on the progress and how they track it as well as any update on the information provided as per paragraph 1 above in accordance with the reporting guideline under the transparency framework;
- After the end of the timeframe or the implementation period, Parties assess the achievement of NDCs in accordance with paragraph 4 below, and provide the information on the assessment and how they assess it in accordance with the reporting guideline under the transparency framework.

#### **Capacity-building for developing country Parties**

- In accordance with Article 13, paragraph 14 and Article 13, paragraph 15, support shall be provided to assist developing country Parties in the accounting of their NDCs, including integrating and incorporating accounting elements in national MRV systems;
- Continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities on implementing the guidance for accounting;
- Incentivizing mechanisms should be established by the CMA to encourage and support developing country Parties to apply the guidance for accounting;
- Support is addressed further under other APA and SBSTA agenda items;
- Capacity concerns must be addressed through strong and sustained capacity building support and frameworks for developing countries – not in the guidance, which should be common and applicable to all.

#### **Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))**

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty. The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- Developed countries to 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 and developing countries to follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of their different capacities and circumstances;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b);
  - Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
  - Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
  - Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
  - Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
  - Guidance on fair and ambition of NDC and contribution to achieve the objectives the Convention;
  - Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
  - The guidance should also adopt the metrics assessed by the IPCC to quantify emissions from different gases, the Global Warming Potential (GWP) and the Global Temperature Potential (GTP). In this context, Parties would be required to clearly indicate which metrics and values (i.e., from which Assessment Report) have been adopted to track progress of their NDCs, as well as to continue to report GHG inventories on a gas-by-gas basis and in units of mass;
  - Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
  - Methodological approaches to account for GHG goals under NDCs:
    - For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework);
    - The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels. Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.
  - Methodological approaches to account for non-GHG goals under NDCs:
    - Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed

capacity (GW)) and the estimation of GHG impacts of policies or actions implemented. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs.

- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- (Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
- 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 placing an undue burden on developing country Parties, particularly on SIDS;
- GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;

**Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;
- Developed countries to 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 to ensure methodological consistency between the communication of NDCs and reporting on implementation and developing countries to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period;
- Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what 'communication' and 'implementation' means in paragraph 31;

- Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
  - Avoid overestimating or underestimating and use verifiable information sources;
  - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
  - Following information to be provided:
    - General description of how the base year indicator(s), baseline(s), reference level(s) and projection(s) was constructed – including approaches, assumptions and relevant estimation methodologies;
    - Sectors, categories and gases, and as relevant, activities and pools, that have been included, including explaining exclusions or omissions;
    - Policies and measures that have been included and their implementation timeframes, reasons for exclusion of relevant policies and measures;
    - Contributions from sub-national or sectoral baselines, reference levels and projections as relevant.
- Base year indicators, baselines, reference levels and projections: Update
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes
  - Parties to describe at the earliest opportunity, how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.
- Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. It would typically include, for example:
  - For general emissions: Historical data and future assumptions relating to economic growth rates, population/demographics, energy prices (e.g., the prices

- of crude oil, refined petroleum products, natural gas, and electricity), emissions factors, and government policy decisions;
  - For land sector emissions and removals: Definitions; pools and gases included; approaches, methods and models used (including historical and projections); construction of the baseline, policies included, and impacts of natural disturbances, where appropriate.
- Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:
  - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
  - For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for the reference point/period and projections: This guidance could answer questions such as:
  - What criteria were employed to select reference point/period?
  - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
  - How and when should a baseline be re-calculated or updated?
- Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;
- When Parties improve coverage, methodologies, parameters or other elements of estimation of emissions corresponding to their NDCs, the 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 base year and/or the other reference point;
- Projected baseline
  - Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable;
  - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of

methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs.

- Emissions intensity
  - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures
  - Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Consistently to include all categories (gases, activities, pools) of anthropogenic emissions or removals;
- Developed countries to account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included and developing countries to be allowed to choose the categories of emissions and removals, including sectors and gases covered in their NDCs, in a nationally determined manner;
- Accounting guidance should clarify that 'all categories of emissions and removals in NDCs' on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
- As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. "deforestation" or "renewable energy") the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC. In this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party's national inventory can nevertheless be communicated as a separate component of the Party's NDC, alongside the Party's GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);
- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs. The coverage of the NDC shall be transparently explained as part of the information provided related to clarity,

transparency and understanding of the NDC under Paragraph 27 of Decision 1/CP.21 as well as part of the information under Article 13 (7)(b).

#### Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21

- Transparency
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
    - Accuracy
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)
  - Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
  - Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
  - Also, to ensure methodological consistency, accounting guidance should include a section on how a Party should calculate its baseline and how and when the Party should recalculate/update its baseline or reference point/period;
- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
  - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
- Environmental integrity and 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.

**LULUCF, forests and REDD+**

- 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 non-anthropogenic emissions;
- Parties should account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention. May cover natural disturbance and
  - other land related topics not sufficiently covered by other guidance;
- 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 for 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;
- Developed countries to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC, with the improvement of the existing rules on LULUCF to close any loopholes and developing countries may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
- Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories.
- Developed: LULUCF related accounting – to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC; for developing, forest related accounting for developing country Parties – may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
- Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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;
- Parties explain which approaches to use and the assumptions and coverage (e.g. land use categories, activities and/or carbon pools) related to the approaches. Parties specify the approaches for each land categories/activities/elements, if necessary;
- Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
- Parties are encouraged to include the land sector in their NDCs;

- Parties, when using existing guidance, provide information on the exact use of the guidance, including choices made within that guidance;
- Parties that choose to include the land sector in their NDCs shall continue to include it. Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products);
- 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 non-anthropogenic emissions.

#### **Accounting for adaptation**

- Accounting for adaptation component of NDCs could be informed, if needed, by the discussions under APA Agenda Item 4 and the Adaptation Committee, the outcomes of which may form part of guidance for accounting as appropriate.

#### **Support component of NDC**

- Developed countries to 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;
- Developed countries to account for their NDCs on technology development and transfer and capacity-building, with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding the double counting, and developing countries to be encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to their NDCs.

#### **Harmonization of accounting rules with those developed by ICAO and IMO**

- At this point, there is no clarity on how ICAO and IMO will progress their respective obligations, with the exception of ICAO and their CORSIA mechanism. Any specific accounting rules adopted by both specialized UN agencies, should be user friendly, and be harmonized with the current IPCC rules developed for calculating emissions from international bunker fuels. This is to ensure that there is transparency, clarity and understanding of what is reported by IMO and ICAO and it can clearly accepted by National Climate Change authorities as authentic in nature.

## Specific elements on accounting<sup>19</sup>

### A. Understanding of what is meant by accounting

- Accounting of NDCs means being responsible for NDCs, which is understood in the context of the Paris Agreement that Parties should explain their NDCs in the communication and implementation stage in a responsible manner;
- Accounting mean Parties being responsible for their ‘Nationally Determined Contributions’ with the purpose to promote transparency of action and support with a view to enhance the mutual trust among Parties. The information is of ex-ante nature, i.e., before the NDCs are implemented.
- Accounting for NDCs means that Parties should be responsible for their NDCs by giving an explanation through certain methodologies and approaches, such as which sectors and gases will be included in their NDCs and what the meanings of relevant reference, parameters and other aspects of NDCs are. Accounting is also an important issue related to transparency;
- Accounting is the process where Parties use information from their national greenhouse gas inventories and other sources to track progress and compare outcomes against NDCs. Guidance for accounting should promote TACCC and environmental integrity, and help Parties accurately understand and track progress toward NDCs;
- Based on the indicators identified to assess the progress and achievement of the targets by Parties, Parties compare the intended value of the indicators in the target year reflecting their NDCs, with the actual value in the year of tracking progress or target year.
- Accounting of NDC is a set of methodologies used to measure implementation of NDC including anthropogenic emissions/removal of GHG;
- Accounting for their NDCs involves clarifying the mitigation targets set out in NDCs by providing the CTU information on the reference point, and assumptions and methodological approaches;
- Accounting of 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 are not common, “one size fits all” or mandatory for all;
- Accounting 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”;
- Accounting consists in demonstrating the achievement of the objectives by providing through the biennial reports under the transparency framework, information on implemented results (e.g., national GHG inventory data, information on ITMOs, and other relevant information corresponding to the attributes of the mitigation targets) in relation to the target year(s);
- 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;
- Accounting will be used as a common tool for having NDC implementation progress being monitored, tracked, and aggregated;
- A robust accounting system is needed under the Paris Agreement:

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<sup>19</sup> Input by Norway

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

## B. Objective/purpose of the guidance on accounting

The purpose of accounting guidance is to ensure that the principles contained in Article 4, paragraph 13, of the Paris Agreement are implemented in the process of reporting and tracking progress with implementing and achieving NDCs. This includes promoting/operationalizing transparency, accuracy, completeness, comparability and consistency; ensuring the avoidance of double-counting; and promoting environmental integrity;

- The basic purpose of guidance for accounting is to promote mutual trust among Parties and to provide the public a clear, accurate and comprehensive explanation on what Parties are planning to do on climate change;
- Purpose of the guidance under APA 3 is to help/assist Parties in fulfilling existing obligations under the Paris Agreement Article 4. No new obligations will derive from the guidance;
- A common/agreed methodology in tracking progress (before and after the implementation of NDC) and on how to aggregate various NDC;
- Having clear methodological approaches to estimate data related to these specific moments is crucial to report the progress on the implementation of Parties' NDCs under the enhanced transparency framework;
- Accounting guidance should provide support on how a Party could undertake a quantitative assessment on the achievement of its NDC;
- The accounting framework also has to be differentiated with differentiated guidance
- Guidance is the link between the NDCs and the information provided under the Enhanced Transparency Framework;
- Guidance on accounting for Parties NDCs should allow Parties to demonstrate that their most recent emission levels are consistent with targets, in accordance with the parameters and indicators they have set out in their own NDCs;
- Guidance should require Parties to clearly indicate (either in the NDC itself or in the transparency reports under article 13) which of these the Party will adopt to track progress of their efforts, noting that developed country parties may not backtrack from existing requirements. The adoption of further requirements to developing countries is contingent upon the provision of new, additional and adequate resources to meet their agreed full costs;
- The objective of guidance is to clarify the contents of NDCs, progress made, and whether or not NDCs have been achieved in a rigorous and objective way;
- Guidance on which elements are relevant for "accounting for" progress towards and/or achievement of the NDC; guidance on how to "account for" progress towards and/or achievement of the NDC and guidance on how to count emissions and removals;
- Elements as relevant for accounting for progress towards and/or achievement of the NDC: I) inventory emissions and removals, II) information on emissions and/or removals in case the assumptions underlying the NDC differ from the inventory (e.g. land sector), III) transfers of ITMOs;

- Guidance elaborated under this item should assist each Party to demonstrate it is meeting this responsibility to account for its NDC.
- The guidance on accounting for NDCs must accommodate:
  - the universal nature of obligations under Article 4;
  - the nationally determined nature of NDCs; and
  - the diversity of NDCs communicated.
- The structure of the guidance to be developed under this agenda item could be outlined as follows:
  - Principles
    - Principles outlined in decision 1/CP/21, paragraph 31
  - Existing methods and guidance
    - Cross reference to relevant decisions and IPCC documents
    - Request to clearly indicate, in the NDC and biennial reports, the methods and guidance adopted to track progress. In case there has been changes between the communication of the NDC and the reports, a justification shall be provided.
  - Common metrics
    - Adoption of GWP and GTP (100 years) to estimate emissions
    - Obligation to continue to report GHG inventories on a gas-by-gas basis and in units of mass (this provision should also be reflected under the Enhanced Transparency Framework)
  - Additional elements
    - Guidance on the use of additional parameters, assumptions and/or indicators associated with the Party's NDC, as applicable
    - Additional elements of guidance associated to general types of mitigation targets, as applicable.
    - Cross reference to the decision on article 6, applicable to Parties that intend to use the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs.
- Issues to be addressed in the guidance
  - 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)
  - 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
- Elements of guidance for accounting
  - Anthropogenic
    - exclusion of non-anthropogenic effects where possible, e.g.:
    - Use of Managed Land Proxy or use of methods to address/ exclude emissions and subsequent removals from natural disturbances on managed land
  - Environmental integrity
    - Demonstration mitigation represents real, measurable, and verifiable changes relative to baselines
  - Transparency, Accuracy, Consistency, Completeness, Comparability (Article 4.13)
    - Use of accurate and verifiable data; provision of information (e.g. data and methodology) to allow Technical Expert Review teams to reconstruct baselines/ projections
    - Avoiding under- and over-estimation (if you can be, be accurate; if you can't, be conservative)
    - Expression of GHG mitigation as tCO<sub>2</sub>-eq
  - Avoidance of double counting (Article 4.13)
    - Avoiding counting Mitigation outcomes more than once within or among Parties
  - Accounting methodologie
    - Use of latest IPCC guidance for GHG estimation
    - Drawing from existing methodologies for accounting: use of latest IPCC guidance, where available; taking existing guidance into account if no CMA guidance exists; explaining how existing guidance has been drawn from; alignment over time
    - Projection of baseline/reference level guidance for all Parties and all sectors
    - Application of KP-LULUCF IPCC guidance to inventory land-based categories
    - Accommodation of REDD+ mitigation
    - Use of IPCC metrics as adopted by CMA
  - Methodological consistency
    - Consistency in accounting approaches, assumptions, and definitions
    - Time series consistency
    - Consistency with GHG inventory
    - Process for updating/ recalculating of data and initial benchmark/ parameters
    - Inclusion of both emissions and removals consistently
  - Coverage
    - Application of guidance to sectors, gases, categories and pools
    - Inclusion of all source categories of emissions or removals adherence to "Once in, always in" unbiased coverage

- Explanation of omitted categories
  - Timeline or improvement plan for inclusion of omitted categories in future
  - Explanation of how certain matters were considered when omitting categories
- o 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;
  - o Specific accounting guidance is required for the different types of NDCs and should capture the range of NDCs adopted by Parties;
  - o Given the diversity of NDCs, the development of prescriptive guidance applicable to all types of NDCs would probably be a fruitless and/or vague exercise;
  - o Some provisions of the accounting guidance will be relevant to all NDCs, whereas others will be relevant only in certain circumstances based on the components determined as part of the NDCs. 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 voluntary cooperation under Article 6, would only apply to Parties that pursue such voluntary cooperation;
  - o Parties that determine additional parameters and/or indicators to track progress other than emission levels should also indicate these, including information on relevant methodologies, assumptions and/or statistical sources. There may be need therefore for additional elements to cater to specific types of NDCs, indicating or cross-referencing existing methods to follow the evolution of these other parameters and/or indicators. As such, for example, Parties that adopt intensity targets would be required to indicate the sources of statistical information used to measure their GDPs, unit of product/output, their populations, or other indicator, as appropriate. Parties that adopt "business as usual scenarios" would also clarify the premises, assumptions, models and calculations associated with their projections and their expected trajectories over time;
  - o 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;
  - o The guidance for accounting of Parties' NDCs should be in accordance with differentiated NDCs of developed and developing country Parties;
  - o However, Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11. With a view to avoid duplication of work, the discussion on "accounting for" NDCs should refrain from elaborating on the use of market based mechanisms.

### C. Linkages

- o 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;

- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;
- APA3 Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11. With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms;
- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
- 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:
  - Their national governance system, including their national transaction log;
  - How they will avoid double counting;
  - How they will avoid environmental impacts of such mechanisms;
  - How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development;
  - How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
  - 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.
- Specific accounting guidance is required for the relationship between accounting and GHG inventories, 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;
- 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;

- Accounting guidance only applies to relevant quantified elements of Parties' NDCs. It does not cover the full suite of information to be reported under Article 13.7(b) such as broader reporting on policies and measures;
- Further guidance must recognize the inherent difference in the nature and purpose of NDC accounting and Transparency accounting. While the former is ex-ante i.e. before the implementation of NDC, the latter is ex-post, i.e. after the implementation. The details of the information required of NDCs can therefore be less as compared to details of information pertaining to Transparency. Moreover, the purpose of NDC accounting is to give a sense of the planned actions by Parties, which can be then evaluated against actuals in the transparency framework;
- Guidance developed under this agenda sub-item is thus the link between the NDCs and the information provided under the Enhanced Transparency Framework. 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 appropriate. As such, Parties would be expected to report through the Enhanced Transparency Framework on emissions levels, estimated through their national inventories, against the targets they have established in their respective NDCs;
- The accounting guidance is an essential element to be able to aggregate progress across Parties under the Paris Agreement.

#### **D. Revision of the guidance**

- 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;
- Review and, if necessary, revision of guidance at a future point following experience with implementation;
- 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;
- The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis;

#### **E. Capacity of developing countries**

- Flexibility should be provided to developing country Parties in application of the relevant guidance;
- Guidance on accounting should accommodate different national capacities and national circumstances of Parties, and recognize different starting points;
- Along with difference in national capacities, national circumstances, and starting points, further guidance should also recognize the difference in historical responsibilities of Parties;
- Least developed countries and small island developing States may prepare and communicate strategies, plans and actions for low greenhouse gas emissions development reflecting their special circumstances (Article 4.6);
- Providing the different methodologies corresponding to components of a variety of NDCs would be one way of accommodating each Party's capacities and circumstances;

- The guidance should also take into consideration that Parties will improve environmental integrity, transparency, accuracy, completeness, comparability and consistency of their accounting over time.

**F. How to draw from existing approaches established under the Convention and the Kyoto Protocol (Decision 1/CP.21, para. 31)**

- There are tremendous arrangements of accounting under the Convention and its Kyoto Protocol, which lays a basis for the work on accounting for mitigation targets;
- The guidance for accounting for mitigation targets in the NDCs by developed country Parties could be on the basis of the experience from the application of the accounting rules for quantified emission limitation or reduction commitments under the Kyoto Protocol, bearing in mind the difference between single-year targets in the NDCs and multi-year targets under the Kyoto Protocol;
- Some technical work could be conducted such as inviting relevant technical experts from the Secretariat to make a presentation on the existing arrangements under the Convention and its Kyoto Protocol. Developed country Parties are also invited to introduce their experience, practices and lessons learned on applying the arrangements for accounting under the Convention and its Kyoto Protocol;
- Existing guidance: Guidance can build on valuable experience and lessons learnt from the development and implementation of previous accounting frameworks (Article 4.14). The structure of the Paris Agreement and the nature of Parties' contributions are different to previous frameworks and the additional guidance provided under this item are necessary to allow Parties to account for NDCs in accordance with Article 4.13 and decision 1/CP.21 paragraph 31;
- As a first step, it is necessary to identify which existing accounting approaches under the Convention and its related legal instruments should serve as a basis for the accounting guidance under the Paris Agreement. In some areas, it may be possible to draw from existing approaches with simple references to existing decisions which would transfer the existing approach to the Paris Agreement. In other areas, the existing guidance may need some clarification or modifications in order to be applied under the Paris Agreement;
- Previous experiences showed that the use of an accounting balance will also be required to track progress with quantified NDCs. An accounting balance is a structured summary of all relevant quantified components that were determined as being part of the NDC, combining the information from GHG inventories, accounting of LULUCF activities, and information from voluntary cooperation under Article 6 in a transparent manner. It will be necessary to define the elements of an accounting balance, based on the provisions under the Paris Agreement and accounting elements of the NDCs;
- Use of GHG inventories under Article 13(7)(b) for the accounting for their NDCs when NDCs are expressed in terms of GHG emissions;
- Guidance related to emissions and removals from LULUCF that refers to approaches under the Convention and its legal instruments on which Parties could draw from include, inter alia:
  - Guidance on accounting for Harvested Wood Products (2/CMP.7, 2006 IPCC Guidelines, IPCC KP supplement);
  - Definition of LULUCF categories and activities (Annex to Decision 16/CMP.1, Paragraph 1, 2/CMP.7, Annex to Decision 13/CMP.1 IPCC 2006);
  - Guidance related to REDD+ (Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19);

- Guidance on how to account for natural disturbances (IPCC KP supplement, Decision 2/CMP.7);
- Guidance on the use of reference levels in the LULUCF and REDD+ Decisions (2/CMP.6, 2/CMP.7, IPCC KP supplement, Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19);
- Procedure for technical corrections of forest reference levels to ensure methodological consistency (Decision 1/CMP.6, 2/CMP.7, 1/CMP16; 13/CP.19);
- The guidance should flow from the existing provisions of Convention and its Kyoto Protocol, the latest IPCC guidelines and the best experiences drawn from national communications;
- The existing guidelines are well established and are already differentiated for developed and developing country Parties based on the principle of CBDR-RC;
- Guidance on how Parties may draw from existing approaches, and what to do where there is no appropriate existing approach;
- 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.

## Principles for accounting

- Accounting guidance should support Parties in accounting for their NDCs, including integrating and incorporating accounting elements in national MRV systems;
- Guidance to facilitate understanding of quantitative progress in the implementation and achievement of NDCs;
- Guidance to facilitate the assessment of the collective progress towards achievement of the global mitigation goals;
- Guidance to promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and to ensure the avoidance of double counting;
- Key elements of the accounting will only be meaningful if they are included in the provision of ICTU as well;
- Reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement, particularly in line with differentiated NDCs of developed and developing country Parties;
- Consistent with the scope of NDCs and covering both actions and support component of NDCs in accordance with Article 3 of the Paris agreement;
- Guidance should maintain the nationally determined nature of NDCs;
- Parties should strive to increase coverage over time;
- Guidance in the form of 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;
- Flexibility to be provided to developing country Parties in the scope and level of details related to application of the relevant guidance, with specific accounting approaches in developing country Parties' NDCs to 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;
- Guidance to promote environmental integrity, the contribution from forest and land use must represent real, permanent and verifiable emission reductions that would not occur irrespective of the Party's actions. Permanence is particularly important with respect to contribution from forest and other land use, as removals is a slow process, while carbon from the terrestrial stock can be quickly released, e.g. due to change of policies and natural disasters;
- A number of processes could give rise to the risk of double-counting, including during the estimation of national inventories and the use of internationally transferred mitigation outcomes (ITMOs). While specific guidance for these scenarios should be discussed under the appropriate agenda items, Parties should also develop general guidance on how to avoid double-counting under this sub-item. For example:
  - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward its NDC cannot also be used by another Party toward its own NDC;
  - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward account for its NDC cannot be re-used by that Party toward the same NDC or any future NDC;

- Parties who voluntarily agree to share or transfer ITMOs under Article 6 are both responsible for demonstrating the environmental integrity of those ITMOs when accounting for them toward their NDC.
- The guidance should be facilitative and practical, in order to assist Parties in meeting their accounting obligations under the Agreement;
- Information used to be consistent with, and underpinned by, inventory;
- The differentiated framework of accounting guidance for developed country Parties needs to be rich in nature of information being accounted, types of information being accounted, and the level of details of the information being accounted. The information sought needs to be reasonable and commensurate to the capacities of the developed country Parties. Such a framework will ensure that developed country Parties are able to demonstrate the lead that they have been mandated to take under Articles 4.4 and 9.3. These levels of details will also inspire confidence in developing country Parties to undertake further ambitious NDCs;
- Developed countries to 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 to ensure methodological consistency between the communication of NDCs and reporting on implementation and developing countries to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
- The guidance shall preserve the national determination of NDCs by respecting the accounting approaches embedded in their NDCs, which correspond to their different capacities and national circumstances;
- The NDCs submitted by Parties use a variety of approaches in accounting for emissions (e.g. 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;
- With respect to accounting for NDCs, paragraph 31 provides a sound basis for establishing a uniform approach to the development of common accounting rules;
- 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 countries;
- Reporting of GHG inventories 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;
- 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.
- 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;
- In measuring progress towards achievement of NDCs, the accounting impact of emissions and removals from the land sector and any internationally transferred mitigation outcomes must be taken into account (where appropriate). One way of doing this is by providing an 'accounting balance'. Measuring the final inventory figures against the stated objective of the NDC in the achievement phase would facilitate clarity with respect to achievement of the NDC;

#### Timing of application

- In accordance with 1/CP.21 paragraph 32, accounting guidance will apply to second and subsequent NDCs;
- In accordance with paragraph 32 of decision 1/CP.21, Parties shall apply the guidance for accounting in their subsequent rounds of NDCs (from 2030 onwards). Parties may elect to apply the guidance for accounting in their NDCs up to 2030;
- The first iteration of the guidance, to be adopted in 2018, should be sufficient to give confidence to national policymakers that their NDCs communicated after 2020, and corresponding accounting activities, will comply with rules and principles of Article 4 of the Paris Agreement as well as the mitigation section of 1/CP.21. Consistent with paragraph 32 of decision 1/CP.21, Parties may also elect to apply this guidance to their pre-2020 NDCs on a voluntary basis;
- Each Party shall apply the following guidance for accounting of NDCs for the first NDC on the basis that:
  - a) they voluntarily elect to apply the guidance for the first NDC; or
  - b) they wish to avail themselves of Article 6, paragraph 2 or Article 6, paragraph 4 of the Paris Agreement in the achievement of the first or subsequent NDC.

#### G. Channel to report the accounting related to NDCs

- Parties could report the relevant information related to paragraph 31 (a)-(d) of decision 1/CP.21 in their NDCs documents and ensure the methodological consistency in their reports on the implementation under the transparency framework;
  - Since "Methodologies and assumptions related to accounting" are in the information list in paragraph 27 of decision 1/CP.21, Parties may report relevant information on accounting in their NDCs documents;

- Information needed to understand whether and/or to which extent a Party achieved its target, will vary according to target. The way to operationalize the principles in Art. 4.13 and paragraph 31 will therefore depend on the target:
  - For GHG targets, the national inventory reports (NIR) will provide a solid foundation for the accounting in line with these principles. Inventory information may need to be supplemented by other information, for example information on approaches for accounting for the land sector, the use of ITMOs or process indicators for tracking non-GHG and/or qualitative targets;
  - Developing accounting guidance for non-GHG targets seems more challenging. Parties have less experience with such targets, and they are less linked to the GHG inventories. Accounting for such targets should, as for all accounting, must be consistent with the principles in Art 4.13 and paragraph 31. Such accounting could include information on implementation of policies and measures that can indicate if a Party has reached its target, and as well information on any other relevant progress indicators. As far as possible, Parties should estimate the effects of implementing the NDCs on their GHG emissions and removals;
  - Regarding accounting for multiple targets we expect that Parties account for the range of target(s) put forward in their NDC, unless otherwise is stated in the first NDC/ICTU of the relevant target period.

#### Tracking progress in implementation/achievement of NDCs and provision of information

- Parties identify the quantified value including emissions or emissions intensity in the base year and/or the other reference point and the accounting approaches in accordance with section II of this guidance, and provide those information in accordance with the ICTU guidance.
- During the timeframe or the implementation period, Parties track the progress in implementation of NDCs in accordance with paragraph 4 below, and provide the information on the progress and how they track it as well as any update on the information provided as per paragraph 1 above in accordance with the reporting guideline under the transparency framework;
- After the end of the timeframe or the implementation period, Parties assess the achievement of NDCs in accordance with paragraph 4 below, and provide the information on the assessment and how they assess it in accordance with the reporting guideline under the transparency framework.

#### H. Capacity-building for developing country Parties

- In accordance with Article 13, paragraph 14 and Article 13, paragraph 15, support shall be provided to assist developing country Parties in the accounting of their NDCs, including integrating and incorporating accounting elements in national MRV systems;
- Continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities on implementing the guidance for accounting;
- Incentivizing mechanisms should be established by the CMA to encourage and support developing country Parties to apply the guidance for accounting;
- Support is addressed further under other APA and SBSTA agenda items;

- Capacity concerns must be addressed through strong and sustained capacity building support and frameworks for developing countries – not in the guidance, which should be common and applicable to all.

**I. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))**

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty. The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- Developed countries to 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 and developing countries to follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of their different capacities and circumstances;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b);
- Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
- Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
- Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
- Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
- Guidance on fair and ambition of NDC and contribution to achieve the objectives the Convention;
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- The guidance should also adopt the metrics assessed by the IPCC to quantify emissions from different gases, the Global Warming Potential (GWP) and the Global Temperature Potential (GTP). In this context, Parties would be required to clearly indicate which metrics and values (i.e., from which Assessment Report) have been adopted to track progress of their NDCs, as well as to continue to report GHG inventories on a gas-by-gas basis and in units of mass;

- Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
- Methodological approaches to account for GHG goals under NDCs:
  - For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework);
  - The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels. Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.
- Methodological approaches to account for non-GHG goals under NDCs:
  - Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of GHG impacts of policies or actions implemented. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs.
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- (Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
- 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 placing an undue burden on developing country Parties, particularly on SIDS;
- GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;

**J. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it

measures its results. The guidance should explain to Parties how to apply these recalculations in practice;

- Developed countries to 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 to ensure methodological consistency between the communication of NDCs and reporting on implementation and developing countries to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period;
- Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what ‘communication’ and ‘implementation’ means in paragraph 31;
- Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
  - Avoid overestimating or underestimating and use verifiable information sources;
  - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
  - Following information to be provided:
    - General description of how the base year indicator(s), baseline(s), reference level(s) and projection(s) was constructed – including approaches, assumptions and relevant estimation methodologies;
    - Sectors, categories and gases, and as relevant, activities and pools, that have been included, including explaining exclusions or omissions;
    - Policies and measures that have been included and their implementation timeframes, reasons for exclusion of relevant policies and measures;

- Contributions from sub-national or sectoral baselines, reference levels and projections as relevant.
- o Base year indicators, baselines, reference levels and projections: Update
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- o Base year indicators, baselines, reference levels and projections: Comparison against outcomes
  - Parties to describe at the earliest opportunity, how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.
- o Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. It would typically include, for example:
  - For general emissions: Historical data and future assumptions relating to economic growth rates, population/demographics, energy prices (e.g., the prices of crude oil, refined petroleum products, natural gas, and electricity), emissions factors, and government policy decisions;
  - For land sector emissions and removals: Definitions; pools and gases included; approaches, methods and models used (including historical and projections); construction of the baseline, policies included, and impacts of natural disturbances, where appropriate.
- o Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- o To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- o In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:
  - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;

- For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
  - Guidance for the reference point/period and projections: This guidance could answer questions such as:
    - What criteria were employed to select reference point/period?
    - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
    - How and when should a baseline be re-calculated or updated?
  - Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
  - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;
  - When Parties improve coverage, methodologies, parameters or other elements of estimation of emissions corresponding to their NDCs, the 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 base year and/or the other reference point;
  - Projected baseline
    - Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable;
    - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs.
  - Emissions intensity
    - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
  - Non-GHG contributions including implementation of policies and measures
    - Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**K. Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Consistently to include all categories (gases, activities, pools) of anthropogenic emissions or removals;
- Developed countries to account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included and developing

- countries to be allowed to choose the categories of emissions and removals, including sectors and gases covered in their NDCs, in a nationally determined manner;
- Accounting guidance should clarify that ‘all categories of emissions and removals in NDCs’ on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
  - As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. “deforestation” or “renewable energy”) the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
  - Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
  - Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
  - There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC. In this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
  - Any mitigation goal that cannot be captured in a Party’s national inventory can nevertheless be communicated as a separate component of the Party’s NDC, alongside the Party’s GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);
  - Once a source, sink, gas, land category or activity is included in a Party’s NDC, this shall be included in subsequent NDCs, provided that it still occurs. The coverage of the NDC shall be transparently explained as part of the information provided related to clarity, transparency and understanding of the NDC under Paragraph 27 of Decision 1/CP.21 as well as part of the information under Article 13 (7)(b).

#### **L. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

- Transparency
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- Accuracy
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)

- Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
  - Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
  - Also, to ensure methodological consistency, accounting guidance should include a section on how a Party should calculate its baseline and how and when the Party should recalculate/update its baseline or reference point/period;
- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
  - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
- Environmental integrity and 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.

#### **M. LULUCF, forests and REDD+**

- 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 non-anthropogenic emissions;
- Parties should account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention. May cover natural disturbance and other land related topics not sufficiently covered by other guidance;
- 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 for 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;

- Developed countries to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC, with the improvement of the existing rules on LULUCF to close any loopholes and developing countries may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
- Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories.
- Developed: LULUCF related accounting – to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC; for developing, forest related accounting for developing country Parties – may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
- Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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;
- Parties explain which approaches to use and the assumptions and coverage (e.g. land use categories, activities and/or carbon pools) related to the approaches. Parties specify the approaches for each land categories/activities/elements, if necessary;
- Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
- Parties are encouraged to include the land sector in their NDCs;
- Parties, when using existing guidance, provide information on the exact use of the guidance, including choices made within that guidance;
- Parties that choose to include the land sector in their NDCs shall continue to include it.
- Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products);
- 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 non-anthropogenic emissions.

**N. Accounting for adaptation**

- Accounting for adaptation component of NDCs could be informed, if needed, by the discussions under APA Agenda Item 4 and the Adaptation Committee, the outcomes of which may form part of guidance for accounting as appropriate.

**O. Support component of NDC**

- Developed countries to 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;
- Developed countries to account for their NDCs on technology development and transfer and capacity-building, with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding the double counting, and developing countries to be encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to their NDCs.

**P. Harmonization of accounting rules with those developed by ICAO and IMO**

- At this point, there is no clarity on how ICAO and IMO will progress their respective obligations, with the exception of ICAO and their CORSIA mechanism. Any specific accounting rules adopted by both specialized UN agencies, should be user friendly, and be harmonized with the current IPCC rules developed for calculating emissions from international bunker fuels. This is to ensure that there is transparency, clarity and understanding of what is reported by IMO and ICAO and it can clearly accepted by National Climate Change authorities as authentic in nature.

**Specific elements on accounting**<sup>20</sup>**Accounting for Parties’ nationally determined contributions, as specified in paragraph 31**

1. Accounting guidance for Parties’ NDCs will be crucial to understand progress of individual and collective mitigation efforts. In order to meet this goal, Parties should be provided with guidance on methodological approaches for measuring and tracking progress towards achievement of mitigation goals during three specific moments of NDCs period:
  - i. At the starting point: methodological approaches related to calculation of the baseline/reference point and mitigation goals setting, for a certain type of NDC.
  - ii. During the implementation period: methodological approaches for measuring and tracking progress in the implementation of mitigation goals under A certain type of NDCs. Also, guidance should help Parties in the assessment of whether or not are on track to achieve those mitigation goals under their NDC.
  - iii. At the end of the implementation period: elements and methodological approaches that could help a given Party understand whether its NDC was achieved.

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<sup>20</sup> Input by AILAC

2. In consequence, having clear methodological approaches to estimate data related to these specific moments should be crucial to report the progress on the implementation of Parties' NDCs under the enhanced transparency framework.

3. Therefore, for AILAC, accounting guidance should include the following sections:

**a) Objectives**

- i To facilitate understanding of quantitative progress in the implementation and achievement of NDCs
- ii To facilitate the assessment of the collective progress towards achievement of the global mitigation goals.
- iii To promote environmental integrity, transparency, accuracy, completeness, comparability and consistency
- iv To ensure the avoidance of double counting

**b) Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

**i Transparency**

4. During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).

**ii Accuracy**

5. Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over-or underestimated.

**iii Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)**

6. Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC.

7. Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals.

8. Also, to ensure methodological consistency, accounting guidance should include a section on how a Party should calculate its baseline and how and when the Party should recalculate/update its baseline or reference point/period.

**iv Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)**

9. Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it.
10. Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.

**v Comparability**

11. In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.

**vi Environmental integrity and avoidance of double counting**

12. 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.

**vii Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (according to paragraph 31 a) of the decision 1/CP.21)**

13. Regardless of the type of NDC, over time, emissions reductions or efforts to divert an emissions pathway, should be reflected in a Party's total emissions. For this reason, AILAC considers that National GHG Inventories will be significant tools for monitoring NDCs<sup>21</sup>. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty. The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs.

**c) Methodological approaches to account for NDCs**

14. In order to ensure the principle of consistency described in the item b.iii it would be necessary that accounting guidance provides clarity on the following elements:

**i Guidance for the reference point/period and projections**

15. This guidance could answer questions such as:
- What criteria were employed to select *reference point/period*?
  - How to calculate/set a *baseline* (in the case of NDCs based on deviation from BAU emissions)?

<sup>21</sup> That should be complemented with indicators that allows to understand the progress of NDCs.

- How and when should a baseline be re-calculated or updated?

16. Also, Parties should be provided with general guidance for estimation of projections of GHG emissions and removals.

*ii Methodological approaches to account for GHG goals under NDCs*

17. For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework).

18. The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels. Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.

*iii Additional methodological approaches to account for non-GHG goals under NDCs*

19. Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of GHG impacts of policies or actions implemented. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs.

*iv Comparison against a baseline/reference point or expected emissions level*

20. Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal)

*v Accounting of ITMOS transferred and used for the achievement of the NDC thanks to the implementation of the Article 6 of the Paris Agreement*

21. Accounting guidance for ITMOs generated and transferred under cooperative approaches and the mechanism established in Articles 6.2 and 6.4, respectively, should be designed under SBSTA item where guidance, rules, modalities and procedures of the Article 6 have been developed.

*vi Accounting for land sector*

22. Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:

- i. Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories

- ii. Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products.
- iii. Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories

#### **vii Accounting balance**

23. Accounting guidance should provide support on how a Party could undertake a quantitative assessment on the achievement of its NDC (at the end of the implementation period).

### **Substantive elements on accounting**<sup>22</sup>

#### **A. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))**

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the most appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty.
- The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG accounting under Article 13(7)(b);
- Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
- Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
- Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
- Methodological approaches to account for GHG goals under NDCs:
  - Estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework);

<sup>22</sup> Input by Canada

- Methodological approaches to account for non-GHG goals under NDCs:
  - Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development should be provided for the estimation of GHG impacts of policies or actions implemented.
  - Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs;
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
- Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;
- Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
- The guidance should also adopt the metrics assessed by the IPCC and adopted by the UNFCCC: CO<sub>2</sub> eq based on the 100-year Global Warming Potential (GWP), as well as to continue to report GHG inventories on a gas-by-gas basis and in units of mass;
- Emissions intensity
  - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures;
- Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**B. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period; Describe any changes in approaches and assumptions, as relevant, between implementation periods;

- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what ‘communication’ and ‘implementation’ means in paragraph 31;
- Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
  - Avoid overestimating or underestimating and use verifiable information sources;
  - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
- Base year indicators, baselines, reference levels and projections: Update
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes
  - Parties to describe how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.
- Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies.
  1. Provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them.
  2. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. For example:
    - For general emissions: Historical data and future assumptions relating to economic growth rates, population/demographics, energy prices (e.g., the prices of crude oil, refined petroleum products, natural gas, and electricity), emissions factors, and government policy decisions.
    - For land sector emissions and removals: Definitions; pools and gases included; approaches, methods and models used (including historical and projections); construction of the baseline, policies included, and impacts of natural disturbances, where appropriate.

- Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:
  - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
  - For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for the reference point/period and projections: This guidance could answer questions such as:
  - What criteria were employed to select reference point/period?
  - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
  - How and when should a baseline be re-calculated or updated?
- Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;
- Projected baseline
  - Parties construct the projected emission level in the target year, identifying the policies and measures included;
  - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs.

**C. Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Accounting guidance should clarify that ‘all categories of emissions and removals in NDCs’ on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
- Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation and how they relate to existing categories from the IPCC guidelines;
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- Clearly indicate the sources and sinks that are not considered in the NDC and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party’s national inventory can nevertheless be communicated as a separate component of the Party’s NDC, alongside the Party’s GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);
- Once a source, sink, gas, land category or activity is included in a Party’s NDC, this shall be included in subsequent NDCs, provided that it still occurs.

**D. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

- Transparency
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- Accuracy
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over-or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)
  - Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
  - Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)

- Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
    - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (GWP-200) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
  - Environmental integrity
    - NDCs must deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort, and achieve a net decrease and/or avoidance of greenhouse gas emissions
    - Parties who voluntarily agree to share or transfer ITMOs under Article 6 are both responsible for demonstrating the environmental integrity of those ITMOs when accounting for them toward their NDC.
  - Avoidance of double counting
    - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward its NDC cannot also be used by another Party toward its own NDC;
    - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward account for its NDC cannot be re-used by that Party toward the same NDC or any future NDC;

#### **E. Article 6 related accounting**

- 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;
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;
- Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- The Article 6 guidance should define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11.

- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
- 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:
  - Their governance systems and transaction logs;
  - How they will avoid double counting;
  - How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
  - 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;
  - How they will avoid double counting, and ensure environmental integrity.
- Accounting guidance in relation to Article 6.2 will have to address 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;
- The proper application of internationally-agreed guidance must be a condition precedent for the recognition of transferred outcomes.

#### **F. Land sector accounting**

- Parties should account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention.
- Parties may account emissions and removals from land sector based different approaches, including:
  3. incorporate the emissions and removals from land sector with estimation of emissions from other sectors
  4. separate the emissions and removals from estimation of emissions from other sectors. Parties should clarify which approach is applied;

#### **G. Process guidance**

- Reports on progress will contain three streams:
  - i. The Objective stream estimates, calculates and updates the indicators that the Party chooses to define as the achievement of its NDC
  - ii. The Results stream shows changes in net emissions and removals over time, including net transfers of ITMOs
  - iii. The Achievement stream compares the Results against the Objective to track progress and determine achievement of NDC
- Reports on progress should be published in three stages:
  - i. The commencement report sets out the Party's accounting approach and compares its first-year Result to its estimated Objective, in order to establish a "starting point"
  - ii. Update reports compare the most recent Result available to a revised estimate of the Objective, in order to track progress
  - iii. The final report compares the final Results to the final Objective, in order to demonstrate achievement of the NDC

**H. Review of accounting guidance**

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

**Specific elements on accounting<sup>23</sup>**

We acknowledge the disclaimer in the preliminary material from the co-facilitators related to scope and differentiation. On this regard, the EU is of the view that this agenda item focuses on mitigation as per its mandate. On differentiation, we see the diversity of the NDCs as a key strength of the Paris Agreement. Through the concept of national determination, as well as through dynamic provisions such as in Article 4(3) and 4(4), the Agreement safeguards this diversity and operationalises the principle of CBDR-RC & NC. In determining their individual NDCs, Parties take into account their national circumstances, capabilities, and different starting points.

Consequently, the guidance needs to be sufficiently detailed in order to guide Parties in the formulation of their NDC. Given the diversity of the NDCs, parts of the guidance will only be applicable to certain NDCs, depending on what Parties included in their NDC. We call this idea applicability, although many other Parties refer to a similar approach using different wording (e.g. in the submissions we find “if applicable”, “where relevant”, references to types of targets...). However, we see applicability as a broader concept than one that refers to types of targets. Indeed, applicability not only refers to the types of contributions, but also to other elements that may give need for information, such as the sectors included, the intention to use cooperatives approaches from art 6, whether a Party has published a long term strategy under art 4.19, etc.

For this reason, some provisions of the accounting guidance will be applicable to all NDCs, whereas others will be relevant only in certain circumstances based on the components determined as part of the NDCs. The concept of applicability enables the elaboration of common guidance for Parties' differentiated contributions; therefore additional differentiation of the guidance itself is not required.

**A. Objectives and principles (Article 4(13))**

- Accounting guidance aims to promote environmental integrity, ensure transparency, accuracy, completeness, comparability and consistency and ensure the avoidance of double counting in the process of tracking progress with implementing and achieving NDCs at individual and collective level.

**B. Application of accounting guidance (paragraph 32 of decision 1/CP.21)**

- Mandatory application to the second and subsequent NDCs, Parties may elect to apply accounting guidance to their first NDCs.

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<sup>23</sup> Input by EU

**C. Methodologies and common metrics to account for anthropogenic emissions and removals (paragraph 31(a) of decision 1/CP.21)**

- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b)
- Adopt common metrics to calculate CO<sub>2</sub>equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress.

**D. Drawing from accounting approaches established under the Convention and its related legal instruments (paragraph 31 of decision 1/CP.21)**

- Description of how Parties' accounting approaches build on existing approaches under the Convention and its related legal instruments.
- Use of GHG inventories under Article 13(7)(b) for the accounting for their NDCs when NDCs are expressed in terms of GHG emissions
- Guidance on reference levels and/or baselines:
  - Reference level(s)/ baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels
  - Procedural guidance on updating/ changing reference levels and/or baselines and on ensuring methodological consistency
- Use of an accounting balance
- Use of voluntary cooperation under Article 6 and any additions/subtractions for the accounting balance
- Guidance related to emissions and removals from LULUCF that refers to approaches under the Convention and its legal instruments on which Parties could draw from and, if necessary, further explains how Parties could draw from this guidance under the Paris Agreement. Relevant decisions include inter alia:
  - Guidance on accounting for Harvested Wood Products (2/CMP.7, 2006 IPCC Guidelines, IPCC KP supplement)
  - Definition of LULUCF categories and activities (Annex to decision 16/CMP.1, para 1, 2/CMP.7, Annex to decision 13/CMP.1 IPCC 2006)
  - Guidance related to REDD+ (Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19)
  - Guidance on how to account for natural disturbances (IPCC KP supplement, decision 2/CMP.7)
  - Guidance on the use of reference levels in the LULUCF and REDD+ Decisions (2/CMP.6, 2/CMP.7, IPCC KP supplement, Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19)
  - Procedure for technical corrections of forest reference levels to ensure methodological consistency (Decision 1/CMP.6, 2/CMP.7, 1/CMP.16; 13/CP.19)

**E. Ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (paragraph 31(b) of decision 1/CP.21)**

- Elaborate accounting guidance that helps Parties to understand what they are expected to do to ensure methodological consistency as addressed in paragraph 31 of decision 1/CP.21. Such guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what 'communication' and 'implementation' means in paragraph 31.
- Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies.
- Accounting guidance should establish procedures for how changes to baselines/ reference levels(s) should be communicated and implemented.

**F. Parties strive to include all categories of anthropogenic emissions or removals in their NDCs and provide an explanation of why any categories of anthropogenic emissions or removals are excluded (para 31 (c) and (d) of decision 1/CP.21)**

- Accounting guidance should clarify that ‘all categories of emissions and removals in NDCs’ on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines.
- As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/ gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organisation of emissions is used (e.g. “deforestation” or “renewable energy”) the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines.
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs.

**G. Continuity of coverage across implementation periods (paragraph 31 (d) of decision 1/CP.21)**

- Once a source, sink, gas, land category or activity is included in a Party’s NDC, this shall be included in subsequent NDCs, provided that it still occurs. The coverage of the NDC shall be transparently explained as part of the information provided related to clarity, transparency and understanding of the NDC under paragraph 27 of decision 1/CP.21 as well as part of the information under Article 13 (7)(b).

**H. Accounting guidance related to Article 6**

**Placeholder:**

- The accounting guidance related to voluntary cooperation under Article 6 is discussed under its respective SBSTA agenda items. Under APA 3 the Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, some information related to voluntary cooperation under Article 6 must be transparently reflected in the accounting balance, as one element for the tracking of progress towards achieving NDC.

**Specific elements on accounting**

When accounting for Parties’ nationally determined contributions, as referred to in Article 4, paragraph 13, of the Agreement:

- (a) Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
- (b) Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions;
- (c) Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it;

(d) Parties shall provide an explanation of why any categories of anthropogenic emissions or removals are excluded;

When accounting for nationally determined contributions, as referred to in Article 4, paragraph 13:

Parties account for all categories of categories of anthropogenic emissions or removals included in their nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement:

1. Parties strive to account for all pools and gasses relevant to the categories included in their nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement;

*(Baselines)*

2. Parties, to the extent that they use a projected baseline, neither over nor underestimate the results that would have been expected in the absence of additional measures;
3. Projected baselines to be subject to a technical expert review upon communication, to assess consistency with paragraph 7;
4. Parties maintain baselines or basepoints unchanged after communication, with the exception of technical corrections;

*(Methodological Consistency)*

1. Parties ensure methodological consistency between the design of the nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement, consistent with UFI, including inter alia:
  - a. The methodological approach for accounting communicated consistent with decision XXX (UFI), and the approach used to account for the implementation and achievement of the nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement;
  - b. The methodological approach used for baseline or basepoint construction, and the methodological approach used for accounting;

*(Methodologies and common metrics)*

1. Parties with GHG targets expressed in terms of GHG emissions reductions:
  - a. Ensure methodological consistency between the GHG estimations used as a basis for accounting, and those reported through the national inventory report;
2. Parties use the most recent IPCC guidance and guidelines as agreed by the CMA when accounting for anthropogenic emissions and removals;
3. Parties use 100-year GWP as the metric to aggregate GHG emissions and removals into CO<sub>2</sub> equivalents;
4. Parties accounting for Harvested Wood Products use a production approach, consistent with IPCC guidance;

*(Other target types)*

5. For nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement with sectoral components:
  - a. Each sector to be accounted for consistent with the sectoral definitions as communicated consistent with UFI;

6. For nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement with a target expressed in terms other than greenhouse gas emissions below a baseline or basepoint:
  - a. to be accounted for consistent with the definitions as communicated consistent with UFI;
7. For nationally determined contributions submitted in accordance with Article 4 of the Paris Agreement that include mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans, targets related to the implementation of specific policies and measures, or other targets not quantified in terms of greenhouse gases:
  - a. Parties provide an estimation of the greenhouse gas impacts associated with the implementation and achievement, if applicable, of the target.
8. For nationally determined contributions achieved in part through the use of internationally transferred mitigation outcomes, or in a country which has transferred internationally transferred mitigation outcomes for use by another stakeholder or another Party, accounting including the avoidance of double counting to be completed in accordance with guidance from Article 6.

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#### Specific elements on accounting

##### **A. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31 (a))**

**Insert:** "Accounting for GHG emissions and removals by sinks shall be done in accordance with the 2006 IPCC Guidelines, and any subsequent guidance adopted by the CMA, recognizing the need to support LDCs and SIDS to progressively improve their application of methodologies and common metrics."

**Insert:** "Support for developing countries, in particular LDCs and SIDS, is critical to ensure the continuity of data and improving the quality of accounting over time."

##### **Article 6 related accounting**

**Insert:** "Guidance should cover reporting on how parties will avoid environmental impacts, contribute to sustainable development and avoid adverse consequences to sustainable development, and demonstrate additionality of Article 6 mechanisms."

## Elements of guidance for accounting<sup>24</sup>

### (Article 4.13 requirements)

#### A. Anthropogenic

- exclusion of non-anthropogenic effects where possible, e.g :
  - o Use of Managed Land Proxy
  - o Use of methods to address/ exclude emissions and subsequent removals from natural disturbances on managed land

#### B. Environmental integrity

- Demonstration mitigation represents real, measurable, and verifiable changes relative to baselines

#### C. Transparency, Accuracy, Consistency, Completeness, Comparability (4.13)

- Use of accurate and verifiable data; provision of information (e.g. data and methodology) to allow Technical Expert Review teams to reconstruct baselines/ projections
- Avoiding under- and over-estimation (if you can be, be accurate; if you can't, be conservative)
- Expression of GHG mitigation as tCO<sub>2</sub>-eq

#### D. Avoidance of double counting (4.13)

- Avoiding counting Mitigation outcomes more than once within or among Parties

### (1/CP.21, paragraph 31 requirements)

#### E. Accounting methodologies

- Use of latest IPCC guidance for GHG estimation
- Drawing from existing methodologies for accounting:
  - o Use of latest IPCC guidance, where available
  - o Taking existing guidance into account if no CMA guidance exists
  - o Explaining how existing guidance has been drawn from
  - o Alignment over time
- Projection of baseline/reference level guidance for all Parties and all sectors
- Application of KP-LULUCF IPCC guidance to inventory land-based categories
- Accommodation of REDD+ mitigation
- Use of IPCC metrics as adopted by CMA

#### F. Methodological consistency

- Consistency in accounting approaches, assumptions, and definitions
- Time series consistency
- Consistency with GHG inventory
- Process for updating/ recalculating of data and initial benchmark/ parameters
- Inclusion of both emissions and removals consistently

#### G. Coverage

- Application of guidance to sectors, gases, categories and pools

<sup>24</sup> Input by New Zealand

- Inclusion of all source categories of emissions or removals
- Adherence to "Once in, always in"
- unbiased coverage

#### H. Explanation of omitted categories

- Timeline or improvement plan for inclusion of omitted categories in future
- Explanation of how certain matters were considered when omitting categories

### Specific elements on accounting <sup>25</sup>

#### First proposal (GDP based)

#### C. ) Parties with GDP higher than 100 billion (in US\$) and those in a position to do so

##### A. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty.
- The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b);
- Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
- Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
- Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
- Methodological approaches to account for GHG goals under NDCs:
  - For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework);
  - The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels.

<sup>25</sup> Input by Switzerland

Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.

- Methodological approaches to account for non-GHG goals under NDCs:
  - Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of GHG impacts of policies or actions implemented. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs;
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
- Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;
- Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
- Emissions intensity
  - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures;
- Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**B. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period; Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what 'communication' and 'implementation' means in paragraph 31;
- Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;

- Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
  - Avoid overestimating or underestimating and use verifiable information sources;
  - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
- Base year indicators, baselines, reference levels and projections: Update
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes
  - Parties to describe how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.
- Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:
  - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
  - For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for the reference point/period and projections: This guidance could answer questions such as:
  - What criteria were employed to select reference point/period?
  - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
  - How and when should a baseline be re-calculated or updated?
- Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and

the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;

- Projected baseline
  - Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable;
  - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs.

**C. Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Accounting guidance should clarify that 'all categories of emissions and removals in NDCs' on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
- As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. "deforestation" or "renewable energy") the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC. In this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party's national inventory can nevertheless be communicated as a separate component of the Party's NDC, alongside the Party's GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);
- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs.

**D. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

- Transparency
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- Accuracy
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)

- Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
- Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
  - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
- Environmental integrity and 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.

#### **E. Article 6 related accounting**

- 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;
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;
- Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- The Article 6 guidance should define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11.
- With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms;
- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
- 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:
  - Their national governance system, including their national transaction log;

- How they will avoid double counting;
  - How they will avoid environmental impacts of such mechanisms;
  - How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development;
  - How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
  - 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.
- 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.

#### **F. LULUCF, forests and REDD+**

- 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 non-anthropogenic emissions;
- Parties should account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention. May cover natural disturbance and other land related topics not sufficiently covered by other guidance;
- Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories.
- Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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;
- Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
- Parties are encouraged to include the land sector in their NDCs;
- Parties that choose to include the land sector in their NDCs shall continue to include it.
- Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products).

**D. ) Parties with GDP lower than 100 billion (in US\$)****A. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))**

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty.
- The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b);
- Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
- Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
- Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
- Methodological approaches to account for GHG goals under NDCs
- Methodological approaches to account for non-GHG goals under NDCs
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
- Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;
- Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
- Emissions intensity
  - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures;
- Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**B. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period; Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations

to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;

- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period; Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what ‘communication’ and ‘implementation’ means in paragraph 31; Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
  - Avoid overestimating or underestimating and use verifiable information sources;
  - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
- Base year indicators, baselines, reference levels and projections: Update
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes
  - Parties to describe how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.
- Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:

- Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
- For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for the reference point/period and projections: This guidance could answer questions such as:
  - What criteria were employed to select reference point/period?
  - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
  - How and when should a baseline be re-calculated or updated?
- Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;
- Projected baseline
  - Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable;
  - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs.

**C. Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Accounting guidance should clarify that 'all categories of emissions and removals in NDCs' on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
- As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. "deforestation" or "renewable energy") the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC. In this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party's national inventory can nevertheless be communicated as a separate component of the Party's NDC, alongside the Party's GHG target.

However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);

- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs.

#### **D. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

- **Transparency**
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- **Accuracy**
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- **Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)**
  - Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
  - Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
- **Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)**
  - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- **Comparability**
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
- **Environmental integrity and 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.

#### **E. Article 6 related accounting**

- 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;
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;

- Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- The Article 6 guidance should define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11.
- With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms;
- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
- 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:
  - Their national governance system, including their national transaction log;
  - How they will avoid double counting;
  - How they will avoid environmental impacts of such mechanisms;
  - How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development;
  - How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
  - 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.
- 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.

#### **F. LULUCF, forests and REDD+**

- 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 non-anthropogenic emissions;
- Parties should account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention. May cover natural disturbance and other land related topics not sufficiently covered by other guidance;
- Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories.

- Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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;
- Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
- Parties are encouraged to include the land sector in their NDCs;
- Parties that choose to include the land sector in their NDCs shall continue to include it.
- Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products).

### Second proposal (based on emissions)

#### **C. ) Parties with a share of global emissions higher than 1% and those in a position to do so**

##### **A. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))**

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty.
- The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b);
- Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
- Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
- Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
- Methodological approaches to account for GHG goals under NDCs:
  - For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework);
  - The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels. Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.
- Methodological approaches to account for non-GHG goals under NDCs:

- Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of GHG impacts of policies or actions implemented. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs;
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
- Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;
- Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
- Emissions intensity
  - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures;
- Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**B. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period; Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what 'communication' and 'implementation' means in paragraph 31;
- Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
  - Avoid overestimating or underestimating and use verifiable information sources;

- Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
- Base year indicators, baselines, reference levels and projections: Update
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes
  - Parties to describe how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.
- Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:
  - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
  - For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for the reference point/period and projections: This guidance could answer questions such as:
  - What criteria were employed to select reference point/period?
  - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
  - How and when should a baseline be re-calculated or updated?
- Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties’ NDCs;
- Projected baseline
  - Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable;

- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs.

**C. Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Accounting guidance should clarify that 'all categories of emissions and removals in NDCs' on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
- As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. "deforestation" or "renewable energy") the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC. In this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party's national inventory can nevertheless be communicated as a separate component of the Party's NDC, alongside the Party's GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);
- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs.

**D. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

- Transparency
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- Accuracy
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)
  - Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;

- Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
  - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it; \Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
- Environmental integrity and 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.

#### **E. Article 6 related accounting**

- 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;
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;
- Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- The Article 6 guidance should define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11.
- With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms;
- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
- 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:
  - Their national governance system, including their national transaction log;
  - How they will avoid double counting;
  - How they will avoid environmental impacts of such mechanisms;
  - How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development;

- How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
  - 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.
- 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.

#### **F. LULUCF, forests and REDD+**

- 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 non-anthropogenic emissions;
- Parties should account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention. May cover natural disturbance and other land related topics not sufficiently covered by other guidance;
- Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories.
- Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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;
- Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
- Parties are encouraged to include the land sector in their NDCs;
- Parties that choose to include the land sector in their NDCs shall continue to include it.
- Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products).

#### **D. ) Parties with a share of global emissions lower than 1%**

##### **A. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))**

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty.

- The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b);
- Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
- Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
- Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
- Methodological approaches to account for GHG goals under NDCs
- Methodological approaches to account for non-GHG goals under NDCs
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
- Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
- GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;
- Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
- Emissions intensity
  - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures;
- Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**B. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period; Describe any changes in approaches and assumptions, as relevant, between implementation periods;

- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what ‘communication’ and ‘implementation’ means in paragraph 31;
- Accounting guidance should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
  - Avoid overestimating or underestimating and use verifiable information sources;
  - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
- Base year indicators, baselines, reference levels and projections: Update
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes
  - Parties to describe how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.
- Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:
  - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
  - For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for the reference point/period and projections: This guidance could answer questions such as:
  - What criteria were employed to select reference point/period?

- How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
- How and when should a baseline be re-calculated or updated?

- Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;

**C. Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Accounting guidance should clarify that 'all categories of emissions and removals in NDCs' on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
- As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. "deforestation" or "renewable energy") the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC. In this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party's national inventory can nevertheless be communicated as a separate component of the Party's NDC, alongside the Party's GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);
- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs.

**D. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**

- Transparency
  - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- Accuracy
  - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)

- Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
- Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
  - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
- Environmental integrity and 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.

#### **E. Article 6 related accounting**

- 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;
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;
- Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- The Article 6 guidance should define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11.
- With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms;
- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
- 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:
  - Their national governance system, including their national transaction log;

- How they will avoid double counting;
  - How they will avoid environmental impacts of such mechanisms;
  - How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development;
  - How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
  - 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.
- 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.

#### **F. LULUCF, forests and REDD+**

- 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 non-anthropogenic emissions;
- Parties should account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention. May cover natural disturbance and other land related topics not sufficiently covered by other guidance;
- Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories.
- Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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;
- Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
- Parties are encouraged to include the land sector in their NDCs;
- Parties that choose to include the land sector in their NDCs shall continue to include it.
- Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products).

**Specific elements on accounting**<sup>26</sup>**A. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))**

- National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use, [in accordance with CBDR-RC in light of their different national circumstances](#), the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty.
- The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
- Use IPCC guidance as adopted by CMA;
- Developed countries to 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 and developing countries to follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of their different capacities and circumstances;
- Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b)<sup>27</sup>;
- Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
- Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
- Guidance [to developed country parties](#) on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
- Guidance on fair and ambition of NDC and contribution to achieve the objectives the Convention;
- [Developed country](#) Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a [developed country](#) Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- Parties should, [as appropriate and in accordance with CBDR-RC in light of their different national circumstance](#), use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
- Methodological approaches to account for GHG goals under NDCs, [as appropriate and in accordance with CBDR-RC in light of different national circumstance](#):

<sup>26</sup> Input by AGN

<sup>27</sup> Comment: Missing clear indication that:

\*Accounting of GHG emissions and removals by sinks shall be done in accordance with the 2006 IPCC Guidelines, and any subsequent guidance adopted by the CMA, with full flexibility for developing countries, in light of their capabilities, and particularly for SIDS and LDCs.

\*Support for developing countries, in particular LDCs and SIDS, is critical for ensuring the continuity and access to data, and improving the quality of accounting over time

- For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework);
  - The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels. Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.
- Methodological approaches to account for non-GHG goals under NDCs, [as appropriate and in accordance with CBDR-RC in light of different national circumstance](#):
- Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of GHG impacts of policies or actions implemented. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs.
- Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
  - Each Party shall [\[should, as appropriate and in accordance with CBDR-RC in light of different national circumstance\]](#) prepare a national inventory and shall [\[should\]](#) complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
  - Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should [\[may\]](#) explain how they are striving to improve their practices over time;
  - GHG mitigation contributions to be expressed in terms of tCO<sub>2</sub>e;
  - Adopt common metrics to calculate CO<sub>2</sub> equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress, [as appropriate](#);
  - The guidance should also adopt the metrics assessed by the IPCC to quantify emissions from different gases, the Global Warming Potential (GWP) and the Global Temperature Potential (GTP). In this context, Parties, [in accordance with CBDR-RC and in light of their different national circumstances](#) would be required to clearly indicate which metrics and values (i.e., from which Assessment Report) have been adopted to track progress of their NDCs, as well as to continue to report GHG inventories on a gas-by-gas basis and in units of mass.

**B. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Maintain, [as appropriate and in accordance with CBDR-RC and in light of their different national circumstances](#) consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;
- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make

improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;

- Developed countries to 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 to ensure methodological consistency between the communication of NDCs and reporting on implementation and developing countries to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period; Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Guidance should elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what ‘communication’ and ‘implementation’ means in paragraph 31;
- Accounting guidance should establish procedures that Parties should follow [at their discretion](#), in case of methodological inconsistencies;
- Accounting guidance [for developed country parties](#) should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance [for developed country parties](#) on reference levels and/or baselines:
  - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction [to be communicated by developed country parties shall/ should](#):
  - Avoid overestimating or underestimating and use verifiable information sources;
  - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
  - Demonstrate that parameters and values used are consistent with historical and publicly available data;
- Base year indicators, baselines, reference levels and projections: Update [to be communicated by developed country parties](#):
  - Should periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes [to be communicated by developed country parties shall/ should](#):
  - [Parties to d](#) Describe how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
  - Maintain method of comparison throughout implementation period.

- [Developed country](#) Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- [Developed country parties](#) To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, [developed country](#) Parties must in their accounting include information on:
  - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
  - For the construction of baselines and reference levels, [these](#) Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for [developed country Parties related to](#) the reference point/period and projections: This guidance could answer questions such as:
  - What criteria were employed to select reference point/period?
  - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
  - How and when should a baseline be re-calculated or updated?
- [Developed country](#) Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;
- [Developed country](#) Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, [these](#) Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the [developed country](#) Parties’ NDCs;
- Projected baseline
  - [Developed country](#) Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable;
  - [Developed country](#) Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, [developed country](#) Parties should provide explicit explanations of why and how they update the projected emission level and

the change in the methodologies and assumptions. These updates should not lower ambitions of the [developed country](#) Parties' NDCs.

- Emissions intensity
  - [Developed country](#) Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures
  - [Developed country](#) Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.

**C. Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, paras. C) and d)**

- Consistently to include all categories (gases, activities, pools) of anthropogenic emissions or removals, [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#);
- Developed countries to account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included and developing countries to be allowed to choose the categories of emissions and removals, including sectors and gases covered in their NDCs, in a nationally determined manner;
- Accounting guidance should clarify that 'all categories of emissions and removals in NDCs' on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
- As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. "deforestation" or "renewable energy") the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
- Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs, [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#);
- Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#), prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC. In this case, the Party should [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#) clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party's national inventory can nevertheless be communicated as a separate component of the Party's NDC, alongside the Party's GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);

- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs.

#### D. Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21

- Transparency
  - During the entire NDCs implementation period, Parties should [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#) provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
- Accuracy
  - Parties should [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#) increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
- Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)
  - Parties should [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#) ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
  - Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#) to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
- Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
  - Parties should [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#) strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
  - Parties should [as appropriate in accordance with CBDR-RC in light of their different national circumstances](#) provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
- Comparability
  - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, [developed country](#) Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that [developed country](#) Parties should be used to communicate and track progress of their NDCs.
- Environmental integrity and 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.

#### E. Article 6 related accounting

- 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;
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;
- Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
- Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
- The Article 6 guidance should define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;
- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11.
- With a view to avoid duplication of work, the discussion on “accounting for” NDCs should refrain from elaborating on the use of market based mechanisms;
- The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs;
- 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 it.
- 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.
- Guidance should include reporting on how parties will avoid environmental impacts, contribute to sustainable development and avoid adverse consequences to sustainable development.
- The Guidance should ensure that the mechanisms are additional to what would have occurred in occurred in their absence.

## F. LULUCF, forests and REDD+

- 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 non-anthropogenic emissions;
- Parties should account for anthropogenic emissions and removals in the land sector<sup>28</sup> consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention. May cover natural disturbance and other land related topics not sufficiently covered by other guidance;
- 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 for 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;
- Developed countries to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC, with the improvement of the existing rules on LULUCF to close any loopholes and developing countries may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
- Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories.
- Developed: LULUCF related accounting – to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC; for developing, forest related accounting for developing country Parties – may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
- Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land 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;
- Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
- Parties are encouraged to include the land sector in their NDCs;
- Parties that choose to include the land sector in their NDCs shall continue to include it.
- Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some

<sup>28</sup> Comment: There is need to use agreed language

accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products).

#### **G. Accounting for adaptation**

- Accounting for adaptation component of NDCs could be informed, if needed, by the discussions under APA Agenda Item 4 and the Adaptation Committee, the outcomes of which may form part of guidance for accounting as appropriate.

#### **H. Support component of NDC <sup>29</sup>**

- Developed countries to 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;
- Developed countries to account for their NDCs on technology development and transfer and capacity-building, with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding the double counting, and developing countries to be encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to their NDCs.

#### **I. Harmonization of accounting rules with those developed by ICAO and IMO**

- At this point, there is no clarity on how ICAO and IMO will progress their respective obligations, with the exception of ICAO and their CORSIA mechanism. Any specific accounting rules adopted by both specialized UN agencies, should be user friendly, and be harmonized with the current IPCC rules developed for calculating emissions from international bunker fuels. This is to ensure that there is transparency, clarity and understanding of what is reported by IMO and ICAO and it can clearly accepted by National Climate Change authorities as authentic in nature.

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<sup>29</sup> Comment: This section needs to include something on support for NDC development, information, accounting (i.e. this process).