

Review practice guidance: zoom-in Emissions reduction target

3rd BRs and NCs lead reviewers meeting



**Bernd Hackmann, Barbara Muik, Mitigation Data Analysis programme,
UNFCCC secretariat
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Quantified economy-wide emission reduction target

- The EU 2020 target
- Revised target definition compared to that reported in the previous BR
- External target-related information sources

Quantified economy-wide emission reduction target

- “Each Annex I Party shall describe its quantified economy-wide emission reduction target, including any conditions or assumptions that are relevant to the attainment of that target, as communicated to the secretariat and contained in document FCCC/SB/2011/INF.1/Rev.1 or any update to that document”

The EU 2020 target

- Different target definitions under the Convention and the Kyoto Protocol
- EU target for individual EU Member States

The EU 2020 target – Convention vs. KP

	<i>EU target</i>	
	Convention	Second commitment period of the Kyoto Protocol
Target	Emissions 20% below the 1990 level in 2020	Emissions 20% below the base year level throughout the commitment period
Joint agreement	Only EU member States	Includes Iceland
International aviation	Included	Not included
LULUCF	Not included	Included
NF3	Not included	Included
GWP	IPCC AR4	IPCC AR4
Base year	1990	1990, but subject to flexibility rules. 1995 or 2000 may be used as the base year for NF3

The EU 2020 target – Targets for individual EU members

- EU 2020 climate and energy package
 - EU ETS and the EU ESD
 - The ESD sets annual national emission reduction targets for all member States
- Description of how the EU target translates into the EU member States' national ESD target should be part of the description of the quantified economy-wide emission reduction target

The EU 2020 target – Targets for individual EU members

- No convergence among ERTs on the need for the EU member States to describe how the EU target translates into national target in terms of t CO₂ eq
- No convergence among ERTs on where to capture information in the TRR (e.g. II.A; II.B; II.C)

The EU 2020 target – Targets for individual EU members

- The ERT should reflect in the TRR whether the Party provided a description of how the EU target translates into its national target for emissions not covered by the EU ETS in terms of tonnes of carbon dioxide equivalent (t CO₂ eq).
- If the BR does not include such a description, the ERT could state in section II.C of the TRR: “The ERT noted that a description by Party X in its next BR of how the EU target translates into its national target for emissions not covered by the EU ETS in terms of t CO₂ eq would increase the transparency of the reporting on the target.”



The EU 2020 target – Targets for individual EU members

- “Under the ESD, PARTY has to reduce its emissions not covered under the EU ETS by X per cent by 2020 compared with the 2005 level. In absolute terms, this means that PARTY has to reduce emissions from sectors covered by the ESD from X kt CO₂ eq (2005) to X kt CO₂ eq in 2020.”
- “The BR1 includes all of the information on the target required by the UNFCCC reporting guidelines on BRs. However, the ERT noted that a description of how the EU target translates into PARTY national target for emissions not covered by the EU ETS in its next BR would greatly increase the transparency of the reporting on the target.”



Revised target definition compared to that reported in the previous BR

- The BR2s include information regarding GHG emissions and removals that will be based on the **newly adopted** UNFCCC Annex I inventory reporting guidelines
 - Use of the new GWPs from the IPCC AR4;
 - Inclusion of new GHGs;
 - Enhanced reporting on national inventory arrangements;
 - Inclusion of a new mandatory sector (agriculture, forestry and other land use (AFOLU)) and source and sink categories.

Revised target definition compared to that reported in the previous BR

- **Potential impact** on
 - GHG emissions and trends,
 - Description of the Party's economy-wide emission reduction target, and
 - Progress made towards the achievement of the target.
- Any differences in this regard will need to be adequately addressed by the ERTs, clarified and factually noted in the TRR2

Revised target definition compared to that reported in the previous BR

- During the review:
 - The ERT should compare the information reported in the BR with that reported in the previous BR submission (BR1)
 - If the ERT observes any discrepancies or has any questions, it should consult and clarify these with the Party
- In the TRR, the ERT should:
 - Clearly highlight any changes to the target definition;
 - Include any clarifications provided by the Party during the review or in the BR
 - Provide a factual assessment of the effects of the changing target definition (e.g. how the change in GWPs affects the GHG emission levels in the base year/target year)

Revised target definition compared to that reported in the previous BR

- “The ERT notes that Party X **updated its target definition** based on the GWPs included in the AR4. The ERT further notes that the **change** in GWPs resulted in X, Y, Z changes with regard to the Party’s target. Specifically, the Party’s base year GHG emissions are now equal to X t CO₂ eq compared to Y t CO₂ eq reported in the BR1, while the target year GHG emissions are estimated to be Z t CO₂ eq compared to W t CO₂ eq as previously reported in the BR1.”

External target-related information sources

- Targets under the Kyoto Protocol and under the Convention, domestic targets, conditional targets, quantified economy-wide emission reduction targets and INDCs.
- Any comparison of information included in the BR on the 2020 quantified economy-wide emission reduction target with information related to the INDCs or any other target is out of the scope of the review of the BRs.
- The ERTs should not assess the INDCs or the progress made towards reaching that target.

External target-related information sources

- If a Party does include information in the BR on its INDC, then the ERT can take note of this information without including any “encouragements” or “recommendations” with regard to that target.
- “The ERT noted the INDC target reported by Party X in its BR which is (exact information provided by Party on its INDC target).”

Progress in the achievement of the target

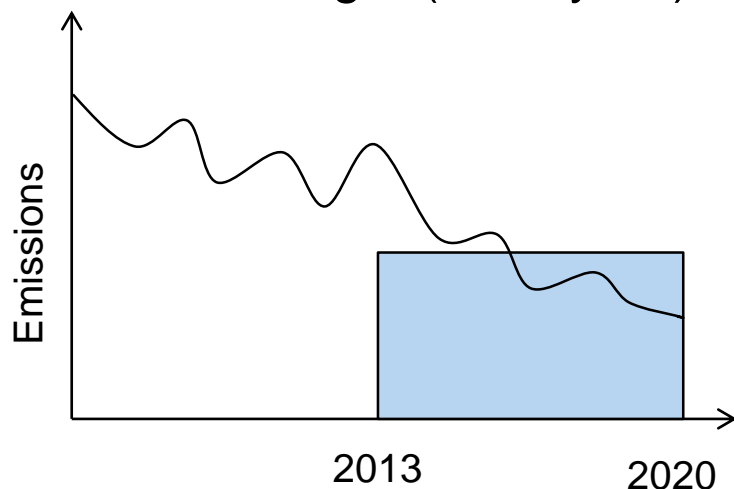
- Progress made towards achieving the target
- Contribution of LULUCF towards achieving the target
- Contribution of units from market-based mechanisms towards achieving the target

Progress in the achievement of the target

- Decision 23/CP.19, para. 59 states that the purpose of the technical review of BR's is amongst others to undertake an **examination of the Party's progress in achieving its economy-wide emission reduction target**.
- The assessment whether a Party is making progress towards its target is essential, as this is also a focus of the subsequent multilateral assessment.

Issues related to the progress towards the target

Carbon budget (multi-year) vs



Accounting:

Emission allowance (2013-2020) =

AAUs + RMUs + other acquired units

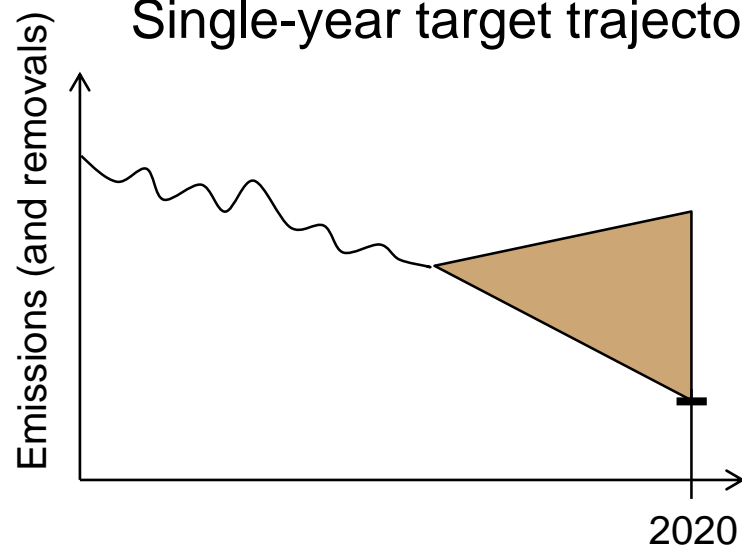


Units issued for LULUCF accounting

Carbon budget
based on per cent reduction from base year

Ex-post assessment of accounts

Single-year target trajectory



Progress towards target:

Emissions (year x)

+ LULUCF emissions/removals (year x)

+ acquired units from market based mechanisms
(year x) = Target value (year x)



Not defined

For 2020: per cent reduction from base year

Ex-ante assessment of trend and gap analysis



Progress in the achievement of the target

- To reflect a Party's progress, the ERT should include:
 - Factual statement of the **main PaMs/strategies** that are contributing to achieving the target
 - **Emission level** (including LULUCF and the use of credits) in the latest reported year, compared with the base year level and the target year level
 - **Projected emission** level in the target year and whether the Party projects that it will meet the target
- On the basis of this information, the ERT should assess from a **technical point of view** whether the Party is making progress towards achieving its target.

Progress in the achievement of the target

- “The ERT noted that Party X is making progress towards its emission reduction target by implementing/planning the implementation of mitigation actions and by using units from market-based mechanisms and through the contribution of LULUCF.”
- “The ERT noted that Party X faces challenges in achieving its target by implementing mitigation actions that deliver the necessary emission reductions in order to make progress towards its target.”

Contribution of LULUCF towards achieving the target

- In some cases the Parties' targets under the Kyoto Protocol differ from their Convention targets
 - Some Parties exclude LULUCF in their Convention targets
 - Some Parties use different accounting approaches for LULUCF (e.g. a land-based approach under the Convention versus an activity-based approach under the Kyoto Protocol)
- Differences lead to inconsistent information in the BR text and tables, including inconsistent information between CTF tables 2 and 4

Contribution of LULUCF towards achieving the target

- If there are doubts about the reported information, the ERT should clarify with the Party
 - Whether LULUCF is or is not included in the target
 - Whether the Party applies the land-based or activity-based approach to counting emissions from the LULUCF sector
- And reflect the correct information in the TRR

Contribution of LULUCF towards achieving the target

- If inconsistent information is provided, or if a Party erroneously reports in BR CTF table 4 the contribution from LULUCF, the ERT should:
 - Note in the review report the reported information
 - Decide what the correct information should be
 - Provide a recommendation for the Party to enhance the transparency of its reporting by providing the correct information in its next submission

Contribution of LULUCF towards achieving the target

- For Parties that do include LULUCF in their target under the Convention

All emissions
without LULUCF

Net emissions or removals from
LULUCF, calculated by the Party using
the selected approach for LULUCF

= Emissions excluding
LULUCF + Net emissions
or removals from LULUCF

Year	Emissions excluding LULUCF	LULUCF emissions/ removals	Emissions including LULUCF
2011	(A)	(B)	(C) = (A)+(B)

All emissions
without LULUCF

Not applicable
NA

Not applicable
NA

- For Parties that do not include LULUCF in their target under the Convention

Contribution of units from market-based mechanisms towards achieving the target

- In some cases Parties reported inconsistently on their use of units for achieving their targets
 - Some Parties did not report on the use of units although they indicated the intention to use
 - Some Parties confused reporting the use of units under the Convention with the reporting of units in the Kyoto Protocol registry, which includes the issued AAUs for KP accounting
- Unclear or inaccurate reporting of information in the BR and CTF tables and inconsistencies between the information reported in the text and in the tables



Contribution of units from market-based mechanisms towards achieving the target

- If there are doubts about the reported information, the ERT should clarify with the Party
 - Whether the Party intends to use units from market-based mechanisms to achieve its target
 - Whether the information on the quantity of units provided in CTF table 4 is consistent with the approach specified for the target
- And reflect the correct information in the TRR

Contribution of units from market-based mechanisms towards achieving the target

- If inconsistent information is provided, or if a Party erroneously reports in BR CTF table 4 the use of units, the ERT should:
 - Note in the review report the reported information
 - Decide what the correct information should be
 - Provide a recommendation for the Party to enhance the transparency of its reporting by providing the correct information in its next submission

Contribution of units from market-based mechanisms towards achieving the target

- For Parties that intend to use units to achieve the target

Any units acquired by the Party, which are used to achieve the target (can be 0 for particular years)

Year	Use of units from market-based mechanisms
2011	(D)

Not applicable
NA

- For Parties that do not intend to use units to achieve the target

Thank you!!

