

# Training programme on the review of national communications and biennial reports

**TARGETS, POLICIES AND MEASURES, THEIR EFFECTS AND CONTRIBUTION TO ACHIEVING THOSE TARGETS**

11<sup>th</sup> lead reviewer meeting. Bonn, 7 March 2014

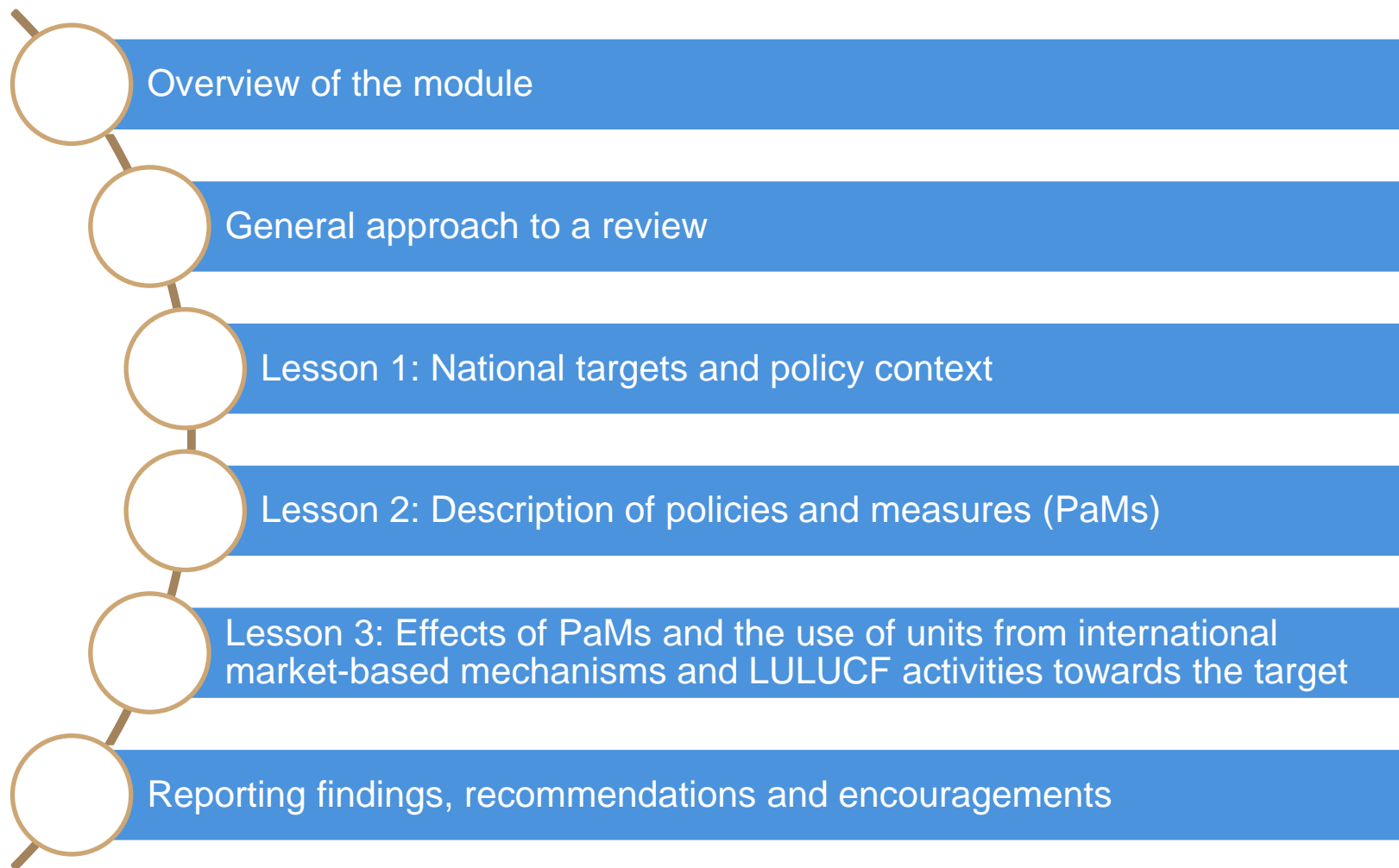


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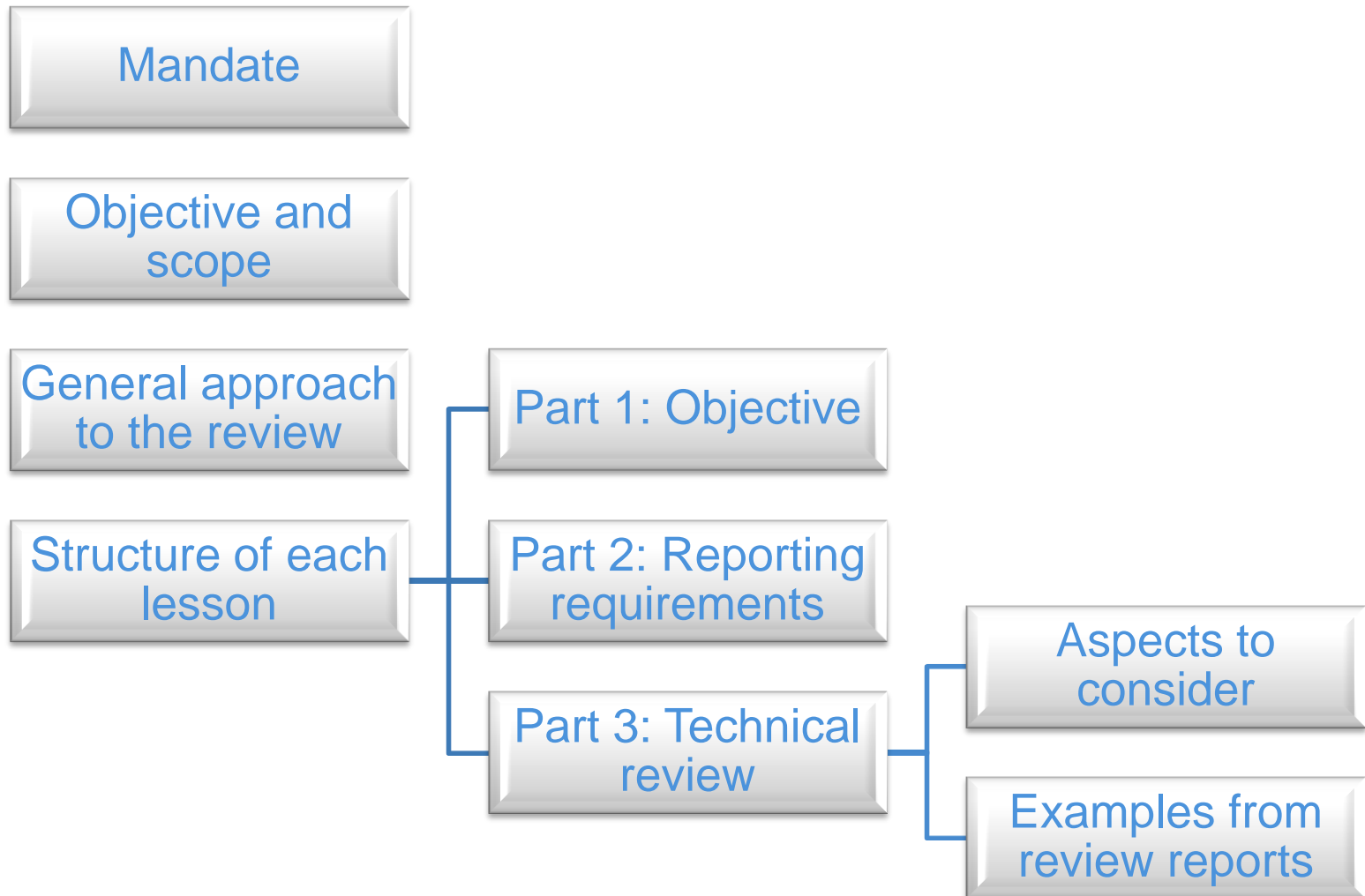
## Outline of the presentation

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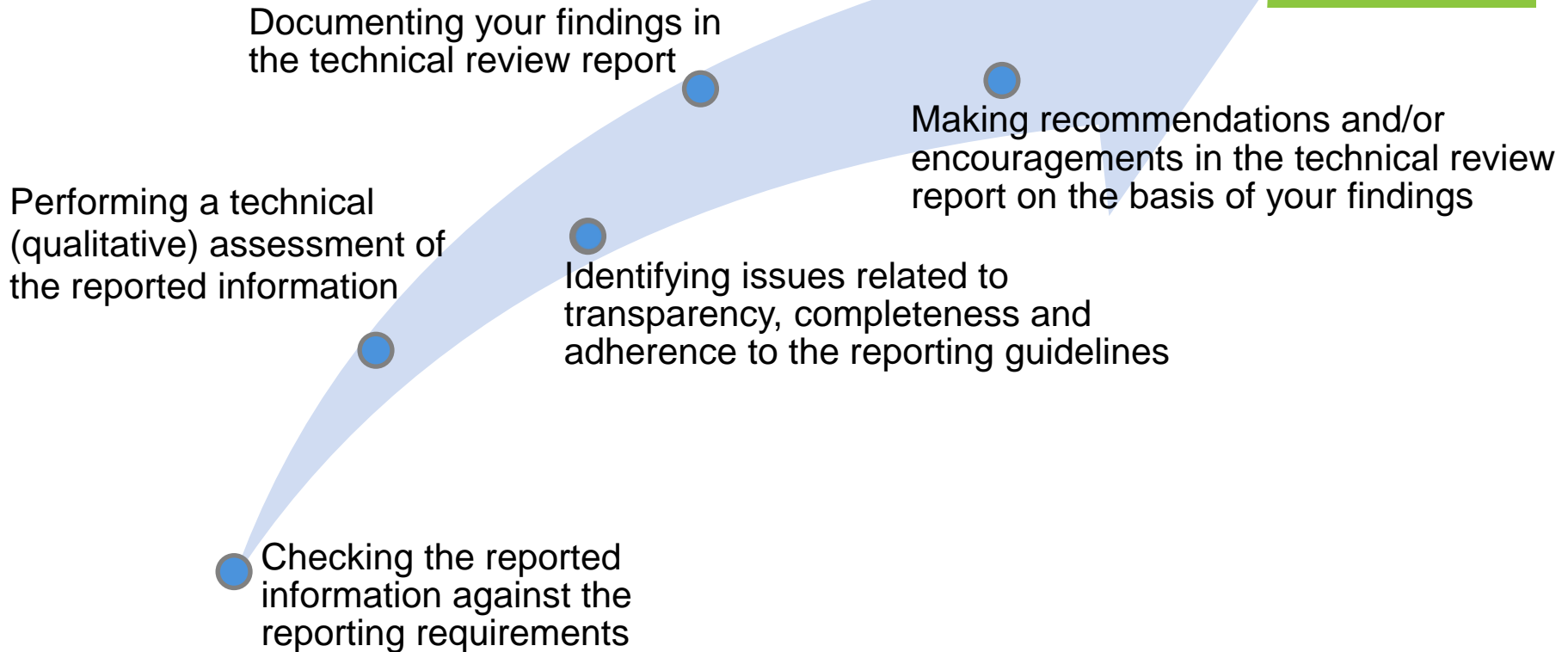
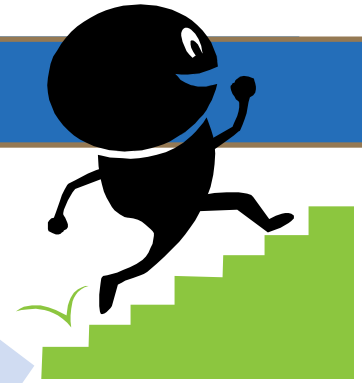
## Overview of the module

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# General approach to the review (1)

## Key steps in the review



## General approach to the review (2)



### Identification of issues

Focus on the most important issues

- Follow-up on previous recommendations
- Completeness and transparency of the reported information

Read the previous review report

- Take note of the recommendations

Read the NC / BR

- Check whether the recommendations were implemented

Not satisfied with implementation of a recommendation

- Take note of the areas additional clarification is needed

New information that lacks clarity

Investigate further

- Ask the Party pertinent questions



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# Lesson 1

## National targets and policy context



## Lesson 1 – Objectives in reviewing information on national targets and policy context:

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Assess the reported information against the relevant reporting requirements;

Assess information national targets, including conditions or assumptions relevant to the attainment of that target;

Assess the Party's policy context;

Assess the information on the Party's institutional arrangements for the monitoring of GHG mitigation policy;

Draft a review report that reflects your findings, assessment, recommendations and encouragements.



# Lesson 1 – Reporting requirements: National targets and policy context



## Shall requirements



### National Communication

No **shall** requirement but information should be reported on national targets



### Biennial Report

Party **shall** describe its quantified economy-wide emission reduction target, including any conditions or assumptions that are relevant to the attainment of that target

- Description of target **shall** include:
  - Base year; Gases and sectors covered; GWP values;
  - Approach to counting emissions and removals from the LULUCF sector;
  - Use of international market-based mechanisms (MBM) in achieving its emission reduction target, including a description of each source of international units and/or allowances from MBMs and the possible scale of the contributions of each;
  - Any other information, including relevant accounting rules.
- Common tabular format tables 2





## Lesson 1 – Technical review: Aspects to consider (1)

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### List of possible questions

- To be asked to yourself during the review of the reports
- To be asked to the Party, if information is not available in the reports



#### 1-Policy context or framework

- What government entities are involved in the climate change policymaking process?
- How does the government develop and evaluate its options for targets, policy framework and PaMs?
- What is the overarching climate change policy framework?
- Has the government conducted any analysis of how the policy framework is adequate to meet its objectives?
- How does the government ensure a reasonable level of policy coherence across all of its policymaking so that the effectiveness of GHG mitigation PaMs is not compromised by non-climate-motivated PaMs?
- Does the government have a sustainable development strategy or policy?
- Is it integrated with the policy framework for climate change?



## Lesson 1 – Technical review: Aspects to consider (2)

### 2- National targets, including the quantified economy-wide emission reduction target



- Are there conditions or assumptions that qualify the Party's commitment to the target(s)? What are they?
- What is the emission level in the target year(s) associated with achieving the target and how have these been estimated?
- Do(es) the target(s) include or exclude emissions/removals from the LULUCF sector?
- If LULUCF is not included in the target(s), can the Party explain this exclusion?
- What methods are used to estimate emissions and removals from the LULUCF sector, if included in the target(s)? If a method other than land-based or activity base is used, what does it consist of?
- What is the anticipated scale of use of international market-based mechanisms to meet the target(s) over the reporting years and in the final year in which the target(s) is/are to be achieved?
- What accounting rules and methods are used to estimate emission reductions from international market-based mechanisms for each reported year and/or the year(s) in which the target(s) is/are to be achieved?
- What mechanisms (e.g. legal mandates, registries, transaction logs and/or agreements between buyers and sellers) are used to prevent the double counting of units (offsets, credits and tradable allowances)?



## Lesson 1 – Technical review: Aspects to consider (3)

### Example from review reports of fifth national communications

In the example the ERT concludes its assessment of the information reported by the European Union on its targets and the policy framework within which such targets are inscribed. The ERT reports on economy-wide targets as well as sectoral ones, on economy-wide targets for different years, and on the overall policy framework and its components as well as on how new PaMs are designed to enhance those already in place.

*[...] the EU-27 has a collective target for 2020, namely: a 20 per cent reduction in GHG emissions below 1990 levels; 20 per cent of final energy consumption to come from renewable resources; and a 20 per cent reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency.*

*The key framework policy reported in the NC5 is the EU Energy and Climate Package (2008). The package is framed by three targets for 2020: (a) a 20 per cent reduction in GHG emissions from 1990 levels; (b) a share of 20 per cent of energy from renewable sources in final energy consumption; and (c) a 20 per cent reduction in energy consumption below the 'business as usual' (BAU) scenario level. The package strengthens and enhances many PaMs already under implementation and includes new EU level PaMs...*



## Lesson 2

# Description of policies and measures



## Lesson 2 – Description of policies and measures: Introduction (1)

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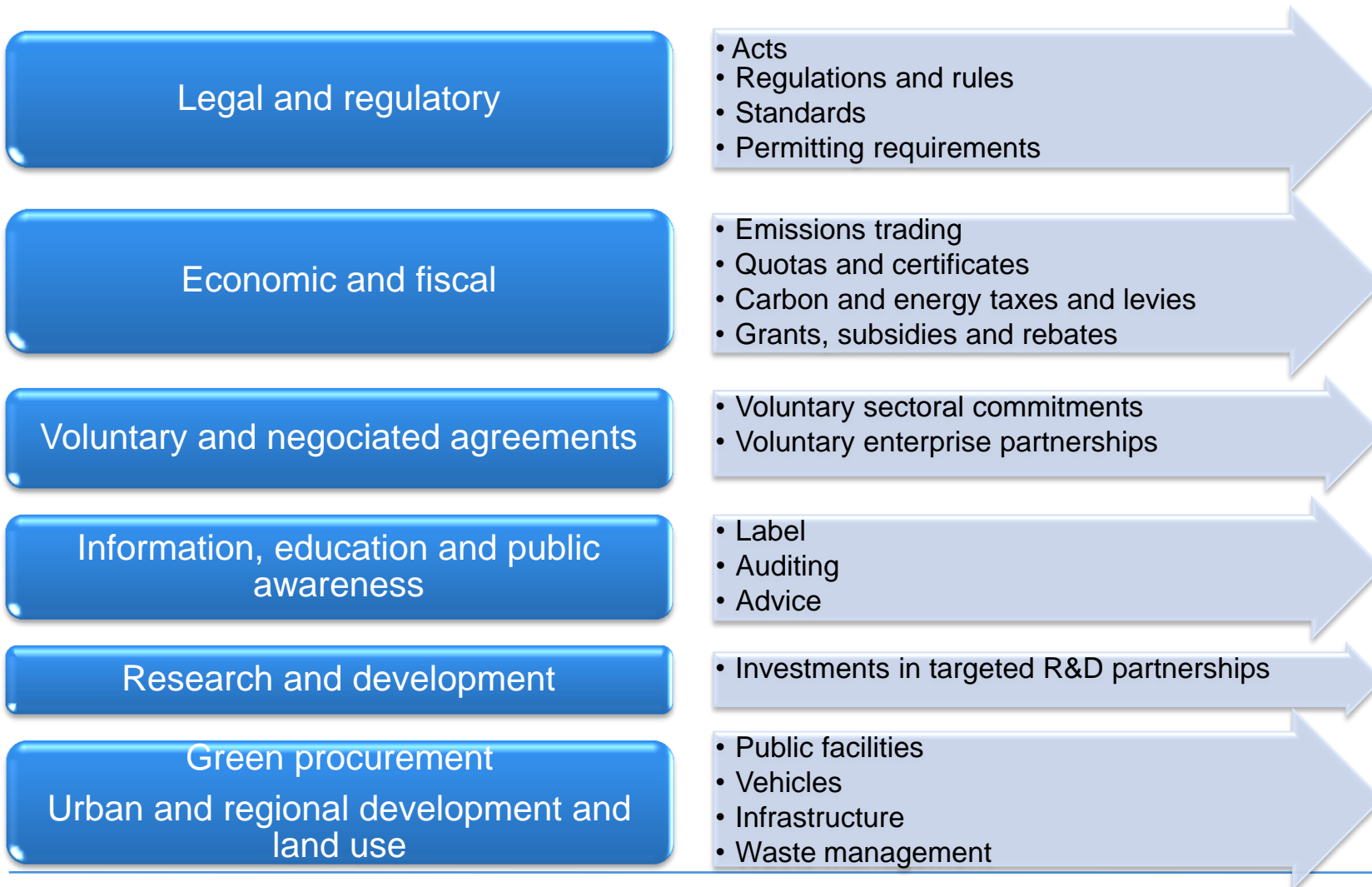
A policy often refers to a decision or a set of decisions taken by the government, designed to achieve the objective(s) of a policy framework in accordance with its principles.

A measure is usually understood as a concrete government action taken to implement a policy decision. In their NC5s Parties reported many types of PaMs covering the various sectors of their economies, with a tendency to concentrate on the energy sector since it is typically responsible for around 80 per cent of the total carbon dioxide (CO<sub>2</sub>) emissions. The most common PaMs reported by Parties in their NC5s are listed in table 4.



## Lesson 2 – Description of policies and measures: Introduction (2)

### Introduction



## Lesson 2 – Objectives in reviewing information reported on the description of policies and measures:

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Assess the reported information against the relevant reporting requirements;

Assess the extent to which the information reported on PaMs allows you to understand how they are designed, implemented, monitored, reported and adjusted over time to achieve their stated objective;

Draft a review report that reflects your findings, assessment, recommendations and encouragements.



## Lesson 2 – Reporting requirements (1)

### National communication key (**shall**) requirements:

Parties **shall** communicate information on policies and measures (PaMs) adopted to implement commitments under Article 4, paragraph 2(a) and (b). These need not have the limitation and reduction of greenhouse gas (GHG) emissions and removals as a primary objective.

Parties **shall** organize the reporting of PaMs by sector, subdivided by greenhouse gas (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride). To the extent appropriate, the following sectors **should** be considered: energy, transport, industry, agriculture, forestry and waste management. Each sector **shall** have its own textual description of the principal PaMs, as set out in section D below, *supplemented by a table*.

Name of PaM	Objective and/or activity affected	GHG affected	Type of instrument	Status	Implementing entities	Estimate of mitigation impact, by gas (for a particular year, not cumulative, in CO <sub>2</sub> eq)		
						(1995) 2010	(2000) 2015	(2005) 2020





## Lesson 2 – Reporting requirements (2)

### National communication key (**shall**) requirements (2):

The presentation of each PaM shall include information on each of the subject headings listed below. The presentation should be concise and should include information on the detail suggested after each subject heading:


- (a) Name and short description of the PaM;
- (b) Objectives of the PaM. Description of the objectives should focus on key purposes and benefits of the PaMs, including a description of activities and/or source and sink categories affected. Objectives should be described in quantitative terms, to the extent possible;
- (c) The greenhouse gas or gases affected;
- (d) Type or types of PaM. Use, to the extent possible, the following terms: economic, fiscal, voluntary/negotiated agreements, regulatory, information, education, research, other;
- (e) Status of implementation. It should be noted whether the PaM is in the planning stage or is adopted or whether it is under implementation. For adopted and implemented measures, additional information may include the funds already provided, future budget allocated and the time frame for implementation;
- (f) Implementing entity or entities. This should describe the role of national, state, provincial, regional and local government and the involvement of any other entities.




## Lesson 2 – Reporting requirements (3)



### Biennial report key (**shall**) requirements:



Each Annex I Party **shall** provide information on its mitigation actions, including on the policies and measures it has implemented or plans to implement since its last national communication or biennial report to achieve its economy-wide emission reduction target. To the extent appropriate, Parties **shall** organize the reporting of mitigation actions by sector (energy, industrial processes and product use, agriculture, land use, land-use change and forestry, waste and other sectors) and by gas (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride).



Each Annex I Party **shall** provide information on changes in its domestic institutional arrangements, including institutional, legal, administrative and procedural arrangements used for domestic compliance, monitoring, reporting, archiving of information and evaluation of the progress towards its economy-wide emission reduction target.



### Common tabular format (CTF) tables 3





### Selection of PaMs reported

- Has the Party reported on cross-sectoral or overarching PaMs?
- What is the expected GHG emission reduction resulting from the PaM? If the PaMs is not a mitigation one, what are the climate-related benefits of the PaM?
- Is priority given to PaMs, or combinations of PaMs, which have the most significant impact on GHG emissions and removals?
- Are there any PaMs reported on in the previous national communication that are no longer in effect? If so, why?
- Has the Party reported on PaMs at other levels of government (state, provincial, regional or local) or as part of international cooperation?
- Has the Party reported on PaMs and practices that encourage activities that lead to higher GHG emissions than would otherwise occur? Has the Party explained the rationale for such actions?

### Structure of the PaMs information and description of PaMs

- Has the Party reported on PaMs by sector and by gas, each sector having its own textual description of the principal PaMs?
- What are the activities, sources/sinks and GHGs affected by each PaM?
- Of what type is each PaM (economic, fiscal, voluntary/negotiated agreement, regulatory, information, education, research or other)?



## Lesson 2 – Technical review: Aspects to consider (2)



### Status of implementation

- Are all of the PaMs clearly distinguished according to whether they are implemented, adopted or planned?
- Have financial or human resources been allocated for each PaM? Is the necessary legislation or voluntary agreement in force? If yes, at which level of government and for what time frame?
- If a PaM is still in the planning stage, what administrative, legislative or other government action is needed for the PaM to be adopted and implemented?

### Changes in institutional arrangements for domestic compliance, monitoring, reporting, archiving of information and evaluation of progress towards the economy-wide emission reduction target

- Has the Party reported on changes in its institutional arrangements that may have occurred since its last report?
- What is/are the implementing entity/entities and what are the roles and responsibilities of each entity involved?

### Assessment of the effect of response measures

- Has the Party assessed, or reported information on the assessment of, the economic and social consequences of its response measures?
- Has the Party reported related information in its assessment of the effect of its individual PaMs?



## Lesson 2 – PaMs in accordance with Article 2 of the Kyoto Protocol

### National communication key requirements – Annex I Parties **shall**:

Specifically address PaMs implemented and/or further elaborated as well as cooperation with other such Parties **in achieving its quantified emission limitation and reduction commitment under Article 3**, in order to promote sustainable development.

In pursuit of Article 2, paragraph 2, of the Kyoto Protocol, identify the steps it has taken to promote and/or implement any decisions by ICAO and IMO in order to limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels.

Provide information not reported elsewhere under these guidelines on how it strives to implement policies and measures under Article 2 of the Kyoto Protocol in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9, of the Convention, taking into account Article 3 of the Convention.

Not subject to description requirements as other PaMs reported under the Convention (by sector, by gas, implementation, effects, etc.)



## Lesson 2 – Technical review: Aspects to consider (3)

### Example from review reports of fifth national communications

In the IDR report of the NC5 of Germany, the ERT found that information was reported on all of the *shall* requirements and, therefore, did not make any recommendations on them.

However, the ERT found that several of the *should* requirements were not addressed and consequently encouraged the Party to report on those. For example, Germany reported on its PaMs by sector but did not report on PaMs in the LULUCF sector. The Party also included information on PaMs in the waste sector and on energy research policies elsewhere in the NC5 without a reference being provided to the PaMs section. These actions led to encouragements from the ERT since all of its findings related to information missing in relation to *should* requirements.



## Lesson 2 – Technical review: Aspects to consider (4)

### Example from review reports of fifth national communications

*As required by the UNFCCC reporting guidelines, Germany **has provided** in its NC5 comprehensive information on its package of implemented and adopted PaMs in order to fulfil its commitments under the Convention and its Kyoto Protocol. All sectors, except for LULUCF, have their own textual description of the principal PaMs. Germany has also provided information on how it believes its PaMs are modifying longer-term trends in anthropogenic GHG emissions and removals, consistent with the objective of the Convention.*

*However, the ERT noted that Germany **did not provide** the following information required by the UNFCCC reporting guidelines: information on PaMs no longer in place; an explanation of the differences between the information reported in the NC4 and the NC5; information on the monitoring and evaluation of PaMs; a quantification of the mitigation effects of PaMs in the waste and agriculture sectors; a description of the PaMs influencing GHG emissions from international transport; and information on PaMs regarding forestry. [...]*



## Lesson 2 – Technical review: Aspects to consider (5)

### Example from review reports of fifth national communications

*Some of the recommendations made in the previous review report were taken into consideration by the Party to improve the reporting in the NC5, including: elaborating on the link between PaMs and projections; less repetition of information between the PaMs and projections chapters of the NC5; reporting direct emission reduction effects of PaMs in the energy sector also for 2015 and 2020; and providing information on the types of its PaMs.*

*The ERT **encourages** the Party to increase transparency by including, [...] summary tables of PaMs by sector in the chapter on PaMs, and by moving all information relevant to PaMs to the chapter on PaMs or including references in the PaMs chapter to explanations given in greater detail elsewhere, if any.*

*The ERT also **encourages** Germany to include, in its next national communication, information on: the monitoring and evaluation of PaMs; quantified emission reduction effects for all sectors; the PaMs influencing GHG emissions from international transport and the PaMs regarding forestry; the overlap between PaMs; PaMs no longer in place; and the cost of PaMs, to the extent possible.*

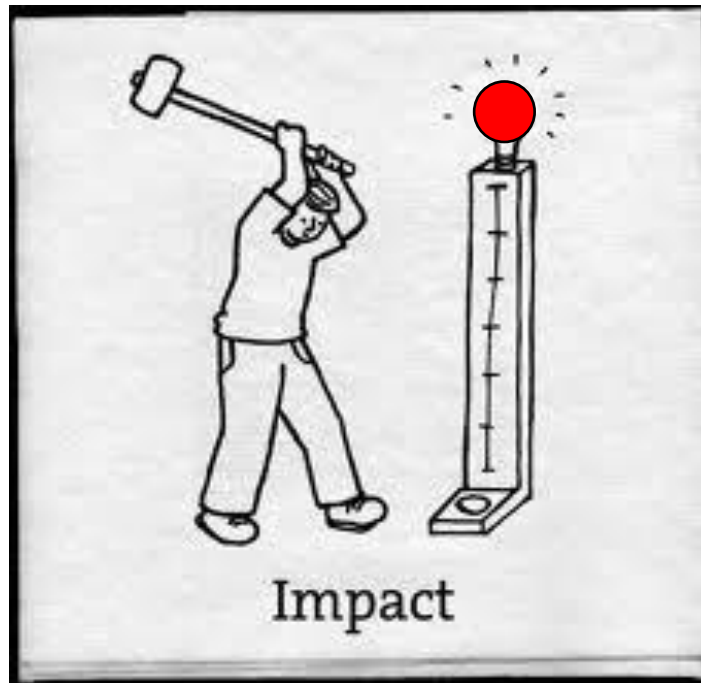




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## Lesson 3

Effects of individual PaMs and the use of units from international MBMs and LULUCF activities towards the target



## Lesson 3 – Objectives in reviewing information on the effects of individual PaMs; use of units from MBMs and LULUCF activities

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Assess the reported information against the relevant reporting requirements;

Assess the extent to which the reported information allows to understand how the PaMs and the use of units from MBMs and LULUCF activities contribute to reducing GHG emissions and making progress towards the target;

Draft a review report that reflects your findings, assessment, recommendations and encouragements.



## Lesson 3 – Reporting requirements (1)

### National communication key (**shall**) requirements:

Parties **shall** provide information on how they *believe* their policies and measures are modifying longer-term trends in anthropogenic GHG emissions and removals consistent with the objective of the Convention.

The inclusion of the estimation of the emission reduction effects of PaMs is a *should* requirement. However, as we have already seen for the description of PaMs, each sector **shall** have its own textual description of the principal PaMs, *supplemented by a table*, which among other things asks for estimates of the emission reduction effects of each policy or measure.

Name of PaM	Objective and/or activity affected	GHG affected	Type of instrument	Status	Implementing entities	Estimate of mitigation impact, by gas (for a particular year, not cumulative, in CO <sub>2</sub> eq)		
						(1995) 2010	(2000) 2015	(2005) 2020



## Lesson 3 – Reporting requirements (2)

Biennial report key (**shall**) requirements:

For BRs, information on the effects of PaMs, while not requested as per the text of para 6 of the reporting requirements, is mandated as part of CTF table 3:

Name of mitigation action	Sector(s) affected	GHG(s) affected	Objective and/or activity affected	Type of instrument	Status of implementation	Brief description	Start year of implementation	Implementation entity (ies)	Estimate of mitigation impact (not cumulative, in kt CO <sub>2</sub> eq)	
									20XX <sup>(f)</sup>	2020



## Lesson 3 – Reporting requirements (3)

### Biennial report key (**shall**) requirements:

In addition, BRs must contain specific information on how LULUCF activities are counted in the base year and reported years, as well as information on the use of units from MBMs in reported years:

For the base year, information reported on the emission reduction target shall include the following:

- (a) Total GHG emissions, excluding emissions and removals from the LULUCF sector;
- (b) Emissions and/or removals from the LULUCF sector based on the accounting approach applied taking into consideration any relevant decisions of the Conference of the Parties and the activities and/or lands that will be accounted for;
- (c) Total GHG emissions, including emissions and removals from the LULUCF sector.
- (d) For each reported year, information reported on progress made towards the emission reduction targets shall include, in addition to the information noted in paragraph 9(a–c) above, information on the use of units from market-based mechanisms.

Common tabular format (CTF) tables 4





### Qualitative and quantitative estimate of the impacts of individual PaMs or collections of PaMs

- Has the Party provided a brief explanation of the methods, assumptions and data used for estimating GHG emission reductions due to a PaM?
- Are these methods, assumptions and data consistent with those used for estimating the total effect of PaMs (third training module)?
- Does the method used to estimate emission reductions due to a PaM consist in subtracting, for a particular year, the estimated total sectoral or national emissions with the PaM ('with measures') from the estimated total emissions without the PaM ('without measures')? If not, is the approach taken a credible alternative?
- Has the Party discussed the macroeconomic assumptions used in its estimation of emission reductions? How credible are those assumptions?
- Has the Party estimated the uncertainty of the estimates for emission reductions or carried out sensitivity analysis on the key factors in the estimation?
- Are the methods, assumptions and data used in the 'with measures' and 'without measures' cases consistent?





### Quantitative estimation methods, assumptions and data for GHG mitigation benefits

- Has the Party provided information on how it believes the examined PaM(s) is/are modifying the longer-term trend in greenhouse gas (GHG) emissions, for instance in contributing to the achievement of its national target?
- How are PaMs' impacts monitored and evaluated over time?
- Has the Party reported a quantitative estimate of the effects of the examined PaM(s)?
- What was the examined policy or measure's initial implementation date? Is its estimated effect plausible in the light of the implementation date?
- If the Party has reported on PaMs no longer in place, have these been removed from the estimation of the effect of the examined collection of PaMs?
- Are there any plans to strengthen/improve the current assessment of the effects of PaMs in the future?





### Quantitative estimation methods, assumptions and data for GHG mitigation benefits

- Has the Party used an integrated modelling approach? If not, has the Party included policy interaction effects between the policy or measure examined and the other PaMs at the national level in its estimation of emission reductions?
- Have other effects influencing emission reductions attributable to PaMs been taken into account (e.g. free rider and rebound)?
- Have emission reductions attributable to PaMs been estimated for relevant years (e.g. years for which the Party has national targets and intermediate years)?







Estimates of emission reductions and removals and the use of units from the market-based mechanisms and land use, land-use change and forestry activities: Progress towards the target.

- For the base year and each reported year, has the Party reported the total GHG emissions, excluding and including emissions and removals from LULUCF sector?
- Has the Party reported on the use of units from LULUCF and MBMs under the Convention, the Kyoto Protocol (if applicable) and other MBMs for the base year, each reported year or any other year?
- Is the LULUCF accounting approach compatible with that of the Convention/Kyoto Protocol?
- Are the units reported under other MBMs compatible with those reported under the Convention and the Kyoto Protocol (if applicable) for the base year, the reported years or any other year?
- What is the total of units reported under the Convention, Kyoto Protocol (if applicable) and other MBMs for the base year and the reported years or any other year?
- How does it compare to total emissions excluding LULUCF?
- What is the contribution from LULUCF?
- What is the final emissions count for the the reported years or any other year?



## Lesson 3 – Technical review: Aspects to consider (5)

### Example from review reports of fifth national communications

In the following example the ERT recounts positively Portugal's account in its NC5 on how it monitors, evaluates and estimates the effects of individual PaMs. It is important to note that the ERT could have gone beyond simply stating that it noted with great interest the method used by Portugal for estimating and tracking GHG emission reductions by explaining the main features of the method.

*The NC5 provides estimates of the individual effects of PaMs by sector and by gas. Portugal's National Climate Change Programme monitors, evaluates and estimates the effects of PaMs on a quarterly basis and determines, through the national Kyoto Protocol compliance monitoring system, the progress that has been accomplished and the potential need to implement additional PaMs in order for Portugal to meet its emission limitation target under the Kyoto Protocol.*

*The ERT noted with great interest the method for tracking emission reductions that has been developed in the context of the national Kyoto Protocol compliance monitoring system [...], and encourages Portugal to continue with the refinement of the model. This model should allow Portugal to make the necessary adjustments in case the current PaMs are not delivering the expected reductions*



The sequence of reporting is very important!



- What is the issue, what is your finding?
- What is the Party's explanation?
- How does the Party propose to fix it?
- Is the ERT satisfied with the proposed fix?
- What is the ERT's recommendation or encouragement.

## Reporting the findings, recommendations and encouragements (2)



In reporting your findings, you have to **be as specific as possible**, indicating which element was missing in the case of incomplete information, or what specifically was unclear in the case of a lack of transparency.



For example, instead of writing that “the Party’s reporting on its PaMs is not transparent”, you should report, for example, that “the Party’s reporting on its new energy efficiency regulation in the energy sector lacked transparency as it did not indicate whether it covered households and/or industry or the efficiency threshold below which the regulation applies”.



In addition to this finding, you should include in your review report any explanation provided by the Party to clarify the issue. You will also encounter cases in which the Party will provide you with updated information on its most recent PaMs that was not included in the NC. Although not a finding on an issue, you should report this updated information in your review report.



## Reporting the findings, recommendations and encouragements (3)

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**Shall** requirements are mandatory reporting requirements, whereas “should” requirements refer to information that Parties are encouraged to report and “may” indicates information that is optional, but desirable if the Party has the capacity to provide it.

Accordingly, a **recommendation** is used when issues relate to mandatory reporting requirements and an **encouragement** when an identified issue concerns a non-mandatory requirement.

Whether you have to draft a recommendation or an encouragement, the rule is the same: **be as specific as possible** in what, why, where and when you want the Party to change. You should **avoid general statements** such as “the ERT recommends that the Party improve the transparency of its reporting on its PaMs”.

Rather, you should say, for example, “the ERT recommends that the Party improve the transparency of its reporting by specifying in its next national communication what the energy efficiency threshold covered by the regulation is and to whom it applies”.



# Epilogue

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Do not hesitate to ask Parties to direct you to official documents that are publicly available on the Internet. These may be available in English or another United Nations language that is not a national official language.



Many policy analysis, evaluation and accountability reports are available. This can help you to gather further information and cross-check the information included in the NC or BR.



Also, do not forget previous IDR reports!



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Any questions?

Thank you !

Merci !

Gracias !

谢谢!

شكرا !

Спасибо !

