

PRESIDENT's TEXTUAL PROPOSAL

Modalities, procedures and guidelines under the Paris Agreement with a focus on guidance on mitigation/NDCs

Version 2 of 13/12/2018 19:03

[The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling relevant Articles of the Paris Agreement, including Articles 3 and 4,

Also recalling decision 1/CP.21, paragraphs 26, 28 and 31,

Further recalling that, in accordance with Article 4, paragraph 5, support shall be provided to developing country Parties for the implementation of Article 4, in accordance with Articles 9, 10 and 11, of the Paris Agreement, recognizing that enhanced support for developing country Parties will allow for higher ambition in their actions,

Recognizing that Parties have different starting points, capacities and national circumstances and highlighting the importance of capacity-building support for developing country Parties for the preparation and communication of their nationally determined contributions,

- 1. Reaffirms and underscores that, in accordance with Article 4, paragraph 5, of the Paris Agreement, support shall be provided to developing country Parties for the implementation of Article 4 of the Paris Agreement, including to continue to enhance the capacity of developing country Parties in preparing, communicating and accounting for their nationally determined contributions;*
- 2. Encourages the relevant operating entities of the Financial Mechanism and constituted bodies under the Convention serving the Paris Agreement to continue to provide, within their mandates, support for capacity-building as referred to in paragraph 1 above;*
- 3. Invites other organizations in a position to do so to provide support for capacity-building as referred to in paragraph 1 above;*
- 4. Recalls that the least developed countries and small island developing States may prepare and communicate strategies, plans and actions for low greenhouse gas emission development reflecting their special circumstances in accordance with Article 4, paragraph 6, of the Paris Agreement;*

Further guidance for information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28

- 5. Also recalls Article 4, paragraph 8, of the Paris Agreement, which provides that, in communicating their nationally determined contributions, all Parties shall provide the information necessary for clarity, transparency and understanding in accordance with decision 1/CP.21 and any relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;*
- 6. Further recalls decision 1/CP.21, paragraph 27, in which the Conference of the Parties agreed that the information to be provided by Parties communicating their nationally determined contributions, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches, including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and 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;*
- 7. Recalls Article 4, paragraph 4, of the Paris Agreement, which provides that developed country Parties should continue taking the lead by undertaking economy-wide absolute*

emission reduction targets, and that developing country Parties should continue enhancing their mitigation efforts and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances;

8. *Decides* that in communicating its nationally determined contribution each Party shall provide the information contained in annex I as applicable to its nationally determined contribution;

9. *Decides* that the information to facilitate clarity, transparency and understanding of nationally determined contributions contained in annex I shall as applicable to their nationally determined contribution be communicated by Parties with their second and subsequent nationally determined contributions, and *strongly encourages* Parties to provide this information in relation to their first nationally determined contribution, including when communicating or updating it by 2020;

10. *Recognizes* that each Party with a nationally determined contribution under Article 4 of the Paris Agreement that consists of mitigation co-benefits resulting from its adaptation action and/or economic diversification plans consistent with Article 4, paragraph 7, of the Paris Agreement shall provide the information referred to in annex I as applicable to its nationally determined contribution and as it relates to such mitigation co-benefits;

Guidance for accounting for Parties' nationally determined contributions, as specified in paragraph 31

11. *Recalls* Article 4, paragraph 13, of the Paris Agreement, which provides that Parties shall account for their nationally determined contributions, and that, in accounting for anthropogenic emissions and removals corresponding to their nationally determined contributions, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

12. *Also recalls* decision 1/CP.21, paragraph 31, in which the Ad Hoc Working Group on the Paris Agreement was requested to elaborate, drawing on approaches established under the Convention and its related legal instruments, as appropriate, guidance for accounting for Parties' nationally determined contributions, as referred to in Article 4, paragraph 13, of the Paris Agreement, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session, which ensures that:

(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;

13. *Decides* that, in accounting for anthropogenic emissions and removals corresponding to their nationally determined contributions under Article 4, paragraph 13, of the Paris Agreement, Parties shall account for their nationally determined contributions in accordance with the guidance contained in annex II;

14. *Recalling* decision 1/CP.21, paragraph 32, which provides that Parties shall apply the guidance for accounting for nationally determined contributions to their second and subsequent nationally determined contributions, and that Parties may elect to apply such guidance to their first nationally determined contribution;

15. *[Decides* that each Party participating in voluntary cooperation referred to in Article 6 of the Paris Agreement {pending discussions on Article 6}:

(a) Shall apply the guidance for accounting for nationally determined contributions contained in annex II, including for its first nationally determined contribution if participating in voluntary cooperation during the period of its first nationally determined contribution;

(b) Shall ensure that double counting is avoided on the basis of a corresponding adjustment to the level of emissions by sources and removals by sinks corresponding to its nationally determined contribution consistent with relevant decisions adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on Article 6 of the Paris Agreement;]

16. *[Decides* that, where a Party authorizes the use of a mitigation outcome for a purpose other than towards achieving its nationally determined contribution, the Party shall ensure that double counting is avoided on the basis of a corresponding adjustment by that Party for both anthropogenic emissions by sources and removal by sinks covered by its nationally determined contribution in accordance with relevant decisions adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on Article 6 {pending discussions on Article 6}];

17. *Recognizes* that each Party with a nationally determined contribution under Article 4 of the Paris Agreement that consists of mitigation co-benefits resulting from its adaptation action and/or economic diversification plans consistent with Article 4, paragraph 7, of the Paris Agreement shall follow the guidance contained in annex II as it relates to such mitigation co-benefits;

18. *Decides* that Parties shall account for their nationally determined contributions in their biennial transparency reports, including through a structured summary, consistently with the guidance provided pursuant to Article 13, paragraph 7(b), of the Paris Agreement and any relevant guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

19. *Also decides* to initiate the review of and, if necessary, update the information to facilitate clarity, transparency and understanding of nationally determined contributions and the guidance for accounting for Parties' nationally determined contributions at its seventh session (2024), with a view to considering and adopting a decision on the matter at its ninth session (2026);

Further guidance on features of nationally determined contributions, as specified in paragraph 26

20. *Notes* that features of nationally determined contributions are outlined in the relevant provisions of the Paris Agreement;

21. *Decides* to continue consideration of further guidance on features of nationally determined contributions at its seventh session.

Annex I

Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28 of decision 1/CP.21

1. Quantifiable information on the reference point (including, as appropriate, a base year):

1. Reference year(s), base year(s), reference period(s) or other starting point(s);
2. Quantifiable information on the reference indicators, their values in the reference year(s), base year(s), reference period(s) or other starting point(s), and, as applicable, in the target year;
3. For strategies, plans and actions referred to in Article 4, paragraph 6, of the Paris Agreement, or policies and measures as components of nationally determined contributions where point ii above is not applicable, Parties to provide other relevant information;
4. Mitigation contribution relative to the reference indicator, expressed numerically, for example in percentage or amount of reduction;
5. Information on sources of data used in quantifying the reference point(s);
6. Information on the circumstances under which the Party may update the values of the reference indicators;

2. Time frames and/or periods for implementation:

1. Time frame and/or period for implementation, including start and end date, consistent with any further relevant decision adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA);
2. Whether it is a single-year or multi-year target, as applicable;

3. Scope and coverage:

1. General description of the target;
2. Sectors, gases, categories and pools covered by the nationally determined contribution, including, as applicable, consistent with Intergovernmental Panel on Climate Change (IPCC) guidelines;
3. How the Party has taken into consideration paragraphs 31(c) and (d) of decision 1/CP.21;
4. [Whether the nationally determined contribution also includes adaptation and/or support; {pending discussions on scope}]
5. Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans, including description of specific projects, measures and initiatives of Parties' adaptation actions and/or economic diversification plans;

4. Planning processes:

1. Information on the planning processes that the Party undertook to prepare its nationally determined contribution and, if available, on the Party's implementation plans, including, as appropriate:
 - (a) Domestic institutional arrangements, public participation and engagement with local communities and indigenous peoples, in a gender-responsive manner;
 - (b) Contextual matters, including, inter alia, as appropriate:
 1. National circumstances, such as geography, climate, economy, sustainable development and poverty eradication;
 2. Best practices and experience related to the preparation of the nationally determined contribution;
 3. Other contextual aspirations and priorities acknowledged when joining the Paris Agreement;
2. Specific information applicable to Parties, including regional economic integration organizations and their member States, that have reached an agreement to act jointly under Article 4, paragraph 2, of the Paris Agreement, including the Parties that agreed to act jointly and the terms of the agreement, in accordance with Article 4, paragraphs 16–18, of the Paris Agreement;
3. How the Party's preparation of its nationally determined contribution has been informed by the outcomes of the global stocktake, in accordance with Article 4, paragraph 9, of the Paris Agreement;
4. Each Party with a nationally determined contribution under Article 4 of the Paris Agreement that consists of adaptation action and/or economic diversification plans resulting in mitigation co-benefits consistent with Article 4, paragraph 7, of the Paris Agreement to submit information on how the economic and social consequences of response measures have been considered in developing the nationally determined contribution;

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

1. Assumptions and methodological approaches used for accounting for anthropogenic greenhouse gas emissions and removals corresponding to the Party's nationally determined contribution, consistent with decision 1/CP.21, paragraph 31, and accounting guidance adopted by the CMA;
2. Assumptions and methodological approaches used for accounting for the implementation of policies and measures or strategies in the nationally determined contribution;
3. If applicable, information on how the Party will take into account existing methods and guidance under the Convention to account for anthropogenic emissions and removals, in accordance with Article 4, paragraph 14, of the Paris Agreement, as appropriate;
4. IPCC methodologies and metrics used for estimating anthropogenic greenhouse gas emissions and removals;
5. Sector-, category- or activity-specific assumptions, methodologies and approaches consistent with IPCC guidance, as appropriate, including, as applicable:
 - (a) Approach to addressing emissions and subsequent removals from natural disturbances on managed lands;

- (b) Approach used to account for emissions and removals from harvested wood products;
- (c) Approach used to address the effects of age-class structure in forests;
- 6. Other assumptions and methodological approaches used for understanding the nationally determined contribution and, if applicable, estimating corresponding emissions and removals, including:
 - (a) How the reference indicators, baseline(s) and/or reference level(s), including, where applicable, sector-, category- or activity-specific reference levels, are constructed, including, for example, key parameters, assumptions, definitions, methodologies, data sources and models used;
 - (b) For Parties with nationally determined contributions that contain non-greenhouse-gas components, information on assumptions and methodological approaches used in relation to those components, as applicable;
 - (c) For climate forcers included in nationally determined contributions not covered by IPCC guidelines, information on how the climate forcers are estimated;
 - (d) Further technical information, as necessary;
- 7. [The intention to use voluntary cooperation under Article 6 of the Paris Agreement, if applicable; {pending discussions on Article 6}]

6. How the Party considers that its nationally determined contribution is fair and ambitious in the light of its national circumstances:

- 1. How the Party considers that its nationally determined contribution is fair and ambitious in the light of its national circumstances;
- 2. Fairness considerations, including reflecting on equity;
- 3. How the Party has addressed Article 4, paragraph 3, of the Paris Agreement;
- 4. How the Party has addressed Article 4, paragraph 4, of the Paris Agreement;
- 5. How the Party has addressed Article 4, paragraph 6, of the Paris Agreement;
- 6. Features of geography, climate and economy, if relevant;

7. How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2:

- 1. How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2;
- 2. How the nationally determined contribution contributes towards Article 2, paragraph 1(a), and Article 4, paragraph 1, of the Paris Agreement;

8. [Information on adaptation:

- 1. If a Party included an adaptation communication as a component of its NDC: follow the guidance being developed under APA agenda item 4;
- 2. NDC guidance on adaptation action and/or economic diversification plans resulting in mitigation co-benefits and additional specific information on Parties' adaptation actions and/or economic diversification plans that result in mitigation co-benefits;
- 3. For Parties that are communicating nationally determined actions and strategies pursuant to Article 4, paragraph 7, of the Paris Agreement designed to yield co-benefits as well as build resilience of socioeconomic and ecological systems,

including through economic diversification and sustainable management of natural resources, information on:

- (a) Adaptation plans that also yield mitigation co-benefits, which may cover but are not limited to key sectors such as energy resources, water resources, coastal resources, human settlements and urban planning, agriculture and forestry;
 - (b) Economic diversification actions, which may cover but are not limited to sectors such as manufacturing and industry, energy and mining, transport and communication, construction, tourism, real estate, agriculture and fisheries;
4. The adaptation component of the NDC, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement;
 5. Relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement, taking into account the outcome of APA agenda item 4;
 6. Adaptation efforts and needs in the NDC, if applicable;
 7. General information of NDCs, if applicable, and the outcome of APA agenda item 4.]

9. [Information on support:

1. For developed country Parties, indicative quantitative and qualitative information on the provision and mobilization of support in accordance with Article 9, paragraph 5, of the Paris Agreement and its related guidance:
 - (a) and Article 3, Article 4, paragraphs 5 and 8, Article 10 and Article 11 of the Paris Agreement and paragraphs 27 and 55 of decision 1/CP.21;
 - (b) taking into account relevant information requirements as set out in decision 19/CP.18;
2. Other Parties are encouraged to provide or to continue to provide such information voluntarily;
3. For developing country Parties, information on how enhanced support will allow for the higher ambition of their efforts;
4. For developing country Parties, information on finance, technology and capacity-building support needed for implementing their NDCs.]

10. [Information on finance:

1. For developed country Parties, quantified information on the provision of finance support in their NDCs, including the following information: 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, and estimating public finance, identifying resources mobilized by public interventions and other policies and attributing private investment; fairness and ambition; why such financial resources are considered new and additional and how such financial support will assist developing country Parties to implement their NDCs; actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments;
2. Other Parties are encouraged to provide or to continue to provide such information voluntarily;
3. For developing country Parties, information on finance support needed for implementing their NDCs.]

11. [Information on technology:

1. For developed country Parties, quantifiable information on their provision of technology development and transfer support in their NDCs, including the following information: types of support; base year; period for implementation; relevant amount of financial resources to be provided; delivery channels; areas and priorities of support; plans and policies to encourage the participation of business and research institutes; measures for incentivizing innovation, promoting international collaboration on research and development, demonstration and deployment, facilitating access to technologies and addressing barriers to their transfer to developing countries; programmes and projects to be conducted by public agencies; relevant methodologies and assumptions used in estimating the support; fairness and ambition, including how such support will assist developing country Parties in implementing their NDCs and increase their access to climate-related technologies;
2. Other Parties are encouraged to provide or to continue to provide such information voluntarily;
3. For developing country Parties, information on technology development and transfer support needed for implementing their NDCs.]

12. [Information on capacity-building:

1. For developed country Parties, information on their provision of capacity-building support in their NDCs, including the following information: types of support; base year; period for implementation; relevant amount of financial resources to be provided; delivery channels; areas and priorities of support; policies, programmes and projects of capacity-building; relevant methodologies and assumptions on estimating their support; how such support will assist developing countries in strengthening their capacity to combat climate change;
2. Other Parties are encouraged to provide or to continue to provide such information voluntarily;
3. For developing country Parties, information on capacity-building support needed for implementing their NDCs.]

13. [Information on support needed/received:

1. For developing country Parties, information on the costs of and barriers to implementing their NDCs and needs for finance, technology and capacity-building support;]

14. Placeholder for 4.7 paragraph, subject to final structure of decision;

15. Other information to facilitate the clarity, transparency and understanding of nationally determined contributions, as appropriate and applicable.

Annex II

Accounting for Parties' nationally determined contributions, as specified in paragraph 31 of decision 1/CP.21

1. Accounting for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change (IPCC) and adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA):

1. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and agreed by the CMA;
2. Parties whose nationally determined contribution cannot be accounted for using methodologies covered by IPCC guidelines provide information on their own methodology used, including for nationally determined contributions pursuant to Article 4, paragraph 6, of the Paris Agreement, if applicable;
3. Parties that draw on existing methods and guidance established under the Convention and its related legal instruments, as appropriate, provide information on how they have done so;
4. Parties provide information on methodologies used to track progress arising from the implementation of policies and measures, as appropriate;
5. Parties that decide to address emissions and subsequent removals from natural disturbances on managed lands provide detailed information on the approach used and how it is consistent with relevant IPCC guidance, as appropriate, or indicate the relevant section of the national greenhouse gas inventory report containing that information;
6. Parties that account for emissions and removals from harvested wood products provide detailed information on which IPCC approach has been used to estimate emissions and removals;
7. Parties that address the effects of age-class structure in forests provide detailed information on the approach used and how this is consistent with relevant IPCC guidance, as appropriate;

2. Ensuring methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions:

1. Parties maintain consistency in scope and coverage, definitions, data sources, metrics, assumptions and methodological approaches;
2. Any greenhouse gas data and estimation methodologies used for accounting should be consistent with the Party's greenhouse gas inventories, pursuant to Article 13, paragraph 7(a), of the Paris Agreement, if applicable;
3. Parties strive to avoid overestimating or underestimating projected emissions and removals used for accounting;
4. For Parties that apply technical changes to update reference points, reference levels or projections, the changes should reflect either
 - (a) Changes in the Party's inventory or

- (b) Improvements in accuracy that maintain methodological consistency;
- 5. Parties transparently report any methodological changes and technical updates made during the implementation of their nationally determined contribution;

- 3. Striving to include all categories of anthropogenic emissions or removals in the nationally determined contribution and, once a source, sink or activity is included, continue to include it:**
 - 1. Parties account for all categories of anthropogenic emissions and removals corresponding to their nationally determined contribution;
 - 2. Parties strive to include all categories of anthropogenic emissions and removals in their nationally determined contribution, and, once a source, sink or activity is included, continue to include it;

- 4. Providing an explanation of why any categories of anthropogenic emissions or removals are excluded:**
 - 1. Parties explain why any categories of anthropogenic emissions or removals are excluded;

- 5. [Accounting for adaptation:**
 - 1. Parties account for relevant adaptation targets in their nationally determined contributions consistently with the guidance adopted by the CMA under its agenda item 4 *{adaptation}* and the Adaptation Committee, as appropriate;]

- 6. [Accounting for support:**
 - 1. Developed country Parties account for contributions to the provision of support reported in their nationally determined contributions, as appropriate, in accordance with Article 4, paragraphs 5 and 13, and Article 9, paragraphs 7, 10 and 11, of the Paris Agreement and the modalities for the accounting of financial resources provided and mobilized through public interventions developed under the Subsidiary Body for Scientific and Technological Advice in accordance with paragraph 57 of decision 1/CP.21 and adopted by the CMA;
 - 2. Developed country Parties account for contributions to the technology development and transfer and capacity-building reported in their nationally determined contributions with a view to clarifying the definition and scope of the 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 in their nationally determined contributions, as appropriate;
 - 3. Developing country Parties are encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to their nationally determined contributions;]

- 7. Placeholder for 4.7 paragraph, subject to final structure of decision]**