

APA 1-5
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Bonn, Germany

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

Navigation tool to supplement the informal note of APA 1-4 by the
co-facilitators¹

Final iteration (8 May 2018)

This tool has been prepared by the co-facilitators of the negotiations on this agenda item under their own responsibility and on the basis of the Informal Note by the co-facilitators issued at APA 1-4 (final version of 13 November 2017)², deliberations by Parties at this session and the views they have submitted³.

This tool does not cancel or supersede the Informal note by the co-facilitators – final iteration, of 13 November 2017, issued at APA 1-4.

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¹ This tool does not cancel or supersede the Informal note by the co-facilitators issued at APA 1-4

² https://unfccc.int/sites/default/files/apa_3_informal_note_final_version.pdf?download

³ <http://www4.unfccc.int/sites/SubmissionPortal/Pages/Home.aspx>

Introduction

In line with the APA co-chairs' objective for this session to "enable Parties to build an agreed basis for negotiations across the spectrum of APA issues" and instruction to the APA 3 co-facilitators to "work with Parties to streamline the informal notes; by reducing/removing duplications, clustering material – without removing any options from the table", the co-facilitators prepared a tool to navigate the 180-page informal note prepared during APA 1-4 as well as the submissions and interventions by Parties since APA 1-4.⁴

This document is not intended to replace the APA 1-4 item 3 informal note by the co-facilitators but to serve as a facilitative tool to help Parties "navigate" 180 pages of the APA 1-4 item 3 informal note.

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 provide additional views to this note. It does not represent agreed views, ideas or text 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 finalized until the guidance on NDCs is finalized. The co-facilitators further recognize that there are varying views on the structure of the guidance, including on 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.

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 each of the sub-items under this agenda item, 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.

⁴ <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

I. Features of NDCs

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 to 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 of CO₂e;
- 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 CO₂e;
- 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 to facilitate clarity, transparency and understanding (ICTU)

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 range of NDCs (target types, national capacities and circumstances) [and durable and designed to be relevant to absolute economy-wide emission reductions targets by developed country Parties, and over time economy-wide emission reduction or limitation targets by developing countries];
- 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 to be provided to developing countries based on their NDC, 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;
- ICTU to be provided in an information table that is annexed to the Party's NDC submission.

b. Timing/Application

- Second and subsequent NDCs;
- Parties to apply the guidance for information of NDCs to their subsequent NDCs (with the timeframe from 2031 onwards);
- Guidance not to 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 to be provided as well with communication or update of those NDCs by 2020;
- The guidance on information for clarity, transparency and understanding of NDCs to be applied by each Party as it communicates or updates its NDC in 2020, as required under 1/CP.21 paragraphs 23 and 24;
- Parties may provide additional or updated information at any time.

c. Revision

Option 1:

- Review and, if necessary, revision of guidance at a future point following experience with implementation;
- The CMA to 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

Section D1

The informal note by the co-facilitators issued at APA 1-4 (Final version of 13 November 2017) on pages 9-72 as well as the submissions and interventions by Parties since APA 1-4 contain views from Parties on the substantive elements relating to information to facilitate clarity, transparency and understanding of nationally determined contributions. We noted that through these inputs, Parties have proposed a variety of different approaches for structuring the substantial elements. The views

submitted on pages 9-10, 18-20, 42-57 and in one submission⁵ proposed that information elements on mitigation be structured based on paragraph 27 of decision 1/CP.21, and applicable to all Parties or depending on the type of mitigation target in the NDC. The views contained on pages 10-15 structure the substance to take reference from Article 3 of the Paris Agreement, with differentiated guidance for developed and developing country Parties. The views contained on pages 57-62 and in one submission⁶, differentiate the applicability of the guidance on the basis of share of global emissions, GDP numbers, and per-capita cumulative historical emissions, respectively. The views contained on pages 15-18, 21-42, 55, 62-72 and in one submission⁷ structure the substance along the elements of paragraph 27 as well as additional elements.

The following section D2 is our attempt to streamline the pages 9-72 containing Parties views on substantive elements relating to “information to facilitate clarity, transparency and understanding of nationally determined contributions” in a way that might help Parties to navigate the relevant ideas and elements contained in the inputs from Parties. Section D2 is not intended to prejudge or prejudice Parties positions and is also not intended to prejudge the varying views on the structure of the guidance.

This “navigation tool” does not replace the APA 1-4 agenda item 3 informal note by the co-facilitators until Parties decide otherwise. To provide Parties with the assurance that their proposals in relation to “information to facilitate clarity, transparency and understanding of nationally determined contributions” are preserved and kept on the table the informal note by the co-facilitators issued at APA 1-4 (Final version of 13 November 2017) is virtually annexed to this document, available at: https://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_3_informal_note_final_version.pdf.

Section D2

This document is not intended 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. It is also not intended to replace the APA 1-4 agenda item 3 informal note by the co-facilitators but to serve as a facilitative tool to help Parties “navigate” 180-pages of the APA 1-4 agenda item 3 informal note. It does not represent agreed views, ideas or text nor does it attempt to draw any conclusions on possible areas of convergence or divergence. The order of the elements and related proposals contained in this note does not correspond to any hierarchy or sequencing according to convergence or importance. The co-facilitators also recognize that nothing is finalized until the guidance on NDCs is finalized.

⁵ Submission by Turkey received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

⁶ Submission by India received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

⁷ Submission by African Group of Negotiators (AGN) received on 9 April 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

With regard to information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28, various Parties have recalled that paragraph 27 of 1/CP.21 states the following:

“Agrees 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.”

There is no agreement whether the following elements would apply to all or to a group of Parties.

Various views were expressed on whether there should be different applicability for the following elements, such as one or more of the below:

- All Parties to provide information on all the following elements, or each Party to provide information on all the following elements depending on the contents of its NDC; or
- Developed country Parties to provide information on all the following elements and Developing country Parties to provide information at their discretion/provide information on the following elements over time; or
- Those parties with GDP/emissions/per capita cumulative historical emissions above a particular level to provide information on all the following elements and other Parties to provide information at their discretion/provide information on the following elements over time.

Streamlined list of substantive elements

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

- Information on:
 - The base year and/or reference period;
 - Conditions and point in time under which the base point/year/baselines/reference level will be updated, if applicable;
 - Parameters used to formulate the mitigation contribution;
 - Indicators used to quantify the reference point (metrics, source data, values).

Time frames and/or periods

- Information on:
 - Time frame and/or period for implementation;
 - The target being a single-year or a multi-year target, if applicable;
 - Cross reference to the consideration by the CMA of Article 4.10;
 - PLACEHOLDER outcome of common time frames under SBI.

Scope and coverage;

- Information on:

- Coverage of NDC, in relation to the IPCC guidance on national greenhouse gas inventories, including on sectors, gases, categories, including land categories, if applicable, pools, activities;
- Definitions of the sectors and/or the categories used;
- The difference if the definition of a sector or category varies from definitions used in the national inventory report and/or by the IPCC;
- 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;
- Move over time to economy-wide emission reduction or limitation targets;
- Other GHGs included following review by the UNFCCC of IPCC guidelines;
- Excluded sectors, gases or categories;
- The timeline for economy-wide coverage, if applicable;
- The significance of that gas or sector in national emissions, if applicable;
- Whether the Party intends to use voluntary cooperation under Article 6;
- Whether NDCs include mitigation, adaptation and/or means of implementation;
- Percentage of the national net GHG emissions;
- Geographical coverage.

Planning processes;

- Information on:
 - Domestic planning processes in relation to the NDC, as appropriate including, as applicable, on:
 - laws, policies, legal and institutional frameworks, plans and processes relevant for the NDCs;
 - domestic planning processes that Parties have undertaken to determine their NDC;
 - domestic mitigation measures aimed at achieving the NDC;
 - institutional responsibilities;
 - stakeholder consultations and other processes to achieve the objectives of the NDC, including with indigenous peoples; local communities; elders and youth; just transition; gender; human rights; other important considerations;
 - process conducted in the design of the NDC;
 - how different public agencies and levels of government helped design the NDC.
 - Information gaps, barriers or issues that the Party faced during the NDC design process;
 - How the NDC relates to development plans or strategies;
 - How the NDC relates to poverty eradication plans or strategies;
 - How the NDC relates to long-term low greenhouse gas emission development strategies, referred to in Article 4.19, if applicable;
 - How the NDC has been informed by the outcomes of the global stocktake in accordance with Article 4.9 of the Paris Agreement, and the 2018 Talanoa Dialogue, if applicable;⁸

Assumptions and methodological approaches

- Information on:
 - Approaches that will be used for accounting for anthropogenic greenhouse gas emissions and removals, including on:
 - how the approach is consistent with the NDC and the Party's national circumstances;

⁸ Some Parties have suggested placing this under “Fairness and Ambition”

- the methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for, if relevant;
- if the approach will vary by sector or activity, describe each approach in detail.
- o How the base year(s)/reference indicator(s)/baseline(s) and or reference levels are constructed, including parameters, key assumptions, definitions, methodologies, data sources, models used;
- o 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;
- o Quantification of emission reductions in tonnes of CO₂ or CO₂ equivalent:
- o Use of the IPCC methodologies and metrics for estimations of GHG emissions and removals, if appropriate in accordance with:
 - methodologies and common metrics assessed by the IPCC and adopted by the CMA;
 - the accounting guidance (if appropriate);
 - 1/CP.21 paragraph 31(a);
 - decision XXX and YYY of the CMA, respectively.
- o Assumptions and methodological approaches specific to LULUCF, forests and REDD+, if included in 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;
 - information on reference level, if this accounting approach is used, and its relation to the overall baseline;
 - 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;
 - treatment of HWP, natural disturbance, legacy effects, 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.
- o The intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA, including as appropriate:
 - the intended accounting approach to be used in accordance with relevant guidance;
 - 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.
- o 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;
- o Pursuant to Article 4.7 of the Paris Agreement on mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans;⁹
- o How the Party will ensure the methodological consistency between the communication and implementation of its NDC;

⁹ Some Parties have suggested placing information on the type of their mitigation contribution under "Fairness and ambition"

- Any changes that may occur during implementation and that affect the NDC: be reflected in the progress report as referred to in Art. 13.7 (b) of the Paris Agreement;
- How any existing methods and guidance under the convention and Kyoto Protocol has been taken into account.

Fairness and ambition

- Information on:

- How the party considers that its NDC is fair and ambitious, in the light of its national circumstances;
- Fairness considerations of efforts such as approaches and concepts that the Party has used to operationalize equity and fairness considerations;
- How the Party's successive nationally determined contribution will represent a progression beyond the Party's then current nationally determined contribution and reflect its highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, as per Article 4.3 of the Paris Agreement;
- How the Party has addressed Article 4.4 and Article 4.6 of the Paris Agreement;
- 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;
- Emissions levels or trajectory under the NDC compared to the appropriate counterfactual (e.g. BAU scenario, historic reference year etc.);
- Features of geography, climate or economy that set practical limits on ambition;
- The conditional part of the contribution, if relevant;¹⁰
- How the NDC contributes towards achieving the objective of the Convention as set out in its Article 2;
- How the NDC is consistent with the global temperature goal as described in Article 2.1(a) of the Paris Agreement;
- How the NDC is consistent with the collective aim to reach global peaking of GHG emissions as soon as possible and undertake rapid reductions thereafter (Article 4.1);
- How the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production;
- How the Party considers that its efforts are strengthening the global response to the threat of climate change and foster low greenhouse gas emissions development, in the context of sustainable development and efforts to eradicate poverty and in a manner, that does not threaten food production;
- How its NDCs are in line with its long-term low-emission development strategy and mitigation goal.

¹⁰ Some Parties have suggested to place this under "Planning Processes"

Various views were expressed by Parties on whether the following elements should be included or not. These views include:

- These elements should not be contained in the guidance; or
- These elements should be contained in the guidance and applicable to different types of mitigation targets.

Streamlined list of substantive elements

Additional general information on NDC, incl. information on the elements under Article 4

- Information on:
 - Specific information applicable to Parties that decided to act jointly under Article 4.2 of the Paris Agreement, including the Parties that agreed to act jointly and the terms of this agreement, in accordance with Article 4.16 – 4.18 of the Paris Agreement;
 - How Parties take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties;
 - Information pursuant to article 4, paragraph 7 of the Paris Agreement on mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans;
 - Additional information relevant to the clarity, understanding and transparency of the NDC, noting that such information would not be subject to review under article 13;
 - Specific information on compliance to implementation;
 - Specific information on review & verification;
 - Information on mitigation, adaptation and means of implementation: include, as appropriate, the items in the information list, as set out in paragraph 27 of decision 1/CP.21;
 - Sustainable life styles;
 - Best practices and experience related to the preparation of the NDCs;
 - Potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs;
 - Measures and policies related to the implementation of the NDCs;
 - Information on several or all of the items the items listed in paragraph 27 of decision 1/CP.21;
 - Whether their NDCs include mitigation, adaptation and/or support.

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 mitigation contribution [, including as appropriate a quantitative description of the target, type of target, headline percentage reduction, and/or policy objective] [, including on:
 - sub-targets and sectoral mitigation plan;
 - conditional part of the contribution, if relevant;
 - whether the target is a single-year or a multi-year target;
 - criteria for determining targets;
 - voluntary indicators/parameters which are deemed necessary by Parties, considering national capacity and needs;
 - mitigation costs;]
 - Description how the contribution is expressed: e.g. as point target, carbon budget;
 - Information on economy-wide absolute emission reduction targets, if applicable, including:
 - 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 the implementation of article 4 paragraph 15;
 - quantitative estimated effects resulting from the mitigation component of their NDCs;
 - existing and envisaged policies and measures to support the implementation of their emission reduction targets;
 - intentions to use ITMOs under Article 6 of the Paris Agreement; and
 - how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change;
 - information on measures relevant to the implementation of their targets at the domestic and international levels.
- o Information on domestic measures, including both existing and anticipated additional laws, plans and policies;
 - o 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;
 - o Additional information on mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans;
 - o Specific information on the implementation of Article 4.15 of the Paris Agreement;
 - o Information on their enhanced mitigation efforts and information on possible benefits and effects to be achieved correspondent to different scales of support to be received;
 - o Mitigation information, on several or all of the items listed in paragraph 27 of decision 1/CP.21;
 - o Expected emissions trajectory that will be followed by the Party to meet its mitigation goal;
 - o Reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable;
 - o Indicators used to track progress and to assess the attainment of the objective.

Additional information on multiple or different types of mitigation targets in NDCs:

- o If the Party has referred to an emissions reduction or limitation target: information relating to an absolute, economy-wide emissions reduction or limitation target, if relevant, including:
 - expected emissions level in base year and target year for fixed level target;
 - headline number in terms of emission reduction in % relative to the base year;
 - further information to help understand the NDC;
 - multi-year or single year targets (budget-based or single year approach).
- o If the Party has referred to a BAU baseline or scenario: information relating to the construction of base years/baselines/reference levels including assumptions and parameters, if relevant, including on:
 - expected emissions level in the target year for mitigation targets based on BAU deviation;
 - headline number in terms of emission reduction in % relative to the base year;
 - the quantified value of the base year and target year, should a projected baseline be used;
 - baseline, including emissions level in terms of CO₂e;
 - quantifiable information on the assumptions and methodologies used to construct trajectories and any projected baseline [, and whether these assumptions are consistent overtime];
 - use of projection based baselines and/or reference levels, including coverage of policies and measures and projection methodology/model;
 - policies and measures included/excluded in the baseline, and on what basis?

- the approach used to establish a projected baseline, if any;
- model used to develop BAU baseline;
- whether the baseline is static or dynamic.
- If a Party has referred to emission intensity: information relating to the intensity target, if applicable, including on:
 - expected emissions intensity in the target year for mitigation intensity targets;
 - quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or another indicator;
 - the level of emissions intensity in the base year/for the baseline;
 - index value for the base year;
 - headline number in terms of intensity reduction in %;
 - quantifiable information on the assumptions and methodologies used to construct trajectories and any intensity target [, and whether these assumptions are consistent overtime];
 - data sources [for the index value];
 - 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: information relating to the emission peaking target, if applicable, including on:
 - peaking year;
 - expected emissions level in peaking year and emissions trajectory towards it for peaking emissions target, if available;
 - expected rate of emissions decline after peak, if available.
- If a party has referred to the implementation of policies and measures: information relating to the policy and measures, if applicable, including on:
 - qualitative description of the policies and measures, including on mitigation co-benefits resulting from adaptation actions and/or economic diversification plans;
 - quantitative information on expected emissions from the policies and measures (if possible) [or avoided from the policies and measures in terms of CO₂e];
 - description of methodological approaches used to measure impact of policy, plan or action;
 - estimated quantified emissions impact (if available) and underlying assumption;
 - base year(s) for policy objectives that are part of the contribution such as increasing energy efficiency or forest cover;
 - non-GHG contribution including implementation of policies and measures;
 - explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators;
 - Indicators the party will use to assess the attainment of the objective;
 - clear non GHG goals.
- If a party has referred to mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans: technical information on mitigation contributions as necessary, including if available:
 - description of actions, including diversification plans;
 - indicators the party will use to assess the attainment of the objective;
 - information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC;
 - estimated impact of adaptation actions in emissions levels;
 - 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.

- If a Party has referred to achieving carbon/emission neutrality: information relating to the achieving carbon/emission neutrality, if applicable, including on:
 - definition of carbon or emission neutrality;
 - accounting approach used for carbon neutrality;
 - how emissions from the land sector will be accounted for;
 - whether and to what extent units from international market mechanisms or other compensation activities/credits will be used to reach target.
- PLACEHOLDER for specific guidance as per type of target.

Various views were expressed by Parties on whether the following elements should or should not be included in the guidance, or whether they are in or out of the mandate of APA 3. These views include:

- These elements are outside the mandate of this agenda item and hence there should be no text; or
- These elements are in the mandate of this agenda item and hence should be included in the guidance.

Streamlined list of substantive elements

Information on adaptation:

- Information on:
 - If a Party included an adaptation communication as a component of its NDC: follow the guidance being developed under APA agenda item 4;
 - NDC guidance for adaptation actions and/or economic diversification plans resulting in mitigation co-benefits;
 - 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;
 - Adaptation efforts in their 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;
 - Adaptation efforts and needs in the NDC, if applicable;
 - General information of NDCs above, if applicable and the outcome of APA agenda item 4.

Information on support

- Information on:
 - Developed country Parties: indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Article 9.5 and its related guidance:
 - and 3, 4.5, 4.8, 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.
 - Other Parties are encouraged to provide or continue to provide such information voluntarily;
 - Developing country Parties: information on how enhanced support will allow for higher ambition in their efforts;
 - Developing country Parties: information on finance, technology and capacity-building support needed related to implementation of their NDCs;
 - Cross-reference to negotiations on finance.

Information on finance;

- Developed countries parties: quantified information on 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 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.
- o Other Parties are encouraged to provide or continue to provide such information voluntarily;
 - o Developing country parties: information on finance support needed in relation to implementing their NDCs.

Information on technology;

- o Developed countries parties: quantifiable information on 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 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;
 - programmes and projects to be conducted by public agencies;
 - relevant methodologies and assumptions on estimating their support;
 - [fairness and ambition, including] How such support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies.
- o Other Parties are encouraged to provide or continue to provide such information voluntarily;
- o Developing countries parties: information on technology development and transfer support needed in relation to implementing their NDCs.

Information on capacity building;

- o Developed countries parties: information on 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, and
 - how such support will assist developing countries to strengthen their capacities on combating climate change.
- Other Parties are encouraged to provide or continue to provide such information voluntarily;
 - Developing countries parties: information on capacity-building support needed in relation to implementing their NDCs.

Information on support needs/received.

- Developing country Parties: information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support.

III. Accounting for Parties' NDCs

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:

- A procedural obligation as set out in Article 4.13 of the Paris Agreement;
- Being responsible for NDCs;
- Promote transparency to enhance the mutual trust among Parties;
- Demonstrating the achievement of the objectives;
- “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”;
- Compare the intended value of the indicators in the target year reflecting NDCs, with the actual value in the year of tracking progress or target year;
- The process where information from national greenhouse gas inventories and other sources is used to track progress and compare outcomes against NDCs;
- A set of methodologies used to measure implementation of NDC including anthropogenic emissions/removal of GHG;
- 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;
- Specific methodologies and approaches are not common, “one size fits all” or mandatory for all.

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 and ensure 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;

- 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;
- Assist Parties in fulfilling existing obligations under the Paris Agreement Article 4;
- Provide clear methodological approaches to estimate data;
- Provide guidance and/or support on how to 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;
- Ensure no backtracking from existing requirements;
- 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;
- Facilitate understanding of mitigation effects in the implementation and achievement of NDCs;
- Be a tool or reference document to assist Parties in preparing and communicating their NDCs in line with the Paris Agreement and decision 1/CP.21;
- Ensure that developed country Parties are taking the lead that they have been mandated to take under Articles 4.4 and 9.3;
- The guidance to take into consideration that Parties will improve environmental integrity, transparency, accuracy, completeness, comparability and consistency of their accounting over time;
- Ensure that 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.

Option 2: no text

C. Capacity of developing countries

- In accordance with Article 13, paragraph 14 and Article 13, paragraph 15, support to be provided to assist developing country Parties in the accounting of their NDCs, including integrating and incorporating accounting elements in national MRV systems;
- Flexibility to be provided to developing country Parties in the scope and level of details related to application of the relevant guidance;
- 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);
- Continuous and adequate support to be provided to developing country Parties to increase their relevant capacities on implementing the guidance for accounting;
- Capacity 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;
- 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, 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;

- Incentivizing mechanisms to be established by the CMA to encourage and support developing country Parties to apply the guidance for accounting;
- Guidance on accounting to accommodate different national capacities and national circumstances of Parties, and recognize different starting points;
- 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.

D. Drawing from approaches under the Convention and the Kyoto Protocol¹¹

- 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 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;
- 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;
- Describe how accounting approaches have been drawn from existing approaches under the Convention and its related legal instruments.

E. Procedural elements

a. Channel

Option 1:

- In the NDCs documents;
- Report through the Enhanced Transparency Framework;
- Report the relevant information related to paragraph 31 (a)-(d) of decision 1/CP.21 and ensure the methodological consistency in their reports on the implementation under the transparency framework;
- PLACEHOLDER cross reference to guidance on Article 13.

Option 2: no text

b. Timing/Application

- Accounting guidance to apply to the second and subsequent NDCs and Parties may elect to apply such guidance to their first nationally determined contribution;
- The guidance on accounting to be applied to the NDC relevant from 2026;

¹¹ More detailed views on which existing approaches under the Convention and its Kyoto Protocol could be drawn on is contained in Annex I.

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

Option 2: no text

F. Specific elements

Section F1

The informal note by the co-facilitators issued at APA 1.4 (Final version of 13 November 2017) on pages 80-180 as well as the submissions received by Parties¹² since APA 1.4 contain views from Parties on the substantive elements relating to the accounting for Parties' nationally determined contributions. We noted that through these inputs, Parties have proposed a variety of different approaches for structuring the substantial elements. The views submitted on pages 80, 87-91, 133-150 and in one submission¹³, proposed accounting elements on mitigation, be applicable to all Parties and/or depending on the type of mitigation target in the NDC. The views contained in pages 80-83 structure the accounting elements to take reference from Article 3 of the Paris Agreement, with differentiated guidance for developed and developing country Parties. The views contained in pages 150-172 and in one submission,¹⁴ differentiate the applicability of the guidance on the basis of total GHG emissions, GDP numbers, and per capita cumulative historical emissions, respectively. The views contained on pages 83-87, 91-133, 148, 172-180 as well as in one submission¹⁵ provide accounting elements on mitigation and additional elements.

The following section F2 is our attempt to streamline the pages 80-180 containing Parties views on substantive elements relating to “accounting for Parties' nationally determined contributions” in a

¹² Submission portal: <http://www4.unfccc.int/sites/SubmissionPortal/Pages/Home.aspx>

¹³ Submission by Turkey received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

¹⁴ Submission by India received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

¹⁵ Submission by African Group of Negotiators (AGN) received on 9 April 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

way that might help Parties to navigate the relevant ideas and elements contained in the inputs from Parties. Section F2 is not intended to prejudge or prejudice Parties positions and is also not intended to prejudge the varying views on the structure of the guidance.

This “navigation tool” does not replace the APA 1-4 agenda item 3 informal note by the co-facilitators until Parties decide otherwise. To provide Parties with the assurance that their proposals in relation to “accounting for Parties' nationally determined contributions” are preserved and kept on the table, the informal note by the co-facilitators issued at APA 1-4 (Final version of 13 November 2017) is virtually annexed to this document, available at: https://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_3_informal_note_final_version.pdf.

Section F2

This document is not intended 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. It is also not intended to replace the APA 1-4 agenda item 3 informal note by the co-facilitators but to serve as a facilitative tool to help Parties “navigate” 180-pages of the APA 1-4 agenda item 3 informal 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 elements and related proposals contained in this note does not correspond to any hierarchy or sequencing according to convergence or importance. The co-facilitators also recognize that nothing is finalized until the guidance on NDCs is finalized.

With regard to accounting for Parties' nationally determined contributions, as specified in paragraph 31, various Parties have recalled that Article 4, paragraph 13 of the Paris Agreement, and paragraph 31 of decision 1/CP.21 state the following, respectively:

Article 4, paragraph 13 of the Paris Agreement: *“Parties shall account for their nationally determined contributions. 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 this Agreement.”*

Paragraph 31 of decision 1/CP.21: *“Requests the Ad Hoc Working Group on the Paris Agreement to elaborate, drawing from 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 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;”*

There is no agreement whether the following elements would apply to all or to a group of Parties.

Various views were expressed on whether there should be different applicability for the following elements, such as one or more of the following:

- All Parties to apply the guidance on all the following elements, or each Party to apply the guidance on all the following elements depending on the contents of its NDC;
- Developed country Parties to apply the guidance on all the following elements and developing country Parties to apply the guidance at their discretion/apply the guidance on the following elements over time.
- Those parties with GDP/emissions/per capita cumulative historical emissions above a particular level to apply the guidance on all the following elements and other Parties to apply the guidance at their discretion/apply the guidance on the following elements over time.

Some parties are of the view that no guidance on accounting is necessary, as this should be addressed under APA 5 on transparency.

Streamlined specific elements

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)):

- Use GHG inventories under Article 13(7)(b) for the accounting for NDCs when NDCs are expressed in terms of GHG emissions;
- Use the most appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic GHG emissions and removals assessed by the IPCC;
- Strive to use of latest IPCC guidance for GHG estimation as adopted by the CMA;
- Use same methodologies and metrics throughout the timeframe of the NDC;
- Account for GHG emissions and removals by sinks using the 2006 IPCC guidelines, and any subsequent guidance adopted by the CMA;
- Take existing guidance into account if no CMA guidance exists;
- Use methodologies and metrics defined by the reporting guideline under the transparency framework;
- Follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of different capacities and circumstances;
- Use own methodologies and approaches to explain other aspects of the targets in NDCs, as appropriate; while making best endeavor to ensure methodological consistency between communication and implementation;
- Methodologies pursuant to article 4, paragraph 7 of the Paris Agreement;
- Methodologies related to the treatment of harvested wood products, natural disturbance, legacy effects, other.
- Express GHG mitigation contributions in terms of tCO₂e;

- Apply IPCC metrics
 - Most recent;
 - As adopted by CMA;
 - 100-year Global Warming Potential (GWP);
 - And the Global Temperature Potential (GTP);
 - As reported in GHG inventories for the assessment of individual and aggregate progress.

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

- Accounting guidance to 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 to establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance to include procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency;
- Accounting guidance to establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency to be communicated and implemented.
- Ensure methodological consistency between:
 - The methodological approaches and definitions used, including base years, baselines, reference levels, and assumptions, 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;
 - The methodological approach for accounting communicated consistent with decision XXX (ICTU), and the approach used to account for the implementation and achievement of the NDC submitted in accordance with Article 4 of the Paris Agreement;
 - The GHG estimations used as a basis for accounting, and GHG inventory;
 - The methodological approaches and data used for accounting, National GHG inventories and those used to calculate basepoint/baselines or reference point/period and set mitigation goals;
 - Accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation, and throughout implementation period;
 - For the construction of baselines and reference levels, include information that allows for reconstruction, and include which and how historical and projected data have been taken into account;
- Ensure time series consistency;
- Use comparable methodologies and approaches to explain other aspects of mitigation component of NDCs, including domestic emissions, policies and utilization of international transferred mitigation outcomes.
- Updated information:
 - 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;
 - Describe any updates to data and parameters, including baselines used during an implementation period [, as applicable to the indicator(s) the Party has decided to track progress;][, through their biennial reports under the transparency framework];
 - Report any updates at the earliest opportunity;

- Describe any changes in approaches and assumptions, as relevant, between implementation periods, in a way that ensures comparability and the fulfilment of the other TACCC-principles [, through their biennial reports under the transparency framework];
- Describe any updates to data and parameters, including baselines used during an implementation period;
- Describe any changes in approaches and assumptions, as relevant, between implementation periods, in a way that ensures comparability and the fulfilment of the other TACCC-principles;
- Have a process for updating/ recalculating of data and initial benchmark/ parameters.
- Base year, baseline, reference level
 - Prepare and apply reference level(s)/baseline(s) that are transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
 - To the extent that a projected baseline is used, neither over nor underestimate the results that would have been expected in the absence of additional measures;
 - Provide a general description of how the base year indicator(s), baseline(s), reference level(s) and projection(s) was constructed, including:
 - data sets, approaches, assumption, models and relevant estimation methodologies;
 - policies and measures that have been included and their implementation timeframes, and for projections, reasons for exclusion of relevant policies and measures;
 - contributions from sub-national or sectoral baselines, reference levels and projections as relevant;
 - reference points or baselines constructed from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies;
 - demonstrate that parameters and values used are consistent with historical and publicly available data;
 - use of accurate and verifiable data;
 - the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Maintain baselines or basepoints unchanged after communication, with the exception of technical corrections;
- Maintain method of comparison throughout implementation period;
- Projected baselines to be subject to a technical expert review upon communication, to assess consistency;

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).

- Strive to account for all categories of anthropogenic emissions or removals included in their NDC submitted in accordance with Article 4 of the Paris Agreement; [across the entire NDCs period][, preferably as an economy-wide GHG target (Art. 4.4)];
- Provide during the implementation period a description of sectors, gases, categories, pools covered and definitions;
- Prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- 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).
- Once a source or sink is included continue to include it, provided that it still occurs;
- Define those categories and explain which methods they intend to apply for their estimation for categories that are not part of the IPCC guidelines;
- Describe any changes in coverage between implementation periods;
- Describe any changes in definitions between implementation periods;
- Information excluded categories:
 - Indicate the sources and sinks that are not considered in the NDC and explain the reasons for such exclusions;
 - Provide a timeline or improvement plan for inclusion of omitted categories in future.

Article 6

- *The work to be informed by the discussion on ITMOs under Article 6 of the Paris Agreement;*
- *Ensure coherence and relevant cross-references with the texts being prepared under Article 6;*
- *The Article 6 guidance to define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;*
- *The Guidance to ensure that the mechanisms are additional to what would have occurred in occurred in their absence;*
- *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;*
- *Guidance to include 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;*
- *Guidance to cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs;*
- *Avoid double counting when using ITMOs to implement the mitigation component of NDCs, with further guidance to be elaborated under the SBSTA agenda Item “matters related to Article 6 of the Paris Agreement”;*
- *Internationally-agreed guidance must be in place 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;*
- *Ensure that any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward its NDC cannot be re-used by that Party or be used by another Party toward its own 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;
- In accounting for credits/units used for achieving NDCs, 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;
- When using mechanisms under Article 6, report on their national governance system, including their national transaction log and 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;

- For NDCs 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 in accordance with guidance from Article 6;
- Parties to use the accounting balance for their use of voluntary cooperation under Article 6 and any additions/subtractions;
- Placeholder, pending further developments in relation to Article 6.

LULUCF, forests and REDD+

- *Guidance for accounting for emissions and removals from the land sector to be covered by accounting guidance in a general manner;*
- *Accounting guidance to accommodate REDD+ mitigation;*
- *Accounting guidance to cover natural disturbance and other land related topics not sufficiently covered by other guidance;*
- *Accounting guidance not to lead to any requirements on mitigation in agriculture.*
- *The contribution from forest and land use to represent real, permanent and verifiable emission reductions that would not occur irrespective of the Party's actions;*
- Parties to be encouraged to include the land sector in their NDCs, and those that include it to continue to do so in the future;
- 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;
- Specify the approaches for each land categories/activities/elements, if necessary;
- Account for emissions and removals from land sector based different approaches, including:
 - Incorporate the emissions and removals from land sector with estimation of emissions from other sectors;
 - Separate the emissions and removals from estimation of emissions from other sectors. Parties to clarify which approach is applied.
- Ensure 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 to be included in National GHG Inventories;
 - Consistent application of the IPCC guidelines across countries for estimating CO₂ emissions from harvested wood products;
 - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories;
 - Use of Managed Land Proxy.
- When accounting for Harvested Wood Products use a [production][common] approach, consistent with IPCC guidance;
- No text

Various views were expressed by Parties on whether the following elements should be included or not. These views include:

- These elements should not be contained in the guidance; or
- These elements should be contained in the guidance and applicable to different types of mitigation targets.

Streamlined specific elements

Tracking progress

- *Accounting guidance to include methodological approaches to develop appropriate indicators to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels;*
- *Accounting guidance to provide support on how a Party could undertake a quantitative assessment on the achievement of its NDC (at the end of the implementation period).*
- 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);
- Describe at the earliest opportunity, how they will track progress against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
- Use an accounting balance 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;
- Identify the quantified value including emissions or emissions intensity in the base year and/or the other reference point and the accounting approaches, and provide that information is in accordance with the ICTU guidance;
- Assess the achievement of NDCs, and provide the information on the assessment and how they assess it in accordance with the reporting guideline under the transparency framework, after the end of the timeframe or the implementation period;
- Track progress in implementation and assess achievement of their NDCs including by:
 - 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.
 - 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.
 - 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.
- o Non-GHG contributions including implementation of policies and measures:
 - Parties to explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.
- Reports on progress will contain three streams:
 - o The Objective stream estimates, calculates and updates the indicators that the Party chooses to define as the achievement of its NDC;
 - o The results stream shows changes in net emissions and removals over time, including net transfers of ITMOs;
 - o The Achievement stream compares the Results against the Objective to track progress and determine achievement of NDC.
- Reports on progress to be published in three stages:
 - o 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";
 - o Update reports compare the most recent Result available to a revised estimate of the Objective, in order to track progress;
 - o The final report compares the final Results to the final Objective, in order to demonstrate achievement of the NDC.

Harmonization of accounting rules with those developed by ICAO and IMO

- *The Guidance to contain clear provisions on how to avoid double-counting, for example to prevent potential double-claiming under the UNFCCC, ICAO, IMOs;*
- *The Guidance to harmonize accounting rules with those developed by ICAO and IMO.*
- Ensure transparency, clarity and understanding of what is reported by IMO and ICAO;
- No text.

Accounting for different or different types of mitigation targets of NDCs

- *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;*
- *Accounting guidance to include 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;*
- *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.*
- For NDCs 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 gasses, provide an estimation of the greenhouse gas impacts associated with the implementation and achievement, if applicable, of the target;

- PLACEHOLDER specific information for different types of NDCs.

Various views were expressed by Parties on whether the following elements should or should not be included in the guidance, or whether they are in or out of the mandate of APA 3. These views include:

- These elements are outside the mandate of this agenda item and hence there should be no text; or
- These elements are in the mandate of this agenda item and hence should be included in the guidance.

Many Parties expressed the view that capacity building should be provided for the implementation of this guidance and for improvement over time.

Various views were also expressed by Parties on whether developed country Parties should account for their NDCs on financial support, technology development and transfer and capacity-building.

Streamlined specific elements

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;*
- Account for relevant adaptation targets in their NDCs, as appropriate;
- Placeholder for outcome under agenda item 4.

Accounting for Support

- Developed country Parties 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;
- 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;
- 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.

ANNEX I: Drawing from existing approaches

- 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;
 - 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 PA.
 - 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).
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