

DRAFT TEXT

on

APA 1.7 agenda item 3

Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) Features of nationally determined contributions, as specified in paragraph 26; (b) Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; (c) Accounting for Parties' nationally determined contributions, as specified in paragraph 31

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Draft text produced under the APA co-Chairs' responsibility

Co-Chairs' note: Parties need to continue working intensively on the shaded sections, both for ICTU and accounting today (7 December 2018). These sections represent our judgement of an acceptable landing zone, but the language could be improved. We will forward a clean version, take on board improvements developed today, to the COP President tomorrow, on 8 December 2018.

Second iteration

[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, recognizing that enhanced support for developing countries will allow for higher ambition of their actions,

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

Features of nationally determined contributions, as specified in paragraph 26

- 1. Notes the decision to develop further guidance on features of the nationally determined contributions 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;*
- 2. Also notes that features of nationally determined contributions are outlined in the relevant provisions of the Paris Agreement;*
- 3. Decides to continue its consideration of further guidance on features of nationally determined contributions at its fifth session (November 2022);*

Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28

- 4. 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; 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;*

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, by 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. *Decides* that in communicating its nationally determined contribution, each [developed country] Party [shall provide][may include, as appropriate, inter alia,][and each developing country Party [shall provide][may include, as appropriate, inter alia,] over time] the information [contained in annex X][in paragraph X below] as applicable to its nationally determined contribution;

{Note: depending on what Parties ultimately decide, the following (marked) sections would/could either remain a part of the decision (paragraph X) or be moved to an annex (annex x)}

[Paragraph X][Annex X] The information includes:

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

- i. Reference year(s), base year(s), reference period(s) or other starting point(s);
- ii. 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;
- iii. The extent of the mitigation contribution relative to the value of the reference indicator;
- iv. Explanation of sources of data used in quantifying the reference point/points;
- v. Whether the Party intends to update its reference indicator(s), including the circumstances and point in time, if applicable;

b. Time frames and/or periods for implementation:

- i. Time frame and/or period for implementation, including start and end date, consistent with any further relevant decision adopted by the CMA {common time frames};
- ii. Whether the target is a single-year or a multi-year target;

c. Scope and coverage:

- i. General description of the target (headline numbers, e.g. economy-wide absolute emission reduction, emission intensity, emission reductions below a projected baseline, policies and measures);
- ii. Sectors, gases, categories and pools covered by the nationally determined contribution, including as applicable, consistent with IPCC Guidelines;
- iii. An explanation of why any sectors, gases, categories and pools of anthropogenic emissions and removals are excluded;
- iv. Whether the nationally determined contribution also includes adaptation and/or support;
- v. Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans, including a description of the specific projects, measures and initiatives of Parties' adaptation actions and/or economic diversification plans;

d. Planning processes:

- i. Information on the planning processes 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, such as the roles of, and the cooperation between, government agencies and other entities involved;
 - b. Public participation and engagement, including with women, non-Party stakeholders, local communities and indigenous peoples;

- c. How the nationally determined contribution relates to the long-term low greenhouse gas emission development strategy referred to in Article 4, paragraph 19, of the Paris Agreement;
 - d. How the Party has considered, as appropriate, the context of sustainable development and poverty eradication, as well as any other contextual issues, such as those contained in the preamble of the Paris Agreement;
 - i. How the nationally determined contribution has been informed by the outcomes of the global stocktake, in accordance with Article 4, paragraph 9, of the Paris Agreement;
 - ii. Specific information applicable to Parties that decided to act jointly under Article 4, paragraph 2, of the Paris Agreement, including the Parties that agreed to act jointly and the terms of such an agreement, in accordance with Article 4, paragraphs 16–18, of the Paris Agreement;
 - iii. Best practices and experience related to the preparation of the nationally determined contribution;
 - iv. Each Party with a nationally determined contribution under Article 4 of the Paris Agreement that consists of mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans 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;
- e. Assumptions and methodological approaches, including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals:**
 - i. Assumptions and methodological approaches used for the accounting for anthropogenic GHG 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;
 - ii. 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;
 - iii. IPCC methodologies and metrics for estimating anthropogenic GHG emissions and removals;
 - iv. Sector-, category- or activity-specific assumptions, methodologies and approaches consistent with IPCC Guidelines as appropriate, including, as applicable:
 - a. Approach to addressing emissions and subsequent removals from natural disturbances on managed lands;
 - b. Approach used for harvested wood products;
 - c. How the effects of age class structure in forests are addressed;
 - v. Other assumptions and methodological approaches for understanding the nationally determined contributions and 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 non-GHG targets to apply different methodologies and approaches not covered by the IPCC Guidelines, as appropriate, as applicable for their type of the nationally determined contributions;
 - c. For climate forcers included in the NDC that are not covered by IPCC Guidelines information on how these climate forcers are estimated;
 - d. Further technical information, as necessary;
 - vi. The intention to use voluntary cooperation under Article 6 of the Paris Agreement, if applicable, in accordance with the decisions adopted by the CMA;
- f. How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances:**
 - i. How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances;
 - ii. Fairness considerations of efforts such as approaches and concepts that the Party has used to operationalize equity and fairness considerations;
 - iii. How the Party has addressed Article 4, paragraph 3, of the Paris Agreement;
 - iv. How the Party has addressed Article 4, paragraph 4, of the Paris Agreement;
 - v. How the Party has addressed Article 4, paragraph 6, of the Paris Agreement;
 - vi. Features of geography, climate and economy, if relevant;

- g. How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2:**
- i. How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2;
 - ii. How the nationally determined contribution contributes towards Article 2, paragraph 1(a), and Article 4, paragraph 1, of the Paris Agreement;
- h. [Information on adaptation:**
- i. If a Party included an adaptation communication as a component of its NDC: follow the guidance being developed under APA agenda item 4;
 - ii. NDC guidance for adaptation actions 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;
 - iii. Parties that are communicating nationally determined actions and strategies pursuant to Article 4.7 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, to provide 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.
 - iv. 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;
 - v. 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;
 - vi. Adaptation efforts and needs in the NDC, if applicable;
 - vii. General information of NDCs, if applicable and the outcome of APA agenda item 4.]
- i. [Information on support**
- i. 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:
 - a. and 3, 4.5, 4.8, 10 and 11 of the Paris Agreement and paragraphs 27 and 55 of decision 1/CP.21;
 - b. as well as taking into account relevant information requirements as set out in decision 19/CP.18.
 - ii. Other Parties are encouraged to provide or continue to provide such information voluntarily;
 - iii. Developing country Parties: information on how enhanced support will allow for higher ambition in their efforts;
 - iv. Developing country Parties: information on finance, technology and capacity-building support needed related to implementation of their NDCs.]
- j. [Information on finance**
- i. 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.
 - ii. Other Parties are encouraged to provide or continue to provide such information voluntarily;
 - iii. Developing country Parties: information on finance support needed in relation to implementing their NDCs.]
- k. [Information on technology**
- i. 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.

- ii. Other Parties are encouraged to provide or continue to provide such information voluntarily;
- iii. Developing countries Parties: information on technology development and transfer support needed in relation to implementing their NDCs.]

l. [Information on capacity building

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

m. [Information on support needs/received

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

8. *Affirms* that Parties may provide additional information to facilitate the clarity, transparency and understanding of their nationally determined contributions;

9. *Reaffirms* that the guidance [contained in annex X][in paragraph X above] also applies to mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans pursuant to Article 4, paragraph 7, of the Paris Agreement;

10. *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;

11. *Decides* that continuous and enhanced capacity-building support shall be provided to developing country Parties for preparing, communicating and accounting for their nationally determined contributions;

12. *Urges* the operating entities of the Financial Mechanism and the constituted bodies under the Convention serving the Paris Agreement to include the continuous and enhanced capacity-building support referred to in paragraph 12 above in their work;

13. *Invites* other organizations in a position to do so to include the continuous and enhanced capacity-building support referred to in paragraph 12 above in their work;

14. *Decides* that the information to facilitate clarity, transparency and understanding of nationally determined contributions [contained in annex X][in paragraph X above] shall be communicated by Parties [when communicating or updating their nationally determined contribution by 2020][with their second and subsequent nationally determined contributions, and that Parties may elect to apply this guidance in relation to their first nationally determined contribution, including when communicating or updating it by 2020];

15. [*Also decides* to initiate the review of and, if necessary, revise the information to facilitate clarity, transparency and understanding of nationally determined contributions [contained in annex X][in paragraph X above] at its sixth session (2023) with a view to adopting a decision on the matter at its seventh session (2024);]

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

16. *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;

17. *Also recalls* decision 1/CP.21, paragraph 31, in which the Ad Hoc Working Group on the Paris Agreement was requested 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;

18. *Decides* that, in accounting for anthropogenic emissions and removals corresponding to their nationally determined contributions under Article 4, paragraph 13, of the Paris Agreement, [developed country] Parties [shall][[and each developing country Party] should] apply the guidance for accounting for Parties' nationally determined contributions [contained in annex Y][in this paragraph:];

{Note: depending on what Parties ultimately decide, the following (marked) sections would/could either remain a part of the decision (paragraph 18) or be moved to an annex (annex Y)}

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:

- i. Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change and agreed by the CMA *{cross-reference to APA 5 CMA decision - IPCC guidelines and metrics used in reporting, pending discussions in APA5}*;
- ii. Parties account for targets in their nationally determined contributions with methodologies not covered by the IPCC guidelines referred to in paragraph 18(a) above, including mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans pursuant to Article 4, paragraph 7, of the Paris Agreement, and provide an estimation of the respective anthropogenic emissions and removals as well as information on the methodologies used to estimate those anthropogenic emissions and removals;
- iii. 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;

- iv. Where a Party decides to address emissions and subsequent removals from natural disturbances on managed lands, it provides detailed information on the approach used and how it is consistent with relevant IPCC guidance, as appropriate, or indicates the relevant section of the national GHG inventory report containing that information;
- v. Where a Party accounts for emissions and removals from the harvested wood products pool, it provides detailed information on which IPCC approach has been used to estimate emissions;
- vi. Where a Party addresses the effects of age-class structure in forests, it provides detailed information on the approach used and how it is consistent with relevant IPCC guidance, as appropriate;

b. Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions:

- i. Parties to maintain consistency in scope and coverage, definitions, data sources, metrics, assumptions and methodological approaches;
- ii. Any GHG data and estimation methodologies used for accounting should be consistent with the Party's GHG inventories, pursuant to Article 13, paragraph 7(a), of the Paris Agreement;
- iii. Parties to avoid overestimating or underestimating projected emissions and removals used for accounting;
- iv. If a Party applies technical changes to update reference points, reference levels or projections, the changes should not aim to reduce the ambition of the Parties' nationally determined contribution and should reflect either:
 - a. Changes in the Parties' inventory, or
 - b. Improvements in accuracy that maintain methodological consistency;
- v. Transparently report any changes and technical updates made during the implementation of a nationally determined contribution;

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:

- i. Parties account for all categories of anthropogenic emissions and removals corresponding to their nationally determined contributions;
- ii. Parties strive to include all categories of anthropogenic emissions and 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:

- i. Parties explain why any categories of anthropogenic emissions or removals are excluded;

e. Avoidance of double counting

- i. Each Party that pursues voluntary cooperation as referred to in Article 6 of the Paris Agreement shall promote environmental integrity and ensure that double counting is avoided on the basis of corresponding adjustments to the level of emissions by sources and removals by sinks corresponding to their NDC in the structured summary consistent with decisions adopted by the CMA on Article 6;
- ii. For the avoidance of double counting, where a mitigation outcome is used or transferred for a purpose other than the achievement of a nationally determined contribution, that mitigation outcome shall not be used to demonstrate the achievement of a Party's nationally determined contribution;

f. [Accounting for adaptation

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

g. [Accounting for Support

- i. Developed country Parties account for contributions to the provision of support 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 SBSTA in accordance with paragraph 57 of decision 1/CP.21 and adopted by the CMA;
- ii. Developed country Parties account for contributions to technology development and transfer and capacity-building in their nationally determined contributions with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding double counting in their nationally determined contributions, as appropriate;
- iii. 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;]]

19. *Also decides* that, in accounting for anthropogenic emissions and removals corresponding to Parties' nationally determined contributions under Article 4, paragraph 13, of the Paris Agreement, each participating Party shall account for the transfer of mitigation outcomes on the basis of corresponding adjustments to the level of emissions by sources and removals by sinks corresponding to their nationally determined contributions, consistently with the guidance referred to in Article 6 as adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

20. *Further decides* that the guidance for accounting for Parties' nationally determined contributions [contained in annex Y][referred to in paragraph 18(a–g) above] also applies to mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans pursuant to Article 4, paragraph 7, of the Paris Agreement;

21. *Decides* that continuous and enhanced capacity-building support shall be provided to developing country Parties for preparing, communicating and accounting for their nationally determined contributions;

22. *Urges* the operating entities of the Financial Mechanism and the constituted bodies under the Convention serving the Paris Agreement to include the continuous and enhanced capacity-building support referred to in paragraph 21 above in their work;

23. *Invites* other organizations in a position to do so to include the continuous and enhanced capacity-building support referred to in paragraph 21 above in their work;

24. *Decides* that Parties shall apply the guidance for accounting for their nationally determined contributions [contained in annex Y][referred to in paragraph 18(a–g) above] in relation to their second and subsequent nationally determined contributions, and that Parties may elect to apply this guidance in relation to their first nationally determined contribution;

25. *Also decides* that each Party that chooses to pursue voluntary cooperation in the implementation of its nationally determined contribution through the cooperative approaches referred to in Article 6, paragraph 2, [and/or through the mechanism established by Article 6, paragraph 4,] of the Paris Agreement shall apply the guidance for accounting for nationally determined contributions [contained in annex Y][referred to in paragraph 18(a–g) above] in relation to its first and subsequent nationally determined contributions, consistently with any further decision adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

26. *Further decides* that Parties shall account for their nationally determined contributions, including through a structured summary provided in their biennial transparency reports, consistently with the guidance provided pursuant to Article 13 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;

27. *Decides* to initiate the review of and, if necessary, revise the guidance for accounting for Parties' nationally determined contributions [contained in annex Y][referred to in paragraph 18(a–g) above] at its sixth session (2023) with a view to adopting a decision on the matter at its seventh session (2024).]
