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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Ad Hoc Working Group on Long-term Cooperative Action
under the Convention**

**Fourteenth session, part three
Panama City, 1–7 October 2011**

Agenda item 3.2.1

**Nationally appropriate mitigation commitments or actions by developed
country Parties**

**Views on the items relating to a work programme for the
development of modalities and guidelines listed in
decision 1/CP.16, paragraph 46**

Submissions from Parties

Addendum

1. In addition to the 19 submissions contained in document FCCC/AWGLCA/2011/MISC.6 and Add. 1–3, two further submissions have been received.
2. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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* This submission is supported by Albania, Croatia, Iceland, Montenegro, Serbia and the former Yugoslav Republic of Macedonia.

September 2011

Outcome of the work of the Ad Hoc Working Group on Long-Term Cooperative Action under the Convention (AWGLCA)

Items relating to a work programme for the development of modalities and guidelines listed in document FCCC/AWGLCA/2010/L.7, paragraph 46, including with respect to the initial scheduling of the processes described in section III.A (Enhanced action on mitigation. Nationally appropriate mitigation commitments or actions by developed country Parties).

Our countries are fully convinced that bold climate action is required from all Parties, in order to achieve the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC).

Mindful of the outcomes we have set out in Bali and most recently in Cancun we believe that the Durban Conferences must provide concrete steps for implementing both the Bali Action Plan and the Cancun Agreements, with developed Parties taking the lead in reducing emissions as per their historical responsibility.

Section III A from the Cancun Agreements already provides us with a good basis to further define mitigation action and increase ambition from developed countries.

Firstly, developed country quantified economy-wide emission reduction targets must be consistent with the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) range of 25 - 40% of emissions reductions by 2020.

According to the technical paper FCCC/TP/2011/1, presented by the UNFCCC Secretariat, aggregated targets by developed country Parties sum up a range of 13 to 18% of emission reductions by 2020, clearly far away from required ambition. This gap is bigger when different conditions are put on the table for getting to the upper end of targets, and the variety of assumptions in the range of these targets need to be therefore clarified in order for individual efforts to be comparable and built upon in reaching IPCC numbers.

It is our firm belief that developed countries need to address their emissions gap and increase their quantified economy-wide emission reduction targets ambition with no conditionalities upon the actions of other Parties.

In the long run, if we are to keep to our global long term goal to reducing global greenhouse gas emissions so as to hold the increase in global average temperature below 2 °C above preindustrial levels, it is crucial to converge further emission reductions by developed countries by 2050, fitting in the design and implementation of low carbon development strategies. These emission reductions need to fit in IPCC ranges over 80 to 95% by 2050.

Moreover, in looking for ways to increase overall ambition for mitigation, we receive with great interest recent progress made by IMO and ICAO in promoting emission reductions for the civil aviation and maritime transportation sectors. We take their actions as first steps. It will be crucial for the UNFCCC to make a call to both organizations to promote a gradual approach that will allow them to progressively raise their emission reductions in the coming years and to ask them to provide the UNFCCC Secretariat with up-to-date information relating to emission reductions achieved by both sectors, as an input to the 2015 review.

One of the main features to enhance existing reporting guidelines relies on the need to assess progress made in achieving emission reductions, individually and collectively. Thus, clear rules for Land Use, Land-Use Change and Forestry (LULUCF) and the use of carbon credits from market based mechanisms need to be defined for all developed country Parties in the context of the Framework Convention.

Apart from annual greenhouse gas inventories and enhanced national communications, we ask leadership from developed countries in submitting biennial reports as early as possible in 2013. All these reports, inventories and communications must follow IPCC 2003 good practice guidance for LULUCF and IPCC 1996 guidelines for National Greenhouse Gas Inventories, with the view to fully use 2006 revised guidelines by the year 2015.

The content of biennial reports for developed countries, as defined in decision 1/CP.16 should include:

- a greenhouse gas inventory with an inventory report,
- progress in achieving their quantified economy-wide emission targets with quantified information on emission reductions and clarifying underlying assumptions including use of markets and LULUCF rules, and
- information related to capacity building, finance and technology provided to developing countries

Given that biennial reports will represent one of the most important inputs for regularly addressing performance in achieving quantified economy-wide emission reduction targets by developed countries, we suggest that the technical paper (FCCC/TP/2011/1) is updated by the Secretariat when:

- a) A developed country Party increases its target and,
- b) In advance of mid-year sessions of Subsidiary Bodies, after the first biennial report is presented and subsequently thereon.

Additionally, we find it crucial that developed country Parties include in their regular reports (national communications and biennial reports) standardized information on the provision of financial, technology and capacity-building support to developing country Parties including at least the following inputs:

- Description of support provided (e.g. loan, donation, technical assistance and/or capacity building)
- Source of funding (e.g. multilateral, regional, bilateral and/or transferred through an intermediary)
- Amount of funding
- Area of action that received support (e.g. infrastructure, regulation or standard, capacity building, best practice)
- Recipient country and regional distribution of financing.

Being the main objective of the international assessment and review of emissions and removals related to quantified economy-wide emission reduction targets (IAR) to promote comparability and building confidence in mitigation action by developed countries, in our view, this process should comprise:

- A technical assessment of the overall achievement of the quantified economy-wide emission reduction target of the Party concerned, conducted by a roster of technical experts and that results in a summary report.
- The country concerned can respond to suggestions and questions of the expert assessment team before the report is finalized.
- The summary report should be public information, made available through the UNFCCC website.
- Following the publication of the summary report, a public consultation will take place under the auspices of the SBI in the next SBs session.

- A final summary report will be updated, should there be any changes or clarifications after the public consultation.

IAR needs to take into account annual greenhouse gas inventories, biennial reports, national inventory reports as well as any other relevant information that helps in assessing performance in reaching quantified economy-wide emission reduction targets, including a thorough analysis of the role of LULUCF and carbon credits from market-based mechanisms in the achievement of the target.

Currently an expert team exists for the purpose of revising national communications by Annex I Parties. We deem convenient its expertise is used in the process of IAR. Over time, the work of these experts will increase provided that developing countries will increasingly present biennial update reports and information on mitigation actions.

We suggest that a single pool of 50 experts is constituted for completing both ICA and IAR processes, balancing representation from developed and developing countries and to be hosted by the UNFCCC Secretariat.

Half of the experts should have expertise in revising inventories and the other half in terms of mitigation actions and costs related.

Provided there will be information available each year, including through annual greenhouse inventories, IAR should happen annually and start right after presentation of the first biennial report by developed country Parties, to take place in early 2013.

All abovementioned information will nourish the review of our long term goal that is to take place between 2013 and 2015 and will help in preparing recommendations of required global action to obtain an upward spiral on emission reductions by 2015 and onwards in closing our emission reduction gap.

This submission is supported by Albania, Croatia, Iceland, the former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Warsaw, 26th September 2011

Subject: International Assessment and Review (IAR) and International Consultation and Analysis (ICA)

INTRODUCTION (COMMON TO BOTH IAR AND ICA SECTIONS)

The EU welcomes the opportunity to set out further views on International Assessment and Review (IAR) in relation to paragraphs 44 and 46(d) of decision 1/CP.16 and on International Consultation and Analysis (ICA) in relation to paragraphs 63 and 64 of decision 1/CP.16.

IAR and ICA will play a key role in the mitigation architecture currently being negotiated under agenda item [3] in the work of the Ad-Hoc Working Group on Long-term Cooperative Action (AWG-LCA).

1. The EU reiterates the importance of delivering on the agreed objective to globally keep the temperature increase below 2°C and the need for all countries to take ambitious mitigation action to that end¹.
2. The EU also stresses that a rigorous, robust and transparent international accounting system² is indispensable to ensure the comparability of commitments, assess the performance of Parties in meeting their targets, and to keep track of the aggregate performance towards meeting the objective of staying below 2°C. Such a common accounting system is also a prerequisite to ensure that the MRV system can work – without common rules, information can be measured in very different ways, which makes it impossible to compare the data reported by countries.
3. It will also be critical to ensure a strong MRV system to ensure the transparency that Parties need. In this context, enhanced national communications, the biennial reports for Annex I³ and Non-Annex I⁴ countries, and processes of IAR (International Assessment and Review) and ICA (International Consultation and Analysis) will play a key role. The present submission outlines the EU views on IAR and ICA. The EU notes that work on the guidelines should happen immediately, but that Parties should keep in mind that these guidelines will eventually need to be made fully in line with the provisions of the **international accounting system** that we need to develop in parallel.

This submission clarifies the purpose, scope and implementation of IAR and ICA in this context.

International Assessment and Review (IAR)

As stipulated in the Cancun Agreements, IAR should be a non-confrontational process for assessment of emissions and removals related to economy-wide emission reduction targets conducted in a rigorous, robust and transparent manner, promoting comparability among Parties and helping build confidence.

¹ Cf. EU submission on options and ways to increase the level of ambition of global mitigation actions

² Cf. EU submission on need for a rigorous, robust and transparent international accounting system

³ Cf. EU submission on biennial reports for Annex I Parties

⁴ Cf. EU submission on biennial reports for non-Annex I Parties

IAR is clearly distinct from ICA in the sense that IAR should contribute to ensuring compliance with emission reduction commitments and promote comparability, while ICA should support Non-Annex I Parties to build capacities to implement their NAMAs.

Purpose/Objective:

The IAR should:

- **Promote the integrity of the international climate regime and build confidence** in the information reported, ensuring the transparency, accuracy, comparability, consistency and completeness of the information reported, ensuring comparability in the accounting of emissions, and assisting Annex I Parties in improving their reporting;
- **build confidence** in that Annex I Parties are making comparable progress towards achieving targets and commitments.
- **provide oversight** of the progress Annex I Parties are making to achieve their targets, incentivizing Annex I Parties to achieve their targets; and
- **address** compliance by Annex I Parties with the methodological and reporting requirements, accounting modalities and eligibility criteria to participate in market-based mechanisms, as well as with the achievement of their targets and commitments.
- **Provide input** to the 2013-2015 and the subsequent periodic Review processes.

Process:

The EU sees IAR as a biennial two-step process, with differing aims, inputs, process and outputs for each of these steps:

Step 1: Technical review & consistency/comparability check

Aim

- the thorough, objective and comprehensive technical assessment of the implementation of the commitments and targets of Parties included in Annex I;
- promoting consistency, comparability, completeness, accuracy and transparency in the information submitted by Parties included in Annex I;
- assisting Parties included in Annex I in improving their reporting of information and the implementation of their commitments and targets;
- providing the COP with a technical assessment of the implementation of methodological and reporting requirements, accounting modalities and eligibility criteria to participate in market-based mechanisms, as well as the targets and commitments by Parties included in Annex I.

Input

Submissions of biennial reports containing summary information on GHG inventory data, progress in attaining the targets (including the role of land use, land-use change and forestry, and carbon units from market-based mechanisms), on mitigation actions, on projections and on financial support provided, relevant information from National Communications. Parties should provide additional information in support of the data included in the biennial reports and in response to requests for clarification from review experts.

In years when a national communication is to be submitted, the biennial report forms part of that national communication and the review of the biennial report should be conducted in conjunction with the review of the national communications.

Process

An expert review team (ERT) consisting of experts from Annex I and Non-Annex I countries, in a balanced manner with different expertise (ranging from finance to inventories) should assess the biennial report for adherence to the reporting guidelines, the accounting modalities, eligibility criteria to participate in market mechanisms and the main reporting principles of transparency, accuracy, completeness, comparability and consistency (TACCC).

This process could be either centralized or take place in-country, as appropriate or at the request of the Party concerned, and should follow guidelines for the review of biennial reports to be established under the UNFCCC.

If information submitted by Annex I Parties is found to be incomplete and/or is prepared in a way that is not consistent with the guidelines for biennial reports, the Party in question should be provided with the opportunity to clarify/complete such information. Where an Annex I Party has been provided with opportunities to correct such deficiencies, but has not done so, the ERT should in its expert review report include information on the correspondence and if appropriate recommendations on how the Party in question could solve the problem.

The review of the biennial reports should not duplicate the annual review of GHG inventories. The conclusions of the annual review process for GHG inventories under the UNFCCC could be taken into account during the review process for biennial reports. The annual inventory review could be combined with the biennial report review (in the years that both reports are due), if appropriate.

The inventory review guidelines under the Convention should be enhanced and the review should identify questions of implementation with regard to the inventory reporting requirements, accounting modalities, eligibility criteria to use the market mechanisms, national arrangements and national registries, and allow for adjustments of the provided estimates as appropriate.

Following its review of the biennial report the ERT will prepare an expert review report under its responsibility and in consultation with the Party concerned.

Output

An expert review report should be prepared for each Annex I Party containing a description of the technical assessment of each of the elements reviewed according to the guidelines for the review of biennial reports to be established under the UNFCCC, including:

- (i) A description of any potential problems in, and factors influencing the fulfilment of requirements and commitments assessed during the review;
- (ii) Any recommendations provided by the expert review team to solve the potential problems;
- (iii) An assessment of any efforts by the Party included in Annex I to address any potential problems identified by the expert review team;
- (iv) Any questions relating to the implementation and fulfilment of the commitments and targets and in particular with regards to inventory reporting requirements, accounting modalities, eligibility criteria to use the market mechanisms, national arrangements and national registries.

Step 2: International assessment of implementation

Aim

- promoting transparency and comparability in the implementation of the quantified economy-wide emission reduction targets by Parties included in Annex I;
- providing a robust assessment on each Annex I Party's progress in attaining its individual target including discussion on whether this puts the Party on track to a low-carbon development pathway consistent with the common 2°C goal;

Input

The expert review report resulting from Step 1, the biennial report reviewed in Step 1, relevant parts of the latest National Communication, the latest annual greenhouse gas inventory report submitted under the UNFCCC, and any further information on implementation/progress towards achieving its individual commitment that an Annex I Party may submit.

The Secretariat should also prepare a compilation and synthesis report based on Parties' submissions of biennial reports.

Process

The expert reviews should be completed within set timeframes and upon their completion sufficient time should be allocated at the next SBI meeting for their consideration in a plenary format. Each Annex I Party for whom an expert review report is available, should provide a brief oral presentation during the SBI session of its progress in attaining its targets and the efforts undertaken, and of any challenges faced. The organisation of the process should be guided by principles of cost effectiveness and transparency.

In accordance with arrangements to be elaborated, there would be the possibility to ask questions based on the biennial reports, GHG inventory report, expert review report and the presentation made by the Party.

The Annex I Party presenting its progress should provide responses to the questions posed either orally during the SBI session or in written form within set timeframe following the SBI discussion which can be made available on the UNFCCC website.

Output

A summary record of the discussions under the SBI, including questions and answers including further remarks and written responses to questions by the Party assessed should be compiled by the Secretariat and made publicly available on the UNFCCC website.

Further steps shall be determined to ensure that questions related to the compliance objective are addressed in an appropriate manner.

International Consultation and Analysis (ICA)

The ICA should be a non-confrontational process and, as stipulated in the Cancun Agreements, should be non-intrusive, non-punitive and respectful of national sovereignty.

Alongside International Assessment and Review, ICA should play a role in providing an overview of the actions that Parties are taking towards attaining their commitments, also helping to provide insight on where Parties are in aggregate to meet the 2°C objective.

ICA is clearly distinct from IAR in that ICA should support Non-Annex I countries to build capacities to implement their NAMAs while IAR should contribute to ensuring compliance with emission reduction commitments and promote comparability.

Purpose/Objective:

The ICA should:

- **build confidence** in the information reported, ensuring the transparency, accuracy, comparability, consistency and completeness of the information reported;
- **promoting the exchange of good practices and learning** in improving the reporting of information, identifying areas where capacity building is needed by Non-Annex I countries in implementing and reporting on their mitigation actions; and
- provide an **overview of the implementation of mitigation actions** by Non-Annex I countries.
- Provide input to the 2013-2015 and the subsequent periodic Review processes

Countries whose emissions represent more than X Mt CO₂eq should undergo ICA after every submission of their biennial report noting that when the national communication is to be submitted the biennial report forms an integral part of that national communication.

SIDS and LDCs can undergo an ICA process if they so request.

All other countries should undergo an ICA process after every submission of their national communication (which includes the biennial report) i.e. every 4 years or upon request should they wish to undergo ICA on a more frequent basis.

The EU sees ICA as a two-step process:

Step 1: Analysis (transparency of information check)

Aim

- the thorough, objective and comprehensive technical assessment of the information reported by Parties not included in Annex I;
- promoting consistency and transparency of information submitted by Parties not included in Annex I;
- assisting Parties not included in Annex I in improving their reporting of information and the implementation of their actions;
- supporting Non-Annex I Parties in building their capacity.

Input

The biennial reports containing a greenhouse gas inventory report, information on all mitigation actions (including the description of the impacts, methods, assumptions, progress in implementation, domestic and/or international MRV provisions applied), on financial support received, and on their needs (paragraphs 63 and 64 of ICP.16). Parties should provide additional information in support of the data included in the biennial reports and in response to requests for clarification during the analysis process.

In years when a national communication is to be submitted, the biennial report forms part of that national communication.

The Secretariat should also prepare a compilation and synthesis report based on Parties' submissions of biennial reports.

Process

An expert team consisting of experts from Annex I and non-Annex I Parties, in a balanced manner with different expertise (ranging from finance to inventories), should check the biennial report for adherence to the reporting guidelines, and the main reporting principles of transparency, accuracy, completeness, comparability and consistency (TACCC).⁵

This process should be centralized, unless a non-Annex I Party requests an in-country visit, and should follow guidelines for the analysis of biennial reports of Parties not included in Annex I to be established under the UNFCCC. The process should be undertaken in consultation with the Party concerned and should enable the facilitative exchange/sharing of views.

Output

An expert analysis report should be prepared by the expert team containing a description of the technical assessment of each of the elements analysed according to the relevant guidelines, including:

- (i) A description of any potential problems in, and factors influencing the fulfilment of reporting requirements, identified during the review;
- (ii) Any recommendations provided by the expert review team to solve the potential problems;
- (iii) An assessment of any efforts by the Party included in Annex I to address any potential problems identified by the expert review team;

This report shall be prepared under the responsibility of the ERT and in consultation with the Party.

⁵ Cf. EU submissions on biennial report for Annex I and non-Annex I Parties

Step 2: International Consultation

Aim

- promoting transparency in the implementation of mitigation actions by Parties not included in Annex I;
- providing an overview on a Party's progress in implementing its mitigation actions;
- building an understanding of where Non-Annex I countries stand as a group with the implementation of their mitigation actions.
- providing a robust assessment on non-Annex I Parties' progress in implementing their proposed actions including discussion on whether these put the Party on track to a low-carbon development pathway consistent with the common 2°C goal;

Input

The biennial report, and the expert analysis report resulting from Step 1.

Process

The Non-Annex I Party undergoing the ICA should provide a brief oral presentation during the SBI session of its progress in implementing its mitigation actions and of any challenges faced. The organisation of the process should be guided by principles of cost effectiveness and transparency. In accordance with arrangements to be elaborated, there would be the possibility to ask questions based on the biennial reports, the expert analysis report and the presentation made by the Party.

Output

A summary record of the discussions under the SBI, included questions posed to Parties and their responses should be compiled by the Secretariat into a report and made available on the UNFCCC website.
