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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 3.2.2

Nationally appropriate mitigation actions by developing 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 66**

Submissions from Parties

Addendum

1. In addition to the 24 submissions contained in document FCCC/AWGLCA/2011/MISC.7 and Add.1–4, one further submission has been received.
2. In accordance with the procedure for miscellaneous documents, this submission is attached and reproduced* in the language in which it was received and without formal editing.

* This submission has been electronically imported in order to make it available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

FCCC/AWGLCA/2011/MISC.7/Add.5

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Submission by Poland and the European Commission on behalf of the European Union and its Member States

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)

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

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.

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;

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

(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.

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.
