

Non-paper on agenda item 3 of the Ad Hoc Working Group on the Paris Agreement:

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**

Non-paper by the co-facilitators

*23 October 2017**

Mandate and introduction

The Ad Hoc Working Group on the Paris Agreement (APA), at the third part of its first session, requested the persons who facilitated discussions under agenda item 3 at APA 1.3, with the support of the secretariat, to prepare, by 15 October 2017, a non-paper capturing convergence, divergence and options, where appropriate, based on Parties' views expressed in the submissions referred to in paragraph 11(a) of the APA 1.3 conclusions¹, without omitting, reinterpreting or prejudging Parties' views.

We, Gertraud Wollansky and Sin Liang Cheah, the co-facilitators of this agenda item at APA 1.2 and APA 1.3, have prepared this non-paper in response to the request of Parties. Our intent is to help advance work under APA agenda item 3 and its three sub-items, particularly in view of the need to conclude the work for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at the third part of its first session (December 2018).

In this context, we believe it is important for Parties to move further from conceptual discussion to concrete ideas for elements of the guidance on nationally determined contributions (NDCs). We are seeking, ideally, to gain a common understanding of the approach to and structure of the guidance, its elements and related options.

We have based this non-paper on a total of 19 submissions² from Parties received by 6 October 2017. We have made every effort to include all views from the submissions, without making any interpretations or judgements. We have also made an effort to capture convergence and divergence; however, this proved difficult in the light of the need to avoid interpreting Parties' views. For this reason, in most cases we have limited ourselves to reflecting the views of different Parties groupings of Parties, without judging the extent of convergence or divergence. It is our hope that the content of this non-paper will assist us in taking the next step towards the successful completion of the work on agenda item 3 by December 2018.

* Please note that the non-paper of 17 October 2017 was reissued for technical reasons.

¹ Available at http://unfccc.int/files/meetings/bonn_may_2017/in-session/application/pdf/apa2017_12_amended_unedited.pdf.

² Available at <http://unfccc.int/focus/items/10131.php>.

General/overarching issues emerging from the submissions

Understanding of what is meant by guidance

Work under agenda item 3 focuses on the development of further guidance in relation to the mitigation section of decision 1/CP.21.

Key to advancing this work is gaining a mutual understanding of what is meant by “guidance” and what would be its purpose or objectives. On these questions, there is convergence among Parties’ views that the guidance on NDCs must respect the provisions of the Paris Agreement. Several Parties are of the view that the guidance must respect the nationally determined character of the contributions, adhere to the principles of the Paris Agreement and the Convention, and be flexible so as to accommodate the diversity of NDCs as well as national circumstances. One Party mentioned that, in developing the guidance, Parties should carefully assess any additional burden placed on countries, particularly in view of the capacity of countries to respond to and apply the guidance. Finally, another Party stressed that, in this context, the guidance should be concise, flexible, pragmatic and facilitative.

Purpose/objective of the guidance

Many Parties stated that the guidance should assist or help Parties in implementing existing provisions of the Paris Agreement. Some Parties referred to the need for the guidance to promote confidence and trust. There is, however, divergence on what this would mean in practice, which is further reflected in the context of each specific issue. General views on the purpose of the guidance, as shared by Parties, include:

- To assist Parties in preparing their NDCs or to facilitate the process of preparing NDCs by giving clear direction on commonalities;
- To assist Parties in implementing their existing legal obligations under the Paris Agreement;
- To operationalize the provisions of the Paris Agreement, in particular those relating to paragraphs 26, 28 and 31 of decision 1/CP.21, and provide consistency, trust and confidence;
- To assist each Party in demonstrating that it is meeting the responsibility of fulfilling its obligations in respect of its NDC;
- To inform Parties’ future NDCs and build mutual confidence in the implementation of commitments;
- To clarify how the process of providing information and accounting for NDCs would work in practice;
- To support the effectiveness of the transparency, global stocktake and implementation and compliance processes under the Paris Agreement;
- To enhance the capacity to review progress in implementation and assess collective progress towards the long-term goals of the Paris Agreement.

Broad areas of divergence

A wide range of strongly held views on how to discuss the issues of the 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 agenda sub-items, a number of other Parties expressed the view that they should be discussed elsewhere under the process, and other Parties expressed the view that the issues have already been addressed within the overall architecture of the Paris Agreement.

The treatment of the two issues manifests itself in different ways under the three sub-items under consideration, by either limiting or expanding the list of elements for the guidance or affecting its structure. As regards the issue of scope, some Parties referred to NDCs being defined under Article 3 of the Paris Agreement, also referring to Articles 4, 7, 9, 10, 11, 12 and 13, with a few noting that the

guidance should not be mitigation centric. Others referred to Article 4 only. In practice, this divergence would translate into the guidance either being restricted to covering just mitigation, or being expanded to cover also adaptation, finance, technology and capacity-building. Further details on this are provided in the context of each sub-item.

As regards differentiation, a group of Parties stressed that the guidance must adhere to the principles and provisions of the Convention and the provisions of the Paris Agreement, in particular common but differentiated responsibilities and respective capabilities. In their view, guidance elements should in consequence be specified for developed country Parties to demonstrate leadership and provide flexibility for developing country Parties.

Other Parties share a different view, seeing the guidance as being applicable to all Parties, with one Party suggesting that flexibility embedded in the guidance should allow Parties to apply what is relevant to them. A group of Parties introduced the concept of ‘applicability’, which foresees the guidance as identifying elements applicable to all NDCs and specific elements of information and accounting applicable only to relevant subsets of NDCs. According to this concept, by preparing their NDCs in a nationally determined manner, Parties will determine which parts of the guidance apply to them.

Improvement of the guidance over time

Some Parties referred to the possibility of revising and improving the guidance over time, which would foresee further work on it in the future, building on experience and lessons learned. Views on the scope and timing of such revision varied from Party to Party, also depending on the issue under consideration.

Linkages

Parties referred to linkages between the issues under agenda item 3, and between those issues and other work under the APA. A group of Parties stressed that each issue under APA agenda item 3 should be treated individually, while ensuring consistency in the way the different elements of the guidance are addressed. Another Party stated that guidance on information and accounting is interlinked and interdependent as accounting will be meaningful only if information on it is available.

Capacity of developing countries for implementation

Lastly, many Parties recognized the issue of the capacity to implement the guidance on NDCs. Some Parties stated that this should be addressed by increasing cooperation efforts rather than through differentiated guidance. Other Parties referred to the need for flexibility for developing countries and incentive mechanisms to cover capacity gaps.

General remarks

We would like to thank all Parties for their constructive engagement and for having provided rich material for our work as we move forward. We were particularly encouraged by the level of detail provided on all the issues under consideration. With a view to simplifying the presentation of the elements and, at the same time, ensuring that all views are included, we have decided to present a simplified list of elements within the main body of this non-paper and extended lists, with all details, as Appendix.

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

Features in the Paris Agreement and decision 1/CP.21

By decision 1/CP.21, paragraph 26, the APA was requested to develop further guidance on features of the NDCs for consideration and adoption at CMA 1.

Understanding of what is meant by features

The term “features” is not defined in the Paris Agreement. Parties, however, provided different terms to communicate their understanding of features with regard to NDCs, including common, design or procedural and substantive characteristics, elements, contents, general parameters, boundary conditions, structure or attributes. They also used phrases such as “what the NDCs look like in general”, “different aspects that define an NDC” and “a general description of NDCs”. One Party clarified that features are not rules that prescribe what exactly NDCs should look like, nor do they prejudge the level of ambition of Parties’ mitigation actions. Another Party noted that features delimit the scope of national determination by providing procedural and substantive guidance on communicating NDCs.

While most Parties generally stated that the Paris Agreement already specifies the main features of NDCs, with national determination being a key feature, there is divergence on what these features are and whether new features should be identified, with some Parties explicitly noting disagreement on this. A number of Parties stressed that identifying new features or elaborating existing ones would imply a renegotiation of the Paris Agreement.

Objective/purpose of the guidance

A broad range of views on the purpose of the further guidance on features was provided in the submissions. A few Parties see no need for any such guidance beyond simple recognition of existing features. Some Parties noted that the guidance should aim at assisting Parties in implementing the provisions of the Paris Agreement and demonstrating that they are meeting their responsibility to communicate NDCs that conform to the parameters of its Article 4, including as they prepare subsequent NDCs and provide information to facilitate the clarity, transparency and understanding of their contributions; others stated that the guidance should assist Parties with ensuring national determination, the full scope of NDCs, differentiation and ambition and facilitate the exchange of best practices; one Party noted that the guidance should aim at delivering a coherent international regime to complement pure national determination; finally, a group of Parties stated that the guidance should help Parties to progressively move towards a uniform reporting format for NDCs, including to gain a better understanding of the aggregate effect of NDCs.

The divergent views on the purpose of the guidance translate into divergent views on what the guidance should do in practical or concrete terms. The range of views provided by Parties include that the guidance should:

- Recognize that NDCs, as well as their related mitigation measures, are nationally determined and, at the same time, must be in accordance with the provisions of the Paris Agreement and relevant decisions of the CMA;
- Refer to existing features of the Paris Agreement;
- Identify and acknowledge the most important features of Article 4 of the Paris Agreement;
- Recognize that NDCs have certain characteristics that are set out in Article 4 of the Paris Agreement;
- Collect and compile agreed features enshrined in the Paris Agreement in a clearer and more well-structured manner;
- Clarify existing features;

- Elaborate specific features;
- Support developing country Parties in moving over time towards economy-wide emission reduction targets;
- Identify new features.

Broad areas of divergence

In proposing elements for the further guidance on features, a wide range of strongly held views on how to discuss the issues of the scope of NDCs and differentiation were shared:

- As regards scope, some Parties stated that the features of NDCs are identified in Article 4 of the Paris Agreement exclusively, thus restricting further guidance to covering mitigation. Other Parties included Articles 2, 3, 7, 9, 10, 11 and 13 as well, which would imply the need to develop guidance on features which covers also adaptation, finance, technology and capacity-building;
- As regards differentiation, some Parties stated that further guidance on features should be common and applicable to all Parties, independent of the form of NDC, while others stressed the need to develop different guidance to be applied by developed and developing countries separately.

Updating of the guidance

A few Parties referred to the possibility for future refinement of the guidance on features, with some Parties suggesting regular revision, for example every five years on the basis of experience. One Party suggested that refinement of features could take place following the results of the first global stocktake.

Linkages

While not explicitly stated, the submissions of some Parties implied a link between features and information, in view of features being the characteristics of NDCs and, therefore, what should be described through information. One Party noted linkages between features of NDCs and work under the transparency framework and the global stocktake.

Elements

The list of elements below, including those in Appendix 1 to this non-paper, does not prejudge Parties' views on the final outcome under this agenda sub-item. The elements reflect our understanding of the ideas and views expressed in the submissions, without any assumptions on the extent to which those views are shared among Parties and without prejudice to the identification of further elements. They do not represent agreed views, ideas or text or an attempt to draw any conclusions on possible areas of convergence and/or divergence. These elements should be read in the context of the above discussion. The co-facilitators have included all elements in accordance with the submissions and have not made any judgement on placement. This list should be read together with the elements provided in Appendix 1 to get a complete picture of the information communicated by Parties.

Procedural elements

- Timing of application of the guidance: second and subsequent NDCs; NDCs relevant from 2026; NDCs adjusted pursuant to Article 4.11 of the Paris Agreement or NDCs communicated pursuant to decision 1/CP.21, paragraph 22;
- LDCs and SIDS, in the light of their special circumstances, to apply the guidance to the extent possible.

Identify and list existing features

Almost all Parties identified features in the Paris Agreement by referring to different articles. Some Parties restricted these references to Article 4, while others included also Articles 2, 3, 7, 9, 10 and 11. Appendix 1 compiles the features as identified by Parties in their submissions.

Features listed as existing by Parties in their submissions which would need elaboration

The following are proposals by Parties on features that would need elaboration:

- Preparation, communication, maintenance, implementation, adjustment and update of NDCs;
- Ability to aggregate;
- Expressing mitigation ambition;
- Portraying the country's resilience strategy;
- Justification for ambition and progression;
- Leadership by developed countries;
- Diversified actions by developing country Parties, based on national circumstances and capacities, including on mitigation, adaptation and actions with benefits for these;
- Fulfillment of progression and ambition in the context of differentiation, national circumstances and full scope of NDCs taking into account matching provisions on support;
- Quantitative or quantified NDCs on mitigation and provision of support by developed countries;
- Qualitative policies and measures by developing countries and how they move towards quantifiable targets over time, depending on circumstances, incentives and support;
- Contribution to mitigation of co-benefits resulting from Parties' adaptation actions and/or economic diversification plans;
- Other co-benefits, such as economic transition, job creation, energy security and transformation, health, food security, poverty eradication, biodiversity and environment protection, sustainable life styles and sustainable patterns of consumption and production;
- Formulating NDCs without compromising the principles of no back-sliding and progression in ambition;
- Ways to change from one NDC type to another and to progress ambition within an NDC type, including criteria to inform highest possible ambition;
- Making some features mandatory, including progression, highest ambition, use of IPCC metrics, coverage, sources and removals, reference points, timeframes, target years, outline key assumptions, statement of nature of NDC, domestic mitigation measures.

Additional/New features

The following new features were identified by Parties in their submissions:

- 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;
- 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.

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

Information in the Paris Agreement and decision 1/CP.21

Article 4, paragraph 8, of the Paris Agreement provides that, in communicating their NDCs, 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 CMA.

Decision 1/CP.21, paragraph 27, states that the information to be provided by Parties communicating their NDC, 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 NDC 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.

Objective/purpose of the guidance

All Parties shared views on the objective or purpose of further guidance on information, including on the need for the guidance on information not to undermine the national determination of NDCs. Some Parties noted that the guidance should be flexible in order to accommodate the diversity of NDCs, others pointed out that different national circumstances, capacities and starting points should be taken into account.

Views on the objective or purpose of the guidance varied among Parties. Some noted that the guidance should facilitate the implementation of Article 4, paragraph 8, of the Paris Agreement, others highlighted that guidance should enhance the clarity, transparency and understanding of Parties' NDCs, or contribute to a better understanding of NDCs. A group of Parties highlighted in this regard that the guidance should aim to address the challenges the secretariat encountered in preparing the synthesis report on the aggregate effect of the intended nationally determined contributions. More specific views on the purpose of the guidance include that it should:

- 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;
- Assist Parties in providing the minimum or relevant information necessary for the clarity, transparency and understanding of their NDCs;
- 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, and the aggregation and synthesizing of NDCs, also with a view to facilitating the global stocktake.

Many Parties highlighted that the guidance should not present an additional burden on Parties, especially developing country Parties; that it should not be prescriptive; and that it should facilitate the

provision of information. A group of Parties stressed that the guidance should not aim to enable the quantification of NDCs or provide quantitative information. Finally, some Parties stated that the guidance should not impose a common type of, or format for, NDCs, with a group of Parties specifically referring to a single form of absolute emission reductions, effects or expected emission level in the future.

Basis for the guidance

Many Parties referred to decision 1/CP.21, paragraph 27, as being central to the development of further guidance on information. Some Parties see the elements identified in that paragraph as being the building blocks for such guidance; other Parties noted that the guidance should use them as a starting point for providing further details. Other Parties noted that the guidance should not be limited or prejudged by those elements. Finally, a few Parties noted that the guidance should be developed around the identified features of NDCs.

While a group of Parties submitted the view that the list of information in decision 1/CP.21, paragraph 27, should be recognized as mandatory “necessary” information another group of Parties stated that the content of the information should be discretionary, optional and voluntary in nature, owing to the use of the words “may”, “as appropriate” and “inter alia” in decision 1/CP.21, paragraph 27, and that that paragraph provides a ‘menu’ of options for Parties to choose from in a nationally determined manner.

Broad areas of divergence

In proposing elements for the further guidance on information, a wide range of strongly held views on how to discuss the issues of the scope of NDCs and differentiation were shared.

As regards scope, some Parties expressed their view that Article 4 provides the context for the elements identified in paragraph 27 of decision 1/CP.21 as well as for the further guidance on information, with some Parties explicitly stating that work on information should be limited to mitigation only.

Other Parties stated that the elements of paragraph 27 are applicable to both action and support and that the context for further guidance should be Articles 2 and 3 of the Paris Agreement. In this context, further guidance on information should also take into account Article 12 of the Convention, relevant arrangements resulting from the Kyoto Protocol and the Bali Action Plan, including, in particular, decisions 1/CP.16, 2/CP.17, 1/CP.18 and 19/CP.18, Articles 3, 4, paragraph 4, 4, paragraph 5, 4, paragraph 8, 9, paragraph 5, 10 and 11 of the Paris Agreement and paragraphs 27, 28 and 55 of decision 1/CP.21.

As regards differentiation, a group of Parties highlighted that the guidance on information must be tailored to the diversity of NDCs, with some information requirements to be applicable to all NDCs and other information requirements to depend on the type of target. Some of those Parties introduced the concept of ‘applicability’ and argued that this concept is respectful of the nationally determined nature of NDCs and accommodates Parties’ different capacities and national circumstances. For those Parties, the further guidance should not differentiate between developed and developing country Parties.

Other Parties stressed the need to develop differentiated guidance for developed and developing country Parties, in such a way that:

- Developed country Parties take the lead by providing in their NDCs all the items listed in paragraph 27 at a greater level of detail in relation to their absolute economy-wide emission reduction targets and provision of support;

- Provides flexibility to developing country Parties by requiring less specific and detailed information in view of their lack of capacity and of information on the provision of support. Paragraph 27 of decision 1/CP.21 may serve as a reference list and developing country Parties may include several or all the items listed, taking into account their diversified NDCs, national circumstances, capacities, data availability and support received for the preparation and communication of their NDCs.

Updating the guidance

A group of Parties stated the CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis.

Linkages

Some Parties referred to the link between features and information, as the guidance on information should be developed around the identified features of NDCs. Other Parties highlighted the link between accounting and information, in particular to facilitate the operationalization of the principles referred to in Article 4, paragraph 13, of the Paris Agreement.

Many Parties referred to the link between the guidance on information and the transparency framework under Article 13 of the Paris Agreement. For some Parties, clear and transparent information will enable more efficient reporting under Article 13, paragraph 7(b). At the same time, differences between the two were highlighted: some Parties noted that information on the clarity, transparency and understanding of NDCs is provided ex ante, whereas the information under the transparency framework is provided ex post. One Party stated that the level of detail of information should be different for each. Other Parties highlighted the link between information and the global stocktake in view of the need for high-quality and quantifiable information.

Capacity of developing countries

Some Parties referred to the need to 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. One Party noted in this regard that 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. One Party noted that it will continue to work with partners to build the capacity to improve the provision of information over time and support the implementation of NDCs.

Elements

The list of elements below, including those in Appendix 2, does not prejudge Parties' views on the final outcome under this agenda sub-item. The elements reflect our understanding of the ideas and views expressed in the submissions, without any assumptions on the extent to which those views are shared among Parties, without any judgement on their placement and without prejudice to the identification of further elements. They do not represent agreed views, ideas or text or an attempt to draw any conclusions on possible areas of convergence and/or divergence.

As regards broad areas of divergence, these result in two main approaches to develop further guidance on information as follows:

Approach I – to develop further guidance on information which:

- covers information requirements limited to mitigation on the basis of some or all of the elements outlined below; and

- specifies general information requirements applicable to all types of targets as well as specific information requirements applicable to the type of target chosen by a Party, on the basis of some or all of the elements outlined below;

Approach II – to develop further guidance on information which:

- covers information requirements on mitigation, adaptation, finance, technology and capacity building on the basis of some or all of the elements outlined below; and
- differentiates between developed and developing country Parties, on the basis of some or all of the elements outlined below to ensure that developed country Parties take the lead and developing country Parties are provided with flexibility.

Further, the following list of elements reflects the key topics that have been communicated and which are further elaborated on the details and range of proposals under each element in Appendix 2. Hence the following list has to be read together with the elements provided in the Appendix 2. Without prejudging the possible emergence of other approaches that may subsequently be proposed by Parties or considered, the approaches outlined in the options presented above should be read in conjunction with and draw from the following list of elements and additional details as relevant/appropriate.

Procedural guidance on information

- Channels for putting forward the information;
- Timing of the application of the further guidance;
- Revision of further guidance;

Further guidance/elaboration of information elements, including in relation to decision 1/CP.21, paragraph 27:

- 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;
- 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;
- Additional general information on the NDC;
- Additional information on the mitigation target of the NDC;
 - Description of the target/of each of the different targets if there are several
- Additional information on adaptation;
- Additional Information on support:
 - Additional Information on finance;
 - Additional information on technology;
 - Additional information on capacity building;
 - Information on support needs/received.

Further guidance on accounting for Parties' nationally determined contributions, as specified in paragraph 31

Accounting in the Paris Agreement and decision 1/CP.21

Article 4, paragraph 9, of the Paris Agreement requires Parties to account for their NDCs. In accounting for anthropogenic emissions and removals corresponding to their NDCs, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting.

Decision 1/CP.21, paragraph 31, requests the APA to elaborate, drawing from approaches established under the Convention and its related legal instruments, as appropriate, guidance on accounting for Parties' NDCs. Such work should ensure that:

- Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change (IPCC) and adopted by the CMA;
- Parties ensure methodological consistency, including on baselines, between the communication and implementation of their NDCs;
- Parties strive to include all categories of anthropogenic emissions or removals in their NDCs, and, once a source, sink or activity is included, continue to include it;
- Parties shall provide an explanation of why any categories of anthropogenic emissions or removals are excluded.

The guidance on accounting shall be applied for the second and subsequent NDCs, but Parties may decide to apply it before.³

Understanding of what is meant by accounting

In their submissions, some Parties shared views on their understanding of accounting. The views show that different Parties understand accounting in different ways, which translates into different approaches to developing the guidance. Views put forward by Parties include that accounting is:

- Tracking progress towards demonstrating the achievement of the targets in Parties' NDCs and comparing outcomes against the communication of;
- Parties being responsible for their NDCs;
- Linked to explaining methodologies and approaches;
- The general technical arrangements for Parties' consideration when they are preparing, communicating and implementing their NDCs.

Many Parties stated that the guidance on accounting should not undermine the nationally determined nature of NDCs and should accommodate the diversity of NDCs and different national capacities and circumstances. A group of Parties stressed that the guidance on accounting should not impose detailed common accounting rules or transmitting Parties' NDCs into a unified form of absolute emission amount. Further, it was highlighted that the guidance on accounting should be facilitative and practical in order to assist Parties in meeting their accounting obligations under the Paris Agreement.

Objective/purpose of the guidance on accounting

Several Parties stated that one of the general purposes of accounting is to enable Parties to provide a clear, accurate and comprehensive explanation of their NDCs in order to build trust and confidence

³ Decision 1/CP.21, paragraph 32.

among Parties. In their submissions, Parties highlighted different specific aspects of the purpose of accounting, including:

- To provide clear agreed guidance on how to account;
- To promote mutual trust among Parties and to provide the public with a clear, accurate and comprehensive explanation of what Parties are planning to do with regard to climate change;
- To allow Parties to demonstrate that their most recent emission levels are consistent with their NDC targets, in accordance with the parameters and indicators that they have set out in their own NDCs;
- To ensure the operationalization of transparency, accuracy, completeness, comparability and consistency, ensuring or facilitating the avoidance of double counting and promoting environmental integrity;
- To assist Parties with tracking progress towards and/or the achievement of their NDCs;
- To contribute to determining the aggregate impact of NDCs.

Broad areas of divergence

In proposing elements for the guidance on accounting of NDCs, a wide range of views on how to discuss the issues of the scope of NDCs and differentiation were shared.

As regards scope, some Parties see the guidance on accounting as being limited to concerning mitigation, including in view of the reference to accounting for anthropogenic emissions and removals corresponding to Parties' NDCs included in Article 4, paragraph 13, of the Paris Agreement. Other Parties are of the view that accounting should also apply to developed countries' NDC components on financial support, technology and capacity-building and could inform the accounting of the adaptation components of NDCs. For those Parties, the guidance should therefore contain specific elements that address those issues.

As regards differentiation, Parties have divergent views on whether or not, and how, to develop differentiated or common guidance on accounting. In broad terms, possible approaches to this end include:

- Approach I: Identifying guidance applicable to all Parties, such as inventory methodologies and common metrics, and guidance applicable to different types of contribution or to those Parties that decide to apply Article 6 of the Paris Agreement, with one Party noting that accounting for Parties that apply Article 6 should be subject to more stringent guidance;
- Approach II: Developing common guidance, but incorporating flexibility for developing countries in its application;
- Approach III: Developing separate guidance for:
 - Developed countries to take the lead by applying existing approaches for accounting under the Convention and its legal instruments;
 - Developing countries to have the flexibility to choose approaches and methodologies in the light of their different capacities and circumstances.

Linkages

In their submissions, some Parties referred to linkages between accounting under Article 4, paragraph 13, and other Articles of the Paris Agreement.

As regards linkages with Article 6, Parties shared different views, including that:

- The guidance on accounting should be informed by the discussions on the use of internationally transferred mitigation outcomes under Article 6, and the work to develop guidance on accounting under Article 4, paragraph 13, should not be duplicated;
- The guidance should cover the avoidance of double counting in relation to the use of Article 6 internationally transferred mitigation outcomes towards achieving NDCs;

- Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards achieving their NDCs must be subject to additional and more stringent accounting rules and should report on various aspects, including how to avoid double counting and how the mechanisms are additional.

As regards linkages with Article 13, one Party stated that linkages exist in the context of tracking progress towards demonstrating the implementation of Parties' NDCs. Another Party noted that the guidance on accounting should apply only to relevant quantified elements of NDCs and not cover the full suite of information to be reported under Article 13, paragraph 7(b), such as broader reporting on policies and measures.

As regards linkages with Article 14, Parties noted that guidance on accounting is essential to enable the aggregation of Parties' efforts and related progress.

Revision of the guidance

Some Parties are of the view that the guidance should undergo subsequent updates with a view to addressing any outstanding gaps and/or making further incremental improvements on the basis of lessons learned. One Party suggested that the CMA should define the year of the first review of the guidance.

Capacity of developing countries

In their submissions, many Parties recognized the need to consider the capacity of developing countries to implement the guidance. In this context, some Parties referred to the catalyzing effect of ongoing capacity-building support for developing countries and the fact that capacity is being addressed in accordance with Article 4, paragraph 5, and Articles 9, 10 and 11 of the Paris Agreement. Other Parties mentioned in this context the need for flexibility and differentiation, and stressed that continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities for implementing the guidance on accounting.

How to draw from existing approaches established under the Convention and the Kyoto Protocol

Many Parties provided views on how to draw from existing approaches established under the Convention and the Kyoto Protocol. A group of Parties suggested that the guidance could outline existing methods and guidance under the Convention as well as that developed by the IPCC with references to appropriate decisions and/or IPCC publications. Another group of Parties suggested that the guidance should ask Parties to describe how their accounting approaches build on existing approaches under the Convention and its related legal instruments.

Additional specific views and ideas on how to draw from existing approaches established under the Convention and the Kyoto Protocol were shared by several Parties and are captured in Appendix 3.

Elements

The list of elements below, including those in Appendix 3, does not prejudge Parties' views on the final outcome under this agenda sub-item. The elements reflect our understanding of the ideas and views expressed in the submissions, without any assumptions on the extent to which those views are shared among Parties and without prejudice to the identification of further elements. The structure of the elements provided aims at readability and avoidance of redundancies, and as such the different structures of the elements contained in the submissions could not be fully captured in this non-paper. The co-facilitators have included all elements from the submissions and have not made any judgements on placement. This list should be read together with the elements provided in Appendix 3 to get a complete picture of the information communicated by Parties.

General elements

- Principles for accounting:

Parties, in their submissions, included several principles for accounting, including environmental integrity, transparency, accuracy, completeness, comparability, consistency, avoidance of double counting, equity and common but differentiated responsibilities. As other principles were included in different parts of the submissions and Parties did not necessarily identify them as such we have compiled them as part of the elements contained in Appendix 3.

- Timing of application:

Parties shall apply the guidance referred to in paragraph 31 above to the second and subsequent nationally determined contributions; Parties may elect to apply such guidance to their first nationally determined contribution;

- Channel to report the accounting related to NDCs:

- Some Parties see the channel for reporting the accounting related to NDCs under the information provided under the enhanced Transparency Framework (Article 13 of the Paris Agreement);
- Some Parties indicated the number and timing of the reports to be submitted by Parties at several stages;
- One Party pointed out that the guidance on reporting on accounting is inherently different from guidance on transparency, and is intended to give a sense of the planned actions by Parties, which can then be evaluated against actuals in the transparency framework.

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)):

- Parties put forward the following elements relating to methodologies and common metrics:
 - Parties strive to use the most recent methods, guidance and metrics produced by the IPCC and adopted by the CMA. Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
 - Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
 - Parties should use GHG emissions reported in the most recent national inventory reports based on the methodologies and metrics defined by the reporting guidelines under the transparency framework under Article 13 of the Paris Agreement;
 - Parties with GHG targets need to ensure consistency between their NDC accounting and their national GHG inventories and report on progress;
 - Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
 - The metrics should be assessed by the IPCC, and include the Global Warming Potential (GWP) and the Global Temperature Potential (GTP);

- Develop differentiated guidance:
 - Developed countries should continue taking the lead in applying any updated good practice methodologies accepted by the IPCC, in particular the 2006 IPCC Guidelines;
 - Developing countries follow the IPCC methodology by choosing the most appropriate IPCC guidelines, or categories of emissions and removals, in light of their different capacities and circumstances.
- Parties put forward views on other areas the guidance on methodologies could cover:
 - Fairness and ambition of NDCs and contribution to achieving the objectives the Convention;
 - How to aggregate NDCs, including comparability aspect of various NDCs;
 - Use of indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels;
 - 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.
- Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b)).

Parties mentioned the following elements for ensuring methodological consistency:

- Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation, including on baselines;
- Parties wishing to make improvements to their accounting approach or methodologies, would need to apply any necessary recalculations to their initial reference points, base years and baselines, as well as to the estimates;
- Definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made, describe any updates to data and parameters used during an implementation period and describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;
- The guidance should elaborate on:
 - The meaning of methodological consistency and how it can be ensured and applied based on existing IPCC guidance;
 - How to apply recalculations;
 - Procedures that Parties should follow in case of methodological inconsistencies; or
 - technical corrections to baselines or reference levels(s);
 - Indicators for base years, baselines, reference levels and projections, such as to avoid overestimation/underestimation, use of historical data, extrapolations, modelling, projections and updates, and what information should be reported (see Appendix 3).

- Develop differentiated guidance:
 - o Developed countries are to ensure methodological consistency between the communication of NDCs and reporting on implementation;
 - o Developing countries are to make their best endeavor to ensure methodological consistency between communication and implementation;
- 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).

Parties brought forward the following views:

- Include all categories (gases, activities, pools) of anthropogenic emissions or removals;
- Provide during the implementation period a description of sectors, gases, categories, pools covered and definitions;
- A Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its NDC; in this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs;
- Coverage may increase at any time and Parties should communicate any changes in coverage between implementation periods as well as definitions;
- Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation;
- Develop differentiated guidance:
 - o Developed countries account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included;
 - o Developing countries to be allowed to choose the categories of emissions and removals, including sectors and gases covered in their NDCs, in a nationally determined manner and be encouraged to include all categories of emissions and removals over time, in accordance with Articles 4.4 and 4.5 of the Paris Agreement.
- Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21:
 - One group of Parties proposed that there should be specific guidance on how to operationalize the principles of environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting.
- LULUCF, forests and REDD+
Parties brought forward the following views:
 - Parties are encouraged to include the land sector in their NDCs and those that include it shall continue to do so in the future;
 - No prejudging any requirements on mitigation in agriculture;
 - Develop specific guidance on:
 - o Natural disturbances;
 - o Harvested wood products;
 - o Treatment of lagged emissions.
 - Develop differentiated guidance:

- Developed countries to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC, with the improvement of the existing rules on LULUCF to close any loopholes;
- Developing countries may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects.

Some Parties included in their submission other elements as follows:

- Accounting for adaptation;
- Some Parties noted that accounting of the adaptation components of NDCs could be informed by discussions under APA agenda 4;
- Support component of NDC:
 - Developed countries account for their NDCs on financial support in accordance with the modalities 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 double counting;
- Harmonization of accounting rules with those developed by ICAO and IMO:
 - One Party proposed the harmonization with the accounting rules adopted by different specialized UN agencies, such as ICAO and IMO.

Appendices

Appendix 1: existing features in the Paris Agreement as identified by Parties, by Article:

- 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 4.2: national determination, Parties pursue domestic mitigation measures, successive, maintain NDCs;
- 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;
- 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;
- 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;
- Art 4.15: Consideration of response measures;
- Art 4.16-4.18: Collaborative or joint action;
- 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;
- Article 10: Differentiation;
- Article 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.

Appendix 2: detailed list of elements for information

• **Procedural guidance**

- Channels for putting forward the information:
 - Vehicle for communications the NDC;
 - Parties are to put forward the information of NDCs when communicating their NDCs;
 - With the NDC, 9-12 month in advance of the relevant session of the CMA;
 - The guidance should specify that the ICTU is to be provided in an information table that is annexed to the Party's NDC submission;
 - Parties are encouraged to highlight the information as set out in the guidance in their NDCs documents;
 - Parties may provide additional or updated information that are useful to facilitate the clarity, transparency and understanding at any time.
- Timing of application of the further guidance for information:
 - Guidance on information should will be applied to the Second and subsequent NDCs;
 - Guidance should apply only to subsequent NDCs to countries who have already announced their NDCs. Para 23 and 24 of 1/CP.21 should guide in this regard;
 - ICTU guidance should apply for NDCs that Parties are required to communicate or update by 2020 as required under 1/CP.21 paragraphs 23 and 24;
 - Parties should apply the guidance for information of NDCs to their subsequent NDCs (with the timeframe from 2031 onwards);
 - Guidance should not 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);
 - The ICTU for the first NDCs should be provided as well with communication or update of those NDCs by 2020;
 - The guidance on information for clarity, transparency and understanding of NDCs should be applied by each Party as it communicates or updates its NDC in 2020.
- Application and Revision:
 - Parties shall apply this guidance for NDCs communications pursuant to Paris Agreement Art. 4.9, Art. 4.11, or para. 22 of 1/CP.21;
 - LDCs and SIDS, in the light of their special circumstances, are encouraged to apply the guidance to the extent possible;
 - The CMA shall define the year of the first review of the guidance, with a view to revising it on a regular basis.

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

- Quantifiable information on base year or base period, reference year or reference period, as applicable tailored to the type of target and indicators determined by the Party:
 - Absolute emissions reduction target:
 - Emissions levels for the base and target year in terms of CO₂ eq.;
 - Headline number in terms of emission reduction in %.
 - BAU target:
 - Baseline, including emissions level in terms of CO₂ eq.;
 - Emissions level for the target year in terms of CO₂ eq.;
 - Headline number in terms of emission reduction in %;
 - Intensity target:
 - Quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or another indicator;
 - Base and target years;
 - Intensity level for the base year;

- Headline number in terms of intensity reduction in %;
 - Expected emissions level for the target year;
 - index value for the base year.
 - Policies and measures:
 - Actions, including adaptation co-benefits;
 - Qualitative description of the policies and measures;
 - Quantitative information on expected emissions reductions from the policies and measures (if possible);
 - Emission Peaking target:
 - Peak year;
 - Indicators the party will use to assess the attainment of the objective;
 - Estimated emissions level in the peak year;
 - Emissions trajectory towards peak year.
- Information on the conditions and point in time under which the base year/baselines/reference level will be updated, if applicable;
 - Parameters and their values used to define the mitigation contribution, including information on related data sources and methodologies as relevant (e.g. emissions, GDP, population, policy metric, etc.);
 - Information on the base year(s) used to define relevant baselines, including the base year(s) for policy objectives that are part of the contribution such as increasing energy efficiency or forest cover;
 - Gas by gas total GHG emissions and removals in the reference point/period (base year or starting year of the BAU or peaking projection);
 - quantifiable data on base-year greenhouse gas (GHG) emissions from the Party's national inventory for the applicable year(s);
 - NDCs that refer to emissions trends or trajectories would need to provide or cite quantifiable information on the assumptions and methodologies used to construct these trajectories;
 - NDCs that refer to mitigation policies and measures that are not reflected in national inventories should provide, for each such policy and measure, an estimate of the resulting GHG emissions reduced or avoided as a result of the policy or measure, in aggregable units;
 - Information about reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable;
 - Developed country Parties to provide information on finance, including on the base year;
 - Relevant quantifiable information on the reference point (including, as appropriate, a base year) in relation to the adaptation component (if applicable for developing countries);
 - Developed country Parties to provide quantifiable information on the reference point for means of implementation;
- **Time frames and/or periods for implementation**
 - Time frame and/or period for implementation, including end year; (in accordance with Article 4(10) on common timeframes, to be considered by the CMA);
 - Target year;
 - If a Party has referred to an absolute emission reduction target: approach used (e.g. specify whether single year target or multi-year emissions trajectory or budget);
 - NDCs that use single-year GHG targets would need to specify a base year and a target year;
 - NDCs that use multi-year emissions averages or “carbon budgets” would need to specify which years they intend to use for those purposes;

- Developed country Parties to provide information on finance, including on the period for implementation;
 - Relevant information on time frames and/or periods for implementation in relation to the adaptation component (if applicable for developing countries);
 - Developed country Parties to provide information on time frames and/or periods for implementation for means of implementation.
- **Scope and coverage**
 - Sectors, categories, pools and gases covered and definitions used, explaining how indicated sectors and categories are defined with respect to categories from IPCC guidance on national greenhouse gas inventories;
 - If an NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories;
 - Definition of the sectors and/or the categories, if there is difference with the definitions used in the national inventory report;
 - 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;
 - Information on excluded sectors, gases or categories, and any considerations on the timeline for economy-wide coverage, and if available, provide information on the significance of that gas or sector in national emissions;
 - Whether the Party intends to use voluntary cooperation under Article 6;
 - Information on geographical coverage;
 - Information on whether NDCs include mitigation, adaptation and/or means of implementation;
 - Relevant information on scope and coverage in relation to the adaptation component (if applicable for developing countries);
 - Developed country Parties to provide information on scope and coverage of means of implementation.
- **Planning processes**
 - Information on the (domestic) planning processes conducted in the design of the NDCs; and to achieve the objectives of the NDC, incl. considerations related e.g.:
 - how different public agencies and levels of government helped design the NDC;
 - institutional responsibilities;
 - development of implementation measures;
 - stakeholder consultations;
 - indigenous peoples and local communities;
 - elders and youth;
 - just transition;
 - gender;
 - human rights;
 - other important considerations.
 - Information on the (most important) laws, policies, legal and institutional frameworks, plans and processes relevant for the implementation of NDCs;
 - Information on how the Party's NDC has been anchored in domestic mitigation measures;
 - Information on how the Party's NDC has been informed by the outcomes of the global stocktake;
 - Information on any conditional element beyond headline number;

- Description of information gaps, barriers or issues that the Party faced during NDC design process;
 - Information relating to long-term low greenhouse gas emission development strategies submitted under Article 4(19);
 - If applicable, how the NDC relates to other development plans or strategies;
 - Relevant information on planning processes in relation to the adaptation component (if applicable for developing countries);
 - Developed country Parties to provide existing and envisaged policies and measures to support the implementation of their emission reduction targets;
 - Developed country Parties to provide information on planning processes for means of implementation.
- **Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals**
 - Information on the accounting approaches and relevant emissions estimation methodologies to be used, in accordance with guidance on accounting adopted by the CMA, including on:
 - how the Party will draw from existing approaches;
 - how the approach is consistent with the NDC and the Party's national circumstances;
 - how the approach is consistent with the accounting guidance and the Article 4.13 principles.
 - 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;
 - Information on how base years, baselines, reference levels or projections were constructed – including key assumptions and parameters; relevant estimation methodologies; where projection based baselines and/or reference levels are used, information on policies and measures included and projection methodology;
 - Metrics and methodologies used to estimate emissions (in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA), consistent with 1/CP.21 paragraph 31(a);
 - Quantification of emission reductions in tonnes of CO₂ or CO₂ equivalent;
 - To ensure consistency, comparability and to facilitate aggregation Parties shall use the most recent IPCC Guidelines and any further methodological guidance from the IPCC if adopted by the CMA;
 - Information on how the Party will ensure the methodological consistency between the communication and implementation of its NDC;
 - For common metrics, Parties shall continue to use the well-established GWP-100 values from the IPCC, if adopted by the CMA;
 - Intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA, including the intended accounting approach to be used in accordance with relevant guidance;
 - Developed countries to provide intentions to use ITMOs under Article 6 of the Paris Agreement;
 - All Parties that include the LULUCF sector in their NDC should provide information on accounting methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for;
 - If the Party has included the LULUCF sector in its 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);

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- 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;
 - Information on reference level, if this accounting approach is used, and its relation to the overall baseline;
 - Treatment of HWP, Natural disturbance, Legacy, 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.
 - If a Party has referred to an absolute, economy-wide target
 - Further information to help understand the NDC;
 - Multi-year or single year targets, (budget-based or single year approach)
 - If a Party has referred to a BAU baseline or scenario:
 - Assumptions used and sources for data series that form part of the NDC target (e.g. GDP, population, energy use, type of model used if NDC is based on projected values, past trends);
 - Model used to develop BAU baseline;
 - Whether the baseline scenario is static or dynamic;
 - Which policies and measures are included/excluded in the baseline, and on what basis? (e.g. does the baseline include policies/measures adopted up to a specific point in time?);
 - Timing of updates and parameters that will be updated.
 - If a Party has referred to emission intensity (e.g. emissions per capita or per GDP):
 - Data sources used to calculate the index (e.g. population or any other macroeconomic indicators);
 - 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:
 - Intended date of the peak;
 - Expected peak emission level, if available;
 - Expected rate of emissions decline after peak, if available.
 - If a party has referred to the implementation of policies and measures (intended or proposed):
 - Detailed list and scope of intended or proposed policies and measures to be implemented, with sectors and gases involved;
 - Implementation milestone;
 - Estimated quantified emissions impact (if available) and underlying assumption;
 - Explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators.
 - If a Party has referred to achieving carbon/emission neutrality:
 - Information explaining the Party's definition of carbon or emission neutrality;
 - Accounting approach used for carbon neutrality;
 - How emissions from the land sector will be accounted for;
 - Explanation whether and to what extent units from international market mechanisms or other compensation activities/credits will be used to reach target.
 - Further technical information on mitigation contributions as necessary – e.g. 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;

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- Any changes that may occur during implementation and that affect the NDC should be reflected in the progress report as referred to in Art. 13.7 (b) of the Paris Agreement;
 - Relevant information on assumptions and methodological approaches in relation to the adaptation component (if applicable for developing countries);
 - Developed country Parties to provide information on relevant assumptions and methodologies for accounting the financial resources, estimating public finance, identifying resources mobilized by public interventions and other policies and attributing private investment;
 - Developed country Parties to provide information on relevant methodologies and assumptions on estimating their support;
 - Developed country Parties to provide information on assumptions and methodological approaches related to the means of implementation.
- **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**

How the Party considers that its nationally determined contribution is fair and ambitious

- How the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances;
- Information on fairness considerations of efforts such as approaches and concepts that the Party has used to operationalize equity and fairness considerations, and emissions levels or trajectory under the NDC compared to the appropriate counterfactual;
- Information on how the Party considers that its NDC represents a progression beyond current NDC as per Article 4.3 of the Paris Agreement;
- Information on how the NDC reflects the Party's highest possible ambition reflecting its CBDR-RC in the light of different national circumstances; e.g. using illustrative indicators such as past emission trends, projections, national circumstances, mitigation costs, mitigation potentials or domestic mitigation targets;
- A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection;
- Guidance should recognize that progression on ambition is co-terminus with progression on support provided;
- Information on 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;
- A Party's national circumstances may include any features of its geography, climate or economy that set practical limits on its ambition;
- Information on how the NDC has been informed by the outcome of the global stocktake in accordance with Article 4.9 of the Paris Agreement, or the 2018 Facilitative Dialogue as relevant;
- Information on how the Party has addressed Article 4.4 of the Paris Agreement and Article 4.6 of the Paris Agreement:
 - How the developed country Party considers that its economy-wide absolute emission reduction target reflects that the Party continues to take the lead;
 - How the developing country Party envisions to move over time towards economy-wide emission reduction or limitation targets;
 - How the special circumstances of Parties that are SIDS and LDCs are reflected in the Party's NDC or strategies, plans and actions for low greenhouse gas emissions development;
 - Developed countries to provide how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change.

- Relevant information on fairness and ambition in relation to the adaptation component (if applicable for developing countries);
- Developed country Parties to provide information on fairness and ambition relating to the provision of financial support including why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs;
- Developed country Parties to provide information on fairness and ambition, including how support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies;
- Developed country Parties to provide information on fairness and ambition, including how support will assist developing countries to strengthen their capacities on combating climate change;
- Developed country Parties to provide information on how the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances, in relation to the means of implementation;

How the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2:

- Information on how the NDC is a contribution towards achieving the objective of the Convention as set out in its Article 2;
 - Information on how the NDC is consistent with the agreed global temperature goal as described in Article 2.1(a) of the Paris Agreement and the collective aim to reach global peaking of GHG emissions as soon as possible and undertake rapid reductions thereafter (Article 4.1);
 - Information on how the Party considers that its efforts are strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty;
 - Information on how the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production;
 - Information related to 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 (including for example whether and how mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans as referred to in Article 4.7 of the Paris Agreement contribute to mitigation outcomes);
 - Once a Party presents its LT-LEDS, it should present information on how its NDCs are in line with its long-term mitigation goal. This mitigation goal should be aligned with the long term global mitigation goal set by Article 2.1 (a) of the Paris Agreement;
 - Relevant information on how the Party considers that its NDC contributes towards achieving the objective of the Convention as set out in its Article 2, in relation to the adaptation component (if applicable for developing countries);
 - Developed country Parties to provide information on how the Party considers that its nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2 in relation to the means of implementation.
- **Additional general information on the NDC**
 - Information on best practices and experience related to the preparation of the NDCs;
 - Information on potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs;
 - Information on measures and policies related to the implementation of the NDCs;

- Specific information applicable to Parties that decided to act jointly under Article 4(2), including the Parties that agreed to act jointly and the terms of this agreement, in accordance with articles 4.16-18;
 - Information on compliance to implementation;
 - Information on review & verification;
 - Developed country Parties to indicate whether their NDCs include mitigation, adaptation and/or support to developing country Parties through information on “scope” referred to in paragraph 27 of decision 1/CP.21.
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- **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 target(s), including type(s) (e.g. absolute, intensity, reduction from BAU, policies and measures etc., including information on how the contribution is expressed – e.g. as point target, carbon budget, or multi-year target) and/or mitigation efforts;
 - Information should be quantified or quantifiable, to the extent possible, as applicable to the type of target and indicators determined by the Party;
 - Extent of the mitigation contribution (e.g. headline percentage reduction, and/or policy objective);
 - For all type of quantified mitigation targets, Parties should include information on expected emissions trajectory that will be followed by the Party to meet its mitigation goal;
 - Provide a forward-looking estimate of its future economy-wide emissions that would be consistent with the achievement of its NDC (tCO₂ eq);
 - Provide indicator(s) that the Party intends to use to track progress and account for its NDC;
 - Explanation on conditional part of the contribution, if relevant;
 - Sub-targets and sectoral mitigation plan;
 - Criteria for determining targets;
 - Developed country Parties should provide the information on their economy-wide absolute emission reduction targets, in accordance with paragraph 27 of decision 1/CP.21, and other information as set out in decision 2/CP.17 and 19/CP.18;
 - Developing country Parties should provide the information on their enhanced mitigation efforts, in accordance with paragraph 27 of decision 1/CP.21;
 - Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received.
 - Quantified impacts of policies and measures;
 - Developed countries to provide the quantitative estimated effects resulting from the mitigation component of their NDCs;
 - Voluntary information on indicators/parameters which are deemed necessary by Parties, considering national capacity and needs;
 - Information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC;
 - Mitigation costs.

- **Additional information on adaptation**

- Parties should provide information on the adaptation component of their NDCs, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement;
- The information on adaptation component of NDCs could be informed by the discussions under APA Agenda Item 4, the outcomes of which will form part of the guidance for information;
- Developed country Parties to provide 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;
- Developed country Parties to provide relevant information on adaptation activities including experience in various aspects of adaptation, considering Articles 7.1, 7.7, 7.9, 7.10, 7.11 and 7.13 of the Paris Agreement, taking into account the outcome of APA agenda item 4.

- **Additional Information on support**

- Developed country Parties are to provide indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Articles 3, 4.5, 4.8, 9.5, 10 and 11 of the Paris Agreement and paragraph 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;
- Further guidance for information on finance, technology and capacity-building support by developed country Parties could be informed by the discussions under the relevant COP/SBI Agenda Items, the outcome of which shall be available as part of the package of guidance for information under the Paris Agreements, well in advance of the adoption of such guidance;
- Developing country Parties are encouraged to provide information on finance, technology and capacity-building support needed related to implementation of their NDCs. They may share information on voluntary support to other developing country Parties;
- Information on how enhanced support will allow for higher ambition in the developing country's efforts.

- **Additional Information on finance**

- Information on the developed country's communication on funding to be provided, referred to in article 9.5, including as a summary, an attachment or a weblink, as applicable;
- Developed country Parties to provide information on quantitative amount in the following two years and five years;
- Developed country Parties to provide information on sources, including ratio between public and other resources;
- Developed country Parties to provide information on relevant amount of financial resources to be provided;
- Developed country Parties to provide information on delivery channels;
- Developed country Parties to provide information on areas and priorities of support;
- Developed country Parties to provide information on actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments.

- **Additional information on technology**

- Developed country Parties to provide information on types of support;

- Developed country Parties to provide information on relevant amount of financial resources to be provided;
 - Developed country Parties to provide information on delivery channels;
 - Developed country Parties to provide information on areas and priorities of support;
 - Developed country Parties to provide information on programmes and projects to be conducted by public agencies;
 - Developed country Parties to provide information on plans and policies to encourage the participations by business and research institutes;
 - Developed country Parties to provide information on 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.
- **Additional information on capacity building**
 - Developed country Parties to provide information on types of support;
 - Developed country Parties to provide information on the relevant amount of financial resources to be provided;
 - Developed country Parties to provide information on delivery channels;
 - Developed country Parties to provide information on areas and priorities of support;
 - Developed country Parties to provide information on policies, programmes and projects in different areas of capacity building.
- **Information on support needs/received**
 - Developing country Parties to be encouraged to provide information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support;
 - Expected need for financial support (for developing countries);
 - Developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received;
 - Developing country Parties would require a differentiated framework in projecting their needs for resources for achieving their NDCs and the different types of contributions.

Appendix 3: detailed list of elements for accounting

- **Understanding of what is meant by accounting**
 - Accounting of NDCs means being responsible for NDCs, which is understood in the context of the Paris Agreement that Parties should explain their NDCs in the communication and implementation stage in a responsible manner;
 - Accounting mean Parties being responsible for their ‘Nationally Determined Contributions’ with the purpose to promote transparency of action and support with a view to enhance the mutual trust among Parties. The information is of ex-ante nature, i.e., before the NDCs are implemented.
 - Accounting for NDCs means that Parties should be responsible for their NDCs by giving an explanation through certain methodologies and approaches, such as which sectors and gases will be included in their NDCs and what the meanings of relevant reference, parameters and other aspects of NDCs are. Accounting is also an important issue related to transparency;
 - Accounting is the process where Parties use information from their national greenhouse gas inventories and other sources to track progress and compare outcomes against NDCs. Guidance for accounting should promote TACCC and environmental integrity, and help Parties accurately understand and track progress toward NDCs;
 - 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.
 - Accounting of NDC is a set of methodologies used to measure implementation of NDC including anthropogenic emissions/removal of GHG;
 - Accounting for their NDCs involves clarifying the mitigation targets set out in NDCs by providing the CTU information on the reference point, and assumptions and methodological approaches;
 - Accounting of NDCs is a procedural obligation for all Parties as set out in Article 4.13 of the Paris Agreement. However, the specific methodologies and approaches are not common, “one size fits all” or mandatory for all;
 - Accounting has a different and broader meaning than accounting QELROS in the context of the Kyoto Protocol. While under the Kyoto Protocol accounting is equivalent to compliance and counting units, under the Paris Agreement “accounting for” is equivalent to accountability, to the “information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4”;
 - Accounting consists in demonstrating the achievement of the objectives by providing through the biennial reports under the transparency framework, information on implemented results (e.g., national GHG inventory data, information on ITMOs, and other relevant information corresponding to the attributes of the mitigation targets) in relation to the target year(s);
 - Accounting is also important for 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;
 - Accounting will be used as a common tool for having NDC implementation progress being monitored, tracked, and aggregated;
 - A robust accounting system is needed under the Paris Agreement:
 - to understand the expected mitigation effects of Parties’ planned NDCs and the impacts of any overlaps between Parties’ pledged efforts;
 - to track progress toward meeting pledged efforts and aggregate goals;
 - to assess what has been accomplished, after considering use of internationally transferred mitigation outcomes, and emissions and removals from the land sector, and the avoidance of double counting.
- **Objective/purpose of the guidance on accounting**
 - The purpose of accounting guidance is to 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. This includes promoting/operationalizing transparency, accuracy, completeness, comparability and consistency; ensuring the avoidance of double-counting; and promoting environmental integrity;

- The basic purpose of guidance for accounting is to 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;
- Purpose of the guidance under APA 3 is to help/assist Parties in fulfilling existing obligations under the Paris Agreement Article 4. No new obligations will derive from the guidance;
- A common/agreed methodology in tracking progress (before and after the implementation of NDC) and on how to aggregate various NDC;
- Having clear methodological approaches to estimate data related to these specific moments is crucial to report the progress on the implementation of Parties' NDCs under the enhanced transparency framework;
- Accounting guidance should provide support on how a Party could undertake a quantitative assessment on the achievement of its NDC;
- The accounting framework also has to be differentiated with differentiated guidance;
- Guidance is the link between the NDCs and the information provided under the Enhanced Transparency Framework;
- Guidance on accounting for Parties NDCs should 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;
- Guidance should require Parties to clearly indicate (either in the NDC itself or in the transparency reports under article 13) which of these the Party will adopt to track progress of their efforts, noting that developed country parties may not backtrack from existing requirements. 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;
- The objective of guidance is to clarify the contents of NDCs, progress made, and whether or not NDCs have been achieved in a rigorous and objective way;
- Guidance on which elements are relevant for "accounting for" progress towards and/or achievement of the NDC; guidance on how to "account for" progress towards and/or achievement of the NDC and guidance on how to count emissions and removals;
- Elements as relevant for accounting for progress towards and/or achievement of the NDC: I) inventory emissions and removals, II) information on emissions and/or removals in case the assumptions underlying the NDC differ from the inventory (e.g. land sector), III) transfers of ITMOs;
- Guidance elaborated under this item should assist each Party to demonstrate it is meeting this responsibility to account for its NDC.
- The guidance on accounting for NDCs must accommodate:
 - the universal nature of obligations under Article 4;
 - the nationally determined nature of NDCs; and
 - the diversity of NDCs communicated.
- The structure of the guidance to be developed under this agenda item could be outlined as follows:
 - Principles
 - Principles outlined in decision 1/CP/21, paragraph 31
 - Existing methods and guidance
 - Cross reference to relevant decisions and IPCC documents
 - Request to clearly indicate, in the NDC and biennial reports, the methods and guidance adopted to track progress. In case there has been changes between the communication of the NDC and the reports, a justification shall be provided.

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- Common metrics
 - Adoption of GWP and GTP (100 years) to estimate emissions
 - Obligation to continue to report GHG inventories on a gas-by-gas basis and in units of mass (this provision should also be reflected under the Enhanced Transparency Framework)
 - Additional elements
 - Guidance on the use of additional parameters, assumptions and/or indicators associated with the Party's NDC, as applicable
 - Additional elements of guidance associated to general types of mitigation targets, as applicable.
 - Cross reference to the decision on article 6, applicable to Parties that intend to use the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs.
 - Issues to be addressed in the guidance
 - Purpose
 - Definitions
 - Elements listed in 1/CP.21, para. 31
 - Common IPCC metrics, gases, sectors, timeframes
 - Multi-year v. single year targets
 - Multiple contributions of different types within an NDCs
 - Institutional elements and tools (registries, tracking, international oversight, transparent governance, transparency, reporting)
 - Means to ensure the avoidance of double counting (including double issuance of units for the same reductions, double claiming between host country and acquiring Party, double claiming of reductions between types of domestic programmes, double claiming in different or multiple time periods, potential double claiming under UNFCCC and ICAO or IMO)
 - Link between inventories and accounting system
 - Options for land sector accounting that guarantee an acceptable level of environmental integrity and transparency in given contexts
 - Avoidance of perverse incentives in the context of successive periods requiring progression
 - Relationship with existing accounting guidance applied by Parties
 - Elements of guidance for accounting
 - Anthropogenic
 - exclusion of non-anthropogenic effects where possible, e.g.:
 - Use of Managed Land Proxy or use of methods to address/ exclude emissions and subsequent removals from natural disturbances on managed land
 - Environmental integrity
 - Demonstration mitigation represents real, measurable, and verifiable changes relative to baselines
 - Transparency, Accuracy, Consistency, Completeness, Comparability (Article 4.13)
 - Use of accurate and verifiable data; provision of information (e.g. data and methodology) to allow Technical Expert Review teams to reconstruct baselines/ projections
 - Avoiding under- and over-estimation (if you can be, be accurate; if you can't, be conservative)
 - Expression of GHG mitigation as tCO₂-eq
 - Avoidance of double counting (Article 4.13)
 - Avoiding counting Mitigation outcomes more than once within or among Parties
 - Accounting methodologies

- Use of latest IPCC guidance for GHG estimation
 - Drawing from existing methodologies for accounting: use of latest IPCC guidance, where available; taking existing guidance into account if no CMA guidance exists; explaining how existing guidance has been drawn from; alignment over time
 - Projection of baseline/reference level guidance for all Parties and all sectors
 - Application of KP-LULUCF IPCC guidance to inventory land-based categories
 - Accommodation of REDD+ mitigation
 - Use of IPCC metrics as adopted by CMA
 - Methodological consistency
 - Consistency in accounting approaches, assumptions, and definitions
 - Time series consistency
 - Consistency with GHG inventory
 - Process for updating/ recalculating of data and initial benchmark/ parameters
 - Inclusion of both emissions and removals consistently
 - Coverage
 - Application of guidance to sectors, gases, categories and pools
 - Inclusion of all source categories of emissions or removals adherence to "Once in, always in" unbiased coverage
 - Explanation of omitted categories
 - Timeline or improvement plan for inclusion of omitted categories in future
 - Explanation of how certain matters were considered when omitting categories
- To facilitate aggregation of the impacts of NDCs in relation to the long-term goal, and to support the tracking of progress, accounting guidance should be applicable to Parties that have communicated different types of NDCs, including those that present target emissions levels as an end-point or over a multi-year period;
 - Specific accounting guidance is required for the different types of NDCs and should capture the range of NDCs adopted by Parties;
 - Given the diversity of NDCs, the development of prescriptive guidance applicable to all types of NDCs would probably be a fruitless and/or vague exercise;
 - 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. For example, guidance related to common inventory methodologies and common metrics, as requested to be prepared under Paragraph 31 of Decision 1/CP.21, would apply to all Parties. On the other hand, accounting guidance related to voluntary cooperation under Article 6, would only apply to Parties that pursue such voluntary cooperation;
 - Parties that determine additional parameters and/or indicators to track progress other than emission levels should also indicate these, including information on relevant methodologies, assumptions and/or statistical sources. There may be need therefore for additional elements to cater to specific types of NDCs, indicating or cross-referencing existing methods to follow the evolution of these other parameters and/or indicators. As such, for example, Parties that adopt intensity targets would be required to indicate the sources of statistical information used to measure their GDPs, unit of product/output, their populations, or other indicator, as appropriate. Parties that adopt "business as usual scenarios" would also clarify the premises, assumptions, models and calculations associated with their projections and their expected trajectories over time;

- Clear accounting rules and guidance will need to be defined for each type of NDC mitigation target, including for the land-use sector and designed so that the emissions reductions can be readily determined;
 - The guidance for accounting of Parties' NDCs should be in accordance with differentiated NDCs of developed and developing country Parties;
 - However, Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11. With a view to avoid duplication of work, the discussion on "accounting for" NDCs should refrain from elaborating on the use of market based mechanisms.
- **Linkages**
 - A robust accounting framework is a pre-requisite for use of internationally transferred mitigation outcomes or use of market-based units toward NDCs under Article 6 in order to ensure the avoidance of double counting of emission reductions or units between Parties;
 - The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed;
 - APA3 Parties must ensure coherence and relevant cross-references with the texts being prepared under Article 6. For example, the use of voluntary cooperation under Article 6 must be transparently reflected for the tracking of progress with NDCs;
 - Guidance should cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs. Further topics may include guidance relating to how Article 6 outcomes are applied toward NDCs;
 - Parties that decide to utilize the approaches defined in Article 6, paragraphs 2 and 4, towards their NDCs must be subject to additional and more stringent accounting rules. These are to be developed within the modalities and procedures being negotiated under SBSTA agenda item 11. With a view to avoid duplication of work, the discussion on "accounting for" NDCs should refrain from elaborating on the use of market based mechanisms;
 - The guidance relating to Art. 6 deals with the issuance, transfer and use of ITMOs towards the achievement of NDCs, including the avoidance of double counting in relation to the issuance, transfer and use of ITMOs.
 - In addition to paragraph 31 accounting guidance, Parties that intend to use mechanisms under Article 6 should be required to report on various aspects associated with, inter alia:
 - Their national governance system, including their national transaction log;
 - How they will avoid double counting;
 - How they will avoid environmental impacts of such mechanisms;
 - How these mechanisms will contribute to sustainable development and not have adverse consequences for sustainable development;
 - How the mechanisms are additional to what would have occurred in the absence of the mechanisms;
 - 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 mechanisms;
 - Such Parties should be required to indicate the national transaction log system they intend to use and how they will avoid double counting, and ensure environmental integrity in their use of this mechanism. Such measures will need to be consistent with accounting measures prescribed for the mitigation registry and the transparency framework developed under Article 13.
 - Specific accounting guidance is required for the relationship between accounting and GHG inventories, recognizing that detailed work on rules and guidance for cooperative

- approaches under Article 6.2 and use of the Article 6.4 mechanism, and for the transfer and use of ITMOs, will be undertaken in the related SBSTA work programme under Article 6;
- Accounting guidance in relation to Article 6.2 will have to address the promotion of sustainable development, and how environmental integrity and transparency, including in governance, will be ensured. It will also have to establish systems and tools to avoid the double counting that may arise in many ways, and be integrated with rules established in relation to other Article 6 provisions;
 - Internationally-agreed guidance must be in place at the international level 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;
 - *Accounting* guidance only applies to relevant quantified elements of Parties' NDCs. It does not cover the full suite of information to be reported under Article 13.7(b) such as broader reporting on policies and measures;
 - Further guidance must recognize the inherent difference in the nature and purpose of NDC accounting and Transparency accounting. While the former is *ex-ante* i.e. before the implementation of NDC, the latter is *ex-post*, i.e. after the implementation. The details of the information required of NDCs can therefore be less as compared to details of information pertaining to Transparency. Moreover, the purpose of NDC accounting is to give a sense of the planned actions by Parties, which can be then evaluated against actuals in the transparency framework;
 - Guidance developed under this agenda sub-item is thus the link between the NDCs and the information provided under the Enhanced Transparency Framework. Guidance on accounting for Parties NDCs should allow Parties to demonstrate that their most recent emission levels are consistent with said targets, in accordance with the parameters and indicators they have set out in their own NDCs, as appropriate. As such, Parties would be expected to report through the Enhanced Transparency Framework on emissions levels, estimated through their national inventories, against the targets they have established in their respective NDCs;
 - The accounting guidance is an essential element to be able to aggregate progress across Parties under the Paris Agreement.
- **Revision of the guidance**
 - Parties are required to apply the accounting guidance referred to in paragraph 31 to their second and subsequent NDCs, but they may also elect to apply this guidance to their first NDC;
 - Review and, if necessary, revision of guidance at a future point following experience with implementation;
 - Subsequent updates to the guidance could 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 shall define the year of the first review of the guidance, with a view to revising it on a regular basis;
 - **Capacity of developing countries**
 - Flexibility should be provided to developing country Parties in application of the relevant guidance;
 - Guidance on accounting should accommodate different national capacities and national circumstances of Parties, and recognize different starting points;
 - Along with difference in national capacities, national circumstances, and starting points, further guidance should also recognize the difference in historical responsibilities of Parties;
 - 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);

- Providing the different methodologies corresponding to components of a variety of NDCs would be one way of accommodating each Party's capacities and circumstances;
 - The guidance should also take into consideration that Parties will improve environmental integrity, transparency, accuracy, completeness, comparability and consistency of their accounting over time.
- **How to draw from existing approaches established under the Convention and the Kyoto Protocol (Decision 1/CP.21, para. 31)**
 - There are tremendous arrangements of accounting under the Convention and its Kyoto Protocol, which lays a basis for the work on accounting for mitigation targets;
 - The guidance for accounting for mitigation targets in the NDCs by developed country Parties 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;
 - Some technical work could be conducted such as inviting relevant technical experts from the Secretariat to make a presentation on the existing arrangements under the Convention and its Kyoto Protocol. Developed country Parties are also invited to introduce their experience, practices and lessons learned on applying the arrangements for accounting under the Convention and its Kyoto Protocol;
 - Existing guidance: Guidance can build on valuable experience and lessons learnt from the development and implementation of previous accounting frameworks (Article 4.14). The structure of the Paris Agreement and the nature of Parties' contributions are different to previous frameworks and the additional guidance provided under this item are necessary to allow Parties to account for NDCs in accordance with Article 4.13 and decision 1/CP.21 paragraph 31;
 - As a first step, it is necessary to identify which existing accounting approaches under the Convention and its related legal instruments should serve as a basis for the accounting guidance under the Paris Agreement. In some areas, it may be possible to draw from existing approaches with simple references to existing decisions which would transfer the existing approach to the Paris Agreement. In other areas, the existing guidance may need some clarification or modifications in order to be applied under the Paris Agreement;
 - Previous experiences showed that the use of an accounting balance will also be required 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. It will be necessary to define the elements of an accounting balance, based on the provisions under the Paris Agreement and accounting elements of the NDCs;
 - Use of GHG inventories under Article 13(7)(b) 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 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, Paragraph 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);

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- 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/CMP16; 13/CP.19);
 - The guidance should flow from the existing provisions of Convention and its Kyoto Protocol, the latest IPCC guidelines and the best experiences drawn from national communications;
 - The existing guidelines are well established and are already differentiated for developed and developing country Parties based on the principle of CBDR-RC;
 - Guidance on how Parties may draw from existing approaches, and what to do where there is no appropriate existing approach;
 - 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 supplementarity – 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 (e.g., through systems to prevent over-selling);
 - 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 Paris Agreement.
 - Principles for accounting
 - Accounting guidance should support Parties in accounting for their NDCs, including integrating and incorporating accounting elements in national MRV systems;
 - Guidance to facilitate understanding of quantitative progress in the implementation and achievement of NDCs;
 - Guidance to facilitate the assessment of the collective progress towards achievement of the global mitigation goals;

- Guidance to promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and to ensure the avoidance of double counting;
- Key elements of the accounting will only be meaningful if they are included in the provision of ICTU as well;
- Reflecting 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 differentiated NDCs of developed and developing country Parties;
- Consistent with the scope of NDCs and covering both actions and support component of NDCs in accordance with Article 3 of the Paris agreement;
- Guidance should maintain the nationally determined nature of NDCs;
- Parties should strive to increase coverage over time;
- Guidance in the form of a series of general technical arrangements for Parties' consideration when they are preparing, communicating and implementing their NDCs, without imposing detailed common accounting rules or transmitting Parties' NDCs into a unified form of absolute emission amount;
- Flexibility to be provided to developing country Parties 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;
- Guidance to promote environmental integrity, the contribution from forest and land use must represent real, permanent and verifiable emission reductions that would not occur irrespective of the Party's actions. Permanence is particularly important with respect to contribution from forest and other land use, as removals is a slow process, while carbon from the terrestrial stock can be quickly released, e.g. due to change of policies and natural disasters;
- A number of processes could give rise to the risk of double-counting, including during the estimation of national inventories and the use of internationally transferred mitigation outcomes (ITMOs). While specific guidance for these scenarios should be discussed under the appropriate agenda items, Parties should also develop general guidance on how to avoid double-counting under this sub-item. For example:
 - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward its NDC cannot also be used by another Party toward its own NDC;
 - Any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward account for its NDC cannot be re-used by that Party toward the same NDC or any future 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.
- The guidance should be facilitative and practical, in order to assist Parties in meeting their accounting obligations under the Agreement;
- Information used to be consistent with, and underpinned by, inventory;
- The differentiated framework of accounting guidance for developed country Parties needs to be rich in nature of information being accounted, types of information being accounted, and the level of details of the information being accounted. The information sought needs to be reasonable and commensurate to the capacities of the developed country Parties. Such a framework will ensure that developed country Parties are able to demonstrate the lead that they have been mandated to take under Articles 4.4 and 9.3. These levels of details will also inspire confidence in developing country Parties to undertake further ambitious NDCs;
- Developed countries to use comparable methodologies and approaches to explain their other aspects of mitigation component of NDCs, including domestic emissions, policies and

- utilization of international transferred mitigation outcomes, and to ensure methodological consistency between the communication of NDCs and reporting on implementation and developing countries to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
- The guidance shall preserve the national determination of NDCs by respecting the accounting approaches embedded in their NDCs, which correspond to their different capacities and national circumstances;
 - The NDCs submitted by Parties use a variety of approaches in accounting for emissions (e.g. land-use sector) and in some cases, do not indicate any accounting methods. This presents significant challenges for understanding and aggregating the results of planned mitigation efforts;
 - With respect to accounting for NDCs, paragraph 31 provides a sound basis for establishing a uniform approach to the development of common accounting rules;
 - There must be clear provisions on how to avoid double-counting, for example to prevent potential double-claiming under the UNFCCC, ICAO, IMOs, in different or multiple time-periods, between different types of domestic programmes, or, for those NDCs that will use market-based units to meet their contributions, between host and acquiring countries;
 - Reporting of GHG inventories alone will not be sufficient to enable an understanding of what countries' NDC will in aggregate deliver toward global goals, to track many Parties' progress toward achieving their NDCs, or to determine what NDCs have achieved. This is because the NDCs communicated take different forms, use different timeframes, some have not used IPCC sectors or IPCC methodologies, the scope of some include the land use sector, and some NDCs contemplate the use of internationally transferred mitigation outcomes;
 - Types of NDCs that present particular accounting challenges include:
 - Single year targets where a Party intends to use internationally transferred mitigation outcomes toward its target, or to include the land sector toward its target;
 - Targets that are a reduction from BAU projections or emissions intensity targets, where the land sector is involved, or the use or transfer of internationally transferred mitigation outcomes is contemplated;
 - Carbon neutral pledges that rely on LULUCF removals or the acquisition of emission reductions from other countries;
 - LULUCF and use of carbon market units.
 - A robust accounting framework is a pre-requisite for use of internationally transferred mitigation outcomes or use of market-based units toward NDCs under Article 6, in order to ensure the avoidance of double counting of emission reductions or units between Parties. A robust accounting framework is also needed to assess the impact of NDCs that include the land sector, since the land sector involves a mix of anthropogenic and non-anthropogenic emissions. An accounting system is also needed to address the fact that some NDCs present target emissions levels for a single year (e.g., 2025 or 2030) while some use budgets or multi-year targets;
 - In measuring progress towards achievement of NDCs, the accounting impact of emissions and removals from the land sector and any internationally transferred mitigation outcomes must be taken into account (where appropriate). One way of doing this is by providing an 'accounting balance'. Measuring the final inventory figures against the stated objective of the NDC in the achievement phase would facilitate clarity with respect to achievement of the NDC;
- Timing of application
 - In accordance with 1/CP.21 paragraph 32, accounting guidance will apply to second and subsequent NDCs;

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- In accordance with paragraph 32 of decision 1/CP.21, Parties shall 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;
 - The first iteration of the guidance, to be adopted in 2018, should be sufficient to give confidence to national policymakers that their NDCs communicated after 2020, and corresponding accounting activities, will comply with rules and principles of Article 4 of the Paris Agreement as well as the mitigation section of 1/CP.21. Consistent with paragraph 32 of decision 1/CP.21, Parties may also elect to apply this guidance to their pre-2020 NDCs on a voluntary basis;
 - Each Party shall apply the following guidance for accounting of NDCs for the first NDC on the basis that:
 - a) they voluntarily elect to apply the guidance for the first NDC; or
 - b) 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.
- **Channel to report the accounting related to NDCs**
 - Parties could report the relevant information related to paragraph 31 (a)-(d) of decision 1/CP.21 in their NDCs documents and ensure the methodological consistency in their reports on the implementation under the transparency framework;
 - Since “Methodologies and assumptions related to accounting” are in the information list in paragraph 27 of decision 1/CP.21, Parties may report relevant information on accounting in their NDCs documents;
 - Information needed to understand whether and/or to which extent a Party achieved its target, will vary according to target. The way to operationalize the principles in Art. 4.13 and paragraph 31 will therefore depend on the target:
 - For GHG targets, the national inventory reports (NIR) will provide a solid foundation for the accounting in line with these principles. Inventory information may need to be supplemented by other information, for example information on approaches for accounting for the land sector, the use of ITMOs or process indicators for tracking non-GHG and/or qualitative targets;
 - Developing accounting guidance for non-GHG targets seems more challenging. Parties have less experience with such targets, and they are less linked to the GHG inventories. Accounting for such targets should, as for all accounting, must be consistent with the principles in Art 4.13 and paragraph 31. Such accounting could include information on implementation of policies and measures that can indicate if a Party has reached its target, and as well information on any other relevant progress indicators. As far as possible, Parties should estimate the effects of implementing the NDCs on their GHG emissions and removals;
 - Regarding accounting for multiple targets we expect that Parties account for the range of target(s) put forward in their NDC, unless otherwise is stated in the first NDC/ICTU of the relevant target period.

Tracking progress in implementation/achievement of NDCs and provision of information

- Parties identify the quantified value including emissions or emissions intensity in the base year and/or the other reference point and the accounting approaches in accordance with section II of this guidance, and provide those information in accordance with the ICTU guidance.
- During the timeframe or the implementation period, Parties track the progress in implementation of NDCs in accordance with paragraph 4 below, and provide the information on the progress and how they track it as well as any update on the information provided as per paragraph 1 above in accordance with the reporting guideline under the transparency framework;

- After the end of the timeframe or the implementation period, Parties assess the achievement of NDCs in accordance with paragraph 4 below, and provide the information on the assessment and how they assess it in accordance with the reporting guideline under the transparency framework.
- **Capacity-building for developing country Parties**
 - In accordance with Article 13, paragraph 14 and Article 13, paragraph 15, support shall be provided to assist developing country Parties in the accounting of their NDCs, including integrating and incorporating accounting elements in national MRV systems;
 - Continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities on implementing the guidance for accounting;
 - Incentivizing mechanisms should be established by the CMA to encourage and support developing country Parties to apply the guidance for accounting;
 - Support is addressed further under other APA and SBSTA agenda items;
 - Capacity concerns 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.
- **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))**
 - National GHG Inventories will be significant tools for monitoring NDCs. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty. The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs;
 - Use IPCC guidance as adopted by CMA;
 - Parties who are unable to use the most recent methods and guidance for any particular estimation or accounting process should explain how they are striving to improve their practices over time;
 - Developed countries to apply the IPCC 2006 guidelines and continue taking the lead in applying any updated good practice methodologies accepted by the IPCC and ensure methodological consistency, including base years, baselines, reference levels, and assumptions, between the communication of NDCs and inventory and report on progress and developing countries to follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of their different capacities and circumstances;
 - Adopt 2006 IPCC guidelines for GHG inventories as basis for GHG inventories under Article 13(7)(b);
 - Adopt common metrics to calculate CO₂ equivalent emissions for the reporting of GHG inventories for the assessment of individual and aggregate progress;
 - Parties who communicate GHG targets as their NDCs will need to ensure consistency between their NDC accounting and their national GHG inventories. Similarly, Parties that refer to economic or demographic indicators (e.g. GDP, population) in their NDCs should ensure consistency with their national economic accounts and demographic statistics, as appropriate;
 - Guidance on how to promote of environmental integrity, transparency, accuracy, completeness, comparability and consistency, ensure the avoidance of double counting;
 - Guidance on how to aggregate NDCs: including comparability aspect of various NDCs (with various: base year, intensity-based, methodologies and assumptions, etc.);
 - Guidance on fair and ambition of NDC and contribution to achieve the objectives the Convention;

- Parties should use the same methodologies and metrics throughout the time frame of their NDC. If a Party makes a change to any of these during the time frame, it is critical that it is done in a way that ensures comparability and the fulfilment of the other TACCC-principles;
 - The guidance should also adopt the metrics assessed by the IPCC to quantify emissions from different gases, the Global Warming Potential (GWP) and the Global Temperature Potential (GTP). In this context, Parties would be required to clearly indicate which metrics and values (i.e., from which Assessment Report) have been adopted to track progress of their NDCs, as well as to continue to report GHG inventories on a gas-by-gas basis and in units of mass;
 - Parties should use GHG emissions reported in the most recent national inventory reports under the transparency framework of Article 13 of the Paris Agreement based on the methodologies and metrics defined by the reporting guideline under the transparency framework;
 - Methodological approaches to account for GHG goals under NDCs:
 - For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework);
 - The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels. Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.
 - Methodological approaches to account for non-GHG goals under NDCs:
 - 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. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs.
 - Accounting guidance should help Parties to 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);
 - (Each Party shall prepare a national inventory and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC;
 - Further guidance for information is a tool for Parties' consideration when preparing and communicating their NDCs. Therefore, the guidance should respect and preserve the nationally determined nature of Parties' contributions, without placing an undue burden on developing country Parties, particularly on SIDS;
 - GHG mitigation contributions to be expressed in terms of tCO₂e;
- **Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**
 - Maintain consistency in accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation; and throughout implementation period;

- Methodological consistency helps ensure that reported results reflect a real change in outcome, and not simply a change in methodology. For this reason, if a Party wishes to make improvements to its accounting approach or methodologies, it would need to apply any necessary recalculations to its initial reference points and baselines, as well as to how it measures its results. The guidance should explain to Parties how to apply these recalculations in practice;
- Developed countries to use comparable methodologies and approaches to explain their other aspects of mitigation component of NDCs, including domestic emissions, policies and utilization of international transferred mitigation outcomes, and to ensure methodological consistency between the communication of NDCs and reporting on implementation and developing countries to be allowed to utilize their own methodologies and approaches to explain other references, parameters and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation;
- Where updated data and parameters are used before the end of the implementation period, they should be used consistently both to calculate outcomes and to update relevant base year indicators, baselines reference levels or projections (i.e. maintain time series consistency);
- Describe any updates to data and parameters used during an implementation period;
- Describe any changes in approaches and assumptions, as relevant, between implementation periods;
- Guidance should 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 should establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance should establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency should be communicated and implemented;
- Guidance on reference levels and/or baselines:
 - Reference level(s)/baseline(s) to be transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
 - Procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency.
- Base year indicators, baselines, reference levels and projections: Construction
 - Avoid overestimating or underestimating and use verifiable information sources;
 - Where projections used, take into account all relevant policies and measures in place at time of construction, explaining exclusions;
 - Demonstrate that parameters and values used are consistent with historical and publicly available data;
 - Following information to be provided:
 - General description of how the base year indicator(s), baseline(s), reference level(s) and projection(s) was constructed – including approaches, assumptions and relevant estimation methodologies;
 - Sectors, categories and gases, and as relevant, activities and pools, that have been included, including explaining exclusions or omissions;
 - Policies and measures that have been included and their implementation timeframes, reasons for exclusion of relevant policies and measures;
 - Contributions from sub-national or sectoral baselines, reference levels and projections as relevant.
- Base year indicators, baselines, reference levels and projections: Update

- Should 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;
 - Report any updates at the earliest opportunity.
- Base year indicators, baselines, reference levels and projections: Comparison against outcomes
 - Parties to describe at the earliest opportunity, how they will compare outcomes against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
 - Maintain method of comparison throughout implementation period.
- Parties that use reference points or baselines in their NDCs may construct them from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies. These Parties would need to provide a description of the data sets, approaches, methods, models, and/or assumptions used to construct these reference points or baselines, including a description of the policies and plans that are integrated within them. The descriptions provided must be sufficient for a third party to reconstruct the reference point or baseline using publicly available data. It would typically include, for example:
 - For general emissions: Historical data and future assumptions relating to economic growth rates, population/demographics, energy prices (e.g., the prices of crude oil, refined petroleum products, natural gas, and electricity), emissions factors, and government policy decisions;
 - For land sector emissions and removals: Definitions; pools and gases included; approaches, methods and models used (including historical and projections); construction of the baseline, policies included, and impacts of natural disturbances, where appropriate.
- Methodological consistency between the communication of a NDC and its implementation is important for assessing whether and to what extent implementation action has led to achievement of the target(s) set out in the NDC;
- To ensure methodological consistency in accordance with paragraph 31 (b), methodological elements such as definitions, parameters, conditions and assumptions on the construction of reference points should preferably remain unchanged between the communication and the implementation of the NDC. If, however, changes are made during the time frame of a NDC, methodological consistency would, as a minimum, require a description of the changes and their consequences for the target(s);
- In order to ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions, Parties must in their accounting include information on:
 - Any additional/new information and/or changes/updates that could affect consistency, e.g. on target(s), scope/coverage, base-year, definitions, methodologies, parameters, conditions, assumptions and accounting approaches during the NDC time frame;
 - For the construction of baselines and reference levels, Parties should include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Guidance for the reference point/period and projections: This guidance could answer questions such as:
 - What criteria were employed to select reference point/period?
 - How to calculate/set a baseline (in the case of NDCs based on deviation from BAU emissions)?
 - How and when should a baseline be re-calculated or updated?
- Parties should be provided with general guidance for estimation of projections of GHG emissions and removals;

- Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs;
- When Parties improve coverage, methodologies, parameters or other elements of estimation of emissions corresponding to their NDCs, the Parties need to explain the change and ensure the methodological consistency between the times of the communication and the implementation of NDCs by recalculating emissions in the base year and/or the other reference point;
- Projected baseline
 - Parties construct the projected emission level in the target year, identifying the scope of the policies and measures included if applicable;
 - Parties may update the projected emission level periodically or taking into account the latest socioeconomic circumstances, improvement of methodologies, data and other related assumptions during the timeframe and/or periods for implementation. In such cases, Parties should provide explicit explanations of why and how they update the projected emission level and the change in the methodologies and assumptions. These updates should not lower ambitions of the Parties' NDCs.
- Emissions intensity
 - Parties identify the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Non-GHG contributions including implementation of policies and measures
 - Parties should explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.
- **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, paras. C) and d)**
 - Consistently to include all categories (gases, activities, pools) of anthropogenic emissions or removals;
 - Developed countries to account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included and developing countries to be allowed to choose the categories of emissions and removals, including sectors and gases covered in their NDCs, in a nationally determined manner;
 - Accounting guidance should clarify that 'all categories of emissions and removals in NDCs' on the one hand refer to those categories for which methodologies are provided in IPCC Guidelines;
 - As there are also NDCs that refer to categories of emissions that do not exist as categories/sectors/gases in the IPCC guidelines for national greenhouse gas inventories, Parties that include categories that are not part of the IPCC guidelines, should define those categories and explain which methods they intend to apply for their estimation. Where a different organization of emissions is used (e.g. "deforestation" or "renewable energy") the categories used should be defined, and an explanation provided as to how they relate to existing categories from the IPCC guidelines;
 - Accounting guidance should specify where and how Parties indicate which categories of anthropogenic emissions or removals are included in their NDCs;
 - Each Party should strive to include all emissions sectors, categories, pools and gases in its NDC, preferably as an economy-wide GHG target (Art. 4.4). In doing so, Parties should prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
 - There are some situations where Party might exclude a category of emissions or removals from consideration in its national inventory, and by extension, from the GHG target in its

- NDC. In this case, the Party should clearly indicate the sources and sinks that are not considered and explain the reasons for such exclusions;
- Any mitigation goal that cannot be captured in a Party's national inventory can nevertheless be communicated as a separate component of the Party's NDC, alongside the Party's GHG target. However, the Party would need to explain how it is striving to broaden the coverage of its NDC, with a view to moving over time toward an economy-wide GHG target (Article 4.4);
 - Once a source, sink, gas, land category or activity is included in a Party's NDC, this shall be included in subsequent NDCs, provided that it still occurs. The coverage of the NDC shall be transparently explained as part of the information provided related to clarity, transparency and understanding of the NDC under Paragraph 27 of Decision 1/CP.21 as well as part of the information under Article 13 (7)(b).
- **Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21**
 - Transparency
 - During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).
 - Accuracy
 - Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over- or under-estimated.
 - Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)
 - Parties should ensure consistency between the methodological approaches used 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;
 - Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals;
 - Also, to ensure methodological consistency, accounting guidance should include a section on how a Party should calculate its baseline and how and when the Party should recalculate/update its baseline or reference point/period;
 - Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)
 - Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it;
 - Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.
 - Comparability
 - In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.
 - Environmental integrity and double counting

- In the accounting guidance, there should be clarity on the use of units derived from the implementation of Article 6, in order for their accounting to be assigned to one Party only. This work should take into account the discussions taking place under SBSTA related to Article 6 of the Agreement.
- **LULUCF, forests and REDD+**
 - A robust accounting framework is needed to assess the impact of NDCs that include the land sector, since the land sector involves a mix of anthropogenic and non-anthropogenic emissions;
 - Parties should 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. May cover natural disturbance and other land related topics not sufficiently covered by other guidance;
 - There are Kyoto Protocol rules on accounting for developed countries. Under the Convention, arrangements for forest and REDD+ are available for developing country Parties. When developing the guidance for accounting under the Paris Agreement, Parties should avoid using the language without consensus, such as “AFOLU” or “land sector”. The terms acceptable under the Convention and its related legal instruments are “LULUCF” for developed country Parties and “forest or REDD+” for developing country Parties;
 - Developed countries to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC, with the improvement of the existing rules on LULUCF to close any loopholes and developing countries may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
 - Guidance should include a section on accounting for land sector that ensures 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 should 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.
 - Developed: LULUCF related accounting – to apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC; for developing, forest related accounting for developing country Parties – may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects, without implicitly or explicitly leading to any requirement to undertake mitigation actions in agriculture;
 - Parties can account emissions and removals from land sector based on the following two approaches: 1) to incorporate the emissions and removals from land sector with estimation of emissions from other sectors or 2) to separate the emissions and removals from estimation of emissions from other sectors. Parties should clarify which approach is applied;
 - Parties explain which approaches to use and the assumptions and coverage (e.g. land use categories, activities and/or carbon pools) related to the approaches. Parties specify the approaches for each land categories/activities/elements, if necessary;
 - Harvested wood products are accounted based on a common accounting approach in order to ensure avoiding global double counting;
 - Parties are encouraged to include the land sector in their NDCs;

- Parties, when using existing guidance, provide information on the exact use of the guidance, including choices made within that guidance;
 - Parties that choose to include the land sector in their NDCs shall continue to include it.
 - Where possible, guidance for accounting for emissions and removals from the land sector should be able to be covered by accounting guidance in a general manner. However, there may be some accounting specificities unique to the land sector (for example, how to treat natural disturbances, legacy effects, or harvested wood products);
 - A robust accounting framework is needed to assess the impact of NDCs that include the land sector, since the land sector involves a mix of anthropogenic and non-anthropogenic emissions.
 - **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.
 - **Support component of NDC**
 - 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, and 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.
 - **Harmonization of accounting rules with those developed by ICAO and IMO**
 - At this point, there is no clarity on how ICAO and IMO will progress their respective obligations, with the exception of ICAO and their CORSIA mechanism. Any specific accounting rules adopted by both specialized UN agencies, should be user friendly, and be harmonized with the current IPCC rules developed for calculating emissions from international bunker fuels. This is to ensure that there is transparency, clarity and understanding of what is reported by IMO and ICAO and it can clearly accepted by National Climate Change authorities as authentic in nature.
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