

## **The EIG's views on APA agenda item 3(b) and 3(c)**

The Environmental Integrity Group (EIG), comprising Liechtenstein, Mexico, Monaco, the Republic of Korea and Switzerland, is pleased to submit its views on APA agenda item 3, "Further guidance in relation to the mitigation section of decision 1/CP.21 on: (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31"

This submission presents EIG's views on the elements and issues outlined in the informal note of the co-facilitators, pursuant to the request made in the APA Co-Chairs' Conclusions of APA 1.3.

Although this submission addresses only APA agenda items 3 (b) and 3(c), the EIG recognizes the importance of furthering the work on APA agenda item 3 (a).

### **1. Further Guidance on Information of NDCs (APA agenda item 3(b))**

#### **1) Views on the critical issues captured in the General Reflections**

- **Purpose of the guidance**

- The purpose of guidance is to assist Parties in preparing and communicating their NDCs by identifying the specific information necessary for clarity, transparency and understanding of NDCs.

- **National determination of NDCs**

- Further guidance on information should not undermine the national determination of NDCs. The national determination of NDCs consists in Parties' determination of ①the scope, ②target type and ③level of ambition of their NDCs. The guidance should not, in a binding manner, limit or prescribe the scope, target type or level of ambition of Parties' NDCs.
- In this regard, information requested should be consistent with the particular nature of a given NDC type.

- **Accommodation of the diversity of NDCS**

- At a general level, there is a set of CTU information common to all NDCS. But at a specific level, the CTU information varies according to different NDCs, particularly in terms of information pertaining to reference point, and assumptions and

methodological approaches. In order to provide clear guidance, the guidance should accommodate the diversity of NDCs by specifying information necessary for the CTU of different NDCs.

- **Accommodation of different capacities and national circumstances**

- Parties' different capacities and national circumstances are accommodated through Parties' NDCs. Parties' determination of the sectors and coverage, and target type of their NDCs ensures that their different capacities and circumstances are accommodated. A guidance that respects the national determination of NDCs and accommodates the diversity of NDCs already accommodates Parties' different capacities and national circumstances and thereby recognizes different starting points.

- **Structure of the guidance**

- The guidance that accommodates both the diversity of NDCs, and Parties' different capacities and national circumstances need not be differentiated between developed and developing country Parties. Sufficient and proper differentiation is already provided in such guidance.

- **Relationship between CTU information and information relating to Art. 13**

- There is a great deal of overlaps between CTU information and the information to be reported under the transparency framework. To minimize the overlaps and to avoid an additional burden to Parties, the guidance on CTU information deals with information necessary for *ex ante* clarity, transparency and understating of NDCs, and more detailed information concerning the implementation and tracking progress of NDCs should be reported under the transparency framework.

## 2) Information necessary for CTU of NDCs

- **Quantifiable information on reference point**

- **Absolute emissions reduction target**
  - Emissions levels for the base and target year in terms of CO<sub>2</sub> eq.
  - Headline number in terms of emission reduction in %
- **BAU target**
  - Baseline, including emissions level in terms of CO<sub>2</sub> eq.
  - Emissions level for the target year in terms of CO<sub>2</sub> eq.

- Headline number in terms of emission reduction in %
  - **Intensity target**
    - 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**
    - 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
- **Time frames and/or periods for implementation**
    - Information on the time frame of NDC (in accordance with the common time frame to be considered by the CMA)
    - Information on whether the target is a single-year or a multi-year target
- **Scope and Coverage**
    - Information on the sectors and gases included in NDC (the sectors and GHG gases defined by IPCC guidelines) and coverage of NDC (e.g., economy-wide)
    - If not all IPCC gases and/or sectors are included, provide an explanation for any gases and/or sectors excluded, and if available, provide information on the significance of that gas or sector in national emissions.
- **Planning Processes**
    - Planning processes
    - How the Party's NDC has been anchored in domestic mitigation measures
    - Information on legal and institutional arrangements
    - How the Party's NDC has been informed by the outcomes of the global stocktake
    - Information on any conditional element beyond headline number
- **Assumptions and Methodologies**
    - Metrics and methodologies – IPCC inventory guideline, GWP value used, accounting

approach used in the land sector in accordance with the accounting guidance (if appropriate).

- How the Party will ensure the methodological consistency between the communication and implementation of its NDC
- Whether the Party intends to use cooperative approaches in Article 6.2, the Article 6.4 mechanism, and non-market approaches (if appropriate), including the intended accounting approach to be used in accordance with relevant guidance.
- **BAU target**
  - Parameters, assumptions and methodologies used in setting the baseline projection
- **Intensity target**
  - Data sources for the index value
- **Policy and measures**
  - Progress indicators and milestones

- **Fairness and Ambition**

- How the party considers that its NDC is fair and ambitious, in the light of its national circumstances
- How the Party's NDC represents a progression beyond the Party's then current NDC from its previous NDC and reflects its highest possible ambition, reflecting CBDR-RC and in the light of national circumstances
- A Party with an absolute emissions reduction target should provide information on how its NDC compares with its BAU projection.

- **Contribution to the Objective of the Convention**

- How it contributes towards achieving the objective of the Convention as set out in its Article 2 and the long-term goals under the Paris Agreement of holding the increase in the global average to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C.

### **3) 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.

## **2. Further Guidance on Accounting for NDCs (APA agenda item 3(c))**

### **1) Views on the critical issues captured in the General Reflections**

- **Meaning of 'accounting for' NDCs**

- Article 4.13 obliges Parties to account for their NDCs. This obligation involves, first of all, accounting for or clarifying the mitigation targets set out in NDCs by providing the CTU information on the reference point, and assumptions and methodological approaches.
- Second, it 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).
- The EIG envisions, therefore, the followings as part of the outcome under APA 3c: 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.
- The EIG sees the following 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.
- The obligation in Art 4.13 also includes therefore the obligation to provide all of the above mentioned information through the biennial reports under the transparency framework.

- **National determination of NDCs**

- Parties' NDCs reflect their determination as to certain accounting choices corresponding to their capacities and national circumstances. In principle, the guidance

on accounting for NDCs should take into account the different starting points of Parties in regard to capacities and national circumstances and lead to a harmonized – not uniform – system. The guidance should, therefore, be applied to subsequent NDCs and build on the experiences of Parties with the accounting choices.

- **Relationship with the accounting necessary in relation to Art. 6**

- The guidance on accounting for NDCs deals with accounting approaches in relation to the establishment of NDCs and the achievement of NDCs, which involves how ITMOs should be counted towards the achievement of NDCs.
- 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.
- The Art. 6 guidance should define corresponding adjustment that takes into account the diversity, such as type and target year/period of NDCs.

## **2) General Principles (on accounting for NDCs)**

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. Furthermore, the following principles stipulated in Art. 4.13 of the Paris Agreement and para. 31 of 1/CP.21 should serve as general accounting principles.

- Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting.
- Parties account for anthropogenic emissions or removals in accordance with methodologies and common metric assessed by the IPCC and adopted by the CMA..
- Parties ensure methodological consistency, including baselines, between the communication and implementation of nationally determined contributions.
- 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

## **3) Specific guidance (on accounting for NDCs)**

- **(Accounting for) Emissions and reference point**

- Parties shall use the 2006 IPCC guidelines or any other guidelines adopted by the CMA for their national GHG inventories for the NDCs relevant from 2031 (i.e. the NDCs communicated 9-12 months prior to COP31 in 2025) and may elect to do so in earlier communications (PA Art 4.11; 1/CP.21 para 22)
- Parties shall use the UNFCCC reporting guidelines on inventories, in relations to GWP.
- Parties shall ensure methodological consistency with the approaches used for the estimation and information reported in their greenhouse gas inventories.
- Parties shall ensure that the same accounting approaches, including baselines, methodologies and definitions, are used throughout the NDC cycle or give an explanation and all information necessary to understand the implications of the changes made through their biennial reports under the transparency framework.
- Parties when accounting for the progress and achievement of their NDC shall provide, through the biennial reports of the transparency framework, information on any significant changes in the assumptions formulated in their CTU or specifications thereof, including explanations for the occurred changes.

- **(Accounting for) Land sector**

- 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.
- Parties, in accounting for emissions and removals of the land sector, shall apply land sector specific guidance such as the possibility of excluding non-anthropogenic and legacy effects consistent with IPCC guidance, inter alia.

- **(Accounting for) The use of Internationally transferred mitigation outcomes(ITMOs) towards NDCs**

- ITMOs are relevant in accounting for NDCs. Guidance on how such accounting takes

place through corresponding adjustment is to be developed under Art. 6. The Guidance under Art. 6 should take into account the diversity, such as type and target year/period, of NDCs.

#### **4) Application and Revision**

- Parties shall apply the guidance to the second and subsequent NDCs, and Parties may elect to apply the guidance to their first NDC.<sup>1</sup>
- LDCs and SIDS, in 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.

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<sup>1</sup> It is to be noted that there are different views on whether the second NDC covers the time period 2026-2030 or 2031-2035/2040