

Environmental Integrity Group (EIG), comprising Liechtenstein, Mexico, Monaco, the Republic of Korea, and Switzerland

EIG's views on features, information, and accounting of mitigation NDCs

APA Agenda Item 3

The EIG is pleased to submit its views on APA Item 3, "*Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31*".

1. General remarks

The EIG welcomes the successful adoption of the Paris agreement last December in Paris. In our view, it marks a cornerstone in global and collective efforts to combat climate change. It is a fair, dynamic, robust, universal, and legally binding agreement that will shape our future actions and represents a signal to people and stakeholder around the world that all Parties are willing to and will do their part in combatting climate change. Such a universal agreement that is applicable to all and calls on all Parties to reduce greenhouse gas emissions is vital for an effective global response to climate change. This is at the heart of the agreement and is reflected in Article 4 of the Paris agreement which contains provisions for the mitigation contributions of Parties, including that each Party shall prepare, communicate and maintain successive nationally determined contributions (NDCs) and pursue domestic mitigation measure with the aim of achieving them (Art. 4.2). In order for the new agreement to be universal and applicable to all, it allows Parties to nationally determine their contributions. This means that all Parties decide by themselves what their contribution to the overall effort to reduce greenhouse gases is. This allows Parties to take into account their specific national circumstances and mitigation potentials.

In the run-up to Paris, almost all Parties submitted their intended nationally determined contributions. In order to make sure all Parties can contribute the type of the contributions has not been defined. Accordingly, Parties chose different NDC types, such as absolute economy-wide targets, reductions compared to business-as-usual projections (BAU), intensity or peaking targets. The self-determination of Parties contributions as well as the choice of NDC type is enabling, although challenging: for other Parties to understand what Parties intend to do and to track progress towards it, it is essential to accompany NDCs with robust information to facilitate clarity, transparency and understanding of them. And also some common characteristics of NDCs (features) and guidance for accounting shall be further developed.

The work program on APA item 3 therefore is essential to provide guidance for better understanding and comparing individual NDCs to track progress of their implementation.

2. Features of NDCs

Features are the characteristics making sure NDCs of Parties are comparable even though they are diverse in terms of commitment type, time frame, ambition etc. They are important to complement the national determination of Parties mitigation contributions. In Paris, Parties were able to agree on a few first features for mitigation contributions such as the provision to formulate new NDCs that present a progression beyond current NDC. This makes sure Parties are not backsliding from the effort of their previous NDC. Further, the mitigation contributions of Parties will reflect Parties highest possible

ambition. Concerning the form of the mitigation contributions, developed Parties should continue taking the lead by undertaking economy-wide absolute emission reduction targets and others are encouraged to move over time towards such targets. The importance of increasingly comprehensive mitigation contributions is also reflected in the provision to strive to include all categories of anthropogenic emissions and removals in Parties NDCs. For effective global emission reductions, it is essential that Parties are not leaving out sectors in their NDC that provide for a considerable amount of their national greenhouse gas inventory. Another feature that the EIG has been calling for¹ and which is reflected in the Paris Agreement is that Parties shall pursue domestic mitigation measures with the aim of achieving mitigation NDCs. This ensures the implementation of national policies towards the achievement through concrete and effective domestic laws, policies and measures. While all Parties have to increase robustness and ambition of their NDCs over time, LDCs and SIDS are encouraged to strive for it in the light of their special circumstances.

In negotiating further guidance on features under the APA work programme, Parties can benefit from the experiences made by formulating their first INDCs. In fact, the synthesis report by the Secretariat on the aggregate effect of the INDCs has highlighted that most of the INDCs formulated reflect already a lot of features. Based on this positive experience, the EIG proposes the following features for NDCs to be adopted by the CMA:

- Be quantifiable: Quantification of mitigation contributions is essential to assess the collective efforts towards the long-term goal. Furthermore, it can help Parties to evaluate the effectiveness of contributions and related policies domestically, and enables tracking progress towards the NDC.
- Clearly present national GHG emission reduction capacity without support: This is useful for other Parties to understand what a Party can do itself and which actions and policies might need additional support to be implemented. It is also important for the Parties to know what they are able to achieve themselves and to detect additional mitigation potential, which could be exploited by additional support. For the global community this information is essential to be able to assess the global impact of truly realized emission reductions.
- Cover all significant emission sectors.
- Reflect a link to long-term low greenhouse gas emission development strategies (LEDS), if applicable.
- Be based on real and meaningful data/baselines.
- LDCs and SIDS, in the light of their special circumstances, should be encouraged to apply these features.

3. Information to facilitate clarity, transparency and understanding of NDCs

Information Parties shall submit in order to facilitate clarity, transparency and understanding of their NDCs are important for several reasons:

- to enhance domestic implementation of NDCs;
- to understand the impact of the implementation of NDCs;
- to enable the assessment of global ambition; and
- to build trust.

Paragraph 27 of 1/CP.21 already defines a set of information that may be provided by Parties: *“quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its nationally*

¹ See EIG submission on ADP workstream 1 (5.6.2014)

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”.

This decision is in accord with paragraph 14 of 1/CP.20. In Lima, Parties took this decision at a moment in time when Parties were still in the process of preparing their first INDCs. The synthesis report prepared by the Secretariat of the UNFCCC showed a wide range for the expected effect of the implementation of the INDCs. This is because of the various assumptions and conditions specified by Parties, but also because of the uncertainties associated with gaps in information².

The report shows that clear and understandable information are essential and that the information Parties put forward are not yet enough to get a full picture of the aggregated efforts. Therefore, further guidance on the specific elements of paragraph 27 of 1/CP.21 is needed for Parties to be able to fully understand the contributions despite the different forms.

The EIG is of the view that the following information is to be provided by all Parties for every mitigation contribution - while LDCs and SIDS, in the light of their special circumstances, should be encouraged to do so:

- information on the contribution: type of contribution and estimated level of emissions in the target year/period including expected emissions or removals thereof through the land sector and whether internationally transferrable mitigation outcomes will be used.
- quantifiable information on the reference point/level (including, as appropriate, a base year)
- time frames and/or periods for implementation
- scope and coverage: GHGs and sectors covered + % of national inventory covered
- planning processes
 - o information on how a Party plans to anchor its contribution in national policies, measures and laws
 - o information on any conditionality of the contribution including criteria of its fulfilment
- assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals,
 - o GWP used
 - o Accounting approaches used in the land sector including e.g. on categories/activities included and information on reference point/level
 - o Accounting approach used for any internationally transferred mitigation outcome (ITMO), if used;
 - o Parameters, assumptions and methodological approaches used for determining the reference point/level including the data source
 - o For contributions depending on non-GHG parameters (e.g. GDP, population), information on past and future trends of the parameters used, as precise as possible
- how the Party considers that its NDC is fair and ambitious, in the light of its national circumstances,
 - o information on approaches and concepts that the Party has used to operationalize equity and fairness considerations
- how the NDC represents a progression beyond the current NDC
- how the NDC contributes towards achieving the objective of the Convention as set out in its Article 2
- how it takes into account the outcome/output of the global stocktake

4. Accounting guidance for NDCs

In Paris, Parties agreed that all Parties shall account for their NDCs (Art. 4.13). Furthermore, decision 1/CP. 21 paragraphs 31 and 32 define more concretely a set of accounting guidance and establish a

² Paragraph 40 in the updated synthesis report by the Secretariat: <http://unfccc.int/resource/docs/2015/cop21/eng/07.pdf>

work programme for the development of further guidance. This work ahead faces challenges: Parties have different experiences with accounting and submitted different NDC types.

A robust accounting framework is the backbone of the Paris agreement. In our views, it serves several **purposes**. It:

- ensures accountability (tracking progress),
- increases the understanding of Parties contributions, policies and circumstances,
- provides for an increased level of comparability between the NDCs,
- ensures environmental integrity and
- builds confidence and trust among Parties.

Therefore, the EIG is of the view that all Parties shall use an agreed common set of metrics and methodologies in accounting emissions and removals towards their NDC including for the land sector. LDCs and SIDS are encouraged and their capacity should be enhanced to do so as well. These metrics and methodologies have to build on the experiences and approaches taken by Parties to date, as agreed in Art. 4.14. The following common guidance is needed for the post-2020 mitigation contributions:

- use of IPCC guidelines: use when capacity permits 2006 IPCC Guidelines for National Greenhouse Gas Inventories. If not, then explain the choice and what barriers or constraints prevented from doing so and explain actions taken to move to 2006 IPCC guidelines;
- common accounting principles for the land sector: any future decisions should build on general principles for all sectors as per 1/CP.21 paragraph 31 and Article 4.13, including comprehensiveness, be based on most recent IPCC guidance, when using a reference level approach ensure transparency through assessment or review and build on existing guidance, and exclude the effects of natural disturbances and legacy consistent with IPCC guidance;
- core guidance on setting mitigation NDC types such as “business as usual” (BAU) target, intensity target, etc.;
- all sectors and gases with significant impact on the atmosphere (as agreed) are to be reflected in the contributions, including the categories of the land sector;
- guidance on avoidance of double claiming to make sure units are not counted towards more than one NDC/contribution;
- provisions to improve accounting rules over time.

5. Way forward

The EIG is of the view, that technical work on these three elements of APA Item 3 need to start Marrakech. Therefore, fair amount of time needs to be dedicated to APA Item 3 through a separate informal consultation. In order to allow in-depth technical discussions, specific time needs to be allocated for Parties to discuss mitigation information, features and accounting separately, e.g. through time-bound informal consultations.

The EIG stands ready to engage actively in negotiations under APA Item 3 and is fully committed to a robust and comprehensive operationalization of the mitigation provisions of the Paris agreement.