

### **VIEWS OF ARGENTINA, BRAZIL AND URUGUAY ON APA AGENDA ITEM 3**

Further guidance in relation to article 4 of the Paris Agreement on:

- (a) features of nationally determined contributions
- (b) information to facilitate clarity, transparency and understanding of nationally determined contributions
- (c) accounting for Parties' nationally determined contributions

The Governments of Argentina, Brazil and Uruguay welcome the opportunity to present their views on further guidance in relation to the mitigation section of decision 1/CP.21, following the invitation by the APA to make focused submission on the elements and issues outlined in the informal note prepared by the co-facilitators, and how they would be reflected in the guidance.<sup>1</sup>

This submission should be read in conjunction with previous submissions on this issue<sup>2</sup>, which provide general remarks by Argentina, Brazil and Uruguay on this agenda item. As per the invitation by the APA, this submission will focus on detailing how elements identified under this agenda item could be reflected in the guidance to be adopted by the APA. Elements and issues outlined in the informal note are marked in *italics*, for ease of reference.

#### **FEATURES**

The Governments of Argentina, Brazil and Uruguay reiterate that it is more urgent and important to address the guidance on information to facilitate clarity, transparency and understanding (CTU, agenda sub-item 3b) and accounting for NDCs (agenda sub-item 3c). The fact that Parties seem to be addressing elements from CTU and accounting under the discussion on features illustrate the need to give priority to these topics.

Given the legally binding nature of the Paris Agreement, Argentina, Brazil and Uruguay cannot support any approach that would create *additional/new features* or *further elaborate on existing features*. It is our understanding that this would lead to renegotiating article 4 and/or to an unfruitful exercise of reinterpretation. In a similar manner, the *identification* of existing features is also redundant, since they are reflected in the agreement itself and in each Party's iNDCs and NDCs.

We recognize nevertheless that there have been useful suggestions on possible ways forward. The guidance on "features" could clarify the relationship between the nationally determined nature of NDC efforts and the provisions of the Paris Agreement. This can be reflected in the guidance in a simple, straightforward manner, recognizing that the preparation of NDCs, as well as their related mitigation measures, are nationally determined, while at the same time must be in accordance with the provisions of the Paris Agreement and relevant CMA decisions.

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<sup>1</sup> FCCC/APA/2017/2, paragraph 23(a).

<sup>2</sup> Available at

<[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/525\\_321\\_131387428646855151-Arg%20Bra%20Uy%20APA%20agenda%20item%203%20FINAL.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/525_321_131387428646855151-Arg%20Bra%20Uy%20APA%20agenda%20item%203%20FINAL.pdf)>

## INFORMATION CTU

It is the view of Argentina, Brazil and Uruguay that the main reference for negotiations under this agenda item is Article 4 itself. Decision 1/CP.21, paragraph 27, represents the "status quo" of the information to provide clarity, transparency and understanding (CTU) on an interim basis, until the CMA adopts a decision on the matter. The elements of 1/CP.21, paragraph 27, as such, serve as a starting point, but cannot limit nor prejudice the guidance to be developed under this agenda item.

The purpose of this guidance, in accordance with article 4.8, is to assist Parties on how to provide all the information necessary for clarity, transparency and understanding of their NDCs. It follows that the guidance must be comprehensive, setting parameters on information related to the implementation of each element of Article 4. This, in turn, will facilitate the compilation, synthesis and analysis necessary to serve as an input to other elements of the Paris Agreement, particularly the Enhanced Transparency Framework and the Global Stock take.

In terms of structure, the decision to be adopted under this agenda sub-item should recall the mandate given by decision 1/CP.21, paragraph 28, adopt the guidance contained in the annex and clarify the issue of *when the guidance would be applicable*, as well as any other *procedural element*. The guidance itself, in an annex, should clarify the *purpose of the guidance* and *list the elements that are to be addressed* by Parties when communicating their mitigation efforts.

It is the view of Argentina, Brazil and Uruguay that the guidance should not be seen as a common format for NDCs. The purpose of the guidance is to facilitate the implementation of article 4.8 and serve as a reference document to assist Parties when communicating their mitigation efforts.

Regarding the elements, the guidance should be built in a manner to facilitate, rather than prescribe, the type of information required. Rather than establishing obligations similar to guidance on reporting, this can be achieved by listing the elements to be addressed in headings, accompanied by an explanation, questions and/or examples to assist Parties when communicating their NDC. The structure of the guidance to be developed under this agenda item could be outlined as follows:

*Mitigation target or objective* (referred to in 1/CP.21, para. 27)

- Information on the target(s) or objective(s) determined by the Party, including indicator(s) that the Party intends to use to track progress and account for its NDC. Examples include:
  - **Absolute targets:** where a Party specifies a quantified target level of emissions or emission reduction in CO<sub>2</sub>e or gas-by-gas in units of mass by a certain year or a percentage in relation to a previous year or national inventory.
  - **Intensity targets:** where a Party specifies a quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or other indicator by a certain year, relative to a base year.
  - **Baseline scenario or projection targets:** where a country specifies a quantified target level of emissions or emission reduction as a percentage of its baseline scenario or projection by a certain year.

- Sectorial policies, including adaptation co-benefits: Qualitative or targets, including policy-based targets, adaptation targets and others.
- (...)
- Information should be quantified or quantifiable, to the extent possible, as applicable to the type of target and indicators determined by the Party.

*Reference point (s)* (referred to in 1/CP.21, para. 27)

- Quantified or quantifiable information on the reference points (including, as appropriate, a base year), as applicable to the type of target and indicators determined by the Party

*Time frames and/or periods for implementation* (referred to in 1/CP.21, para. 27, and article 4.10)

- The period encompassed by the NDC, in accordance with the decision to be adopted by the CMA on the consideration of common timeframes.

*Metrics*

- Information on common metrics and IPCC Assessment Report values, in accordance with relevant CMA decisions.

*Scope and coverage* (referred to in 1/CP.21, para. 27)

- Information on the sectors and gases included in the Party's mitigation efforts

*Contribution to article 2* (referred to in 1/CP.21, para. 27)

- How the Party considers that its efforts contribute towards achieving the long-term temperature goal as set out in Article 2?
- 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?
- How the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production?

*Progression* (referred to in article 4.3)

- How the Party considers that its nationally determined contribution represents a progression beyond current efforts?

*Highest possible ambition, reflecting CBDR-RC* (referred to in article 4.3)

*Fairness and ambition* (referred to in 1/CP.21, para. 27)

- How the Party considers that its nationally determined contribution reflects its highest possible ambition, through indicators and referenced sources, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances?

*Global stock take* (referred to in article 4.9)

- How the Party has considered the outcomes of the global stocktake in the preparation of its NDC?

*Different types of targets* (referred to in article 4.4 and 4.6)

- Information, as applicable, on the type of target pursuant to article 4.4 and 4.6, including:
  - o How the developed country Party considers that its economy-wide absolute emission reduction target reflects that the Party continues to take the lead
  - o How the developing country Party envisions to move over time towards economy-wide emission reduction or limitation targets
  - o 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

*Planning processes* (referred to in 1/CP.21, para. 27)

- Brief description of domestic national mitigation planning processes and measures to be pursued with the aim of achieving the objectives of the NDC, including as a summary, an attachment or a weblink.

*Support* (referred to in article 4.5)

- 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
- Information on how enhanced support will allow for higher ambition in the developing country's efforts

*Adaptation co-benefits* (referred to in article 4.7)

- Information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC

*Assumptions and methodological approaches* (referred to in 1/CP.21, para. 27, article 4.13 and 4.14)

- Information, as applicable, on assumptions and methodological approaches adopted by the Party, pursuant to the guidance developed for article 4.13 ("accounting for", agenda item 3.c).

*Joint action* (referred to in article 4.16-18)

- Information on the quantified emission levels within the NDC period allocated to each Party acting jointly under article 4.2

## **ACCOUNTING FOR**

It is the view of Argentina, Brazil and Uruguay that, for the purposes of Article 4.13 of the Paris Agreement, "accounting for" relates to tracking progress towards

demonstrating achievement of the targets of Parties' nationally determined contributions, to be reported under the enhanced transparency framework. It 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".

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.

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. In order to promote the principles outlined in decision 1/CP.21, paragraph 31, it is the view of Argentina, Brazil and Uruguay that the guidance developed under this agenda sub-item should outline existing methods and guidance under the Convention and IPCC with references to the appropriate decisions and/or IPCC publications.

Furthermore, 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 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.

This, however, still does not comprise the diversity of NDCs. 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.

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.

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.

#### *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.

## **FURTHER WORK**

It is the view of Argentina, Brazil and Uruguay that the work of the APA during COP-23 must provide the basis for textual negotiations throughout 2018, in order to fulfill its mandate by COP-24. As such, discussions under this agenda item should focus on outlining the structural elements or "headings" of the decisions and guidance to be adopted by COP-24. The outcome of negotiations of agenda sub-item 3 should be a draft elements text, elaborated from the inputs received through submissions and during the session. This text would be attached to the conclusions, with a view to serve as basis for textual negotiations.