

LMDC SUBMISSION ON FURTHER GUIDANCE FOR THE NATIONALLY DETERMINED CONTRIBUTIONS UNDER THE PARIS AGREEMENT

The Islamic Republic of Iran, on behalf of the Like-Minded Developing Countries in Climate Change (LMDC), is pleased to provide the views of the Group on the questions on further guidance for the nationally determined contributions (NDCs) under the Paris Agreement referred to in the draft conclusions and informal note on Item 3 of the agenda of the Ad Hoc Working Group on the Paris Agreement (FCCC/APA/2016/L.4, paragraph 9).

I. General Views

1. First of all, it should be stressed that NDCs are under the Paris Agreement and that the Paris Agreement itself “in enhancing the implementation of the Convention”, “will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances”. This means, therefore, that equity and CBDR permeate and must be reflected in all of the NDC components. While the Paris Agreement provides for a common procedural obligation related to prepare, communicate and implement NDCs, the content of such NDCs and the relevant guidance must adhere to the principles and provisions of the Convention and the provisions of the Paris Agreement and reflect the common but differentiated responsibilities between developed and developing country Parties.
2. It is fundamental to follow the consensus achieved by all Parties in Paris that the term “NDCs” is defined by Article 3 of the Paris Agreement as referring to the Parties’ “ambitious efforts as defined in Articles 4, 7, 9, 10, 11 and 13 with the view to achieving the purpose of this Agreement as set out in Article 2”.
3. In this regard, the chapeau of the APA agenda item 3 “further guidance in relation to the mitigation section of decision 1/CP.21” and its sub-items have to be read and understood in its proper context. Paragraph 26 of decision 1/CP.21 refers to the development of “further guidance on features of the NDCs”, while paragraph 27 of the said decision refers to the development of “further guidance for the information...of NDCs”, while paragraph 31 of the said decision refers to “guidance for accounting for Parties’ NDCs, as referred to in Article 4, paragraph 13 of the Agreement” (which refers to “Parties shall account for their NDCs”).
4. Viewed in this context, the work of the APA “in relation to the mitigation section”, is not about “mitigation NDCs” or the “mitigation component of NDCs” but relates to the comprehensive nature of NDCs as reflected under Article 3.
5. Hence, the work under this agenda item should not only be on mitigation but must also encompass the elements of finance, technology and capacity-building, which are also key components of NDCs as defined under Article 3.
6. The guidance for NDCs should adhere to the nationally determined nature of Parties’ contributions. When applying such guidance, on the one hand, leadership shall be undertaken by developed country Parties, and on the other hand, flexibility and support shall be provided to developing country Parties.

7. Parties should apply the guidance on features, information and accounting of the NDCs to their subsequent NDCs (with the timeframe from the year of 2031 and thereafter). Parties may elect to apply such guidance to their existing (most of which are pre-2030) NDCs.

II. Further Guidance on Features of NDCs

A. *What is the understanding of features of NDCs under this agenda item?*

1. The Paris Agreement already provides guidance on the NDCs and therefore, the features should be rooted in the Agreement itself.
2. The following would be the guidance on features of NDCs, in accordance with Article 4 of the Convention and the provisions of the Paris Agreement, in particular Article 2, 3, 4.4, 4.5, 9, 10 and 11:
 - (a) *Nationally determined* – “Nationally determined” is the most crucial feature of Parties’ contributions. It is up to Parties to determine what should be the content and magnitude of their NDCs. The further guidance for the features of the NDCs should not alter the nationally determined nature of the NDCs or dictate Parties’ preparation, communication and implementation of NDCs.
 - (b) *Full Scope* – The scope of NDCs defined by Article 3 of the Paris Agreement covers various elements including mitigation, adaptation and finance, technology development and transfer and capacity-building support, with a view to achieving the purpose of the Paris Agreement under Article 2. The NDCs should not be mitigation-centric or mitigation-focused.
 - (c) *Sustainable development and poverty eradication* – NDCs should be prepared and implemented in the context of sustainable development and poverty eradication, in line with Article 2.1 of the Paris Agreement, which is fundamental to achieve a win-win solution between promoting development and combating climate change.
 - (d) *Progression and ambition* – Progression and ambition should be reflected and operationalized not only in mitigation but also in the provision of finance, technology and capacity-building support, taking into account Parties’ common but differentiated responsibilities and recognizing the fundamental and significant role of enhanced support from developed country Parties in the ambitious mitigation and adaptation actions by developing country Parties.
 - (e) *Co-benefits* – Mitigation co-benefits resulting from Parties’ adaptation actions and/or economic diversification plans which can contribute to mitigation outcomes.
 - (f) *Response Measures* – According to Article 4.15 of the Paris Agreement, NDCs have to take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties.
 - (g) *Differentiation* – The features of the NDCs should reflect differentiated responsibilities and different development stages, national circumstances and capacities of developed and developing country Parties.

3. For developed country Parties, further guidance on features of NDCs includes the following:
 - (a) In their NDCs, developed country Parties should continue taking the lead by undertaking ambitious economy-wide absolute emission reduction targets under Article 4.4 and providing enhanced finance, technology and capacity-building support to developing country Parties in accordance with Articles 4.5, 9, 10 and 11 of the Paris Agreement.
 - (b) Regarding the mitigation component of their NDCs, it should be quantified and comparable, without conditions and implemented mainly through domestic actions. It should include not only the quantified emission reduction targets, but also laws, policies and measures with the aim of achieving such quantified targets in their NDCs. Those laws, policies and measures should also demonstrate their leadership on achieving sustainable lifestyles and sustainable patterns of consumption and production.
 - (c) Regarding the adaptation component of their NDCs, it should demonstrate their leadership and offer the experience in all aspects of adaptation, both on domestic planning and actions as well as in international cooperation and support, as set out in Articles 7.7, 7.9 and 7.13.
 - (d) Regarding the finance component of their NDCs, it should include both a quantitative goal and a roadmap as well as qualitative policies and measures, representing a progression beyond their previous efforts on providing support to developing country Parties.
 - (e) Regarding the technology and capacity-building components of their NDCs, it should include quantifiable plans, policies and relevant projects to promote the development, application, diffusion and transfer of climate related technologies to developing country Parties and increase capacities of developing country Parties in all areas of addressing climate change. Also, the provision of technology and capacity-building support should represent a progression beyond previous efforts made by developed country Parties.
 - (f) Their NDCs should not include any form of unilateral measures against goods and services from developing country Parties on any grounds related to climate change.
4. For developing country Parties, further guidance on features of NDCs includes the following:
 - (a) Their preparation, communication and implementation of NDCs should be enabled and supported by finance, technology development and transfer and capacity-building.
 - (b) In addition, they could take the domestic preparation of NDCs as an opportunity to figure out the costs and barriers of their climate actions, identify their policy priorities and support needed and increase their capacities.
 - (c) The mitigation co-benefits resulting from Parties' adaptation actions and/or

economic diversification plans can contribute to mitigation outcomes, as stated in Article 4.7 of the Paris Agreement. Furthermore, policies and actions in other areas of sustainable development with climate co-benefits should also be recognized as their contributions.

- (d) The diversity of their NDCs on the types and content should be respected, recognizing their different national circumstances. Their NDCs could be qualitative plans, policies and programmes as appropriate if they lack relevant capacities and support to put forward quantifiable targets and actions.

B. What should be the purpose of further guidance on features under this agenda item?

1. The purpose of the further guidance on features is to collect and compile agreed features enshrined in the Paris Agreement in a clearer and more well-structured manner, in order to assist Parties with the preparation of NDCs, but not to introduce any new features or renegotiate the Paris Agreement.

C. What is the relationship, if any, between further guidance on features of NDCs under this sub-item, and further guidance on sub-items 3(b) and 3(c)?

1. The boundaries between these three sub-items are not quite clear-cut. All of the sub-items of features, information and accounting have the function of providing some suggestions to Parties for preparing and communicating their NDCs and in facilitating the clarity, transparency and understanding of Parties' NDCs.
2. Information could be a tool to operationalize the features of NDCs, in particular full scope and differentiation.
3. The discussion on features and information should happen in the same room among the same Party participants so as to ensure that the discussion is integrated and coherent.

D. How could this work be usefully structured and progressed?

1. The work of the APA on guidance for the NDCs should be done in the context of enhancing the implementation of the Convention as set out under Article 2 of the Paris Agreement, which means that such work must fully take into account and reflect the differentiated responsibilities between developed and developing countries under the Convention and its Paris Agreement as reflected under Article 2.2, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement.
2. The focus of work on this item must be based on and respect the integrity of the Paris Agreement in its entirety and not renegotiate the Agreement. Therefore, common understanding on cross-cutting issues, in particular the scope of NDCs as set out under Article 3 and the operationalization and reflection of differentiation in the guidance as set out under Article 2.2, 4.4, 4.5, 9, 10 and 11 are significant and fundamental for Parties to make progress on the details under each sub-item.
3. Regarding the approaches and methods to advance the work this year, the specific issues under each sub-item should be identified in a Party-driven manner. Further, targeted submissions focusing on these key issues could be considered as appropriate.

Furthermore, given the short time period between now and the completion of the work in 2018, it is more urgent to enter into the textual negotiations on the basis of consolidation of Parties' inputs, rather than to conduct different formats of technical work.

4. The following questions on guidance on features should be discussed as priorities:
 - (a) What is the purpose of developing the further guidance on features of NDCs?
 - (b) What are the guidance on features of NDCs that have been defined in the relevant provisions of the Paris Agreement?
 - (c) How could Parties achieve a common understanding on the scope of the NDCs based on Articles 3 and 4 of the Paris Agreement? How could Parties deal with different elements of NDCs in an effective, balanced and coherent manner?
 - (d) How should differentiation and ambition be reflected and operationalized in the further guidance on features of NDCs?

III. Further Guidance for the Information in NDCs

A. *What is the understanding of information to facilitate the clarity transparency and understanding of NDCs under this agenda item?*

1. The information accompanying NDCs is different from the information under the transparency framework. The former is provided together with the communication of the NDCs. The latter however is provided after the NDCs enter into their implementation stage. Therefore, given the existence of more uncertainties before implementation, the information on NDCs could be less detailed and specific than the information on transparency.
2. The guidance on information of NDCs is not built from scratch. A series of outcomes have been adopted as the foundation for the work of developing further guidance on information, including, inter alia:
 - (a) Article 12 of the Convention;
 - (b) relevant arrangements resulting from the Kyoto Protocol and Bali Action Plan, including in particular decisions 1/CP.16, 2/CP.17, 1/CP.18 and 19/CP.18; and
 - (c) Article 3, 4.4, 4.5, 4.8, 9.5, 10 and 11 of the Paris Agreement and paragraph 27, 28 and 55 of decision 1/CP.21.
3. The information on NDCs should cover both action and support, given the full scope of the nature of NDCs as set out under Article 3. The content of information that has been set out in paragraph 27 of decision 1/CP.21 is applicable for both action and support, without any indication that it is only limited to information on the mitigation component of NDCs.
4. Although providing information is a procedural obligation as set out in Article 4.8 of the Paris Agreement, the specific content of the information is not "common", "one

size fits all” or mandatory. On the contrary, the content of information should be:

- (a) on the basis of the different scope, type and content of the NDCs by developed and developing country Parties; and
 - (b) and discretionary, optional and non-exclusive in nature, because of the words “may”, “as appropriate”, and “inter alia” in paragraph 27 of decision 1/CP.21.
5. In the provision of information, there should be differentiated treatment between developed and developing country Parties. This differentiation should be reflected by requiring developed country Parties to provide more types of information with greater levels of detail in relation to their absolute economy-wide emission reduction targets and provision of support in their NDCs, while developing country Parties would be provided with flexibility through less amounts of information or lower levels of detail, in relation to their NDCs. Continuous and adequate support shall be provided to developing country Parties to increase their relevant capacities on providing information.
6. For developed country Parties, further guidance for information includes the following:
- (a) On their mitigation component of their contributions, they shall provide the entire information in relation to their absolute economy-wide emission reduction targets and measures relevant to the implementation of their targets at the domestic and international levels. The information should include all items listed in paragraph 27 of decision 1/CP.21 and other information that can clarify these targets, policies and measures, taking fully into account the arrangements as set out in decision 2/CP.17 and 19/CP.18. The information on domestic measures should include both existing and anticipated additional laws, plans and policies. The information on international measures should include the intention to use international transferred mitigation outcomes under Article 6.2 of the Paris Agreement.
 - (b) On their adaptation component of contributions, they shall provide relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Article 7.10 and 7.11 of the Paris Agreement.
 - (c) On their means of implementation component of contributions, they shall provide indicative quantitative and qualitative information in accordance with Article 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.
 - (d) The information on finance may include, inter alia:
 - (1) base year,
 - (2) period for implementation,
 - (3) quantitative amount in the following two years and five years,
 - (4) sources, including ratio between public and other resources,
 - (5) delivery channels,
 - (6) areas and priorities of support,
 - (7) 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,
- (8) actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments, and
 - (9) fairness and ambition including why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs.

(e) The information on technology may include, inter alia:

- (1) types of support,
- (2) relevant amount of financial resources to be provided,
- (3) delivery channels,
- (4) areas and priorities of support,
- (5) programmes and projects to be conducted by public agencies,
- (6) plans and policies to encourage the participations by business and research institutes,
- (7) 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,
- (8) relevant methodologies and assumptions on estimating their support, and
- (9) fairness and ambition, including how such support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies.

(f) The information on capacity-building may include, inter alia:

- (1) types of support,
- (2) relevant amount of financial resources to be provided,
- (3) delivery channels,
- (4) areas and priorities of support,
- (5) policies, programmes and projects in different areas of capacity-building,
- (6) relevant methodologies and assumptions on estimating their support, and
- (7) fairness and ambition, including how such support will assist developing countries to strengthen their capacities on combating climate change.

(g) They should also provide an explanation of why any key information for clarity, transparency and understanding is omitted or excluded in their NDCs and further provide such information no later than the entry into implementation of their NDCs.

7. For developing country Parties, the guidance on information includes the following:

(a) Paragraph 27 of decision 1/CP.21 is a reference list for developing country Parties when preparing their NDCs and providing their information. Flexibility should be provided to developing country Parties when implementing the arrangement in paragraph 27, which means that:

- (1) Developing country Parties are allowed at their discretion, to provide information on several or all of the items listed in paragraph 27 of decision 1/CP.21, so long as they do provide some information necessary for the

clarity, transparency and understanding of their NDCs; and

- (2) The specific items listed should be nationally determined by the developing country Parties concerned, taking into account their diversified NDCs, national circumstances, capacities, data availability and support received for preparation and communication of their NDCs.
 - (b) They are encouraged to provide information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support.
 - (c) Developing country Parties are encouraged to, at any time, provide additional information for further clarity, transparency and understanding of their NDCs. Such additional information should be left up to the discretion of the individual developing country Party to decide.
 - (d) They should be allowed to provide less specific and detailed information due to their constraints in capacities and lack of information on support.
8. Furthermore, a process could be established under the mechanisms on finance, technology and capacity-building that would assist developing countries to translate their actions envisaged in the NDCs, on the basis of the relevant information, into concrete needs of finance, technology and capacity-building support and projects, in order to support and enable them to implement their NDCs. Developed country Parties and relevant international organizations should also assist developing country Parties to identify their needs of support.

B. What should be the purpose of further guidance on information to facilitate the clarity, transparency and understanding of NDCs under this agenda item?

1. The purpose of the information is to enhance the clarity, transparency and understanding of Parties' NDCs.
2. Particularly, the information on support components of NDCs aims to secure mutual trust between developed and developing country Parties, assist developed country Parties in demonstrating their leadership and enhance the confidence of developing country Parties to put forward ambitious NDCs.
3. The 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 introducing a common format or exerting undue burden on Parties, in particular developing country Parties.
4. Nevertheless, it is not the purpose of the guidance for information on quantifying NDCs and converting all Parties' NDCs into a single form of absolute GHGs effects or expected emissions level in the future. The reasons are:
 - (a) It is easy for developed countries to calculate and predict their future GHG amounts. This is because their NDCs are already in the form of absolute economy-wide absolute emission reduction targets by 2025/2030 compared with

a base year, and they have more capacities and more certainties on their economic development. However, it is difficult for developing countries to calculate or estimate their future GHG amounts because of their national circumstances, lack of capacities and in facing up with enormous uncertainties in their future social and economic development. That is the rationale for the diversity of NDCs by developing countries. If all developing countries were able to do so, they should have communicated economy-wide absolute emission reduction targets.

- (b) Quantifying NDCs through information guidance will alter the nationally determined nature of NDCs and exert undue burden on developing country Parties, which will eventually weaken the confidence of developing countries to put forward ambitious NDCs in the future.
 - (c) Our view on the issue of the quantification of NDCs does not mean that we are against progression and ambition. The need for quantification and data is not the parameter to demonstrate or evaluate the progression; nor does it add value or provide an incentive to increase ambition. Our “direction of travel” in developing the guidance for NDCs should enable the identification of real policy options and projects and unlock the profound opportunities that will allow for progression and ambition in the context of economic and social development and poverty eradication.
 - (d) According to the experience of the existing NDCs, for developing countries, providing qualitative information have met with greater success in terms of board participation and ambition. Hence, flexibility should be provided to developing countries to allow them to put forward qualitative NDCs which are equally beneficial for the clarity, transparency and understanding and demonstration of progression and ambition.
 - (e) Even looking at the issue of “data” related to the NDCs, concrete information on support is the crucial enabler for developing countries to communicate and implement their NDCs and improve the quality of information and data in their NDCs over time. Hence, addressing the problem of inadequate information and data on the means of implementation should be the priority of our work. Otherwise the guidance related to quantification of NDCs will become a game of “numbers on paper” or to “name and shame”, which will make the implementation of the Paris Agreement far away from Parties’ domestic realities and actions on climate change and sustainable development.
5. As underlined above, the information on NDCs is not the same as information to illustrate the progress made on implementation which is under the transparency framework. Therefore, there is little possibility and feasibility to utilize the information on NDCs as a source of input for the global stocktake, given that the global stocktake is to assess the collective progress made by Parties. It is also not an ex-ante assessment of those NDCs that have yet to be implemented, as implementation is the next stage after the communication of the NDC. On the contrary, the information on individual implementation under the transparency framework could be treated, as appropriate, as a source of input to the global stocktake.
6. Furthermore, it will be both pre-mature and inaccurate to figure out the aggregate effect of the contributions via the information on NDCs, because of the vital missing pieces of detailed information on the means of implementation.

C. What is the relationship, if any, between further guidance on information to facilitate the clarity, transparency and understanding of NDCs under this sub-item, and further guidance on sub-items 3(a) and 3(c)?

The scope of information should be consistent and coherent with the comprehensive scope of NDCs as defined in Article 3 of the Paris Agreement.

D. How could this work be usefully structured and progressed?

1. The work in developing the guidance on information should be structured around all the elements of NDCs as well as to operationalize differentiation between developed and developing country Parties as required by Article 2.2, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement.
2. Given the experience from the existing NDCs, most of the gaps of information appear in means of implementation. As a result, future work should focus on developing information guidance on the means of implementation, which is indispensable for developing country Parties to prepare their NDCs, communicate more specific information and implement their NDCs. Some approaches to develop guidance for information on means of implementation include, inter alia:
 - (a) dividing the informal consultation into two sections, i.e., action components of NDCs and support components of the NDCs;
 - (b) bringing the experts in Parties' delegations on finance, technology and capacity-building into the consultation;
 - (c) conducting joint consultations on this sub-item and information on finance under the COP as referred to in paragraph 55 of decision 1/CP.21; and
 - (d) coordinating with the work under other relevant subsidiary bodies, including Standing Committee on Climate Finance, Technology Framework and Capacity-Building Committee.
3. It is not efficient or productive to structure the consultations and negotiations on the basis of different types of NDCs, which is a self-differentiation approach deviating from the differentiation between developed and developing country Parties as enshrined in the Paris Agreement. All in all, developing guidance for information based on different types of NDCs will be unfair and onerous for developing country Parties.

E. What issues should be discussed and resolved under this sub-item?

1. What should be the scope of information taking into account Parties' understanding on the scope of NDCs based on Article 3 and 4 of the Paris Agreement?
2. What is the relation of the information to be provided under Article 4.8 of the Paris Agreement and the information referred to in Article 9.5, 9.7, 13.7, 13.8, 13.9 and 13.10 of the Paris Agreement?
3. How could differentiation and flexibility be reflected and operationalized in the further

guidance for information?

4. What guidance for information is crucial for developed country Parties to demonstrate their leadership in implementing the Paris Agreement and their NDCs?
5. What guidance for information is helpful for developing country Parties to implement the Paris Agreement and their NDCs?
6. How could the guidance on information be elaborated and identified on support provided by developed country Parties and support needed for developing country Parties?

IV. Guidance for Accounting for NDCs

A. *What is the understanding of accounting for Parties NDCs under this agenda item?*

1. Accounting is of significant importance to promote the transparency of implementation. “Accounting for 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 is not common, “one size fits all” or mandatory for all. The guidance for accounting of Parties’ NDCs should be in accordance with Article 2.2, 3, 4.4, 4.5, 4.13, 4.14, 6.2, 9, 10, 11 and 13 of the Paris Agreement and paragraph 31 and 32 of decision 1/CP.21, in particular differentiated NDCs of developed and developing country Parties.
2. The guidance for accounting under the Paris Agreement should cover both actions and support in a balanced manner. Furthermore, the guidance should build on and draw from the existing methods, approaches and guidance under the Convention and its Kyoto Protocol.
3. The guidance for accounting for developed country Parties’ NDCs includes:
 - (a) Mitigation component of NDCs:
 - (1) Categories of emissions and removals: they shall account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included.
 - (2) Methodologies on GHGs: they should 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. Applying common metrics should be fully taken into consideration.
 - (3) Methodologies and methodology consistency on other aspects of mitigation component of NDCs: they should 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 they should also ensure methodological consistency between the communication of NDCs and

report on progress.

- (4) Land use, land use change and forestry (LULUCF): they should apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC. Existing rules on LULUCF should be further improved to close any loopholes.
 - (b) Finance component of NDCs: they shall also 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.
 - (c) Technology and capacity-building component of NDCs: they shall also account for their NDCs on technology development and transfer and capacity-building in accordance with the modalities and methodologies to be further developed under this sub-item.
4. The guidance on accounting for developing country Parties’ NDCs includes:
- (a) The guidance on accounting for developing country Parties should take into consideration their diversified NDCs, national circumstances and capacities.
 - (b) In this regard, flexibility should be provided to developing country Parties in the scope and level of details on application of the relevant guidance. Specific accounting approaches in developing country Parties’ NDCs should 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.
 - (c) Categories of emissions and removals: they should 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 after moving towards economy-wide emission reduction or limitation targets over time in accordance with Article 4.4 of the Paris Agreement, consistent with the provision of support as envisaged under Article 4.5 of the Paris Agreement.
 - (d) Methodologies on GHGs: they should follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of their different capacities and circumstances. Applying common metrics should be taken into consideration.
 - (e) Methodologies and methodological consistency on other aspects of NDCs: They are allowed to utilize their own methodologies and approaches to explain other references, indicators and other aspects of content in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between communication and implementation.
 - (f) Forests: they may account for their actions on forest and REDD+ in accordance with the relevant arrangements under the Convention if their NDCs include such aspects. Agriculture is fundamental to the food production, food security and sustainable development of developing countries. The guidance for accounting

should not implicitly or explicitly lead to any requirement for developing country Parties to undertake mitigation actions in agriculture.

- (g) Costs, barriers and support needed: they are encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to the implementation of their NDCs.

B. What should be the purpose of the guidance on accounting for NDCs under this agenda item?

1. The purpose of accounting is to promote the transparency of implementation of action and support and avoid double counting, while respecting and preserving the nationally determined nature of Parties' NDCs.
2. The guidance on accounting should be 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.
3. The accounting for means of implementation aims to secure mutual trust between developed and developing country Parties, assist developed country Parties demonstrating their leadership and enhance the confidence of developing country Parties to put forward ambitious NDCs.

C. What is the relationship, if any, between guidance for accounting for NDCs under this sub-item, and further guidance on sub-items 3(a) and 3(b)?

The scope of guidance for accounting depends on the scope of NDCs. Consistency should be ensured when the work is ongoing.

D. How can Parties draw from existing approaches under the Convention and its related legal instruments?

1. The merit of the existing arrangements is taking care of the differentiation between developed and developing countries in accounting and focusing on economy-wide emission reduction targets by developed country Parties who should take the lead.
2. 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 on 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.

E. How could the work under this sub-item be usefully structured and progressed?

1. The work should be structured around the differentiation between developed and developing country Parties.
2. Paragraphs 31 and 32 of decision 1/CP.21 have laid out the basic guidance for

accounting. Further elaboration of such guidance should focus on general arrangements rather than detailed rules, without introducing undue and onerous burden to developing country Parties.

3. There have been tremendous mature and comprehensive arrangements, modalities and methodologies under the Convention and Kyoto Protocol, which lays a solid basis for the work on accounting for mitigation. Further discussions could be around how to improve the existing arrangements and close the loopholes for developed country Parties.
4. The work on accounting for developing country Parties should be pragmatic. In this regard, elaboration of accounting rules on different types of NDCs for developing country Parties will exert more onerous burdens to them than developed country Parties, which will, on the opposite, complicate their process of preparation of NDCs, keep them locking into specific type of NDCs and weaken their confidence to make progression in their NDCs.
5. Coordination and consistency is necessary between the work on accounting under the APA and that under the SBSTA on the guidance to avoid double counting in using of the international transfer mitigation outcomes referred to in Article 6.2 of the Paris Agreement, bearing in mind the voluntary nature of such activities.
6. The accounting on means of implementation should be an overriding priority of the work.
 - (a) On finance, the work on accounting under the APA should be informed by the progress made under the SBSTA on the development of modalities for the accounting of financial resources referred to in paragraph 57 of decision 1/CP.21. And joint consultations could be conducted if needed.
 - (b) On technology development and transfer and capacity-building, accounting for these two elements of NDCs deserves more delicate time slots due to absence of existing arrangements under the Convention and spaces for discussions under the other subsidiary bodies. In this regard, experts of each delegation on technology and capacity-building should be invited to participate in the informal consultation under this sub-item.

F. What issues should be discussed and resolved under this sub-item?

1. What is the meaning and purpose of “accounting” in the context of the Convention and its Kyoto Protocol and Paris Agreement? Is there any difference?
2. How could the differentiation and flexibility be reflected in the guidance for accounting?
3. What existing arrangements and experience under the Convention and its Kyoto Protocol are valuable and essential to develop the guidance for accounting for Parties’ NDCs?
4. What additional issues should be discussed under this sub-item on accounting for finance component of NDCs?

5. With respect to accounting for technology and capacity-building component of NDCs:
 - (a) What is the definition and scope of technology development and transfer and capacity-building support?
 - (b) What should be appropriate methodologies to count and calculate the scale and possible effects of such support?
 - (c) How could the double counting be avoided?
 - (d) Are there any other issues that should be discussed?