



# Australian Government

## Submission on further guidance in relation to the mitigation section of decision 1/CP.21

April 2017

Australia welcomes this opportunity to share views on further guidance in relation to the mitigation section of decision 1/CP.21. This submission addresses **features, and information to facilitate clarity, transparency and understanding (ICTU)** of nationally determined contributions (NDCs) relating to APA agenda items 3(a) and 3(b). A further submission will address issues relating to **accounting** for Parties' NDCs relating to APA agenda item 3(c). In preparing for this submission, we have taken into consideration guiding questions provided by co-facilitators<sup>1</sup>.

Australia recognises the variety of views expressed, and has contributed broader views in a previous submission<sup>2</sup>. We provide further details in this submission, focusing in the first instance on **basic** features and information requirements.

### UNDERSTANDING OF, AND OVERALL PURPOSE FOR, GUIDANCE ON FEATURES AND ICTU

Features refer to agreed components of NDCs. ICTU refers to information that Parties should provide to express their contributions and demonstrate how they have addressed relevant features.

- Parties agreed a number of features at Paris. Decision 1/CP.21 paragraph 26 mandates a work programme to elaborate these features and consider other features.
- Parties agreed an initial list of information that Parties should provide to describe NDCs in Decision 1/CP.21 paragraph 27. 1/CP.21 paragraph 28 mandates a work programme to elaborate information requirements.

Australia sees these two sub-items as distinct, although they possess obvious connections – Parties will need to reflect in their ICTU how they intend to implement agreed features, among other elements they wish to include.

A decision on these items will provide clarity and certainty for Parties to prepare for future contributions and understand each other's contributions. It is required as the basis to track progress towards NDC implementation and achievement under the transparency framework. It will also facilitate accountability and transparency, and support the global tracking of progress through the Global Stocktake.

Australia sees NDC guidance as facilitative and intended to improve confidence and the function of the Paris Agreement. It is not intended to re-negotiate agreed elements or undermine the nationally determined nature of contributions.

---

<sup>1</sup> [http://unfccc.int/files/meetings/marrakech\\_nov\\_2016/in-session/application/pdf/informal\\_note\\_item3\\_v2.pdf](http://unfccc.int/files/meetings/marrakech_nov_2016/in-session/application/pdf/informal_note_item3_v2.pdf)

<sup>2</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_279\\_131219392499465763-Australia%20UNFCCC%20Sub%20Mitigation%20Final%20.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_279_131219392499465763-Australia%20UNFCCC%20Sub%20Mitigation%20Final%20.pdf)

## FEATURES

Article 4.2 is central to the agreed global goal of holding the increase in global average temperature to well below 2 degrees and pursue best efforts to limit to 1.5 degrees. The Article requires Parties to prepare, communicate and maintain NDCs and pursue domestic mitigation actions to achieve the objectives of the contributions. Mitigation contributions are the foundational ‘feature’ of an NDC.

Article 4 notes additional ‘features’ of NDCs related to these contributions:

- representing a progression from previous NDC (Article 4.3)
- reflecting highest possible ambition (Article 4.3)
- maintaining economy-wide absolute emissions targets or moving toward economy-wide targets over time (Article 4.4)

Guidance on NDC features should, in the first instance, recognise and, where necessary, elaborate these basic features.

Parties’ NDCs are nationally determined and are not restricted to these basic features. They may include other elements, for example, mitigation co-benefits resulting from adaptation actions and/or economic diversification plans (Article 4.7).

After Parties have reflected on experience from implementation, there should be recourse for Parties to consider whether additional features will be necessary to achieve the goals of the Agreement.

## INFORMATION FOR CLARITY, TRANSPARENCY AND UNDERSTANDING

Reflecting the requirement to communicate NDCs as expressed under Article 4.2, Article 4.8 requires all Parties to provide the information necessary for clarity, transparency and understanding in accordance with Decision 1/CP.21 and further decisions under the CMA. This submission will focus on guidance to elaborate basic ICTU requirements, starting from those listed in 1/CP.21 paragraph 27, which reflects the initial list of information agreed at Lima under 1/CP.20.

Review of the UNFCCC Secretariat *Synthesis Report on the Aggregate Effect of INDCs*<sup>3</sup> and discussions with Parties indicate that technical elaboration of 1/CP.21 is needed to facilitate clarity, transparency and understanding. Building on experience from the first round of NDCs, Parties are now in a position to elaborate these requirements as mandated under 1/CP.21 paragraph 28.

Australia proposes the following elaboration, which can be adopted as a technical annex to a decision on APA item 3(b). We indicate key areas (i.e. headings) for elaboration, and provide a non-exhaustive list of specific elements to be addressed under each area. In our view, these constitute the **minimum** components for further ICTU guidance. In response to co-facilitator guiding questions, we also point out linkages to the other sub-items under APA agenda item 3 – item 3(a) features of NDCs and 3(c) accounting for Parties NDCs, noting that ICTU discussions can and should proceed in parallel.

The elements identified below are summarised in outline format in **Annex A** of this document for convenience.

---

<sup>3</sup> [http://unfccc.int/focus/indc\\_portal/items/9240.php](http://unfccc.int/focus/indc_portal/items/9240.php)

## 1. Quantifiable Information on Mitigation Contributions

NDCs should provide a clear indication of the Parties' mitigation contributions that is quantifiable in terms of its emissions impact in both the base/reference year(s) and the target/commitment year(s). This information:

- is fundamental to help Parties understand each other's contributions
- is required as the basis to track progress towards NDC implementation and achievement under the transparency framework, and
- is key to aggregating and assessing collective progress for the Global Stocktake.

A key objective for ICTU is that it must allow for the calculation of indicative emissions in the base and target year(s). It should be clear how indicative emissions can be estimated from information provided, in conjunction with existing publically available information (such as UNFCCC inventory submissions), or Parties may choose to provide indicative emissions in their NDC submission. Parties should not be held to these indicative emissions, as the accuracy of their estimation is likely to improve between the NDC submission and the commencement of the implementation period due to regular improvements in data.

Decision 1/CP.21 paragraph 27 provides a starting point, requiring:

*... quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation ...*

Taking this into consideration, we propose Parties specify:

1. the **type of the mitigation contribution** – e.g. absolute, intensity, reduction from BAU, policy and measures, etc
2. the **extent of the mitigation contribution** – e.g. the percentage reduction, and/or policy objectives, etc
3. **parameters and their values used, or sources for these, to define the mitigation contribution, for the base and target year(s), and any other year(s) as relevant** – e.g. emissions, GDP, population, policy metric, etc. Parties need only provide parameters relevant to their target type, for example, for an absolute target only emissions are needed, for an emissions per GDP target only GDP and emissions are needed, etc
4. **base year and/or reference period** – e.g. the base year or years used to define relevant baselines, including base years for policy objectives that are part of the contribution such as increasing renewable energy or forest cover
5. **target year and/or periods** – e.g. the end year, or period over which the contribution will be met, taking into account relevant decisions on Article 4.10
6. **aggregation parameters and their values**– e.g. additional parameters such as carbon dioxide equivalent metrics used, to assist in the aggregation of the collective impact of NDCs for the Global Stocktake.

Australia recognises that some Parties have limited capacity to provide quantifiable information in the context of Article 4.6. We continue to work with partners to build capacity to improve the provision of information over time.

Australia considers the above elements as basic information requirements. Additional information may be required to support Parties accounting toward targets consistent with guidance developed under APA agenda item 3(c).

## 2. Scope and Coverage of Mitigation Contributions

NDCs should clearly define which anthropogenic emissions and removals are covered and how this compares against the Party's inventory. This provides transparency of Parties' NDCs and helps demonstrate efforts to strive to increase coverage over time as per Decision 1/CP.21 paragraph 31(c). It also allows for clear identification of focal points for investment and technological development.

Again, Decision 1/CP.21 paragraph 27 provides a starting point, requiring

*... quantifiable information on ... scope and coverage ...*

Taking this into consideration, we propose Parties provide information on:

1. **sectors, categories and gases covered** – including how the nominated sectors and categories are defined with respect to inventory reporting sectors and categories
2. **whether categories of anthropogenic emissions and removals reflect continued coverage of previously covered categories** – in line with 1/CP.21 paragraph 31(c)
3. **how the NDC has considered the encouragement to cover all categories of anthropogenic emissions and removals** – in line with 1/CP.21 paragraph 31(c)
4. **why any categories of anthropogenic emissions or removals are excluded** – in line with 1/CP.21 paragraph 31(d).

In keeping with the nationally determined nature of contributions, this information requirement does not prescribe what sectors, categories and gases Parties must include in their contribution. The requirements above should apply regardless of the outcome under APA agenda item 3(c), which may introduce additional information requirements.

## 3. Assumptions and Methodological Approaches

NDCs should provide information on major assumptions and methodological approaches that Parties took into consideration to arrive at their mitigation contribution, and/or will apply in demonstrating its achievement. This assists in providing transparency and clarity on Parties' intended contributions and in ensuring methodological consistency between the communication and implementation of NDCs as per Decision 1/CP.21 paragraph 31(b).

Again, Decision 1/CP.21 paragraph 27 provides a starting point, requiring information on:

*... assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals...*

Taking this into consideration, we propose Parties provide 'overview level' information on:

1. **the accounting approach(es) to be used** to acquit progress against contribution including, where relevant, approach for the land sector, and information relating to internationally transferable mitigation outcomes (ITMOs), if applicable, consistent with guidance.
2. **how base years, baselines and/or reference levels are constructed**, including
  - a. **key assumptions and parameters**
  - b. **estimation methodologies**
  - c. **where projection based baselines and/or reference levels are used, policies and measures included and projection methodology**

As NDCs are to be submitted some years before the commencement of the implementation period, only 'overview level' information is expected. It is further expected that the accuracy of estimation of some parameters and assumptions used may improve over time due to updated data. However, Parties should make clear underpinning parameters and assumptions used to construct their target at the time of lodgement.

The accounting approaches Parties report under this information requirement should demonstrate consistency with outcomes under APA agenda item 3(c). We note however, the requirements above should apply regardless of the outcome under APA agenda item 3(c), which may introduce additional information requirements.

#### **4. Domestic Process for Determining Contribution**

NDCs should provide information about the domestic planning processes that Parties have undertaken to determine their NDC. As domestic processes are nationally determined and vary between Parties, Parties should retain flexibility in how they address this element.

Again, Decision 1/CP.21 paragraph 27 provides a starting point by requiring information on:

*... planning processes ...*

We propose a non-prescriptive requirement for **information on domestic planning processes** associated with the development of NDC.

We did not identify specific linkages with other sub-items under APA item 3.

#### **5. Progression and Ambition**

Article 4 of the Paris Agreement makes clear several additional features of NDCs, relating to progression and ambition.

- Article 4.3 – NDCs to represent a progression from previous NDC
- Article 4.3 – NDCs to reflect highest possible ambition
- Article 4.4 – Parties to move toward economy-wide targets over time

Parties should **provide information on how they have addressed each of these agreed elements**.

#### **6. Consideration of other Features agreed by Parties**

A placeholder can be provided for further features agreed by Parties under APA agenda item 3(a), and a recall to review the set of features following experience from their implementation.

### **PROGRESS AND WAY FORWARD**

Progress on these items, in particular, the basic elements referred to above, is important to provide clarity and confidence for Parties, businesses and other private actors to invest in implementation.

At Bonn, Parties should adopt a clear calendar of work for all sub-items under APA Item 3.

- Under APA agenda item 3(a), we propose Parties commence work on the ICTU technical annex, with a view to circulate possible elements of draft text for the ICTU technical annex by COP23.

- Work on the ICTU technical annex should focus on the basic features and ICTU elements described above.
- In parallel, Parties can discuss potential additional features under APA agenda item 3(a), which may inform additional ICTU guidance to be reflected under APA agenda item 3(b).

#### **ISSUES TO BE DISCUSSED AND RESOLVED UNDER THIS ITEM**

In light of the above, Australia proposes the following questions for discussion relating to the ICTU technical annex:

How should information requirements in 1/CP.27 be elaborated to enable Parties to ensure clarity, transparency and understanding of NDCs:

1. What quantifiable information is necessary to describe the variety of mitigation contributions?
2. What information is necessary to describe the scope and coverage of mitigation contributions?
3. What information is necessary relating to assumptions and methodological approaches?
4. How can information demonstrate implementation of agreed features relating to progression and ambition?

## **ANNEX A**

### **Possible Structure and Elements for CTU Guidance**

- 1 Quantifiable information on mitigation contributions
  - 1.1 type of mitigation contribution
  - 1.2 extent of mitigation contribution
  - 1.3 parameters and their values, or sources for these, to define the mitigation contribution, for the base and target year(s), and any other year(s) as relevant
  - 1.4 base year and/or reference period
  - 1.5 target year and/or periods
  - 1.6 aggregation parameters and their values
- 2 Scope and coverage of mitigation contributions
  - 2.1 sectors, categories and gases covered
  - 2.2 whether categories of anthropogenic emissions and removals reflect continued coverage of previously covered categories
  - 2.3 how the NDC has considered the encouragement to cover all categories of anthropogenic emissions and removals
  - 2.4 why any categories of anthropogenic emissions or removals are excluded
- 3 Assumptions and methodological approaches
  - 3.1 accounting approach(es) to be used
  - 3.2 how base years, baselines and/or reference levels are constructed, including
    - 3.2.1 key assumptions and parameters
    - 3.2.2 estimation methodologies
    - 3.2.3 for projection based baselines and/or reference levels, where used, policies and measures included and projection methodology
- 4 Domestic process for determining contribution
  - 4.1 information on domestic planning processes associated with the development of NDC
- 5 Progression and ambition  
How NDC has addressed
  - 5.1 progression from previous NDC
  - 5.2 reflecting highest possible ambition
  - 5.3 moving toward economy-wide targets over time
- 6 Consideration of other features agreed by Parties