

China's Submission on Further Guidance for the Nationally Determined Contributions under the Paris Agreement

China welcomes the progress made in Marrakech on further guidance for the nationally determined contributions (NDCs) under the Paris Agreement. In accordance with paragraph 17-18 of the report of the Ad Hoc Working Group on the Paris Agreement on the second part of its first session (FCCC/APA/2016/4), China submits the following views:

I. General Comments on the NDCs

1. NDC is a policy instrument for Parties to fulfill their obligations under the Convention and its Paris Agreement in order to promote low-emission, climate-resilient and sustainable development. Implementing the NDCs is an opportunity for Parties to mainstream climate perspectives into their economic and social development, protect their environment and eco-systems, mobilize finance flows towards a low-emission and climate-resilient economy, promote innovation and transfer of climate-friendly technologies and strengthen their capacities on combating climate change.
2. Parties' NDCs should be in full accordance with the principles and provisions of the Convention and the provisions of the Paris Agreement, in particular the principles of equity and common but differentiated responsibilities and respective capabilities.
3. The NDCs should include mitigation, adaptation, finance, technology development and transfer and capacity-building, taking into account differentiated obligations of developed and developing country Parties under the Convention and its Paris Agreement.
4. Developed country Parties' NDCs should include both ambitious actions and enhanced provision of support to developing country Parties.
5. The extent to which developing country Parties would effectively implement their NDCs will depend on the adequate provision of finance, technology and capacity-building support by developed country Parties, recognizing that enhanced support for developing countries will allow for higher ambition in their actions.
6. The guidance for the NDCs should respect the nationally determined nature of Parties' contributions. Such guidance should be concise, feasible, pragmatic and facilitative, providing flexibility to developing country Parties, in particular those developing country Parties with least capacities. Incentivizing mechanisms should be established to encourage Parties to prepare, communicate and implement NDCs in a successive and durable manner.

II. APA Agenda Item 3(a): Further Guidance on Features of NDCs

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

The meaning of features is “what the NDCs will look like in general”. The features of NDCs are defined and specified in the provisions of the Paris Agreement. There are several aspects of features enshrined in the provisions of the Paris Agreement (Figure 1 below).

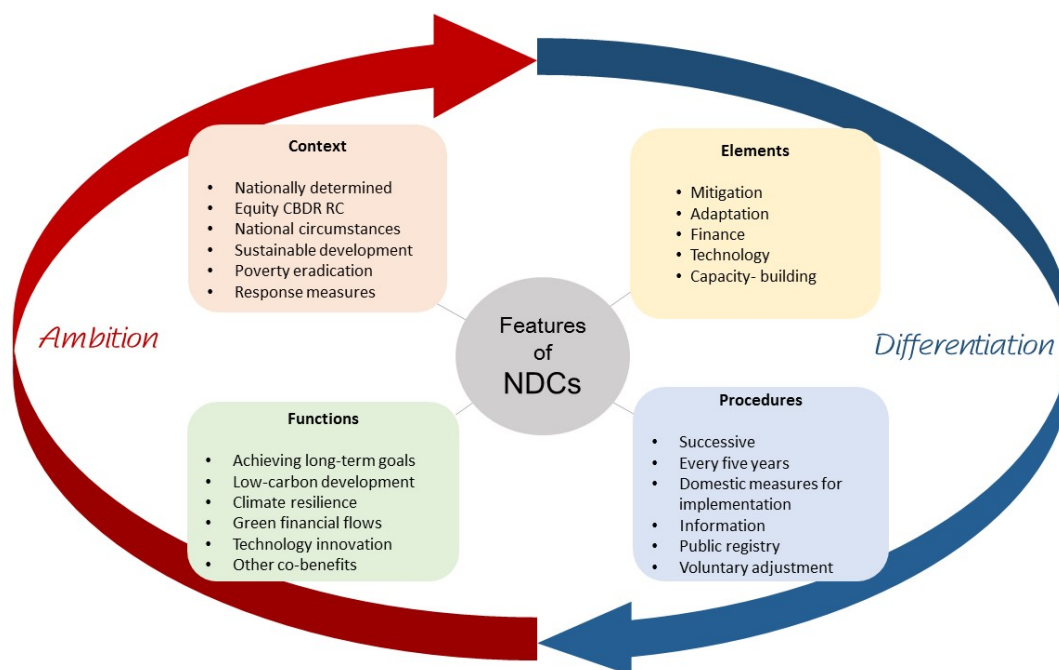


Figure 1: Features of NDCs according to the provisions of the Paris Agreement

1. Context features

- (1) According to Article 3 and 4 of the Paris Agreement, “nationally determined” is one of the key features of the NDCs.
- (2) According to Article 2.2 of the Paris Agreement, the NDCs should be in accordance with the principles of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.
- (3) According to Article 2.1 of the Paris Agreement: the NDCs should be prepared, communicated and implemented in the context of sustainable development and efforts to eradicate poverty.
- (4) Furthermore, Article 4.15 of the Paris Agreement should be considered as a context.

2. Function features:

- (1) The NDCs should be beneficial for achieving the purpose of the agreement and its long-term goals and promote low-emission and climate-resilient development, in line with Article 2.1(a) and (b), 4.1, 7.1 of the Paris Agreement.
 - (2) The NDCs could be a policy instrument for Parties to make finance flows towards a low-carbon and climate-resilient economy and accelerate the development, innovation and transfer of climate-related technologies, in line with Article 2.1(a) and (b), 4.1, 7.1 of the Paris Agreement.
 - (3) In line with relevant preambles of the Paris Agreement, other co-benefits resulting from the Parties' NDCs are encouraged, including economic transition, job creation, energy security and transformation, health, food security, poverty eradication, biodiversity and environment protection, sustainable life styles and sustainable patterns of consumption and production.
3. Element features:
- (1) According to Article 3 of the Paris Agreement, the NDCs should include mitigation, adaptation, finance, technology development and transfer and capacity-building. The NDCs and relevant guidance should not be mitigation-centric.
 - (2) According to Article 4.7 of the Paris Agreement, mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans can contribute to mitigation outcomes. Furthermore, Parties' plans, policies and actions in other areas with climate co-benefits should also be recognized as their contributions on combating climate change.
 - (3) According to Article 4.2 and 4.4 of the Paris Agreement, quantitative targets should not be the only component envisaged in NDCs. Policies and measures are equally important for the NDCs. Developing country Parties' NDCs could be qualitative policies and measures, and are encouraged to move towards quantifiable targets over time, depending on their national circumstances, enabled by incentive and support.
4. Differentiation features
- (1) The features of the NDCs should reflect differentiated responsibilities of developed and developing country Parties, in line with Article 3, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement.
 - (2) Developed country Parties are to demonstrate leadership and ambition in their NDCs through reducing greenhouse gases, strengthening resilience and providing and mobilizing support to developing country Parties.

- (3) Developing country Parties' NDCs are diversified, taking into account their national circumstances and capacities. Their NDCs could include, as appropriate, mitigation, adaptation and other actions with benefits of low-emission and climate-resilient development, as well as needs of support. Developing country Parties are encouraged to provide voluntary support to other developing country Parties.
5. Ambition features
 - (1) According to Article 4.3 and 9.3 of the Paris Agreement, successive NDCs will represent a progression and reflect the highest possible ambition.
 - (2) Progression and ambition should be fulfilled in the context of differentiation, national circumstances and full scope of NDCs, taking into account matching actions with support.
6. Procedure features
 - (1) According to Article 4.2 and 4.9 of the Paris Agreement, the NDCs should be successive and communicated every five years.
 - (2) According to Article 4.8 of the Paris Agreement, the NDCs should be accompanied with information necessary for clarity, transparency and understanding.
 - (3) According to Article 4.12 of the Paris Agreement, the NDCs should be recorded in a public registry.
 - (4) According to Article 4.11 of the Paris Agreement, the NDCs may be adjust by Parties with concerns at any time to a higher level of ambition. Such adjustment should be nationally determined and in accordance with the guidance for features, information and accounting of NDCs to be adopted by the CMA.

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:
 - (1) further implement the relevant provisions of the Paris Agreement to ensure the full scope, differentiation and ambition of the NDCs;
 - (2) facilitate the clarity, transparency and understanding of NDCs;
 - (3) assist Parties during their domestic process of preparation of NDCs; and
 - (4) facilitate the exchange of best practices on low-emission and climate-resilient development among Parties.
2. Furthermore, the guidance on features should respect the nationally determined nature of Parties' contributions to allow them choosing the policy

options that are feasible, replicable, cost-effective and environment-friendly in accordance with their nationally defined development priorities. This is fundamental to incentivize Parties to enhance their climate actions and cooperation over time and achieve a win-win solution between robust economy growth and ambitious climate actions.

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)?

Features and information are interlinked with each other. Both of them are related to the clarity, transparency and understanding of the NDCs. Therefore, these two sub-items should be discussed coherently in a single setting.

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

1. The APA negotiation on the guidance for the NDCs should enhance mutual understanding among Parties on key political issues, such as scope of the NDCs and reflection of the differentiation.
2. The work under this sub-item should start with collective understanding of the relevant provisions of the Paris Agreement. Thereafter, Parties can work together cooperatively and constructively to compile the features of the NDCs in a more concise, logical and structured format, without introducing “new issues” beyond the Paris Agreement. Such approach is fundamental to ensure a successful completion of the work programme related to the implementation of the Paris Agreement in 2018.

III. APA Agenda Item 3(b): Further Guidance for Information of NDCs

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

1. In the UNFCCC context, information is a tool for Parties to communicate to the public to demonstrate the status in fulfilling their obligations under the Convention and its related legal instruments. The “information” discussed under this sub-item means some items that accompanies the communication of NDCs, give further knowledge on the NDCs and facilitate the public awareness on what Parties are going to do on climate change in the following years. Such information will be provided before the NDCs to be implemented and, therefore, distinguished from the information to track progress made to implement the NDCs under the transparency framework referred to in Article 13.7(b) of the Paris Agreement (Table 1 below).

Table 1: Difference between the information of NDCs and information on implementation

	Information of NDCs	Information on Implementation
Purpose	Facilitating the clarity, transparency and understanding of NDCs	Tracking the progress made to implement NDCs
Timing of Submission	Before implementation of the NDCs	Along with and after implementation of the NDCs
‘Home’ Documents	Together with the communication of NDCs	National Reports referred to in Article 13.7(b) of the Paris Agreement
Item in the APA agenda	Item 3(b): Further guidance in relation to the mitigation section of decision 1/CP.21 on: Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28	Item 5: Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement

2. The content of information has been set out in paragraph 27 of decision 1/CP.21, which is a menu of options for Parties concerned to pick and choose in a nationally determined manner, in line with their differentiated NDCs and different national circumstances and capacities.

3. When applying the guidance for information of the NDCs, developed country Parties should take the lead. Meanwhile, flexibilities should be provided to developing country Parties in the scope and level of specificity.
4. Further guidance for the information of the NDCs of developed country Parties is the following:
 - (1) They are to provide the information on mitigation, adaptation and provision and mobilization of finance, technology and capacity-building support in accordance with Article 3, 4.4, 4.8, 7.10, 9.5, 10 and 11 of the Paris Agreement and paragraph 27 and 55 of decision 1/CP.21, with a view to demonstrating their leadership in combating climate change.
 - (2) The information should include both the descriptions of their NDCs and the quantitative estimated effects resulting from their NDCs.
 - (3) Developed country Parties should also provide information on their existing and envisaged additional policies and measures to support the implementation of their NDCs.
5. Further guidance for the information of the NDCs of developing country Parties is the following:
 - (1) Paragraph 27 of decision 1/CP.21 is a list for developing country Parties' reference when communicating their NDCs. The specific items of information should take into account developing country Parties' diversified climate actions, different national circumstances and capacities and support received.
 - (2) Developing country Parties are encouraged to provide information on the costs and barriers of implementing their NDCs and finance, technology and capacity-building support needed, as well as possible ambitions, benefits and effects to be achieved correspondent to different scales of support to be received. They are also encouraged to share information on voluntary support to other developing country Parties.
 - (3) There may be further improvement on information quality and data accuracy in their subsequent NDCs, depending on continuous, adequate and enhanced support for increasing their capacities.

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 main purpose of information is to facilitate the clarity, transparency and understanding of the NDCs.
2. The guidance for information of the NDCs should also aim to:
 - (1) provide the reference or assistance for the domestic preparation of NDCs;

- (2) encourage Parties to improve the transparency and predictability of their climate policies and actions continuously, while ensuring that any guidance would make NDCs an opportunity rather than a burden for Parties, in particular developing country Parties;
 - (3) facilitate the exchange of best practices among Parties and incentivize Parties to translate their NDCs into opportunities in terms of green investments and technology innovation.
 - (4) assist developing country Parties to identify the capacity-building needs on the preparation and implementation of their NDCs.
3. Furthermore, to achieve the purposes above, incentivizing mechanisms should be established to encourage and support Parties, in particular developing country Parties to prepare, communicate and implement their NDCs and provide relevant information in a successive and durable manner.

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)?*

1. The scope of guidance for information should be consistent with the scope of NDCs, covering mitigation, adaptation and means of implementation.
2. According to paragraph 27 of decision 1/CP.21, “assumptions and methodological approaches including those for accounting for anthropogenic GHG emissions and, as appropriate, removals” is one of the items of the information list. Information related to accounting for NDCs can be provided by Parties together with other information when NDCs are communicated.

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

1. The work to developing the information guidance should be structured around all the elements of NDCs and differentiation between developed and developing country Parties.
2. It is of necessity to deepen the understanding of relevant arrangements for information under the Paris Agreement and decision 1/CP.21.
3. Joint discussion between the information of NDCs and reporting under the transparency framework could be launched, in order to identify which items of information belong to the communication stage and/or implementation stage of NDCs.

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

1. Purpose of the information guidance;
2. Timing of application of the information guidance;
3. Basis of the work on information guidance;

4. Understanding the provisions of the Paris Agreement and relevant guidance on information in decision 1/CP.21;
5. General information guidance for all Parties;
6. Information guidance for developed country Parties;
7. Information guidance for developing country Parties;
8. Further key issues to be discussed:
 - (1) Flexibility in applying the information guidance for developing country Parties;
 - (2) Continuous improvement and capacity-building for developing country Parties;
 - (3) Incentivizing mechanisms to encourage and support Parties to prepare, communicate and implement NDCs and provide relevant information in a successive and durable manner.

IV. APA Agenda Item 3(c): Guidance for the Accounting for NDCs

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

1. “Accounting for NDCs” means that Parties should be responsible for their NDCs by giving an explanation through certain methods and approaches, such as which sectors and gases will be included in their NDCs and what the meanings of relevant references, indicators and other aspects of NDCs are. Accounting is also an important part of transparency.
2. The guidance for accounting under the Paris Agreement should adhere to the following general principles:
 - (1) reflecting common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement;
 - (2) taking into account differentiated NDCs of developed and developing country Parties, in line with Article 3, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement;
 - (3) consistent with the nationally determined nature of Parties’ contributions;
 - (4) covering both actions and support in a balanced manner;
 - (5) transparency, accuracy, completeness, comparability and consistency, ensuring environmental integrity and avoiding double counting, mentioned in Article 4.13 and 6.2 of the Paris Agreement;
 - (6) drawing from the existing approaches, methods and arrangements under the Convention and its Kyoto Protocol, as referred to in Article 4.14 of the Paris Agreement and paragraph 31 of decision 1/CP.21;
 - (7) in accordance with methodologies and common metrics assessed by the IPCC, methodologies consistency and continuous improvement over time on categories of emissions or removals as set out in paragraph 31(a)-(d) of decision 1/CP.21; and
 - (8) providing flexibility to developing country Parties when they are applying the guidance.
3. Developed country Parties should take the lead in applying the guidance for accounting, to avoid double counting in reducing emissions and providing support. In accounting for mitigation component of their NDCs, the key issue is to illustrate the relation between the economy-wide emission reduction

target and their domestic emissions, carbon sinks and international transferred mitigation outcomes.

4. Developing country Parties are allowed to choose, in a nationally determined manner, the sectors and gases covered in their NDCs and specific methodologies used for accounting, in line with the content of their NDCs and their national circumstances and capacities. Furthermore, developing country Parties are encouraged to account for other categories of sinks or removals mentioned in Article 5 of the Paris Agreement, including forests. However, such encouragement should not prejudice any requirements on mitigation in agriculture. In addition, developing country Parties are also encouraged to improve their performance on applying the accounting guidance over time, depending on their capacities and support received.

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

1. The basic purpose of the guidance on accounting is to promote mutual trust among Parties and to provide the public a clear and comprehensive picture on what Parties are planning to do on climate change.
2. Other purposes are as follows:
 - (1) to operationalize transparency, accuracy, completeness, comparability and consistency and to avoid double counting;
 - (2) to promote the application of common metrics;
 - (3) to ensure methodology consistency between the communication and implementation of NDCs;
 - (4) to encourage Parties to enhance their credibility and accountability; and
 - (5) to facilitate developing country Parties to move towards economy-wide mitigation actions and targets over time, enabled by support and incentive.

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)?

1. The guidance on accounting is slightly different from the guidance on features and information. Therefore, the work on accounting should be organized separately from features and information.
2. Since “methodologies and assumptions related to accounting” are parts of information as listed in paragraph 27 of decision 1/CP.21, the methodologies and assumptions related to accounting used by Parties could be reflected, as appropriate, in the communication of their NDCs.

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

1. There are tremendous arrangements, modalities and methodologies of accounting under the Convention and its Kyoto Protocol, which lays a basis for the work on accounting for mitigation. Further discussions could be on how the existing arrangements could be further improved.
2. Some technical work could be conducted such as inviting relevant technical experts from the Secretariat to make a presentation on the existing approaches and arrangements under the Convention and its Kyoto Protocol. Developed country Parties are invited to introduce their experience and practices on applying the guidance on accounting under the Convention and its Kyoto Protocol.

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

1. The work to develop the guidance for accounting should start with a better understanding on the word “accounting” itself in the context of the Convention and its Paris Agreement.
2. It is of necessity to deepen the understanding of relevant arrangements for accounting under the Paris Agreement and decision 1/CP.21.
3. Joint consultations between accounting and transparency needs to be conducted.
4. The work should also be informed by the discussion on international transferred mitigation outcomes under Article 6 and modalities for the accounting of financial resources referred to in paragraph 57 of decision 1/CP.21. Joint consultations between this sub-item and relevant items under the SBI/SBSTA could be conducted if needed.

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

1. Common understanding of the word “accounting” under the Paris Agreement;
2. Purpose of the accounting;
3. Understanding the provisions of the Paris Agreement and relevant guidance on accounting in decision 1/CP.21;
4. General principles for the guidance for accounting, including differentiation and flexibilities to developing country Parties in applying the guidance;
5. Existing rules, procedures and experience under the Convention and its Kyoto Protocol;
6. Technical issues related to the accounting guidance
 - (1) Mitigation component of NDCs:
 - a) Common metrics (GWPs/GTPs);
 - b) Methodologies related to GHGs and its inventories (IPCC

- guidelines and tiered approaches);
- c) methodologies and methodology consistency on other aspects of mitigation component of NDCs;
 - d) Categories of emissions or removals;
 - e) LULUCF and land sector in developed country Parties;
 - f) Forest in developing country Parties; and
 - g) International transferred mitigation outcomes and avoiding double counting (informed by negotiation under the Article 6 and joint consultation if needed)
- (2) Support component of NDCs, including finance, (informed by negotiation under paragraph 57 of decision 1/CP.21 and joint consultation if needed), technology development and transfer and capacity-building (joint consultation with relevant items under the SBI/SBSTA).

China will provide its further views on the guidance for the NDCs and any related issues in due course and is willing to work constructively with other Parties to move the APA process forward.
