

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

China welcomes the progress made in the May session in Bonn on further guidance for the nationally determined contributions (NDCs) under the Paris Agreement. In accordance with paragraph 23(a) of the report of the Ad Hoc Working Group on the Paris Agreement (APA) on the third part of its first session (FCCC/APA/2017/2), China would like to submit the following views, taking into account both the issues and the elements in the informal note by the co-facilitators:

I. Context on the NDCs and Relevant Guidance

1. The 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. 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.
2. The NDCs are to include mitigation, adaptation, financial support, technology development and transfer and capacity-building, in accordance with relevant provisions of the Paris Agreement. Developed country Parties' NDCs should include both ambitious actions and enhanced provision of support to developing country Parties. 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.
3. The guidance for the NDCs should respect the nationally determined nature of Parties' contributions. Such guidance should be concise, feasible, pragmatic and facilitative, allowing Parties choosing the policy options that are replicable, cost-effective and environment-friendly in accordance with their nationally defined development priorities.
4. When applying the guidance for NDCs, flexibility should be provided to developing country Parties, in particular those developing country Parties with least capacities. Incentivizing mechanisms should be established to encourage developing country Parties to prepare, communicate and implement their NDCs in a successive and durable manner.

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

A. General Reflections

1. Understanding of the features
 - The meaning of features is “what the NDCs will look like in general”. The features of NDCs should be consistent with the nationally determined nature and in accordance with relevant provisions of the Paris Agreement, in particular Articles 2, 3 and 4 of the Paris Agreement.
2. Purpose of further guidance on features
 - The purpose of guidance on features is to further implement the relevant provisions of the Paris Agreement to ensure the national determination, full scope, differentiation and ambition of the NDCs and to facilitate the exchange of the best practices on low-emission, climate-resilient and sustainable development among Parties.
3. Timing of application of the further guidance on features
 - Parties should apply the further guidance on features in their subsequent rounds of NDCs (from 2030 onwards). Parties may elect to apply the further guidance on features in their NDCs up to 2030.

B. Elements

1. Identifying and listing the existing features
 - (1) Context features
 - a) According to Articles 3 and 4 of the Paris Agreement, “national determination” is one of the key features of NDCs.
 - b) 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.
 - c) 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.
 - d) Article 4.15 of the Paris Agreement should be considered as a context when Parties prepare, communicate and implement their NDCs.
 - (2) Function features:
 - a) 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 Articles 2.1(a) and (b), 4.1, 7.1 of the Paris Agreement.

- b) The NDCs could facilitate Parties to make finance flows towards a low-carbon and climate-resilient economy and accelerate the development and transfer, innovation and collaboration of climate-related technologies, in line with Articles 2.1(c) and 10.1 of the Paris Agreement.

(3) Element features:

- a) According to Article 3 of the Paris Agreement, the NDCs are to include the elements of mitigation, adaptation, financial support, technology development and transfer and capacity-building. The NDCs and relevant guidance should not be mitigation-centric.

(4) Procedure features

- a) According to Articles 4.2 and 4.9 of the Paris Agreement, the NDCs should be successive and communicated every five years.
- b) According to Article 4.8 of the Paris Agreement, the NDCs should be accompanied with information necessary for clarity, transparency and understanding.
- c) According to Article 4.12 of the Paris Agreement, the NDCs should be recorded in a public registry.

2. Further elaboration of the existing features

(1) Differentiation features

- a) The features of the NDCs should reflect differentiated responsibilities of developed and developing country Parties, in line with Articles 2.2, 3, 4.4, 4.5, 9.1, 10 and 11 of the Paris Agreement.
- b) 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.
- c) 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.

(2) Ambition features

- a) According to Articles 4.3 and 9.3 of the Paris Agreement, successive

NDCs will represent a progression and reflect the highest possible ambition. 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 in accordance with Article 4.5 of the Paris Agreement.

- b) According to Articles 4.2 and 4.4 of the Paris Agreement, both quantitative targets and qualitative policies are important contents of the NDCs.
- c) Developed country Parties' NDCs on mitigation and provision of support should be quantitative or quantified. 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.

(3) Co-benefit features

- a) 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 measures in the other areas with climate co-benefits should also be recognized as their contributions to combating climate change.
- b) 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. Additional/new features

- China proposes option “no text” under this element. The features of NDCs have been defined and specified in the provisions of the Paris Agreement. Parties can work together cooperatively and constructively to compile the features of the NDCs in a more concise, logical and structured format. Introducing “new features” will lead to renegotiation of the Paris Agreement and prolong the work related to the implementation of the Paris Agreement.

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

A. General Reflections

1. Understanding of the information
 - (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, to facilitate the public awareness on what Parties are going to do on climate change in the following years.
 - (2) 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.
2. Purpose of further guidance for information
 - (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:
 - a) provide reference or assistance for Parties’ domestic preparation of NDCs, including in particular assisting developing country Parties to identify their capacity-building needs on the preparation and implementation of NDCs;
 - b) encourage Parties to improve 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 for developing country Parties; and
 - c) facilitate the exchange of the best practices among Parties and incentivize Parties to translate their NDCs into opportunities in terms of green investments and technology innovation.
3. Nature of the further guidance for information
 - 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 choose in a nationally determined manner, in line with their differentiated NDCs. Further guidance for information should accommodate different national circumstances, national capacities and recognize different starting points of Parties.

4. Differentiation and flexibility in application of the guidance for information
 - When applying the guidance for information, developed country Parties should take the lead. Meanwhile, flexibilities should be provided to those developing country Parties that need it in the light of their different capacities, including in the scope, content and level of specificity.
5. Capacity-building for developing country Parties
 - (1) Continuous and adequate support shall be provided to developing country Parties to increase their capacities for enhancing the clarity, transparency and understanding of NDCs overtime.
 - (2) In this regard, incentivizing mechanisms should be established by the CMA to encourage and support developing country Parties to prepare, communicate and implement their NDCs and provide relevant information in a successive and durable manner.

B. Elements

1. Procedural elements
 - (1) Timing of application of the further guidance for information
 - a) Parties should apply the further guidance for information in their subsequent rounds of NDCs (from 2030 onwards). Parties may elect to apply the further guidance for information in their NDCs up to 2030.
 - (2) Channels for putting forward the information
 - a) Parties are to put forward the information of NDCs when communicating their NDCs. They are encouraged to highlight the information as set out in the guidance in their NDCs documents. They may provide additional or updated information that are useful to facilitate the clarity, transparency and understanding at any time.
2. Substantial elements of the information guidance
 - (1) General information for all Parties
 - a) The information may include, as appropriate, the items in the information list as set out in paragraph 27 of decision 1/CP.21.
 - b) Further information in this list may include: best practices and experience related to the preparation of the NDCs; potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs; and measures and policies related to the implementation of the NDCs.
 - (2) Information on mitigation component of NDCs
 - a) Developed country Parties should provide the information on their

economy-wide absolute emission reduction targets, in accordance with paragraph 27 of decision 1/CP.21. The information should also include: the quantitative estimated effects resulting from the mitigation component of their NDCs; existing and envisaged policies and measures to support the implementation of their emission reduction targets; intentions to use ITMOs under Article 6 of the Paris Agreement; and how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change.

- b) Developing country Parties should provide the information on their enhanced mitigation efforts, in accordance with paragraph 27 of decision 1/CP.21. The specific items of information that developing country Parties are to provide should be nationally determined, taking into account their diversified types of mitigation efforts, different national circumstances and capacities and support received. Furthermore, developing country Parties are encouraged to provide information on possible benefits and effects to be achieved correspondent to different scales of support to be received.

(3) Information on adaptation component of NDCs

- a) Parties should provide information on the adaptation component of their NDCs, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement.
- b) The information on adaptation component of NDCs could be informed by the discussions under APA Agenda Item 4, the outcomes of which will form part of the guidance for information.

(4) Information on support component of NDCs

- a) Developed country Parties are to provide the information on provision and mobilization of support in accordance with Articles 3, 4.5, 4.8, 9.5, 10 and 11 of the Paris Agreement and paragraph 27 and 55 of decision 1/CP.21. Further guidance for information on finance, technology and capacity-building support could be informed by the discussions under the relevant COP/SBI Agenda Items, the outcome of which shall be available as part of the package of guidance for information under the Paris Agreements, well in advance of the adoption of such guidance. In this regard, joint consultations between APA Agenda item 3 and relevant items under the COP/SBI could be convened at an appropriate time in the first half of 2018.
- b) Developing country Parties are encouraged to provide information on finance, technology and capacity-building support needed related to implementation of their NDCs. They may share information on voluntary support to other developing country Parties.

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

A. *General Reflections*

1. Understanding of the accounting
 - “Accounting for NDCs” means that Parties should be responsible for their NDCs by giving an explanation through certain methodologies and approaches, such as which sectors and gases will be included in their NDCs and what the meanings of relevant reference, parameters and other aspects of NDCs are. Accounting is also an important issue related to transparency.
2. Purpose of guidance for accounting
 - (1) The basic purpose of guidance for accounting is to promote mutual trust among Parties and to provide the public a clear, accurate and comprehensive explanation on what Parties are planning to do on climate change.
 - (2) Other purposes are as follows:
 - a) to operationalize transparency, accuracy, completeness, comparability and consistency and to avoid double counting; and
 - b) to facilitate Parties to promote environmental integrity and enhance their credibility and accountability.
3. Drawing from existing approaches established under the Convention and the Kyoto Protocol
 - (1) There are tremendous arrangements of accounting under the Convention and its Kyoto Protocol, which lays a basis for the work on accounting for mitigation targets. Discussions could be on how to further improve the existing arrangements.
 - (2) The guidance for accounting for mitigation targets in the NDCs by developed country Parties could be on the basis of the experience from the application of the accounting rules for quantified emission limitation or reduction commitments under the Kyoto Protocol, bearing in mind the difference between single-year targets in the NDCs and multi-year targets under the Kyoto Protocol.
 - (3) The UNFCCC biennial reporting guidelines allow developed country Parties to report the “relevant accounting rules” they choose, rather than “common accounting rules”, which is consistent with the national determination and could serve as a valuable experience for developing guidance for accounting under the Paris Agreement.

- (4) Some technical work could be conducted such as inviting relevant technical experts from the Secretariat to make a presentation on the existing arrangements under the Convention and its Kyoto Protocol. Developed country Parties are also invited to introduce their experience, practices and lessons learned on applying the arrangements for accounting under the Convention and its Kyoto Protocol.
4. Capacity-building for developing country Parties
 - (1) Continuous and adequate support should be provided to developing country Parties to increase their capacities for improving their performance in applying the guidance for accounting over time.
 - (2) In this regard, incentivizing mechanisms should be established by the CMA to encourage and support developing country Parties to apply the guidance for accounting.

B. Elements

1. General accounting

- (1) The guidance for accounting under the Paris Agreement should adhere to the following general principles:
 - a) reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement;
 - b) taking into account differentiated NDCs of developed and developing country Parties, in line with Articles 3, 4.4, 4.5, 9, 10 and 11 of the Paris Agreement;
 - c) consistent with the nationally determined nature of Parties' contributions;
 - d) covering both actions and support in a balanced manner;
 - e) promoting transparency, accuracy, completeness, comparability and consistency, ensuring environmental integrity and avoiding double counting, mentioned in Articles 4.13 and 6.2 of the Paris Agreement;
 - f) 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;
 - g) in accordance with methodologies and common metrics assessed by the IPCC, ensuring methodologies consistency and striving for continuous improvement over time on categories of emissions or removals as set out in paragraph 31(a)-(d) of decision 1/CP.21; and
 - h) providing flexibility to developing country Parties that need it in the

light of their different capacities when they apply the guidance.

- (2) Timing of application of the guidance for accounting
 - a) In accordance with paragraph 32 of decision 1/CP.21, Parties should apply the guidance for accounting in their subsequent rounds of NDCs (from 2030 onwards). Parties may elect to apply the guidance for accounting in their NDCs up to 2030.
- (3) Channels for reporting relevant information on accounting
 - a) Since “Methodologies and assumptions related to accounting” are in the information list in paragraph 27 of decision 1/CP.21, Parties may report relevant information on accounting in their NDCs documents.

2. Specific accounting

- (1) Accounting for mitigation targets in NDCs
 - a) Common metrics
 - Applying common metrics should be taken into consideration in accordance with paragraph 31(a) of decision 1/CP.21.
 - b) Methodologies related to GHGs
 - Developed country Parties 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.
 - Developing country Parties should follow the IPCC methodology by choosing the most appropriate tier of the IPCC guidelines in light of their different capacities and circumstances.
 - c) Methodologies related to other aspects
 - Developed country Parties should use comparable methodologies and approaches to explain their other aspects of mitigation component of NDCs, including base years, baselines, reference levels, assumptions, domestic emissions, policies and using international transferred mitigation outcomes. And they should also ensure methodological consistency between the communication of NDCs and report on implementation.
 - Developing country Parties are allowed to use their own methodologies and approaches to explain other aspects of the targets in their NDCs, as appropriate, while making their best endeavor to ensure methodological consistency between the communication of NDCs and report on implementation.
 - d) Categories of emissions or removals

- Developed country Parties shall account for their economy-wide absolute emission reduction targets, with a view to ensuring all gases, sectors, sinks and activities included.
 - Developing country Parties 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 over time, in accordance with Articles 4.4 and 4.5 of the Paris Agreement.
- e) LULUCF in developed country Parties
- Developed country Parties should apply relevant rules under the Convention and its Kyoto Protocol and guidelines accepted by the IPCC. Existing rules on the LULUCF should be further improved.
- f) Forest in developing country Parties
- Developing country Parties are encouraged to account for their actions related to relevant sinks and reservoirs including forest, as referred to in Article 5 of the Paris Agreement, without prejudging any requirements on mitigation in agriculture.
- g) Accounting issues related to Article 6 of the Paris Agreement
- The work should be informed by the discussion on ITMOs under Article 6 of the Paris Agreement. Joint consultations between APA Agenda Item 3 and the relevant SBSTA Agenda Item could be conducted if needed.
- (2) Accounting related to adaptation relevant targets in NDCs
- a) Accounting for adaptation component of NDCs could be informed, if needed, by the discussions under APA Agenda Item 4 and the Adaptation Committee, the outcomes of which may form part of guidance for accounting as appropriate.
- (3) Accounting for targets on provision of support in NDCs
- a) Developed country Parties shall account for their contributions on provision of support in accordance with Articles 4.5, 4.13, 9.7, 10 and 11 and paragraph 57 of decision 1/CP.21. Accounting for provision of finance, technology and capacity-building support could be informed by the discussions under the relevant SBI/SBSTA Agenda Items, the outcomes of which shall be available as part of the package of the guidance for accounting under the Paris Agreement, well in advance of the adoption of such guidance. In this regard, joint consultations between APA Agenda Item 3 and relevant items under the SBI/SBSTA could be convened at an appropriate time in the first half of 2018.