

**SUBMISSION BY PERU ON BEHALF OF THE AILAC GROUP OF COUNTRIES
COMPOSED BY CHILE, COLOMBIA, COSTA RICA, HONDURAS, GUATEMALA,
PANAMA, PARAGUAY AND PERU**

**Subject: Item 3 Further guidance in relation to the mitigation section of
decision 1/CP.21**

Reference: FCCC/APA/2017/L.

Introductory Remarks

1. AILAC welcomes the opportunity to submit its views on item 3 of the APA agenda in order to focus the work on:
 - (a) Features of nationally determined contributions, as specified in paragraph 26;
 - (b) Information to facilitate clarity, transparency and understanding (CTU) of nationally determined contributions, as specified in paragraph 28; and
 - (c) Accounting for Parties' nationally determined contributions, as specified in paragraph 31.
2. This submission should be read in conjunction to prior AILAC submissions particularly the one presented in late March 2017, responding to the mandate by the APA co-chairs as stipulated in document FCCC/APA/2016/L.4.¹
3. AILAC is of the strong view that formulation and updating of NDCs should be guided by the need to urgently increase ambition and respond to the objectives established by Article 2 of the Paris Agreement and be consistent with the long term-low emissions and development strategies (LT-LEDS) that Parties should strive to formulate and communicate by 2020.
4. In addition, AILAC considers that further work on information to facilitate clarity, transparency and understanding of NDCs and accounting for NDCs, will enhance our capacity to review progress in their implementation, and ultimately, to assess collective progress towards achieving the long-term goals set out by the Paris Agreement. This is of special importance in light of the aggregated effect of currently communicated NDCs that is still far from 2°C scenarios and yet farther from 1.5°C scenarios.
5. Also, for AILAC it is crucial to learn from the implementation of the Paris Agreement and Nationally Determined Contributions. Lessons from this process could provide feedback on the need to count on additional or clearer guidance for NDCs in the future. Therefore, it is important to ensure that guidance for iCTU and accounting for NDCs can be revised and improved over time.

¹http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/233_321_131354731660216313-170331%20AILAC%20Submission%20NDCs%202017.pdf

Features of nationally determined contributions, as specified in paragraph 26

6. For AILAC, further guidance on features of NDCs should be aimed to identify and acknowledge the most important features that are already reflected in Article 4 of the Paris Agreement and decision 1/CP.21, such as:
- i. The nationally determined nature of contributions;
 - ii. That successive NDCs shall be prepared, communicated and maintained and Parties shall pursue domestic mitigation measures with the aim of achieving the objectives of such contributions (Article 4, paragraph 2 of the PA);
 - iii. That each Party's successive nationally determined contribution will represent a progression beyond the Party's current nationally determined contribution and reflect its highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances (Article 4, paragraph 3 of the PA).
 - iv. Information necessary for clarity, transparency and understanding (iCTU) of NDCs shall be provided when Parties communicate their contributions in accordance with decision 1/CP.21 and any relevant future decision/s of the CMA (Article 4, paragraph 3).
 - v. NDCs shall be communicated every 5 years (Article 4, paragraph 9);
 - vi. That common timeframes for NDCs shall be considered (Article 4, paragraph 10),
 - vii. Parties shall account for their NDCs (Article 4, paragraph 13);
 - viii. NDCs may be adjusted at any time with a view to enhancing its level of ambition (Article 4, paragraph 11).
 - ix. Support shall be provided to developing country Parties for the implementation of their NDCs (Article 4, paragraph 5).

Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28

7. For AILAC, further guidance for iCTU should include the following elements that complement and detail the list included in paragraph 27 of decision 1/CP.21:

a) Description of the target²:

- i Quantitative description of the target that should include, for instance, information of the expected emissions reduction/deviation (expressed in % for those mitigation targets that are quantified) and the expected emissions level, depending on the type of mitigation target:

Type of target	Information to describe the target
Mitigation targets based on BAU deviation	Expected emissions level in the target year
Mitigation intensity targets	Expected emissions intensity in the target year
Peaking emissions target	Expected emissions level in peaking year and emissions trajectory towards it (that should include not only the peaking year but also some

² This heading represents an addition to those elements included in the paragraph 27 of the Decision 1/CP.21

Fixed level target	years after it, when not included in the NDC timeframe)
Targets based on mitigation strategies, plans and actions or low GHG emission development or adaptation actions	Expected emissions level in target year - Clear non GHG goals that could facilitate the understanding of the impact of a policy, strategy or action. - Estimation in terms of GHG emissions impact, i.e. expressed in tCO ₂ e for the purpose of informing the Global Stocktake.

- ii For all type of quantified mitigation targets, Parties should include information on expected emissions trajectory that will be followed by the Party to meet its mitigation goal.

b) Quantifiable information of the reference point/period

Parties should strive to provide not only complete quantitative information of baselines/reference points but also all necessary information that helps to understand how those baselines/reference points were calculated. Some of these quantitative information, and depending on the type of mitigation goal, could include:

- iii Gas by gas total GHG emissions and removals in the reference point/period (base year or starting year of the BAU or peaking projection).
- iv For mitigation targets based on BAU deviation: Description of the baseline, including quantitative information of projected emissions for every year of the implementation period.
- v For mitigation intensity targets: level of emissions intensity in the base year.

i

c) Time frames and/or periods for implementation

- i Time frame and/or period for implementation
- ii Target year

d) Scope and coverage

- i Sectors, categories, gases or carbon sinks covered by the Party's NDC.
- ii If an NDC was planned considering different sectors from those identified by the IPCC, the Party has to clarify how sectors correspond to IPCC categories.
- iii Description on how a Party is considering to increase the level of coverage of its NDC (in the case of NDCs that are not based on economy-wide emission reduction targets).

e) Planning process

- i Information on the process conducted in the design of the NDC.
- ii Description of information gaps, barriers or issues that the Party faced during NDC design process.
- iii Information on the most important policies and actions that the Party could implement to reach its NDC mitigation goal.

f) Assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and removals

- i Detailed information on assumptions, data and methodological approaches that could include elements such as:
 - IPCC methodologies and metrics used (i.e. GWP) for estimations of GHG emissions and removals.
 - All Parties that include the LULUCF sector in their NDC should provide information on accounting methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for.
 - Methods and assumptions related to main drivers of national GHG emissions that allow to understand the evolution of those emissions as well as their expected value in the target year. For example, in the case of emissions intensity targets: assumptions related to projections for GDP, population or any other macroeconomic indicators used and GHG emissions.
 - In the case of a mitigation target based on a deviation from BAU:
 - o Description of assumptions and methodologies employed in baseline setting (including those related to GDP, population or others), as well as mitigation actions and policies included in the baseline.
 - o Whether the baseline scenario is static or dynamic. If it is dynamic, information on conditions or criteria that should be taken into account in case it should be necessary to recalculate/update the baseline.
 - For targets based on mitigation strategies, plans and actions or low GHG emission development or adaptation actions: description of methodological approaches used to measure impact of policy, plan or action.

g) How the Party considers that its nationally determined contribution is fair and ambitious

- i Information on how inputs from the best available science was considered in the Party's NDC, in a view of the UNFCCC and the Paris Agreement goals..
- ii Explanation on how a Party's NDC represents a progression beyond its previous/last NDC and reflects its highest possible ambition.
- iii Explanation on how a Party's NDC takes into account the outcomes of the global stocktake and increases its ambition as a result.

h) How Party's NDC contributes towards achieving the objective of the Convention

- i Once a Party presents its LT-LEDS, it should present information on how its NDCs are in line with its long-term mitigation goal. This mitigation goal should be aligned with the long term global mitigation goal set by Article 2, paragraph 1 a) of the Paris Agreement
- ii Explanation on how NDCs reflect Parties' concrete plans in achieving the collective goals specified in Article 2 of the Paris Agreement.

Accounting for Parties' nationally determined contributions, as specified in paragraph 31

- 8. Accounting guidance for Parties' NDCs will be crucial to understand progress of individual and collective mitigation efforts. In order to meet this goal, Parties should be provided with

guidance on methodological approaches for measuring and tracking progress towards achievement of mitigation goals during three specific moments of NDCs period:

- i. At the starting point: methodological approaches related to calculation of the baseline/reference point and mitigation goals setting, for a certain type of NDC.
- ii. During the implementation period: methodological approaches for measuring and tracking progress in the implementation of mitigation goals under A certain type of NDCs. Also, guidance should help Parties in the assessment of whether or not are on track to achieve those mitigation goals under their NDC.
- iii. At the end of the implementation period: elements and methodological approaches that could help a given Party understand whether its NDC was achieved.

9. In consequence, having clear methodological approaches to estimate data related to these specific moments should be crucial to report the progress on the implementation of Parties' NDCs under the enhanced transparency framework.

10. Therefore, for AILAC, accounting guidance should include the following sections:

a) Objectives

- i To facilitate understanding of quantitative progress in the implementation and achievement of NDCs
- ii To facilitate the assessment of the collective progress towards achievement of the global mitigation goals.
- iii To promote environmental integrity, transparency, accuracy, completeness, comparability and consistency
- iv To ensure the avoidance of double counting

b) Operationalization of the principles of the Article 4 paragraph 13 and paragraph 31 of the decision 1/CP.21

i Transparency

11. During the entire NDCs implementation period, Parties should provide or update (inform changes on) information on sectors, methodologies, metrics and assumptions used to measure and track progress made in implementing and achieving their NDCs (in line with what was communicated in their NDCs).

ii Accuracy

12. Parties should increase over time the accuracy of emissions and removals estimates used to set mitigation goals and track progress of the implementation and achievement of these goals under NDC. This implies, therefore, that GHG emissions and removals should not be over-or under-estimated.

iii Consistency (according to Article 13 of the PA and the paragraph 27 b) of the Decision 1/CP.21)

13. Parties should ensure consistency between the methodological approaches used to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC.

14. Also, when baselines or a reference point/period and mitigation goals under their NDCs are set, Parties have to ensure consistency between methodological approaches and data used to calculate National GHG Inventories and those used to calculate baselines or reference point/period and set mitigation goals.
15. Also, to ensure methodological consistency, accounting guidance should include a section on how a Party should calculate its baseline and how and when the Party should recalculate/update its baseline or reference point/period.

iv Completeness (according to Article 13 of the PA and the paragraphs 31 c) and d) of Decision 1/CP.21)

16. Parties should strive to include all IPCC categories and estimate all anthropogenic emissions and removals included in their NDCs across the entire NDCs period. Once a Party includes a source or sink in its NDC, it should continue to include it.
17. Parties should provide an explanation (when communicate their NDCs or report progress in their implementation) of why any sector or category of emissions or removals is excluded.

v Comparability

18. In order to ensure comparability amongst NDC and to facilitate assessment of collective progress towards the achievement of global goals, Parties should use common metrics (for example GWPs) and methodologies provided by the IPCC and adopted by the CMA. The CMA should update periodically metrics and methodologies that Parties should be used to communicate and track progress of their NDCs.

vi Environmental integrity and avoidance of double counting

19. In the accounting guidance there should be clarity on the use of units derived from the implementation of Article 6, in order for their accounting to be assigned to one Party only. This work should take into account the discussions taking place under SBSTA related to Article 6 of the Agreement.

vii Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (according to paragraph 31 a) of the decision 1/CP.21)

20. Regardless of the type of NDC, over time, emissions reductions or efforts to divert an emissions pathway, should be reflected in a Party's total emissions. For this reason, AILAC considers that National GHG Inventories will be significant tools for monitoring NDCs³. Therefore, Parties should use the more appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic greenhouse gas emissions and removals provided by the IPCC, in order to reduce uncertainty. The CMA should update periodically metrics and methodologies that Parties should use to communicate and track progress of their NDCs.

c) Methodological approaches to account for NDCs

³ That should be complemented with indicators that allows to understand the progress of NDCs.

21. In order to ensure the principle of consistency described in the item b.iii it would be necessary that accounting guidance provides clarity on the following elements:

i Guidance for the reference point/period and projections

22. This guidance could answer questions such as:

- What criteria were employed to select *reference point/period*?
- How to calculate/set a *baseline* (in the case of NDCs based on deviation from BAU emissions)?
- How and when should a baseline be re-calculated or updated?

23. Also, Parties should be provided with general guidance for estimation of projections of GHG emissions and removals.

ii Methodological approaches to account for GHG goals under NDCs

24. For all types of mitigation targets, it could be important to provide common guidance for estimation of GHG emissions and removals (based on IPCC guidelines and aligned with decision on modalities, procedures and guidelines for estimation and reporting of national GHG inventories under the enhanced transparency framework).

25. The report of the national GHG emissions and removals should be complemented by indicators and other information that allows to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels. Thus, accounting guidance could include methodological approaches to develop appropriate indicators to fulfil this task.

iii Additional methodological approaches to account for non-GHG goals under NDCs

26. Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of GHG impacts of policies or actions implemented. Despite the difficulty of fulfil this task for Parties with some NDCs not expressed in terms of GHG emissions, Parties should strive to quantify their mitigation efforts in order to have comparable information about progress of all Parties' NDCs.

iv Comparison against a baseline/reference point or expected emissions level

27. Accounting guidance should help Parties to measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal)

v Accounting of ITMOS transferred and used for the achievement of the NDC thanks to the implementation of the Article 6 of the Paris Agreement

28. Accounting guidance for ITMOs generated and transferred under cooperative approaches and the mechanism established in Articles 6.2 and 6.4, respectively, should be designed under SBSTA item where guidance, rules, modalities and procedures of the Article 6 have been developed.

vi Accounting for land sector

29. Guidance should include a section on accounting for land sector that ensures that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:

- i. Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands should be included in National GHG Inventories
- ii. Consistent application of the IPCC guidelines across countries for estimating CO₂ emissions from harvested wood products.
- iii. Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories

viii Accounting balance

30. Accounting guidance should provide support on how a Party could undertake a quantitative assessment on the achievement of its NDC (at the end of the implementation period).