Norway's submission on *features, information to facilitate clarity, transparency and understanding, and accounting of Parties' Nationally Determined Contributions*

Norway welcomes the opportunity to provide input to further guidance on mitigation in accordance with paragraphs 26, 28, and 31 of Decision 1/CP.21.

Our point of departure is that the mitigation elements in Article 4 of the Paris Agreement article should be seen as a **continuum**. First, the Nationally Determined Contributions (NDCs) and its up-front information shall provide the information necessary for clarity, transparency and understanding. Second, the NDC and its up-front information form the basis for tracking progress towards achieving the NDC through the mitigation component of the enhanced transparency framework. This would be done regularly throughout the time frame of the NDC, no less frequently than every second year. Third, Parties shall account for their anthropogenic emissions and removals corresponding to their NDCs. Accounting is in our view done after the NDCs target year/years.

While there is a sequencing in time, there must be **consistency** between the features of the NDCs, the up-front information provided when communicating NDCs, information on progress in implementing and achieving NDCs under the enhanced transparency framework and accounting.

1. Features

The Paris Agreement sets out some **characteristics** of the NDCs in Article 4, that provide direction to what Parties should do to achieve the long-term temperature goal set out in Article2 of the Paris Agreement and to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gasses in the second half of this century.

The first and foremost characteristic of a NDC is that it is **nationally determined**.

Further, the Paris Agreement outlines characteristics of NDCs that refer to **ambition and progression,** in that each Party's NDC:

- will represent the highest possible ambition
- will reflect progression beyond previous efforts
- reflect that developed countries should take lead by undertaking economy wide absolute emission reduction targets and that developing countries should continue to enhance their mitigation efforts and are encouraged to move over time towards economy-wide emission reduction or limitation targets.

The characteristics referring to progression will reflect common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

Some characteristics refer to **when and how NDCs are communicated and how NDCs are accounted for,** in that NDCs:

- shall be communicated every fifth year

- may be adjusted at any time with a view to enhancing its level of ambition
- shall be communicated with information that provides clarity, transparency and understanding
- shall be accounted for in a way that promotes environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting
- shall be informed by the outcome of the global stocktake

The above characteristics are all outlined in Article 4 of the Paris Agreement. We would also highlight that the regular reporting on progress through the enhanced transparency framework in Article 13 may also be viewed as a characteristic of the NDCs, bearing in mind that the enhanced transparency framework is broader and applies to other key elements of the Paris Agreement.

It is important to keep the features **clear, general, durable and simple**. In our opinion, the above **NDC characteristics already serve as NDC features**, providing a common point of departure for Parties to form their individual NDCs. These features will be reflected throughout the NDC "cycle", starting from the point when it is communicated, through its reporting and in the end of the time frame of the NDC when it is accounted for. We note that the accounting may fall outside the timespan of the NDC cycle as the time frames of some NDCs are beyond the five year NDC "cycle". When the deliberations on common time frames called for in Article 4.10 of the Paris Agreement are finalized, the possible specificity and synchronicity on time frames should be reflected.

2. Up-front information to facilitate clarity, transparency and understanding

While features reflect the characteristics of Parties NDCs, the up-front information (UFI) accompanying the NDCs shall provide the information necessary for clarity, transparency and understanding of Parties' mitigation objectives in the Paris Agreement.

The current INDCs/NDCs reflect a diversity of targets and approaches to reach them. Analysis of the current INDCs/NDCs show that there is need for **further information** to understand efforts.

The list in para 27 of Decision 1/CP.21 reiterates a decision that was made at COP20, before the Paris Agreement was adopted. After the adoption of the Paris Agreement, the information requirements should be reviewed in the light of the NDC features and provisions of Article 4. The list in para 27 outlines broad categories of information and serves as a good basis to elaborate what further information may be included to provide clarity, transparency and understanding to the NDCs. There is a need to create consistency between the parameters which the Agreement established for NDCs and the content of up-front information, and we also see it as important to **include additional and more specificity to the types of information already listed in paragraph 27**. It is for example particularly important to understand the assumptions that Parties have based their NDCs on.

We recognize that delivering on specificity must be viewed in light of capacity, but we need a minimum level of specificity that should apply to information put forward in the NDCs. When efforts under the Paris Agreement become more ambitious over time, this will require more information to explain and communicate the enhanced ambition.

On the additional **information and specificity** we would highlight that information on **assumptions and methodological approaches** should include:

- information on the assumptions and the parameters of the business as usual (BAU) scenarios where these have been used, including expected projections of GDP and population growth
- identifying metrics and use of IPCC methodological guidance
- information about the scope and coverage of the efforts in the land sector in the mitigation outcome
- whether the Party intends to use of markets and other cooperation under Article 6 or not

Further clarity, transparency and understanding of **quantifiable information on reference point** would benefit from information on;

- the methodological approaches for determining BAU scenarios, and information on whether these are fixed or will be revised
- whether base year emissions, if relevant, are locked or not, including information on the approach to recalculate
- emission projections, if available
- multiyear emission budgets, if possible

Further clarity, transparency and understanding of **scope and coverage** would benefit from information on;

- whether the Party intend to increase the scope and coverage throughout the time frame of the NDC

That each Party's NDC will represent and reflect its highest possible ambition is a "feature" of NDCs and information on what "highest possible ambition" entails may therefore be included in the up-front information communicated on the NDC.

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While up front information serves the purpose of bringing clarity, transparency and understanding to the NDCs, UFI will also be important in reporting and accounting. Clarity on UFI will allow a more straightforward reporting of progress towards implementing and achieving individual Parties' NDCs, using the same parameters in reporting as in the formulation of the NDC. In this context, we would like to recall the importance of consistency between the methodology communicated in the NDC and the methodology used for reporting on progress, as called for in paragraph 94 b of 1/CP.21.

Further, UFI is important for the global stocktake that will assess the overall effect of the NDCs (ref. paragraph 99, 1/CP.21).

Questions for further elaboration:

- What would be minimum requirements/standards to bring clarity, transparency and understanding to different types of NDCs
- What parameters could be used for non-absolute targets, e.g. intensity targets or proxy-based targets?
- Should changes in methods and assumptions be allowed during a NDC time frame. If so, how should this be communicated?

3. Accounting

Accounting is in our understanding done after the NDCs target year/years and shall elaborate whether and/or to which extent a Party achieved its targets.

For accounting purposes it is important that the up-front information provides clarity, transparency and understanding to the NDCs and how Parties expect to achieve them. Up-front information of good quality will facilitate the reporting on progress and eventually the accounting for NDCs. It is therefore a particularly strong, continuous link between UFI, reporting and accounting.

Accordingly, there is a strong link to APAs work towards implementing the enhanced transparency framework, since Article 13.7 states that each Party shall regularly provide information necessary to track progress made in implementing and achieving its NDC. This information may be considered a stepping-stone for the accounting for the NDC.

The **design** of the accounting guidance must adhere to the accounting principles outlined in the Paris Agreement. They must accommodate progression of the NDCs and new elements as the coverage of the Parties' respective NDCs, where relevant, expands in terms of capturing anthropogenic emissions and removals in a comprehensive manner.

Using information from national GHG inventories to account for Parties NDCs is essential because predefined use of methodologies and metrics (IPCC, as accepted by the COP/CMA) ensures comparability and consistency in tracking progress and ensuring the successive nature of Parties NDCs.

Below, we have commented on the specific elements of accounting in bullet point a) to d) of paragraph 31 of 1/CP.21.

Paragraph 31 a) Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

- As mentioned above, the NDCs vary in type and characteristics. One characteristic that is common for several is the inclusion of emissions and removals of greenhouse gases, either in the form of an absolute, quantified target for one or more sectors, in the form of a quantified intensity target for one or more sectors, or another approach. It is our firm belief that where emissions and removals are estimated, as a quantified target in itself or as an element of the target, the most recent IPCC

Guidelines or other supplementary information by the IPCC, as accepted by the COP/CMA, should be applied.

- Using common methodology and common metrics to estimate emissions by sources and removals by sinks will ensure comparability between Parties sectors, and commitment periods.
- Estimations of other indicators, such as economic indicators, may be required to account for Parties' NDCs. There is merit in ensuring consistency between internationally reported figures and the figures used to account for the NDC. Large inconsistencies between figures reported to other international bodies may warrant further elaboration to ensure transparency.

Paragraph 31 b) Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions;

- To ensure consistency between the communication and the implementation of a NDC ("contribution cycle"), Parties shall ensure that:
    - definitions are used consistently, and shall, if the definition has been changed, provide an explanation
    - the accounting approaches, including methodologies and baselines, are consistent over time and consistent with the NDC
- One example: According to decision 2/CMP.7, Parties shall demonstrate methodological consistency between the reference level and reporting for forest management during the second commitment period under the Kyoto Protocol. Parties shall make technical corrections, if necessary, to ensure consistency, including applying IPCC methods for ensuring time-series consistency, and shall report on how these corrections were made. We see merits in such accounting rules, and are open to discuss if this should apply also in the period after 2020, both for forest management reference levels, and to ensure methodological consistency between the communication and implementation of NDCs, including quantitative and qualitative indicators required to account for the NDCs.

Paragraph 31 c) Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it;

- To fulfill the principle of completeness, it is crucial that Parties should move towards including all categories of anthropogenic emissions and removals in their NDC and account for all of them. We believe flexibility should apply primarily to the determination of each Party's NDC

Paragraph 31 d) Parties shall provide an explanation of why any categories of anthropogenic emissions or removals are excluded;

- Parties shall in their explanation provide an estimate, preferably quantitatively, of the possible effect including any omitted categories would have on the accounting.

Specific elements concerning guidance to accounting for the land sector

- As the NDCs develop towards covering emissions by sources and removals by sinks comprehensively, we believe accounting for the land sector should move towards a land based approach, i.e. including the six land-use categories as specified by the IPCC, and currently reported on under the Convention in Parties' National Inventory Reports (NIR). Building on the approach under the Convention will facilitate a coherent approach for inventories, reporting and accounting,
- Parties should specify how the land sector is included in its NDC. This includes transparent, realistic and verifiable information on the establishment of baselines or reference levels.
- Parties should strive for greater coverage of the land sector over time.
- We recognize that many parties are making impressive efforts to tackle emission in the land sector, forests in particular. The ongoing work on REDD+ is an indicator of this. Forest land is one of six categories in the IPCC Guidelines and we believe it could be fruitful to discuss how this may be reflected in the guidance on accounting. In our view, there is merit in discussing the approach to accounting for all land categories, to reduce the risks for leakage.

Questions for further elaboration:

- What format should be developed for accounting?
- How can we best build on existing approaches while ensuring a comparable and coherent approach?
- How to support robust and verifiable measures covering emissions and removals in the land sector?

4. Further work

We have in this submission elaborated on some key considerations for providing further guidance to the mitigation elements of the Paris Agreement. Further outlining these issues on up-front information and accounting will require in-depth and technical work that a negotiation setting will not allow. We suggest that we in Marrakech can agree on a time schedule for how we will provide guidance for the technical work. We believe that carrying out technical workshops would serve the purpose of providing the necessary technical input to the negotiations on further guidance to UFI and to establishment of the accounting guidance. This will allow time and enable Parties to be provided with substantive information that would further their work and considerations in these elements.