Informal Consultation on APA Agenda Item 3 on further guidance in relation to the mitigation section of decision 1/CP.21

Thursday, 3 May 2018, 5-6pm, Genf, SB48

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The meeting began at 5.15pm.

Issue to be tackled: Accounting APA Item 3

Questions provided in Co-Facilitators reflections note:

(a) How should the principles of the Paris Agreement be reflected in accounting for NDCs?

(b) Is accounting about principles, specific rules, some combination of both, or is it instead to be achieved through transparency?

(c) In light of national determination and the diversity of NDCs, do targets need to be quantified as part of accounting? If so, what types of NDCs need to be quantified, in what circumstances and for what purposes?

(d) What level of detail in the guidance on accounting is required to ensure the Paris Agreement can function effectively in line with its Article 4, paragraph 13 as well as paragraph 31 of decision 1/CP.21?

Australia

- General comments on substantive elements
- On accounting guidance, having looked at Co-Facilitators note from last sessions, sense is that Parties are not keen on prescriptive accounting guidance because of the nationally determined nature of NDCs
- Heard repeatedly from Parties to have accounting with TACCC and environmental integrity
- Two types of guidance
    - Set expectations on how to account e.g. consistency
    - Information to provide accounting
- Basic expectations: avoid over or underestimating baseline; basic for environmental integrity
- On historical information, to be consistent with inventory or other established sources
- Specific considerations for reference indicators and accounting against them:
    - Parties should provide information at earliest possible; ICTU
    - Maintain approach throughout implementation period
- Clarify that updating is on updating inventory, methodology and not NDC e.g. for Australia, baseline based on 2005
- Ask for countries to specify their conditions; for accounting guidance for them to report any changes
- Some guidance is on how to do it, some on providing information to show that progress (in transparency) but nevertheless need to have the information for that to happen

Brazil

- Argentina, Brazil and Uruguay
- Our countries see accounting in three layers:
  - Reflection of accounting for (4.13), guidance on narrative
  - Accounting for information to the inventory; application of TACCC principles and include a reference to common metrics – responds to question by Co-Chairs reflection note on quantification and vehicle for following principles (BTRs)
  - Additional and voluntary to Art 6 participants: to avoid double counting (to be discussed in Art 6 room, on Art 6.2; corresponding adjustments)
- Seen some submissions on LULUCF as possible area on accounting; our delegations do not see accounting per sector but as overall and across the board
- Do not see REDD as one of the accounting; what has been developed under REDD on results based payments is separate; do not see REDD as part of ITMOs transfers

European Union

- Try to respond to Co-Chairs questions
- Our view, purpose of accounting guidance is to ensure principles in Art 4, para 13 (TACCC, avoid double counting, environmental integrity) is applied
- Principles, rules in some combination – principles in Art 4, para 13 while rules will be such as "Parties shall use common metrics adopted by IPCC, CMA for calculation.."
- Para 31 of Decision 1/CP.21 gives guidance to build on but elements not yet sufficiently clear so Parties cannot yet implement them – further elaboration needed
  - Part b of this para requires consistency but does not say which methodology, how should Parties do so. General paragraph.
  - Intention is that changes in emissions should reflect not only changes in methodologies; when countries improve methodologies and data this may trigger some corrections
  - In this area, should ensure via accounting guidance that update of parameters and assumptions during period of NDC should ensure it does not result in lowering ambition of NDC; only in improvement
- Another example that needs further detail para 31 sub-para a) common metrics by IPCC and CMA
  - Still have to integrate adoption of common metrics into decision by APA 3 otherwise decision does not work; does not refer to which common metrics
- Five key elements in accounting guidance
  - Building on existing approaches, principles
  - Clarify NDCs that have quantified emissions reductions shall use accounting (simple but not said anywhere)
  - NDCs that include cooperative approaches, should have tabular summary determined to be part of NDC – to be transparent, Art 6 work important
  - Land sector – harvested products and natural disturbances
  - ICTU – not all accounting guidance will be applicable to all type of NDCs; dependent on how Parties have developed their NDCs they will know which part of accounting guidance they will need to apply

        - Concept of applicability can be done by careful drafting rather than going into specifics of types of NDCs
- Targets do not need to be quantified in terms of accounting; not changing nationally determined nature of NDCs

Israel

- Accounting is means by which countries are assessed and for domestic process...
- Transparency is entire mechanism, accounting is a component of transparency
- Accounting should not be overly burdensome
- Need more elaboration, this allows us to improve on what has worked under current arrangement
- Consistent with countries national inventory with respect to country's NDC but should not mean an additional burden beyond its current reporting requirements

Marshall Islands

- On behalf of AOSIS
- First two points together – combination of principles and specific rules to deliver them
- Heading principles: common – TACCC, land sector should be included, robust accounting a pre-requisite for using ITMOS and should be used for accounting for progress
- Yes to aspect on quantification – guidance needs to be able to give and know how collectively and individually countries are achieving the goal of the Paris Agreement
- On Differentiation, range of NDC types
- On level of detail, questions are very pertinent but this is where we get into detail:
    - Facilitate countries under Article 4
    - Report under Art 13.7b
    - Achievement of NDCs
    - Collectively stand in terms of achieving long-term goal under PA
    - TACCC principles

Zimbabwe

- Speaking on behalf of African Group
- Format of intervention: Cross-cutting issues then substantive elements
- Cross-cutting issues
    - Objective of guidance – trust, build indices, capacity building
    - Existing approaches under guidelines under the Convention and Kyoto Protocol which can be used to improve and build upon
    - Accounting rules
    - Principle of elaborating guidance in terms of TACCC principles is fundamental
- On substantive elements:
    - Methodologies should be consistent, IPCC and CMA adopted methodologies
    - Developed countries shall use latest IPCC methodologies, developing countries encouraged to use IPCC 2006 guidelines and move to latest approaches and guidelines if relevant

    - Methodological consistency is important – when Parties choose it they should ensure consistency moving forward
    - Capacity to use certain methods needs to be considered
    - Accounting rules being discussed under Art 6 on avoiding double counting and ensuring environmental integrity – should not (?) be more stringent than guidelines we are discussing here
    - Art 9.5, 9.7 – needs and barriers in relation to formulating indices
- Proposal to share on structure of list of elements and form basis for discussion

Co-Facilitator clarified if Zimbabwe's suggestion for proposal if it was for streamlining or format of the note, said that there is a chance tomorrow.

Point of order from New Zealand: tomorrow's session dedicated to substance on accounting – looking at proposal that Parties can put forward for streamlining for accounting or substantive discussion?

Co-Facilitator clarified that intension is not to discuss format in informal consultations.

China

- On behalf of LMDC
- Support for Zimbabwe on behalf of African Group on application of guidance taking into account capabilities of different Parties and differentiation should be reflected here
- On accounting guidance, our understanding is it should be concise and pragmatic and applied for all the Parties – different developed and developing countries capabilities must be taken into consideration
- Flexibility for developing countries to select own ways to take responsibility for their own accounting
- Developing countries may move forward over time to high tier of methodologies of accounting
- Parties may report changes in the transparency report if there are changes – do not need to explain if there are no changes
- General guidance for accounting guidance – not necessary to have detailed guidance to Parties
- Regarding 31 c and d – PA has seen maximum consensus and no need for more detail to be provided here
- For substantive elements on accounting guidance, GWP – support Brazil's view that we can have more discussion on this
- For Market issue, this year we have general principles but further step we may have more detailed discussions
- Regarding forest and land sectors for LMDC we cannot allow land sector which would have prejudice to mitigation for agriculture
- To our understanding, accounting guidance is not to assess achievement of NDC but to provide a guidance on to help Parties explain their targets in a clear manner
- Hope guidance to be concise and simple and not too prescriptive
- Quantification should not be part of accounting guidance
- Types of NDCs – not appropriate to provide different guidance for different type of NDCs

India

- Align with China on behalf of LMDC and also Zimbabwe for the African Group especially on parts on application of methodologies and existing ones we must consider
- Slight confusion on first question – do not understand the phrase "Principles of the Paris Agreement" – presume talking about Principles of the Convention?

Co-Facilitator clarified that the questions come from the Co-Chairs reflections note and that it refers to accounting principles.

- Accounting guidance must consider principles of equity and CBDR, and difference in capacities in developed and developing countries and obligations
- Light, general and concise
- Without any burden on developing countries
- Not onerous
- Nature of accounting of NDCs different from accounting in transparency

Ethiopia

- Support suggestion by African Group earlier
- For LDC Group, would like to highlight to build on existing systems, not start from scratch
- Should operate on latest guidelines, not stick with 2006 as we do not know when these guidelines will come into effect – should have reference to that
- Do not have capacity right now to go along with this

Colombia

- Facing the same challenge with information – need to streamline the document and need some guidance to do that work
- Like to mention couple of general topics then jump into specifics
- Next session will be important on streamlining
- On behalf of AILAC
- About the "What" information and elements should be taken into account
- Guidance on accounting is based on the "How" for the mitigation component
- Easier to say the "What" than the "How"
- Have mentioned previously that it is important that there are 3 moments to use this "how" guidance
    - Starting (of implementation)
    - During
    - End
- Principles of Art 4.13 should frame the way we account for NDC
- On quantified information, should be in submission of NDC – should be quantified under NDC
- Level of detail should promote principles of Art 4.13 – not so easy to answer Co-Chairs' question
- Would like to set the work to get some important conclusions and help you to do the work of streamlining the document

Co-Facilitator asked if Parties are willing to stay for a few minutes longer to get through some speakers or to carry it forward.

Japan clarified that we started the session a bit late so suggest to continue. Zimbabwe said that African Group coordination is starting at 6pm so cannot continue.

Co-Facilitator suggested to close this session. Next session is from 11am-12pm in the Chamber Hall.

Speaker list:

EU, Bangladesh, St Lucia, new Zealand, Mexico, USA, Brazil, Norway, Indonesia, Kuwait, Saudi Arabia

The Informal Consultation ended at 6.05pm.