TWN 7
Bonn News Update
www.twn.my
Published by Third World Network
11 May 2017

Deep divide over issue of nationally determined contributions

Bonn, 11 May, (T. Ajit)- Parties at informal consultations on the issue of nationally determined contributions (NDCs) held on May 9 under the UNFCCC's Ad Hoc Working Group on the Paris Agreement (APA), had a very rich expression of views that revealed a deep divide over the features, information and accounting of NDCs.

(According to Article 3 of the Paris Agreement [PA], NDCs are what Parties undertake as a global response to climate change as defined in the various Articles relating to mitigation, adaptation, finance, technology transfer, capacity building and the transparency framework.)

The meeting was co-facilitated by **Sin Liang Cheah (Singapore)** and **Gertraud Wollansky (Ireland)**. The idea of the informal consultations was to seek Parties' reflections on the roundtable on the issue held on 6 May in Bonn. Parties were also asked to share their views on the work for the May session and beyond.

(The issue of NDCs has three sub-items dealing with further guidance on features, information to facilitate clarity, transparency and understanding of NDCs, and accounting.)

As Parties reflected on the roundtable, they expressed how they saw the areas of divergence and convergence, which revealed a wide array of views on the way forward.

China spoke for the **Like Minded Developing Countries (LMDC)** and said that it would highlight what it saw as the divergences at the roundtable and presented the most difficult issues related to accounting, information and features of the NDCs.

According to China, the was the issue of accounting of NDCs had a number of difficult areas which are: the greenhouse gas aspect of NDCs; the focus on the mitigation aspect of NDCs; the issue of internationally transferred mitigation outcomes under Article 6 of the Paris Agreement (PA); reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (known as REDD-plus) and land-use and land use change (LULUCF) issues. China said these related to the mitigation component of NDCs and that other components such as the means of implementation also existed.

It added that while some Parties had requested joint consultations on the modalities of finance to be discussed along with the item on accounting, there was no specific place to discuss issues related to the means of implementation. China said that one Party had raised this in a "clear and concise manner" at the roundtable.

Another issue of divergence with respect to related to 'land-based' accounting as some Parties were of the view that land issue was very sensitive because agriculture is involved and that Parties should steer clear of this. (Many developing countries are concerned over addressing agriculture emissions, which deal with the issue of food security and livelihoods of farmers in developing countries.)

As regards the difficult issue of 'information' to facilitate clarity, transparency and understanding (CTU) of NDCs, China outlined options to organize work as they emerged in the roundtable.

"There were several divergences on whether we need a common approach for all countries. Some Parties could not agree with this approach," said China and added that some Parties had called for a minimum or basic list of information, which could accommodate the different types of NDCs in accordance with the Parties' national circumstances and capacities, along with specific information on the needs of developing countries on the means of implementation.

"Another option was clear differentiation between developed and developing countries", said China. For developed countries, the information relates to action and support, while for developing countries, it could be related to actions, barriers and needs, it added.

China also pointed out that yet another approach suggested was to list the items and elaborate them, viz. mitigation, adaptation and support and the sub-bullets under each element elaborated upon.

It said that there was divergence over the purpose of the information. Parties were divided over whether the information was to aggregate the NDCs for the global stocktake (to assess the collective progress) or for the purpose of providing clarity, transparency and understanding of the individual NDCs, elaborated China.

Additionally, the issue of quantification and putting all types of mitigation NDCs into a single form by seeking quantified information was also an area where there were divergences as some Parties were in favour of this, whereas others said that developing countries lacked the capacity to provide quantitative information and attached high importance to qualitative information, it said further.

According to Chin, yet another area of divergence was over the understanding of the voluntary and mandatory nature of Article 4.8 and paragraph 27 of decision 1/CP.21. Some were of the view that it was mandatory, while others stressed on the words "may" and "inter alia". Some Parties also said that Article 4.8 was an obligation to provide information, while others thought that provision of specific information was not mandatory.

(Paragraph 27 of the Paris decision reads: *"Agrees that the information to be provided by Parties communicating their NDCs, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its NDC is fair and ambitious, in the light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2."*

Article 4.8 reads*: "In communicating their NDCs, all Parties shall provide the information necessary for clarity, transparency and understanding in accordance with decision 1/CP.21 and any relevant decisions of the Conference of the Parties serving as the meeting of the Parties to this Agreement."*)

China saw convergence emerging over the lack of capacity of developing countries and that give this fact, the guidance on information should not be intrusive or punitive on them.

"However, there are different understandings of what is non-punitive or non-intrusive. Some spoke of imposing boundary conditions, which others thought was intrusive. We have to find the middle-ground between 'nationally determined' and 'guidance for everyone' to preserve their ambition, while putting forth their NDCs," said China.

The issue of the features of NDCs was most difficult, according to China. In this regard, there was no convergence, except for the feature that the contributions are nationally determined, said China.

There are different understandings about the guidance over the features of NDCs, said China.

It explained that some Parties referred to Article 4.3 of the PA but they picked some elements that are valuable for them. Some Parties picked the element of 'progression' (in ambition) but miss the reference to 'common but differentiated responsibilities and respective capabilities (CBDR-RC), in the light of national circumstances,' elaborated China further. It added that some Parties referred to the feature of 'ambition' (of NDCs) but miss the full scope feature of the NDCs.

"Some Parties interpret Article 4.4 as being the final destination for economy-wide targets, but some Parties said that article provides for a clear differentiation between developed and developing countries, and this differentiation has to be reflected in all the features," said China.

(Article 4.4 of the PA reads: *Developed country Parties should continue taking the lead by undertaking economy-wide absolute emission reduction targets. Developing country Parties should continue enhancing their mitigation efforts, and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances.*)

On the way forward, China said that many options could emerge as Parties continue work on the features of NDCs and also added that there were suggestions in the workshop to put the issue features aside and focus on information and accounting, but this was resisted with different views.

"The features of NDCs should be upfront for guidance on information and accounting," stressed China.

The LMDC view as expressed by China was also supported by **Iran and Algeria**.

Speaking for the **Arab Group, Saudi Arabia** said there were clear divergence on issues and that Parties would benefit from discussions on the scope of NDCs and first agree on the scope. It emphasized three areas of importance: design, scope and differentiation.

Saudi Arabia said NDCs could not undermine the nationally determined nature of NDCs, which is fundamental. On scope, it said the mandate of the Paris decision (from paragraphs 26, 27, 28) is not limited to mitigation alone.

Saudi Arabia asked for adaptation and the means of implementation to be included in the scope. Countries have submitted their intended NDCs, and we need to refer to them in designing the features, said Saudi Arabia. It also suggested that Parties would benefit by from discussing the principle of CBDR-RC and how differentiation would be operationalized in the implementation of the PA.

St Lucia spoke for the **Alliance of Small Island States (AOSIS)** and said that Article 4 has many features and that some would benefit from further guidance. On information, it said Parties had emphasized the nationally determined nature of NDCs. There was broad agreement that information would be required and some specific information would be required in connection with the different types of NDCs to facilitate CTU. According to St Lucia, some work had started with paragraph 27 of decision 1/CP.21 as the starting point, with elements of information in there. On accounting, St Lucia said it had heard Parties call for quantification and that guidance was needed particularly with respect to Article 6 of the PA and the land sector.

Zimbabwe spoke for the **African Group** called for having different levels of information for Parties and said that submissions could be the basis from which to identify work. It called for a technical paper by the Secretariat to guide the discussions.

Brazil said while there was general convergence around what NDCs look like and Parties did not need to enter into the exercise of interpreting Article 4. It added that the biggest takeaway from the roundtable was the link between features and CTU. It underscored the link between Article 4 and Article 13 (on the transparency framework). As a way forward, Brazil proposed that Parties should begin discussions on information and that would eventually unlock features and accounting

India said there were certain core issues that were central to its position. Article 3 of the PA read along with paragraphs 26, 27 and 28 of decision 1/CP.21 lays the comprehensive ambit of the scope of NDCs, said India. "Mitigation is one of the features of NDCs. Article 3 of PA clearly defines NDCs to include mitigation, adaptation and means of implementation including finance, technology and capacity building, in the context of Article 2 which lays the aim of Convention, in the rubric of sustainable development and poverty eradication," it added.

The 'nationally determined' feature was key to NDCs, it said and Parties must reassure each other that the PA will not be renegotiated to compromise this feature. NDCs will retain the space given by the Convention and the PA for all Parties to decide their course of action depending upon their national circumstances, said India.

"The guidance should certainly not aim to convert all Parties' NDCs into a single form of absolute form of greenhouse gas (GHG) reductions. Such quantification will alter the 'national' nature of NDCs, and give it a prescriptive nature," emphasized India.

It said that it had heard that mitigation-centric information would aid aggregation. "However, we have already seen technical aggregations of a variety of commitments or pledged in the United Nation's Environmental Programme's Emissions Gap Report for the pre-2020 period. Therefore, a variety in types of NDC is not a hurdle in the aggregation of NDCs. Technical bodies like IPCC can aggregate these efforts," it said further.

Another central issue that flows from Article 2 of the PA it said, is the principle of equity and CBDRRC.

"The operationalization of differentiation needs to be an essential part of the guidance on features. Articles 2.2, 4.4, 4.5, 9, 10 and 11 of PA provides the necessary guidance on this aspect of NDCs. It must be recognized that progression in ambition is co-terminus with progression on support. Article 4.4 urges developed countries to take the lead for climate change actions by undertaking economy wide absolute emission reductions. This operationalises the principle of equity and CBDR enshrined in the Convention and Article 2 of the PA. Similarly, Article 4.5 mandates that developing countries shall receive support for achieving their NDCs. Therefore, a simultaneous progression on action and support, would motivate Parties to the PA to take ambitious actions and achieve the objective of the Convention," said India.

With respect to guidance on information and accounting, India was of the view that the inherent difference in capacities of developed and developing Parties would translate in differentiated guidelines between developed and developing Parties with respect to the information provided and its accounting.

Developed countries would be required to provide greater types of information, and greater details under each type, said India. This information would pertain, essentially, to the planned emission reductions and support to be provided to developing countries. However, the developing countries, given their limited capacities, would be provided a differentiated framework to provide the information pertaining to their NDCs as determined nationally by them, it added.

India stressed that information on NDCs is qualitatively different from the information sought under the transparency framework, since the information on NDCs is ex-ante and given along with the communication of NDCs, while the information under the transparency framework is ex-post and provided after the NDCs have entered their implementation stage. This means that information on NDCs cannot be as detailed and specific as the information sought under transparency, it added further.

"The guidance for information and accounting should build on the existing guidance structures available in the Convention, its Kyoto Protocol, and the relevant provisions of the PA and decision 1/CP.21. In case of information, paragraph 27 gives developing countries the flexibility regarding the information to be provided by them," said India.

It also said that the features arrived as a result of these deliberations should limit itself to the scope laid down within the Article 3 of the PA and not introduce additional features or impose any additional burden on the developing countries. Further, these features will be applicable only to the second round of NDC submissions, reminded India.

New Zealand reflecting on the roundtable, said that with respect to the features, there was a sense of convergence of what the NDCs look like, especially regarding the nationally determined nature of NDCs. It said that it had found South Africa's proposal particularly interesting wherein South Africa had proposed that even though NDCs are nationally determined, some aspects could be centrally determined.

On information, it said that some Parties had said that information was mandatory while some said it was voluntary and that it would depend on the type of NDCs. While some Parties said they should seek to build from existing systems, others felt that aggregation with respect to the Global Stocktake was a really important purpose of information.

On accounting, New Zealand said that the area needed more discussions and that there were different views on whether accounting should be at the end or is a continuous process. On the work going forward, it said that Parties could identify how concepts could work in practice and agree on the list of features and information and which of them were standalone. It also said that if accounting could be demystified or simplified, that would be useful way of going forward.

Canada started its intervention by going through some crosscutting "non-issues", which it said were scope of the agenda item, scope of NDCs and differentiation or bifurcation.

It said that the scope of the item could be inferred from the title of the item, which is further guidance on mitigation action. It added that it views the scope of the NDCs as being "mitigation only", since that was the legally binding provision in Article 4. It also said that while that did not preclude Parties from including other items, but those would not apply and it was not worth the investigation on how they apply. Canada also said that there were particular paragraphs in Article 4 that deal with differentiation, but Article 4.8, 4.15 and 4.18, there is no differentiation.

Australia found the roundtable to be useful. It added that while the accounting issue was technical and there were differences in the headings or elements, Parties should discuss what are the headings/elements as a starting point.

The **European Union (EU)** said there were several commonalities. On features, it said that many were captured in Article 4 of the PA and added that feature as inherent characteristics of NDCs were different from CTU and accounting. It said that some guidance should be provided for all NDCs, such as target years, and some guidance should be tailored for diversity of topic types.

Guidance should find appropriate and careful wording that different Parties undertake, but this not the same as developing a list of NDC types. It said that NDCs can have different kinds of targets. It added that many Parties had agreed that accounting was related to tracking of progress and linked to the transparency framework.

(On 10 May, Parties started discussing guidance on information. Discussions on information will continue on 11 May.)

Edited by Meena Raman