



REVIEW OF LAND-SECTOR TOPICS ADDRESSED UNDER APA AGENDA ITEM 3

FURTHER GUIDANCE IN RELATION TO THE MITIGATION SECTION OF DECISION 1/CP.21¹

August, 2018

As part of the mandate to finalize the Paris Agreement rulebook by December 2018, countries need to prepare further guidance on nationally determined contributions (NDCs). Specifically, this guidance for NDCs refers to i) information that countries should include, ii) creation of baselines and national emissions reduction targets, iii) scope and coverage, iv) assumptions and methodologies used to develop the NDC and national greenhouse gas (GHG) inventory, v) information to track progress on NDC implementation, and vi) guidance on accounting for NDCs.

The land sector (e.g., forests, grasslands, wetlands, peatlands, agricultural landscapes, and coastal ecosystems), as part of overall climate action, deserves particular attention in negotiations on this topic to ensure that guidance on NDCs reflects the potential of nature to support the mitigation and adaptation outcomes described by the global climate goals of the Paris Agreement.

Parties submitted views and proposed content on this guidance as reflected in an extensive informal note² prepared at COP 23. Parties' suggestions for guidance were included in the informal note, reflecting points of commonality and divergence of views on how to structure the guidance. Further, Parties shared views during the May 2018 intersessional in Bonn, Germany and agreed that a streamlined Navigation Tool³ would be included in compliment to the informal note for discussion at the September session in Bangkok. In addition to these two documents, the Co-Chairs released an Additional Tool⁴ under APA Agenda Item 3 in August 2018 for consideration at the Bangkok session.

In the following review, Conservation International (CI), National Wildlife Federation (NWF), Environmental Defense Fund (EDF), Forest Trends, The Nature Conservancy (TNC), Wildlife Conservation Society (WCS), and Woods Hole Research Center provide recommendations to support the inclusion of the land sector in NDC guidance, based on a similar analysis in April 2018, and following the outline of the Co-Chairs' Additional Tool which was made available on 6 August 2018.

¹ This analysis is limited to views submitted under APA Agenda item 3 with relevance to the land sector. For that reason, this document reviews only specific sections and sub-elements of the outlines in the three current documents under discussion in APA agenda item 3, referred to here as the "informal note from COP 23," the "navigation tool" from the SB48 conclusions, and the "additional tool" provided by the Co-chairs in advance of APA 1-6. The selected sections of analysis are specified throughout the document.

² See: https://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_3_informal_note_final_version.pdf

³ See: https://unfccc.int/sites/default/files/resource/APA1-5_item3_Final%20Iteration_8May.pdf

⁴ See: https://unfccc.int/sites/default/files/resource/APA1.6.Informal.1.Add_.1.pdf

DETAILED RECOMMENDATIONS CONSIDERING THE CURRENT DOCUMENTS FOR APA AGENDA ITEM 3

In order to advance on specific guidance needed by the December deadline, the Additional Tool offers several helpful elements to facilitate Parties' discussions during APA 1-6. This includes a streamlined outline and views, some reorganization of topics, boxes that provide examples for streamlined guidance, line numbering, italics to mark elements that are currently not operational, and guiding questions for Parties' discussion on:

- succinctly expressing the current guidance;
- focusing on the guidance needed for the conclusion of COP 24; and
- identifying guidance that should be provided under other agenda items.

The proposed streamlining represents a meaningful advance towards operationalizing further guidance on NDCs, but Parties will need to agree quickly on a procedural method to focus on building consensus towards the substantive content of the guidance.

Section II. D2. Substantive elements under “Information to facilitate clarity, transparency and understanding (ICTU).”⁵ Including Reference point, Scope and coverage, and Assumptions and methodologies

Under this section, summary guidance is suggested for the NDC reference point, scope and coverage, and assumptions and methodologies that include information relevant to the land sector, among other topics.

Recommendations on “Information to facilitate clarity transparency and understanding (ICTU),” including Reference point, Scope and coverage, Assumptions and methodologies⁶

Further NDC guidance should encourage countries to provide key information such as:

- Scope (e.g., sectors to be included, considering all sources and sinks, addressing both mitigation and adaptation efforts, any excluded sectors);
- Level of detail (e.g., information on multiple/different types of mitigation targets, all relevant gases, independently of each other);
- Methodologies used for setting the reference point and for accounting.

This will support comparability between Parties' NDCs. We also recommend that further guidance on NDCs should encourage countries to include efforts across all sectors of the economy, particularly on natural climate solutions.

⁵ See page 8 of the Additional Note. In the informal note from COP 23, this topic was similarly under II. Information. (D) “Substantive elements.”

⁶ The titles of these topics reflect sub-topics from the additional tool that have been summarized by the authors for brevity.

Section III. Accounting for Parties' NDCs⁷: A. Understanding of accounting; B. Objectives; and D. Approaches under the Convention

We recognize that discussions on the topic of accounting occur in relation to the transparency framework (Article 13 of the Paris Agreement), and that many of the topics discussed under accounting guidance for NDCs will serve as placeholders for the outcomes from other discussions, such as Article 6, transparency, and accounting.

Note on Previous Sub-element E. Principles: This heading from the informal note has been removed from the current outline of the Additional Tool and many of the views have been reincorporated into Section III under sub-elements A and B. These topics do not specifically address the land sector; however, existing views regarding the comparability of accounting methodologies between developed and developing countries would have significant implications for the implementation and participation in mechanisms developed under Article 6.

Recommendations for guidance on Accounting for NDCs, including Understanding, Objectives, and Approaches under the Convention

We recommend the use and periodic refinement of robust accounting guidance from the IPCC guidelines to ensure environmental integrity, accuracy, facilitate transparency and completeness, and avoid double counting of emission reduction units across all sectors. NDC accounting for the land sector should employ approaches already recognized under the Convention, such as the most up-to-date IPCC guidelines.

Section III. F2. Specific elements under “Accounting for Parties NDCs”

Many Parties expressed their views on NDC accounting guidance directly under “Sub-element G. Specific elements under accounting.” Party views under this sub-element contained a wide variety of topics relevant to the land sector, and are analyzed below, with one topic per section.⁸

Accounting for Emissions and Removals with Common Metrics - IPCC⁹

This section addresses Party views on the common metrics to be used to account for GHG and non-GHG goals under a country's NDC.

Recommendations regarding Accounting with Common Metrics - IPCC

We recommend that NDC accounting align with the common metrics and methodologies established in IPCC guidelines, and that these be refined and updated periodically by the IPCC. Any improvements or updates to these frameworks should be applicable to all Parties.

⁷ See page 20 of the Additional Tool. In the informal note from COP 23, these sections were arranged similarly.

⁸ The titles of these topics have been summarized by the authors for brevity.

⁹ From decision 1/CP.21, para. 31(a)

Methodological Consistency¹⁰

This section addresses Party views submitted regarding consistency of methodologies, both for reporting across countries and between an NDC and its implementation.

Recommendations regarding Methodological Consistency

Consistency in accounting should be understood as using the same accounting methodologies or approaches between the NDC target(s) and the tracking of progress on implementation of the NDC. We recommend that NDC guidance comprehensively and consistently account for both emissions and removals of all relevant gases, independently of each other. Guidance may include provisions for countries to use a stepwise approach to increase accuracy in future NDCs, as long as sufficient information is provided to reconstruct any country-specific methodologies.

Inclusion of All Categories of Emissions and Removals¹¹

This section provides additional guidance on the mandate for Parties to include all categories of emissions and removals in their NDCs.

Recommendations regarding Categories of Emissions & Removals

We recommend that NDC guidance comprehensively and consistently account for both emissions and removals of all relevant gases, independently of each other. All relevant categories without IPCC guidelines should be defined. Guidance may include provisions for countries to use a stepwise approach, with the understanding that Parties should strive toward complete coverage and that once categories are included, their inclusion should be continued. Any differences of definitions or categories between the NDC and GHG inventory should be explained in the NDC.

Article 6 accounting in NDCs

This section addresses the range of Party views on whether and how to include NDC accounting guidance on the topic of Article 6 for voluntary cooperation and market/non-market mechanisms.

Recommendations regarding Article 6 accounting

Detailed guidance on Article 6.2 should be developed under SBSTA agenda item 12; however, countries should be mindful of the potential overlap with the development of NDC guidance to ensure coherence. Under SBSTA agenda item 12, we recommend that Parties take the following steps when developing aspects of Article 6.2 guidance:

- Parties should facilitate the generation and robust accounting of emission reduction transfers across all sectors and take advantage of the potential for removals by sinks;

¹⁰ From decision 1/CP.21, para. 31(b)

¹¹ From decision 1/CP.21, para. 31(c) and (d)

Recommendations regarding Article 6 accounting (continued)

- To support participation of any Parties interested in engaging in cooperative approaches while ensuring the environmental integrity of transfers, all Parties wishing to engage in ITMOs should provide quantified information regarding NDC targets, baselines and/or reference points; and
- Parties should prepare guidance and the necessary systems to facilitate the acquisition of ITMOs by non-Party actors (such as the International Civil Aviation Organization's market-based measure) in a way that ensures the avoidance of double counting.

In preparing this guidance, Parties should consider the necessary requirements for reporting and review needed to ensure that Parties provide accurate, timely information for activities under Article 6.2.

Tracking Progress

This sub-topic was added based on Party views during the APA 1-5 discussions in Bonn, and includes guidance for how Parties should track progress towards implementation of their NDC, and how to measure progress towards targets in the NDC.

Recommendations regarding tracking progress

We recommend that guidance encourage countries to track progress on the implementation of their respective NDCs, including emissions and removals for all sectors. Parties should describe what information they will provide, and how they intend to measure and monitor progress toward targets.

Harmonization of rules with ICAO and IMO

While some Parties proposed that ICAO and IMO rules should be harmonized with IPCC guidelines on bunker fuels, others suggested deleting this section.

(no recommendations)

Operationalization of principles of Article 4.13

Party views have addressed how to operationalize accounting for anthropogenic emissions and removals in NDCs according to the principles of environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensuring the avoidance of double counting, as specified in Article 4.13 of the Paris Agreement.

Recommendations regarding the operationalization of principles of Article 4.13

We recommend that further guidance on NDCs should aim to promote high environmental integrity, avoidance of double counting or claiming of emission reduction units, ensure transparency, accuracy, and completeness and be prepared in a consistent and comparable manner. To achieve these principles, we suggest the following:

Recommendations regarding the operationalization of principles of Article 4.13 (continued)

- Environmental integrity in accounting means that emissions and reductions are real and verifiable, and minimize any secondary effects to the health and quality of ecosystems;
- Consistency in accounting should be understood as using the same accounting methodologies or approaches between the NDC target(s) and tracking progress on implementation of the NDC; and
- Avoiding double counting means that a Party should ensure that an emissions reduction is counted only once, by one Party, within their NDC (i.e., not counted by two different sectors), and avoiding double claiming means that an emissions reduction is claimed only once toward a mitigation obligation. This can be achieved through strong systems for monitoring, reporting, and verifying reductions and registries for any emissions reductions transferred or sold.

OTHER RECOMMENDATIONS ON AGENDA ITEM 3, FURTHER GUIDANCE ON NDCS

In addition to the above analysis regarding the land sector in Party submissions on NDC guidance, there are several important topics which should be addressed by NDC guidance and are worthy of additional consideration.

Adaptation. On the topic of adaptation, NDC guidance should recognize the possibility for countries to communicate adaptation needs, plans, and actions, **through a country's NDC, and should address all sectors, especially including approaches that leverage ecosystem-based adaptation and improved ecosystem health for delivering socioeconomic and mitigation co-benefits.** For example, inclusion of coastal ecosystems in adaptation planning can provide critical protection from the impacts of climate change for some of the world's most vulnerable people by attenuating waves, providing storm protection, and stabilizing shorelines from erosion.

Oceans and coasts. Regarding ocean and coastal ecosystems, these were not included in this analysis, but they are important for both mitigation and adaptation. For example, coastal ecosystems such as mangroves, tidal marshes and seagrass meadows are powerful carbon sinks that sequester up to 10 times the carbon of tropical forests by area,¹² making them one of the most cost-effective tools for mitigating emissions and adapting to a changing climate. Including coastal ecosystems in NDCs can help to meet mitigation and adaptation goals and, in addition, contribute to livelihoods and food security by maintaining fisheries and aquaculture production and improve water quality while conserving unique biodiversity and socio-cultural identities. **Further work is needed within the UNFCCC to integrate coastal and marine ecosystems into national and international climate actions.**

¹² Pendleton, Linwood, et al. "Estimating global "blue carbon" emissions from conversion and degradation of vegetated coastal ecosystems." *PloS one* 7.9 (2012): e43542.; and Pan Y, Birdsey RA, Fang J, et al. 2011. A large and persistent carbon sink in the world's forests. *Science* 333: 988–93.