

[NACAG PARTNER COUNTRY: OFFICIAL LETTER HEAD]

Nitric Acid Climate Action Group

Secretariat
Köthener Straße 2-3
10963 Berlin
Germany

CLIMATE MITIGATION UNDERTAKING CONCERNING THE COOPERATION AMONG THE NITRIC ACID CLIMATE ACTION GROUP AND WITH A VIEW TO THE IMPLEMENTATION OF THE PARIS AGREEMENT (“NACAG Statement of Undertaking”)

[Date]

Dear Members of the Nitric Acid Climate Action Group,

I am writing on behalf of the Government of [...], and I make reference to the discussions held between [...] and [...] at the occasion of [...] concerning our intention to join the Nitric Acid Climate Action Group.

IN THAT regard; and

AFFIRMING the objectives of the Nitric Acid Climate Action Group, namely to phase out N₂O emissions as soon as possible, and our interest to participate in its initiatives; and

ACKNOWLEDGING the value of the group’s multilateral effort to achieve substantial long-term mitigation results; and

IN CONSIDERATION of the objectives of the Paris Agreement, to which **[add country]** is a signatory and which it has ratified on *[add date]*; and

UNDERLINING the need to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; and

AFFIRMING the importance of nationally determined contributions, as undertaken by all Parties to the Paris Agreement, for the global response to climate change, and for such contributions to progress in ambition over time; and

RECOGNIZING the specific role of international climate finance for those Parties that are in need of support for the effective implementation of the Paris Agreement; and

WELCOMING the Nitric Acid Climate Action Group's support facility, enabled by Germany, to support owners and operators of nitric acid production installations in [add country] to install nitrous oxide abatement technology; and

IN PURSUIT of maintaining long-term mitigation results within this industrial sector of [add country] as a whole;

THE FOLLOWING TERMS ARE AGREED BY MY GOVERNMENT:

1. We undertake to design and implement suitable policies, regulations and/or incentive mechanisms such as those based on emissions trading to ensure that, within three (3) years of execution of this NACAG Statement of Undertaking:
 - a. all nitric acid production installations (henceforth referred to as "**Installations**") located in [add country] – whether existing or new and whether owned or operated by public or private entities – be continuously equipped with state-of-the-art technology to effectively remove N₂O emissions from their production cycles; and that
 - b. adequate processes for comprehensive monitoring and reporting of nitrous oxide (N₂O) emissions at all Installations be established,

so as to permanently achieve an optimum in emission mitigation results in the nitric acid production sector of [add country] ("NACAG Statement of Undertaking").

2. While the specific policies, instruments and measures to be taken shall remain at our discretion, it is further accepted and agreed as part of the Commitment that nitrous oxide (N₂O) emission reduction activities implemented in an Installation in [add country] shall not be subject to, or used for the purpose of, international offsetting or other forms of international emissions trading, on regulated and on voluntary markets alike. While domestic offsetting or other forms of domestic emissions trading with emission reductions from nitric acid production activities shall be permitted, we also undertake to ensure that no direct or indirect resale or subsequent referral to international recipients shall occur.

3. We shall consider the appropriate modalities for including the undertakings as agreed in this letter in the successive nationally determined contribution to be communicated to the secretariat of the United Nations Framework Convention on Climate Change.

4. For the purpose of accounting for our nationally determined contributions, we shall retain the title to all emission reductions generated from Installations located in **[add country]**, with the provision that said emission reductions shall not be made part of an international transfer in accordance with Article 6 or any other provision of the Paris Agreement.

Yours very truly,

[responsible Minister]