

## **EIG's views on the enhanced transparency framework (APA agenda item 5)**

The Environmental Integrity Group (EIG) is pleased to submit its views on APA Item 5, “*Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement*”. The structure contained in the co-facilitators informal note forms the basis for the submission. The EIG hereby provides more detailed views on the specific elements of the MPGs for the enhanced transparency framework, highlighting the elements that are particularly important to the group.

### **General remark:**

The common modalities, procedures and guidelines (MPGs) must be comprehensive in scope and detail in order to be applicable by all Parties with various levels of capacities and to make sure Parties are maintaining the quality of reporting in accordance with their respective obligations under the Convention. The MPGs should give a direction of travel for the overall improvement of the level of transparency. They should provide the ‘end point’ of reporting and review standards that need to be met for fully serving the purpose of the Paris Agreement. This allows Parties to move towards more robust reporting over time even though not departing from the same starting point. In order to allow all Parties to apply the guidelines, they must provide built-in flexibility which takes into account Parties’ different capacities. Not all reporting requirements of the new MPGs will require the same amount of capacity, and some will not require flexibility at all. Accordingly, flexibility needs to be operationalized differently depending on the exact reporting requirement. For some elements, the tiered approach built-into the IPCC guidelines provides enough flexibility. For others, additional flexibility is required. This is reflected and explained in the annex to this submission.

### **Overarching considerations and guiding principles for the development of the MPGs:**

Overarching considerations and guiding principles are essential in order to guide the development of the common MPGs and are reflected in Art. 13.3 of the Paris Agreement and § 92 of 1/CP.21. Hence, these principles will need to be operationalized in the MPGs itself and some might be reflected in the guidance:

- build on and enhance the transparency arrangements under the Convention, recognizing the special circumstances of the least developed countries and small island developing States [Art. 13.3];
- be implemented in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty [Art. 13.3];
- facilitate improved reporting and transparency over time [1/CP21, § 92a];
- provide flexibility to those developing country Parties that need it in the light of their capacities [1/CP.21, § 92b];
- avoid duplication as well as undue burden on Parties and the Secretariat [Art. 13.3, 1/CP.21, § 92d];
- ensure Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention [1/CP.21, § 92e].

### **Structure:**

In fulfilment of the mandate as specified in Art. 13.13 of the Paris Agreement, we foresee the following components:

- A CMA decision (see elements for a draft CMA decision below);
- Annex 1: Reporting Guidelines for national greenhouse gas inventories (see Annex 1 of this document);

- Annex 2: Reporting Guidelines for [biennial transparency reports] (see Annex 2 of this document);
- Annex 3: Modalities and procedures for the technical expert review and the facilitative multilateral consideration of progress (see Annex 3 of this document).

#### **Elements for the draft decision x/CMA.1**

- Recalling relevant provisions of the Paris Agreement (Art. 13.7-13.11);
- Recalling the mandate for the work programme of the common MPGs (Art. 13.13);
- Adoption of the guidelines contained in annexes on the preparation of national greenhouse gas inventories (Annex I), the preparation of [biennial transparency reports] (Annex II) and the modalities and procedures for the technical expert review and the facilitative multilateral consideration of progress (Annex III);
- Decision that the first national greenhouse gas inventory report and CTF tables, prepared in accordance with Annex I, shall be submitted by XX.XX.2022;
- Decision that the first [biennial transparency report], prepared in accordance with sections I-VI of the guidelines contained in Annex II, shall be submitted by XX.XX.2022;
- Decision that least developed country Parties and Small Island Developing States may submit this information at their discretion, applying the guidelines to the extent possible;
- Decision that the Biennial Assessment shall be an inherent part of the enhanced transparency framework and be used to track all finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, and to provide a full overview of aggregate financial support provided and mobilized from a variety of sources, instruments and channels, to inform the global stocktake under Article 14 of the Paris Agreement.
- Decision to establish a work programme under the [SBSTA] at its 50<sup>th</sup> session (first sessional period in 2019) on the development of a common tabular format for the electronic reporting of information according to the reporting guidelines referred to in paragraph [x] above, with a view to adopting the format by [2020];
- Decision to establish a work programme under the [SBSTA] at its 56<sup>th</sup> session (first sessional period in 2022) on the revision of the common modalities, procedures and guidelines (MPGs) for the transparency of action and support, based on the experiences gained, with a view to adopting the revised MPGs by [2024].

In addition, a **COP decision in 2018** will need to define the date of the last BRs and BURs:

- Decision, that the last biennial report and biennial update report shall be submitted by 1.1.2020 and 31.12.2020 respectively;

## **Annex 1: Reporting Guidelines for national greenhouse gas inventories**

### **National inventory report on anthropogenic emissions by sources and removals by sinks of greenhouse gases**

#### **1. Objectives and principles;**

- The transparency framework shall provide flexibility in the implementation of the provisions of Art. 13 of the Paris Agreement to those developing country Parties that need it in the light of their capacities. These common modalities, procedures and shall reflect such flexibility (*Art. 13.2*);
- The transparency framework shall build on an enhance the transparency arrangements under the convention, recognizing the special circumstances of the least developed countries and small island developing States, and be implemented in a facilitative, non-intrusive, on-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties (*Art. 13.3*);
- Provide a clear understanding of climate change action in the light of the objective of the Convention, as set out in its Article 2 (*Art. 13.5*);
- Inform the global stocktake under Article 14 (*Art. 13.5*);
- Promote transparency, accuracy, completeness, consistency and comparability (*1/CP.21, § 92c*);
- Ensure that double counting is avoided (*1/CP21, paragraph 92f*);
- Ensure environmental integrity (*1/CP21, paragraph 92g*);

#### **2. Definitions;**

- Use of common terms as defined in the most recent IPCC Guidelines ;

#### **3. Institutional arrangements:**

##### **a.) Inventory planning, preparation and management;**

- Parties to implement and maintain national inventory arrangements, including institutional, legal and procedural arrangements made within a Party and for reporting and archiving of inventory information, including:
  - Designation of a single national entity with overall responsibility for the national inventory;
  - Definition, allocation and documentation of responsibilities in the inventory development process;
  - Elaboration of an QA/QC plan;
  - Establishment of processes for the official consideration and approval of the inventory;
  - Archiving of relevant inventory information, including access thereto for expert review teams;
- If information on institutional arrangements have been described in line with paragraphs [x-y] above in previous reports, reference should be made to it.

*Flexibility: no flexibility needed. Although the implementation and maintenance of national inventory arrangements do require capacities, the reporting requirements do not as they are formulated very generally.*

#### 4. Methodologies:

- Obligation for all Parties to use the most recent IPCC Guidelines. If a Party is unable to do so, information on the barriers and constraints in fully using the most recent IPCC Guidelines must be provided. Also, Parties are encouraged to include a timeline for the future application;
- Parties may use the IPCC KP Supplement (2013 Revised Supplementary Methods and Good Practice Guidance Arising from The Kyoto Protocol) and the IPCC Wetlands Supplement (2013 Supplement to the 2006 Guidelines for National Greenhouse Gas Inventories: Wetlands) if relevant approaches are chosen;

*Flexibility: flexibility is provided through the option to use previous IPCC Guidelines. However, information on the barriers and constraints in fully using the most recent IPCC Guidelines must be provided, including a timeline for the future application.*

#### 5. Metrics;

- In reporting aggregated GHG emissions and removals in CO<sub>2</sub> equivalents, Parties are to use the 100-year GWP provided by the IPCC .

#### 6. Reporting guidance:

##### a) Sectors and gases;

- All Parties are to provide in their national inventories, on a gas-by-gas basis and in unit of mass per sector and category, estimates of anthropogenic emissions and removals of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O by sources and removals by sinks.
- Information on anthropogenic emissions by sources of HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub> is to be provided if any of the following conditions is met:
  - The Party reported on such gases in previous reports;
  - The gases are covered by a Party's NDC;
  - The gases are covered by an activity under Article 6;
  - The gases contribute significantly to a Party's total GHG emissions, e.g. occur in a key category (level analysis only).
- Additional flexibility to be provided if the requested data is not available.
- Invitation to report additional gases for which the IPCC provides guidance (e.g. precursor gases (CO, NO<sub>x</sub>, NMVOCs, SO<sub>x</sub>), indirect CO<sub>2</sub>, HFEs, PFPEs).
- GHG emissions and removals to be presented on a gas-by-gas basis in units of mass by sector and category, with emissions by sources listed separately from removals by sinks.
- Information on international aviation and marine bunker fuel emissions to be provided separately from the national totals, in accordance with IPCC guidance.
- Additional information to be reported with flexibility without corrections relating, for example, to climate variations or trade patterns of electricity.
- Information above to be provided in CRF tables.

*Flexibility: flexibility on the gases is important to allow all Parties to submit biennially a national greenhouse gas inventory report. Accordingly, we suggest to provide flexibility through the conditions above (and regarding the availability of data).*

## **b) Assessment of completeness;**

- Where methodological or data gaps exist, Parties are to present information on these gaps using the notation keys as defined in the most recent IPCC guidelines to fill in the blanks in the CRF table.
- In addition, the following complement to the notation keys as defined in the most recent IPCC guidelines apply:
  - “NE” (not estimated): Where “NE” is used in an inventory, explain in both the NIR table why such emissions or removals have not been estimated, taking into account the reporting requirements for gases [see paragraph x below]. Furthermore, a Party may consider that a disproportionate amount of effort would be required to collect data for a gas from a specific category that would be insignificant in terms of the overall level and trend in national emissions and in such cases use the notation key “NE”. An emission should only be considered insignificant if the likely level of emissions is below [x] per cent of the national total GHG emissions, and does not exceed [x] kt CO<sub>2</sub> eq. The total national aggregate of estimated emissions for all gases and categories considered insignificant shall remain below [x] per cent of the national total GHG emissions. Once emissions from a specific category have been reported in a previous submission, emissions from this specific category shall be reported in subsequent GHG inventory submissions;

## **c) Key categories;<sup>1</sup>**

- Identify key categories for the inventory base year and the latest inventory year for both level and trend, including and excluding LULUCF, in accordance with IPCC guidance. For those developing countries that need it in light of their capacities, which are using the most recent IPCC guidelines, the threshold for the identification of key categories shall be [xx] %.
- Provide information on individual and cumulative percentage contributions from key categories to the national total for both level and trend, in accordance with IPCC guidance, using CRF tables.

*Flexibility: For those developing countries that need it in light of their capacities, which are using the most recent IPCC guidelines, lower thresholds for the identification of key categories should be allowed.*

## **d) Time series consistency and recalculations;**

- The inventory should include a time series of estimates from the latest inventory year back to 1990, using CRF tables.
- For those developing countries that need it in light of their capacity, an initial year later than 1990 can be selected, ensuring it is no later than any date for which the Party has previously reported its emissions.
- The NIR to cover the initial year, the most recent 10 years and any previous years since the initial year ending with 0 or 5. If the information required has not been reported in previous reports and/or is not available, Parties are to provide information of the years available, including the base year and the NDC reference year.
- Inventory to cover the calendar year no more than two years prior to the date of the submission. For Parties that need it in light of their capacity, the inventory must cover the year no more than four years prior to the date of the submission (x-4). These Parties must provide an explanation and are encouraged to provide a timeline for moving to more recent data (x-2). Additional requirements may apply for Parties cooperating under Article 6;

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<sup>1</sup> New sub-heading, under which both the reporting guidance and the methods are explained.

- The same methodologies and underlying emission factors (EFs) and activity data (AD) should be used throughout the inventory. Inconsistencies in the use of methodologies, underlying emission factors (EFs) and activity data (AD) should be reported transparently.
- Recalculations should be done in a transparent manner, ensuring consistency of time series and be carried out to improve accuracy and/or completeness

*Flexibility: is provided in the IPCC guidance. Flexibility for those developing countries that need it in light of their capacities might be needed for the years for which inventory information is reported and for which the recalculations shall be made. In addition, flexibility is provided in the reporting period (x-2/x-4).*

#### **e) Uncertainty analysis;<sup>2</sup>**

- Quantitatively estimate the uncertainty of the data used for all sources and sinks reported in the inventory, in accordance with IPCC guidance.
- Report uncertainties for at least the base year and the latest inventory year, including information on methods used and underlying assumptions, using CRF tables.
- For key categories, the uncertainty should also be discussed qualitatively in the NIR.

*Flexibility: is provided with the option of lower thresholds for the KCA (see above)*

#### **f) Quality assurance/quality control;<sup>3</sup>**

- Elaboration of an inventory quality assurance/quality control (QA/QC) plan and implementation of QC procedures in accordance with IPCC guidance.
- Provide information, in the NIR, on the QA/QC plan.

*Flexibility: at this level of detail, there is no need for flexibility in reporting QA/QC. However, it is important to acknowledge that in undertaking QA/QC, some Parties may face capacity constraints.*

#### **g) Frequency;**

- Submit information no less frequently than on a biennial basis. LDCs and SIDS may submit at their discretion.
- Parties with an obligation for annual submission shall continue to do so. Others are encouraged to move to annual submissions over time.

*Flexibility: Flexibility is provided with respect to frequency (see above)*

#### **7. Constraints, capacity-building needs and improvement plans;**

- Information on constraints in reporting and identification of areas of capacity-building needs, if applicable.
- Include in NIR an improvement plan with (prioritized) items, including those identified by a technical expert review team, and an indication of the time needed for their implementation or an explanation why a Party has been unable to implement.
- Information on results achieved through the capacity-building support for transparency received.

<sup>2</sup> New sub-heading, under which both the reporting guidance and the methods are explained.

<sup>3</sup> New sub-heading, under which both the reporting guidance and the methods are explained.

**9. Submission process, and reporting formats and tables;**

- Submission of a NIR containing detailed and complete information on inventories, using the outline contained in Annex x to decision x/CMA.1
- Submission of the CRF tables, referred to in decision x/CMA.1 (link to SBSTA work programme)
- Submit the NIR in one of the official languages of the UN, encouragement to submit an English translation to facilitate its use by the expert review team.

## **Annex 2: Reporting Guidelines for biennial transparency reports**

### **Section I: General**<sup>4</sup>

#### **1. Objectives and principles;**

- The transparency framework shall provide flexibility in the implementation of the provisions of Art. 13 of the Paris Agreement to those developing country Parties that need it in the light of their capacities. These common modalities, procedures and shall reflect such flexibility (*Art. 13.2*);
- The transparency framework shall build on an enhance the transparency arrangements under the convention, recognizing the special circumstances of the least developed countries and small island developing States, and be implemented in a facilitative, non-intrusive, on-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties (*Art. 13.3*);
- Provide a clear understanding of climate change action in the light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties' individual NDCs under Art. 4, and Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14 (*Art. 13.5*);
- Provide clarity on support provided and received by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11, and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake under Article 14 (*Art. 13.6*);
- Promote transparency, accuracy, completeness, consistency and comparability (*1/CP.21, § 92c*);
- Ensure that double counting is avoided [*1/CP21, paragraph 92f*].
- Ensure environmental integrity (*1/CP21, paragraph 92g*);

#### **2. National circumstances and institutional arrangements;**

- Description of national circumstances. If this information has been provided in previous reports, a reference and, if appropriate, an update should be provided.
- Information on domestic institutional arrangements relevant to the implementation of the Paris Agreement, including institutional, legal, administrative and procedural arrangements used for domestic compliance, monitoring, reporting, archiving of information and evaluation of the progress towards implementation and achievement of a Party's NDC.
- Information on national plans and strategies which set the context of the national circumstances for the provision and mobilization of support. If this information has been provided in previous reports, a reference and, if appropriate, an update should be provided.
- Information on national priorities and country-driven mitigation and adaptation strategies, which provide the context of the national circumstances for support needed and received by developing country Parties. If this information has been provided in previous reports, a reference and, if appropriate, an update should be provided.

If information on national circumstances and institutional arrangements have been described in line with paragraphs [x-y] above in previous reports, reference should be made to it.

### **Section II: Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4 of the Paris Agreement**

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<sup>4</sup> New section and sub-headings added, because there is no need for specific objectives and principles for every single section. Objectives and principles have been formulated for the whole enhanced transparency framework.



### **1. Description of a Party's NDC under Article 4, including updates;**

- The description of the Party's current NDC to include the following information:
  - Information on any updates of the information necessary for clarity, transparency and understanding in accordance with Article 4.8 of the Paris Agreement provided with the NDC communication and/or previous [biennial transparency reports], while ensuring methodological consistency between the communication and the implementation of the NDC;
- Parties may include further information specifying their CTU information.
- Further information requirements might be needed, pending discussions under APA item 3b (information necessary for clarity, transparency and understanding)

### **2. Progress made in implementing its NDC under Article 4 to date;**

#### **a) Indicators to track progress made in implementing and achieving its NDC under Article 4;**

- Information on the current level of emissions for the year for which the most recent inventory data is available.
- For NDCs depending on non-GHG parameters (e.g. GDP, population, etc.), information on the current level of those parameters and any additional information necessary to track progress made in implementing the NDC.
- Information on any ITMOs transferred to or acquired from another Party or stakeholder during the period corresponding to the NDC, including on the origin, related activities, final use (if yet known), current holdings and any other additional information since the last report.
- Qualitative information on the current progress in implementing the NDC, comparing current level of the parameter/indicator with those anticipated under the NDC.

### **3. Achievement of the Party's NDC under Article 4 for the target year/period;**

- In the first report covering all inventory years up to the NDC target year<sup>5</sup>, provide the following information:
  - Information on the achievement of the NDC, by comparing the actual values of emissions, removals/sinks and parameter(s) of the NDC target year with those set in the NDC;
  - Information on net sum of transferred ITMOs (Art. 6.2 and Art. 6.4) during the period of the relevant NDC, the consequent corresponding adjustment in view of NDCs achievement and [other information in accordance with guidance to be adopted for Art. 6 and Art. 4].

### **4. Mitigation policies and measures, actions, and plans, and other actions with mitigation co-benefits, related to the implementation and achievement of an NDC under Article 4;**

- In reporting mitigation policies and measures, focus on those with the most significant impact on the GHG emissions and removals.
- Provide information on policies and measures in the corresponding CTF tables, including:
  - Name of the policy and/or measure;
  - Status of the policy and/or measure (implemented, adopted and/or planned), including starting year of the policy and/or measure;
  - Gases covered by the policy and/or measure;

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<sup>5</sup> It is important to acknowledge that this section will not be included by all Parties in same [biennial transparency report], as inventory data are not available for all Parties at same time (x-2 up to x-4).

- Sectors and gases covered by the policy and/or measure (type of sectors shall be decided in CTF development work programme in SBSTA from 2019);
  - Qualitative description of the policy and/or measure (max. XXX words);
  - Quantitative information on the expected effects of the policy and/or measure in view of the relevant NDC, including methodologies used reported in [a separate document], [an Annex] to the CTF. If a Party is unable to provide this information, a qualitative description on the effect of policies and measures shall be provided.
- If a policy or measure has been maintained over time and is described in line with paragraph [x] above in previous reports, reference should be made to it.

*Flexibility: for those developing countries which need it in light of their capacity, some flexibility will be provided in the completion of the reporting tables and in the estimation of effects of mitigation policies and measures.*

#### **5. Summary of greenhouse gas emissions (GHG) and removals;**

- Summary of the national total GHG emissions and removals information, GHG intensity changes (per capita and per GDP) for the period from the initial year to the latest year reported in the most recent inventory submission, using the respective summary table in the CTF developed by SBSTA.
- Descriptive summary and figures illustrating the GHG emissions reported in the summary tables above, including an explanation of the factors underlying emission trends not included in the summary table above. (max XXX words)
- Parties are encouraged to use the NIR for more detailed information reporting of GHG emissions and removals

*Flexibility: flexibility is given in the reporting of the GHG inventory and in the completion of the respective tables. Accordingly, no additional flexibility is needed here.*

#### **6. Projections of GHG emissions and removals;**

- Provide cut-off year of the projection analysis (refer to the Definition Section of the MPGs).
- At minimum, using the provided cut-off year, report a ‘with measures’, ‘without measures’ (WOM) and ‘with additional measures’ (WAM) projection scenarios with 5 year time frame (e.g. 2020, 2025, 2030, 2035, ...) extending at least until the target year of the current NDC, using CTF tables :
- Present projections on a gas-by-gas basis for the gases reported in the inventory (except PFCs and HFCs, which can be presented collectively) and in an aggregated format using the agreed GWPs;
- Provide quantitative information and historical emissions and removals from initial year to the most recent inventory, annually if feasible;
- Provide information on the models and/or approaches used for the projections including key underlying assumptions and values of variables such as GDP growth, population growth, inter alia;
- For Parties with NDCs based on a BAU scenario, the scenario upon which the NDC is based, must be provided.

*Flexibility: is reflected in the flexibility given for the reporting of gases in the inventory. Parties which have reported projection in the BRs shall not apply flexibility - flexibility shall be provided to those Parties that need it in light of their capacities.*

#### **7. Information on Parties' accounting under Article 4, paragraphs 13 and 14;**

- Information on methodologies and approaches used for the accounting of emissions and removals, in accordance with respective CMA guidance.

*Flexibility: The accounting guidance itself will provide options for Parties to accommodate their national circumstances as well as their capacities. Thus, there is no need for flexibility regarding the reporting of the application of such guidance.*

#### **8. Information related to Article 6, as applicable;**

- Information (in agreed units, e.g. kTCO<sub>2</sub>-eq) on any internationally transferred mitigation outcomes (ITMOs; Art. 6.2 and Art. 6.4) during the period of the relevant NDC;
- Information on the (expected) share (in %) of the mitigation outcomes that are used for achieving the NDC;
- Information on any use of ITMOs (achievement of NDC, mitigation under other UN organizations such as ICAO, climate finance, voluntary cancellation, ITMOs held in accounts that have not been used towards meeting a NDC, etc.) and how double counting is avoided in such cases;
- Information on the period and/or year (vintage) of the ITMOs and how this information is tracked;
- Provide information that demonstrates that, in using cooperative approaches, environmental integrity is ensured and sustainable development promoted.
- Information on whether Parties have fulfilled eligibility criteria for market participation, such as information on national registry and the designated national authority (DNA).
- Information on [other information in accordance with guidance to be adopted for Art. 6].

#### **9. Capacity-building needs and improvement plans;**

- Information on constraints in reporting and identification of areas of capacity-building needs, if applicable;
- Include in BTR an improvement plan with (prioritized) items, including those identified by a technical expert review team, and an indication of the time needed for their implementation;
- Information on results achieved through the capacity-building support for transparency received.

### **Section III: Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement, as appropriate**

#### **1. General**

- If the information required under this section has been provided in another report and/or in a previous report under Art. 13, a reference and, if appropriate, an update should be provided.

#### **2. Vulnerabilities, risks and impacts, and methodologies used;**

- Information on risks and vulnerability to current and future impacts of climate change, including the methodologies used for the assessment.

#### **3. Adaptation policies, strategies, plans and actions and efforts to mainstream adaptation into national policies and strategies;**

- Information on domestic adaptation planning, strategies and approaches and on efforts to mainstream adaptation into national policies and strategies.

**4. Adaptation priorities, barriers, costs and needs;**

- Information on adaptation priorities, barriers, costs and needs.

**5. Progress on implementation of adaptation;**

- Information on the progress and implementation of adaptation actions.

**6. Monitoring and evaluation of adaptation actions and processes;**

- Information on approaches used for monitoring and evaluation of adaptation strategies, plans or actions.

**7. Cooperation, good practices, experiences, and lessons learned;**

- Information on efforts made in sharing information, good practices, experiences and lessons learned.

**8. Effectiveness and sustainability of adaptation action;**

- Information on the effectiveness and sustainability of adaptation actions taken.

**Section IV: Information on financial, technology transfer and capacity-building support provided under Articles 9–11 of the Paris Agreement**

**1. Underlying assumptions, definitions, and methodologies for financial, technology transfer and capacity-building support provided to developing country Parties under Articles 9–11 of the Paris Agreement;**

- Underlying assumptions, definitions and methodologies used by Parties, including:
  - Description of the Parties national approach for tracking the financial support it provided and mobilized
  - Assumptions made to identify and definition used for mobilized finance
  - Methodology used to track the technology transfer and capacity-building support as an element of the financial support provided
  - Information on and definitions used for the reported instruments and channels
  - Definitions and assumptions used to identify the source of support provided and mobilized
  - Definitions used to identify the sectors of the support provided and mobilized
  - Definitions, assumptions and methodologies used to identify the purpose of support provided and mobilized
  - Information on currencies used including the exchange rate applied to convert the original currency to USD

**2. Information on financial support provided and mobilized under Article 9 in accordance with Article 13 to developing country Parties:<sup>6</sup>**

**a. Information on financial support provided under Article 9 in accordance with Article 13 to developing country Parties;**

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<sup>6</sup> Amend the sub-heading to simplify the entire section and provide one set of guidelines for all Parties based on their differentiated obligation.

- Information on the climate-specific financial support provided through multilateral institutions, including the Operating Entities of the Financial Mechanism (only inflow data, the outflow data should be captured in the Biennial Assessment)
  - Information on: 1) the amount of financial resources in original currency and in USD, 2) the purpose of the support (i.e. mitigation, adaptation, cross-cutting), 3) the status of the finance (i.e. committed or disbursed), 4) the sector
- Information on the climate-specific financial support provided through bilateral, regional and other channels
  - Information on: 1) the amount of financial resources in original currency and in USD, 2) the purpose of the support (i.e. mitigation, adaptation, cross-cutting), 3) the status of the finance (i.e. committed or disbursed), 4) instruments used, 5) the sector, 6) whether the activity contributed to capacity-building and / or technology transfer, 7) whether the activity mobilized additional financial support
- Information above to be provided in CTF tables.

**b. Information on financial support mobilized under Article 9 in accordance with Article 13 to developing country Parties;**

- Information on the climate-specific financial support mobilized from private sources through bilateral, regional and other channels as well as other public interventions (information on financial support mobilized through multilateral channels should be captured in the Biennial Assessment)
  - Information on: 1) the type of public intervention used to mobilize the reported financial support, 2) the amount of financial resources mobilized in original currency and in USD, 3) the purpose of the support (i.e. mitigation, adaptation, cross-cutting), 4) the sector
- Information above to be provided in CTF tables.

**3. Information on technology development and transfer support provided under Article 10 in accordance with Article 13 to developing country Parties;**

- Qualitative information on measures taken to promote and facilitate the transfer of, access to and the deployment of climate friendly technologies for the benefit of developing country Parties and for the support of the development and enhancement of endogenous capacities and technologies of developing country Parties
- Information on concrete success and failure stories to facilitate mutual learning

**4. Information on capacity-building support provided under Article 11 in accordance with Article 13 to developing country Parties;**

- Qualitative information on how the Party has provided capacity-building support to developing country Parties in the areas of mitigation, adaptation and technology transfer
- Information on concrete successful case studies to facilitate mutual learning and the sharing of best practices

**5. Reporting Format**

*Flexibility: No flexibility provision is needed for reporting information on financial, technology transfer and capacity-building support provided and mobilized, because the language of the Paris Agreement already contains differentiated obligations for developed country Parties and other Parties that provide support on a voluntary basis.*

## **Section V: Information on financial, technology transfer and capacity-building support needed and received under Articles 9–11 of the Paris Agreement**

### **1. Underlying assumptions, definitions and methodologies related to tracking and reporting mitigation and adaptation support;**

- Underlying assumptions, definitions and methodologies used by Parties, including:
  - Description of the Parties national approach for tracking the support received
  - Definition used for support needed and received
  - Definition and assumptions used to identify financial, technology transfer and capacity-building support
  - Information on and definitions used for the reported instruments and channels
  - Information on currencies used including the exchange rate applied to convert the original currency to USD
  - Definition and assumptions used to identify the source of support received
  - Definition and assumptions used to identify the purpose of support needed and received (i.e. mitigation, adaptation, cross-cutting)
  - Definitions used to identify the sector and the instrument of the support needed and received

### **2. Information on financial support needed by developing country Parties under Article 9;**

- Information on the financial support needed through bilateral, regional, multilateral and other channels
  - In reporting this information, Parties should provide information on: 1) description of the planned activity, 2) the amount of financial resources in original currency and in USD, 3) the purpose of the support needed (i.e. mitigation, adaptation, cross-cutting), 4) instruments to be used, 5) the sector, 6) whether the planned activity would contain a capacity-building and / or technology transfer component, 7) description of the result to be achieved, including the proposed reduction of GHG emissions and climate-resilience of people and/or ecosystems to be achieved, 8) whether the planned activity is anchored in a national strategy
- Information to be provided in CTF tables.

### **3. Information on financial support received by developing country Parties under Article 9;**

- Information on the financial support received through bilateral, regional, multilateral and other channels
  - In reporting this information, Parties shall, to the extent possible, provide information on: 1) the amount of financial resources in original currency and in USD, 2) the source (i.e. country, fund, multilateral development bank, private entity, non-governmental organization), 3) the purpose of the support (i.e. mitigation, adaptation, cross-cutting), 4) instruments used, 5) the sector, 6) whether the activity contributed to capacity-building and / or technology transfer, 7) qualitative information and quantitative information on the results achieved, including the GHG emissions reduced and climate-resilience of people and/or ecosystems achieved, 8) whether the results were accounted towards the achievement of the recipient countries NDC
- Information to be provided in CTF tables.

### **4. Information on technology development and transfer support needed by developing country Parties under Article 10;**

- Qualitative Information on measures needed for the access to and deployment of climate friendly technologies and for the development and enhancement of endogenous capacities and technologies of the reporting Parties

**5. Information on technology development and transfer support received by developing country Parties under Article 10;**

- Qualitative Information on support received for the access to and the deployment of climate friendly technologies and for the development and enhancement of endogenous capacities and technologies
- Description of positive concrete case studies to facilitate mutual learning and the exchange of best practices

**6. Information on capacity-building support needed by developing country Parties under Article 11;**

- Qualitative information on the capacity-building support needs of the reporting Party in the areas of mitigation, adaptation and technology transfer

**7. Information on capacity-building support received by developing country Parties under Article 11;**

- Qualitative information on the capacity-building support received in the areas of mitigation, adaptation and technology transfer
- Information on concrete successful case studies to facilitate mutual learning and the sharing of best practices

**8. Information on support received by developing country Parties for the implementation of Article 13;**

- Information on support received for the implementation of Article 13.
- Information on:
  - the amount of financial resources in original currency and in USD,
  - the source (i.e. country, fund, multilateral development bank, private entity, non-governmental organization),
  - instruments used,
  - qualitative information on improvements of the information reported based on the support received.
- Information to be provided in CTF tables.

**9. Information on support received by developing country Parties for the building of transparency-related capacity;**

- Information on support received for the building of transparency-related capacity
- Information on:
  - the source (i.e. country, fund, multilateral development bank, private entity, non-governmental organization),
  - focus elements of the capacity-building support received,
  - information on the recommendations received,
  - information on the improvements of the information reported based on the support received,
  - information on the improvements of the institutional arrangements for transparency within the recipient Party based on the support received.

- Information to be provided in CTF tables.

*Flexibility: No flexibility provision is needed for reporting information on financial, technology transfer and capacity-building support provided and mobilized, because the language of the Paris Agreement already contains differentiated obligations for developed country Parties and other Parties that provide support on a voluntary basis.*

#### **Section VI: Reporting format<sup>7</sup>**

- Submission of a [biennial transparency report] in accordance with paragraph x-xx above, using the outline contained in Annex x to decision x/CMA.x
- Submit the [biennial transparency report] in one of the official languages of the UN, encouragement to submit an English translation to facilitate its use by the expert review team.

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<sup>7</sup> The reporting format for all elements of the biennial transparency report are identical and can therefore be covered under a dedication section of the guidelines.



## **Annex 3: Modalities and procedures for the technical expert review and the facilitative multilateral consideration of progress**

### **Section I: Technical expert review**

#### **1. Objectives, functions and purposes;**

- Review the consistency of the information with the common modalities, procedures and guidelines referred to in Article 13.13, taking into account the flexibility accorded to the Party under paragraph 1 of Article 13 (*Art. 13.12*);
- Identify areas of improvement for the Party (*Art. 13.12*);
- Promote transparency, accuracy, completeness, consistency and comparability through the review of information reported under Article 13 of the Paris Agreement;

#### **2. Principles;**

- Facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties (*Art. 13.3*);

#### **3. Information to be reviewed;**

- In accordance with Article 13, paragraph 11 of the Paris Agreement, the following information shall undergo a technical expert review:
  - The national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the IPCC and agreed by the CMA;
  - Information necessary to track progress made in implementing and achieving its NDC under Article 4;
  - Information on financial, technology transfer and capacity-building support provided to developing country Parties under Article 9, 10 and 11.

#### **4. Procedures, roles and responsibilities <sup>8</sup>**

##### **a) Format and steps**

A full review cycle to encompass the following steps:

##### **1) Initial check**

- The UNFCCC Secretariat to check:
  - Timeliness: whether the reports have been submitted on time;
  - Completeness: whether information provided is complete and provided in the correct format;

##### **2) Review of individual reports**

- The expert review team (ERT) to check:
  - Transparency and accuracy: whether the information provided is transparent and accurate;
  - Consistency: whether the information provided conforms with the reporting guidelines;
  - Comparability: whether the information provided is comparable.

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<sup>8</sup> Suggestion for reformulation of heading to facilitate the understanding.

- The review by the ERT can be conducted as a light review (e.g. desk review) or as an in-depth review (e.g. centralized or in-country review)<sup>9</sup>.

#### **b) Role of the technical expert team**

- Focus on issues that have an impact on the level and/or trend of total national GHG emissions and removals and financial support provided to developing country Parties

#### **c) Role of the secretariat**

- Organization of the review;
- Development of review tools, materials and templates for the reviews;
- Coordination of the communication between the ERT and the Party;
- Compilation of final reports;

#### **5. Composition of the technical expert review team;**

- Two co-lead reviewers responsible for the overall quality of the technical review;
- Additional reviewers with competencies for the areas under review;
- Selection by Secretariat, ensuring a balance between experts from developed and developing countries;

#### **6. Frequency and timing;**

- The review will be conducted every two years for the reports due in that year (national greenhouse gas inventory and the [biennial transparency report]), in accordance with these guidelines;
- The light desk review should be the standard approach for the technical review. An in-depth review (centralized or in-country) should take place for every second report and/or if major issues are identified by the ERT;
- For LDCs, SIDS and Parties with total annual greenhouse gas emissions below [10] MtCO<sub>2</sub> eq., the technical review only consist of the initial check. A full technical review (light review or in-depth review) must be conducted every [10 years] for these countries or by request of the Party under review;
- Additional requirements may apply for Parties cooperating under Article 6;
- A status report on the initial check should be published within [1] month after the submission of the reports.
- Publication of the individual review report by the ERT within [10] months after the submission of the reports.

#### **7. Technical expert review report;**

##### **a. Structure and elements of a technical expert review report;**

###### Content of the status report on the initial check (in tabular format)

- Indication of the date of receipt of the reports;
- Indication whether the submission is complete; identify gaps in the reported information.

###### Structure of the individual review report

- Summary of the assessment;
- Description of the technical review of the elements, including
  - description of potential issues identified;

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<sup>9</sup> The group will provide more detailed views on these formats at a later stage.

- suggestion to resolve the issues;
  - assessment of efforts made to address potential issues identified during the current and previous reviews;
  - sources of information used in the report.
- Capacity-building needs identified.

## **Section II: Facilitative, multilateral consideration of progress**

### **1. Objectives, functions and purposes;**

- facilitate improved reporting and transparency over time [1/CP21, § 92a];

### **2. Principles;**

- Facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties [Art. 13.3];

### **3. Scope;**

- The FMCP will be carried out on the basis of the following:
  - The technical review reports;
  - The national greenhouse gas inventory and the [biennial transparency report];

### **4. Information to be considered;**

- In accordance with Article 13, paragraph 11 of the Paris Agreement, the following information is to be considered:
  - Efforts under Article 9;
  - Implementation and achievement of the NDC;

### **5. Procedures, roles and responsibilities <sup>10</sup>**

- The FMCP takes place during an SBI session following the full technical expert review of the report;
- The FMCP to entail the following:
  - An online Q & A session ahead of the SBI session that allows other Parties to raise written questions;
  - Responses by the Parties under FMCP until [2 weeks] prior to the SBI session;
  - During the SBI session, Parties undergoing FMCP can make a brief presentation on the report and/or the questions raised, followed by oral questions by Parties and responses by the Party under review;
- The time allocated to each Party under review should take into account the materiality of the total emissions.

### **6. Frequency and timing;**

- The FMCP will be conducted every two years for the reports due in that year, in accordance with these guidelines;
- The FMCP to be completed within [9 months] after the publication of the technical review report;
- The output should be finalized within [3 months] after the SBI session;

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<sup>10</sup> Suggestion for reformulation of heading to facilitate the understanding.

## **7. Summary report content and format;**

- The output of the FMCP to include the following:
  - A record on the technical review reports;
  - The summary report on the SBI session;
  - A record of the questions submitted and responses provided;
  - Any observations by the Party under review submitted within [2 months] after the SBI session;