

# Switzerland's views on common modalities, procedures and guidelines for the enhanced transparency framework for action and support

APA Agenda Item 5

Switzerland 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*” including on the guiding questions (a) – (d) contained in paragraph 15 of the conclusions of the second part of the first session of the Ad Hoc Working Group on the Paris Agreement (APA 1-2).

This submission is complemented with relevant information from the submission on APA agenda item 5<sup>1</sup> that we submitted together with Mexico, Monaco, Liechtenstein and Republic of Korea (*Environmental Integrity Group, EIG*) in fall 2016.

## **a) What should be the specific components of the modalities, procedures and guidelines (MPGs) for the transparency of action and support under Article 13, paragraphs 7, 8, 9, 10, 11, and 12?**

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

- The common reporting guidelines, comprised in an Annex to the CMA decision adopting the MPGs;
- The common modalities and procedures for the technical review, comprised in an Annex to the CMA decision adopting the MPGs;
- The common modalities and procedures of the facilitative multilateral consideration, comprised in an Annex to the CMA decision adopting the MPGs;
- CMA decision(s) with provisions concerning the modalities for and timing of the submission of the reports, the timing of the expert reviews and facilitative multilateral consideration, inter alia.

In the annexes to this submission, we present our views on the following three components: reporting guidelines (Annex I), modalities and procedures for the technical review (Annex II) and modalities and procedures for the multilateral consideration (Annex III). For Switzerland, it is important to structure the negotiations along these elements: starting with the reporting guidelines, followed by the negotiations of the modalities and procedures for the technical review and the facilitative multilateral consideration and the CMA decision. Accordingly, our elaboration is more detailed for the reporting than for the other two components and we will allow ourselves to come back with more details on the verification once Parties have a clear understanding of the outline of the reporting guidelines.

## **b) How should the transparency framework build on and enhance the transparency arrangements under the Convention, recognizing that the transparency arrangements under the Convention shall form part of the experience drawn upon for the development of the MPGs?**

Parties to the Convention have longstanding experiences with reporting and verification and are therefore not starting from scratch when negotiating the new enhanced transparency framework. Experiences gained through the regular submission of reports and participation in review processes are essential to draw upon in this regard. Requirements under the biennial reporting framework allow Parties to increase their capacities over time and the existing guidance has fostered building and sustaining domestic reporting capacity while contributing to transparent information sharing. The biennial verification processes (ICA and IAR) have also proven to be very useful processes in determining gaps and uncertainties in the current system. They enable an exchange among Parties on experiences gained

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<sup>1</sup> [http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/201\\_281\\_131212581955644713-EIG%20Transparency%20Submission.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/201_281_131212581955644713-EIG%20Transparency%20Submission.pdf)

and lessons learned and provide a platform for the sharing of good-practice examples. The two processes have also shown that more clarity in guidelines can facilitate reporting and that Parties' ability to report and to undergo review increases over time through the step-wise institutionalization of reporting and review capacities. The new framework therefore has to take into account these experiences by feedbacks from Parties (e.g. through MA and FSV) but also suggestions by review experts through the technical review.

**c) With respect to the MPGs, how should flexibility for those developing countries that need it in the light of their capacities be operationalized?**

Flexibility is a core concept of the new common transparency framework and is needed to allow all Parties to participate in the framework. The Paris Agreement is very clear: the framework shall provide flexibility in the implementation of the provisions of Art. 13 for those developing country Parties that need it in the light of their capacities and the common MPGs shall reflect such flexibility.

We hereby share some ideas on how such flexibility could be operationalized in the new MPGs (non-exhaustive):

- Coverage of sectors and gases in the national GHG inventories:
  - Sub-sectoral level information only for key sectors that are to be defined through a percentage threshold
  - Flexibility in reporting on HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub> if they do not exceed previously defined thresholds (in absolute and relative terms)
- Key category identification in the national GHG inventories:
  - Different thresholds for key category identification
- Documentation of mitigation policies and measures:
  - Quantitative estimates of effects of all measures of a sector instead of individual measures level
- Emissions projection scenarios:
  - Scenarios only for certain gases (reaching a certain threshold)
  - Flexibility in reporting projections with additional measures (WAM)
- Finance:
  - Flexibility in the level of aggregation/detail of information provided (e.g. sectoral)

In addition, there are other areas where all Parties can make choices based on their national circumstances, data availability and/or the form of their NDC and we clearly foresee these to be applicable to all under the new enhanced transparency framework:

- IPCC tiers: application of the IPCC decision tree to determine the tiers including the option to use a different tier should national circumstances prevent a Party to do so
- Nationally-determined form of NDC: determines the information necessary to ensure clarity, transparency and understanding of a Party's NDC as well as the information necessary to track progress

**d) What other elements should be considered in the development of the MPGs, including, inter alia, those identified in paragraph 92 of decision 1/CP.21?**

*Transparent, accurate, complete, consistent and comparable:*

A robust framework needs to promote transparency, accuracy, completeness, consistency and comparability. We welcome the opportunity to share some (non-exhaustive) ideas on how these important principles guiding the development of the common MPGs could be operationalized:

- *Transparency*: use of standardized reporting formats and other systematic documentation of sources, assumptions and methodologies.
- *Accuracy*: use of common guidance and methodologies; use of quality control/quality assurance as well as uncertainty assessments.

- *Completeness*: presentation of all key sectors, gases and categories in national inventory reports (NIR) covered by the respective guidance; declaration of geographical coverage of data/activities/policies reported on.
- *Consistency*: demonstration of methodological consistency between the communication of NDCs and the reporting on progress made towards achieving NDCs (see 1/CP.21, paragraph 94b); use of the same methodologies and consistent data sets over time for the national inventory report (NIR); use of the same definitions of support over time.
- *Comparability*: use of common metrics and methodologies as well as standardized reporting formats agreed by the CMA; reporting at the level of detail as agreed by the CMA.

*Feasible, efficient & flexible:*

The enhanced framework needs to be robust, but also feasible in terms of resources and capacities required to regularly report and undergo review. Otherwise, it is not applicable to all. Therefore, Parties acknowledged the need to avoid duplications as well as undue burden on Parties and the Secretariat. This means there needs to be a balance or correspondence between the degree of completeness and accuracy of information requested from Parties and its relevance for the assessment of the overall implementation of the Paris agreement.

Regular and robust reporting requires capacities for data collection, processing, analysis and presentation. However, these capacities differ between Parties. To acknowledge these different starting points, Parties agreed to develop a transparency framework with built-in flexibility for those developing countries that need it in the light of their capacities and to establish a Capacity-building Initiative for Transparency to facilitate meeting of the enhanced transparency requirements for developing country Parties requesting support. Flexibility in the common MPGs allows Parties to participate in the context of their capacities. Financial and capacity-building support for transparency that will be provided should make sure it is targeted to where needs are greatest and more robust information needed, bearing in mind that, in line with progressing domestic capacities, support needs should diminish over time.

The new 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 frequency and quality of reporting in accordance with their respective obligations under the Convention. They should give a direction of travel for the overall improvement of the level of transparency by deploying the full picture of reporting and review provisions needed to fulfil the purposes. This allows Parties to move towards more robust reporting over time even though not departing from the same starting point. Further, the new MPGs shall recognize the special circumstances of LDCs and SIDS by encouraging them to apply the provisions to the extent possible.

## **Annex I: Reporting Guidelines**

### NATIONAL GREENHOUSE GAS INVENTORY (Article 13.7a of the Paris Agreement)

#### General Guidance

- Base year: 1990
- Period covered by the inventory: from 1990 until two years prior to the reporting year (x-2)
- Gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>
- Methodology: Latest IPCC Guidelines
- Format: Submission of a National Inventory Report (NIR) and common reporting tables

#### Reporting

- Description of the national inventory arrangements including inventory planning, preparation and management
- National GHG inventory on a gas-by-gas basis in units of mass ensuring a consistent time series of emissions and removals
- Aggregate emissions and removals in CO<sub>2eq</sub> using 100-yr GWP
- Information on key categories identification, estimation of uncertainties, recalculations, information on QA/QC, reporting without corrections
- Improvement plan: For Parties making use of flexibility in light of limited capacity, a description of how to improve the reporting in order to decrease the need for flexibility

### INFORMATION ON PROGRESS MADE IN IMPLEMENTING AND ACHIEVING THE MITIGATION NDC (Article 13.7b of the Paris Agreement)

#### Description of the Nationally Determined Contribution (NDC)

- [PLACEHOLDER: Information necessary to ensure clarity, transparency and understanding of the NDC]
- Information on the methodologies used to determine the NDC to ensure methodological consistency, including on baselines, between the communication and implementation of the NDC in line with paragraph 31b of 1/CP.21
- For NDCs not quantified in absolute terms of CO<sub>2eq</sub> for which references are not fixed: information on any changes in the assumptions underlying the NDC and update of the reference in a transparent manner

#### Information necessary to track progress towards implementing and achieving mitigation NDCs

##### a) National greenhouse gas inventory information

- Summary information of the latest national greenhouse gas inventory

##### b) Policies and measures

- Documentation of mitigation policies and measures aimed at achieving the NDC including their effect (implemented or planned since the last report)

##### c) Accounting

- [PLACEHOLDER: Guidance on accounting of Parties' NDC consistent with paragraph 31 of 1/CP.21]
- [PLACEHOLDER: Information on the accounting approach for emissions and/or removals from LULUCF/AFOLU, taking into account guidance developed under the work program referred to in paragraph 31-32 of decision 1/CP.21.]

- [PLACEHOLDER: Information on any transfer of internationally transferred mitigation outcomes in tons CO<sub>2eq</sub> (ITMOs, originating from cooperation under the chapeau of Art. 6.2 or Art. 6.4) including information on the origin and activity and final use (if yet known) or current holding in accordance with guidance to be developed under 1/CP. 21 paragraphs 36 and 38 to promote sustainable development, ensure environmental integrity and transparency and to avoid double counting. It needs to include information on transfers that have occurred since the last report.]
- [PLACEHOLDER: Guidance on the information to be provided on the emissions pathways over the period corresponding to the relevant NDC. For Parties cooperating under Art 6 of the Paris Agreement such information will inform accounting or will be used to account for any internationally transferred mitigation outcomes (ITMOs, Art. 6.2 and Art 6.4)]

d) Projections

- Scenarios of the expected emission trajectories (projections) including information on methods and approaches chosen, underlying assumptions and data sources
- For NDCs relative to parameters such as GDP, population and/or energy, projections of these parameters over the period of the NDC
- Coverage: from the most recent inventory year extending to at least [x] years, including information on the expected emissions in the target year

e) Achievement of NDC: in the first report covering all inventory years up to the NDC target year, the following information is to be provided:

- Full information on the achievement of the NDC, including explanations in case of a revision of the reference of the NDC (e.g. for NDC relative to BAU) and information on methodological consistency
- Information on the net sum of transferred ITMOS (Art. 6.2 and Art. 6.4) during the period of the relevant NDC and other information in accordance with guidance to be adopted under Art 6

f) Improvement plan

- For Parties making use of flexibility in light of limited capacity, a description of how to improve the reporting in order to decrease the need for flexibility

INFORMATION RELATED TO CLIMATE CHANGE IMPACTS AND ADAPTATION (Article 13.8 of the Paris Agreement)

- Information on the progress and implementation of adaptation actions taken

INFORMATION ON FINANCIAL, TECHNOLOGY TRANSFER AND CAPACITY-BUILDING SUPPORT PROVIDED, NEEDED AND RECEIVED (Articles 13.9 and 13.10 of the Paris Agreement)

General:

- Description of the national approach for tracking the provision and receipt of support

Finance:

- For developed country Parties and other Parties that provide support: Information on financial support provided and mobilized using the modalities for the accounting of financial resources provided and mobilized developed as referred to in para. 57 of 1/CP.21)
- For developing country Parties: Information on financial support received using the same modalities for accounting of financial resources as referred to in para 57 of 1/CP.21, including the use, impact and estimated results thereof
- For developing country Parties: Information on financial support needed including on projected results to be achieved, anchoring in domestic climate policy and possible domestic co-finance

#### Technology development and transfer:

- For developed country Parties and other Parties that provide support: Information on measures and activities related to technology transfer provided
- For developing country Parties: Information on technology support needed and received, including the use, impact and estimated results thereof

#### Capacity building:

- For developed country Parties and other Parties that provide support: Information on capacity-building support provided
- For developing country Parties: Information on capacity-building support needed and received, including the use, impact and estimated results thereof

#### FORMAT:

Common reporting format for:

- National greenhouse gas inventory information
- Information on the accounting approach for emissions and/or removals from LULUCF/AFOLU
- Report on any ITMOs (Art 6.2 and Art 6.4) in tons CO<sub>2eq</sub> and related information in accordance with guidance under Art 6
- Documentation of mitigation policies and measures
- Emission projection scenarios
- For NDCs relative to BAU, for which revision of baseline is envisaged: information on any changes in the assumptions underlying the BAU and update of the reference in a transparent manner
- Subsequent to the NDC target year: full information on achievement of the NDC
- Financial support provided and mobilized
- Financial support needed and received including the use, impact and estimated results thereof

### **Annex II: Modalities and procedures for the technical review**

- General modality
- Scope of the review
- Timing, frequency and procedure
- Composition, role and competences of the expert review team (ERT) and role of the Secretariat
- Output

### **Annex III: Modalities and procedures for the facilitative multilateral consideration**

- General modality
- Scope of the facilitative multilateral consideration
- Timing, frequency and procedure
- Output