
An Overview of the Enhanced Transparency Framework under Paris Agreement and its Modalities, Procedures and Guidelines

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Statement of goal:

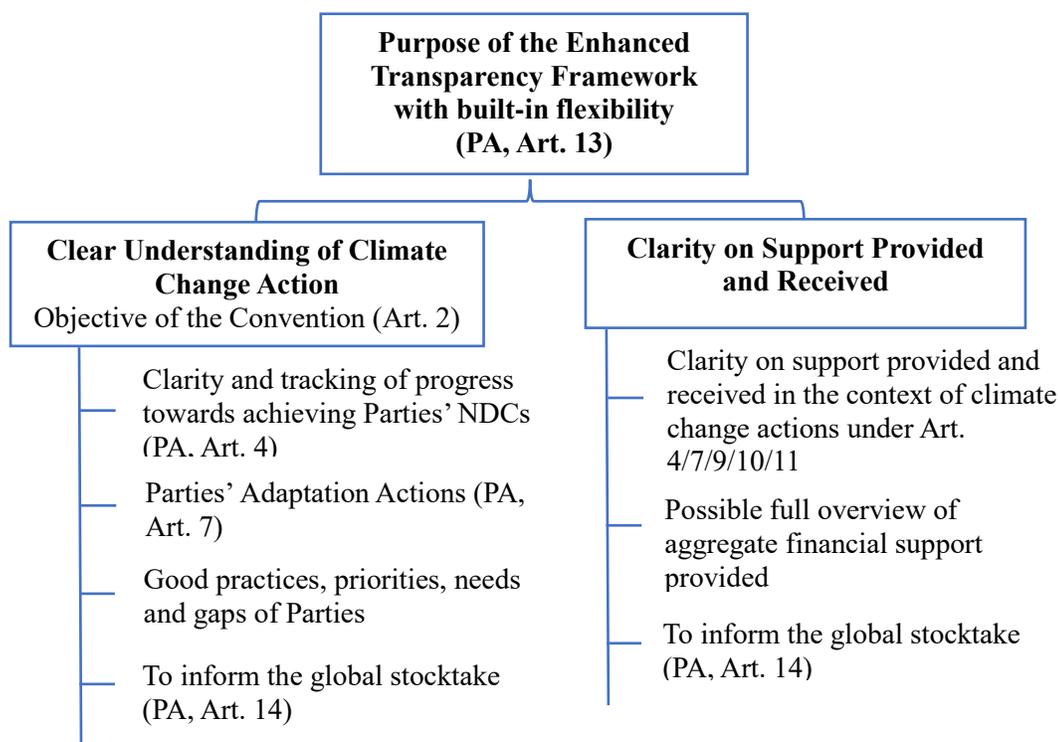
This document is compiled to serve the purposes of the Sino-German Climate Partnership project in way of drawing a clear overview of the enhanced transparency framework under Paris Agreement and the specification of modalities, procedures and guidelines (MPGs) for this framework.

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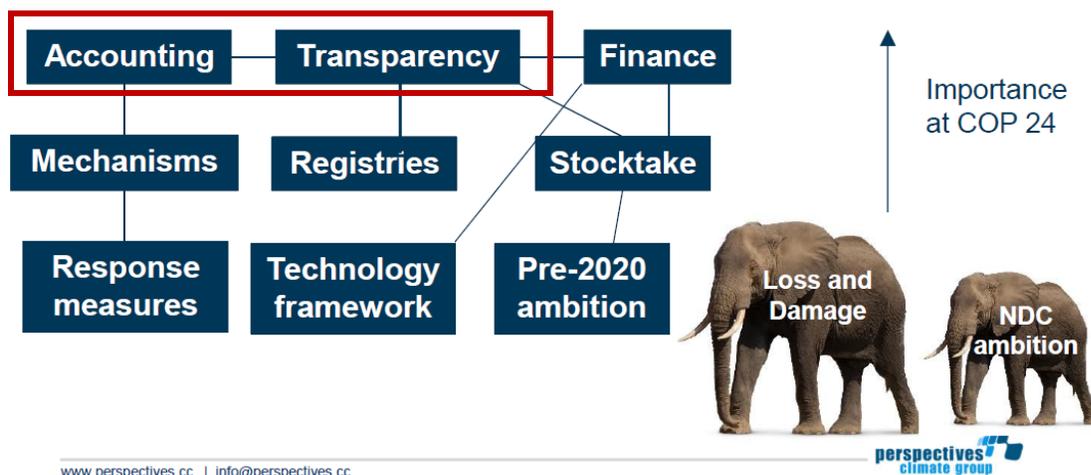
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Purpose of the Enhanced Transparency Framework



The Link between Transparency (Art. 13) and NDC (Art.4)

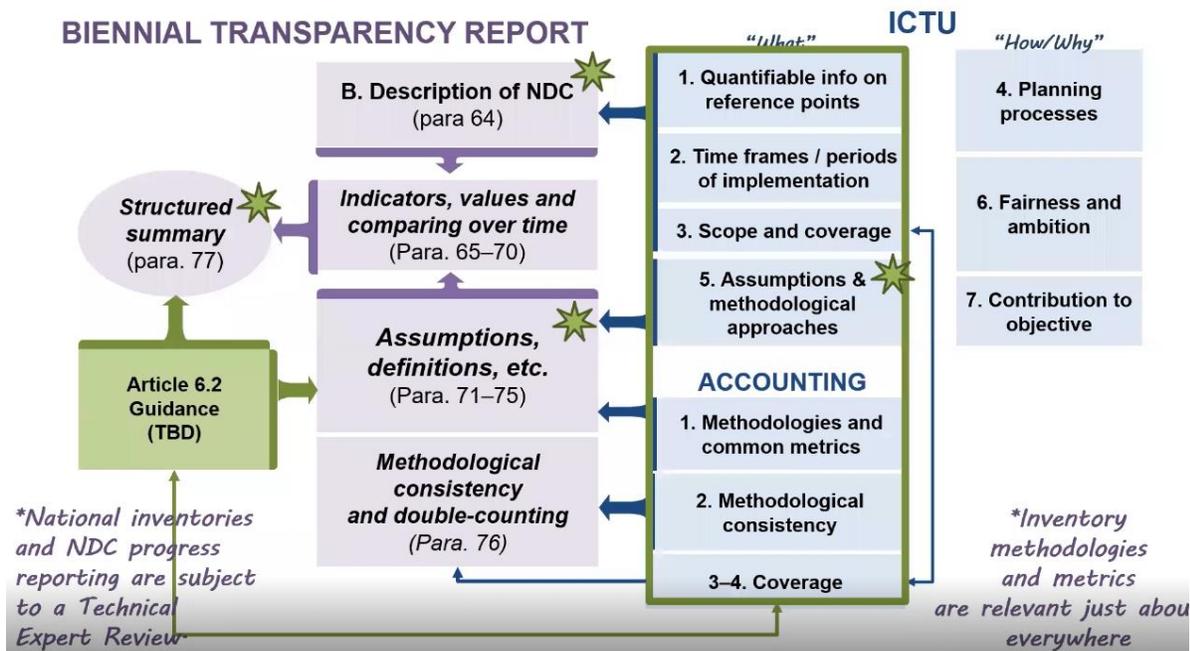
Figure 1: Key Links Between COP 24 Negotiation Topics



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(source: Perspectives)

Figure 2: Links Between Biennial Transparency Report and Information to Facilitate Clarity Transparency Understanding (ICTU) of NDCs/Accounting for Parties' NDCs



(source: Grégoire Baribeau, Environment and Climate Change Canada)

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Comparison in Reporting and Review Processes in the Transparency Frameworks before and after COP 21

	After Paris	Before Paris	
	No bifurcation, but “self-determined” flexibility for developing country Parties	Developed Countries (Annex I Parties)	Developing Countries (non-Annex I Parties)
Reporting	<p>[PA, Art.13] Biennial Transparency Report (BTR), including: (P7) Each Party shall provide:</p> <ul style="list-style-type: none"> • National inventory report • Information necessary to track progress <p>(P8) Each Party should provide:</p> <ul style="list-style-type: none"> ● Information related to climate change impacts and adaptation <p>(P9) Developed country Parties and other Parties that provide support should provide:</p> <ul style="list-style-type: none"> ● Information on financial technology transfer and capacity-building support provided <p>(P10) Developing country Parties should provide:</p> <ul style="list-style-type: none"> ● Information on financial, technology transfer and capacity-building support needed and received 	<p>[UNFCCC, Art.12] National Communication (every 4 years);</p> <p>Annual GHG inventory submission (guidelines revised to incorporate the <i>2006 IPCC Guidelines</i>, decision 24/CP.19);</p> <p>[Decision 1/CP.16] Biennial Report (BR) on <i>progress in achieving emission reductions</i> (every 2 years, either as an annex to the NCs or as a separate report in the year of NC submission, guidelines contained in decision 2/CP.17);</p>	<p>[UNFCCC, Art.12] National Communication (every 4 years, guidelines for enhanced reporting contained in decision 2/CP.17);</p> <p>[Decision 1/CP.16] Biennial Update Report (BUR) containing updates of national GHG inventories, including a national <i>inventory report and information on mitigation actions</i>, needs and support received (every 2 years, either as a summary of parts of NCs in the year of NC submission or as a stand-alone update report, guidelines contained in decision 2/CP.17);</p>
Review Process	<p>(P11) Technical expert review for information submitted by each party (under P7, P9); including assistance in identifying capacity-building needs for developing country Parties. (P11) Each party shall participate in a facilitative, multilateral consideration of progress w.r.t efforts under A9, and its respective implementation and achievement of its NDCs.</p>	<p>(Decision 1/CP.16) international assessment of review (IAR) on emissions and removals related to quantified economy-wide emission reduction targets under SBI, through: (Decision 2/CP.17) a <i>technical review</i> of information; a <i>multilateral assessment</i> of the implementation</p>	<p>(Decision 1/CP.16) international consultations and analysis (ICA), through <i>technical analysis</i> in consultation with Party and through a <i>facilitative sharing of views (FSV)</i> and result in a <i>summary report</i>. Modalities and guidelines are included in decision 2/CP.17</p>

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Overview of the Modalities, Procedures and Guidelines (MPGs) for the Enhanced Transparency Framework as result of COP 24

a. **Key Elements of the MPGs:**

- One common set of guidelines for all Parties
- Built-in flexibility for developing country Parties
- Report in implementing and achieving NDCs

b. **Flexibility and Improvement:**

- Flexibility is specified in the MPGs with respect to the scope, frequency and level of detail of reporting, and in the scope of the review. (para.5) The provisions with flexibility are listed in the annex I of this file.
- The application of flexibility where it is provided is self-determined by the developing country Parties. (para. 6)
- The developing country Party shall provide self-determined estimated time frames for improvements in relation to those capacity constraints. (para. 6)
- The technical expert review teams shall not review the Party's determination to apply flexibility or whether the Party possesses the capacity to implement that specific provision without flexibility. (para. 6)
- Parties should identify and report the improvements in its reporting; developing countries are encouraged to highlight improvements in relation to the provisions where flexibility is specified.

c. **Structure of the Enhanced Transparency Framework:**

I. Biennial Transparency Report (BTR)

1. National inventory report (NIR) of emissions and removals of GHGs - mandatory for all countries
 - National circumstances and institutional arrangements.
 - Methods and Metric:
 - Parties are required to use the 2006 IPCC Guidelines and any subsequent version or refinement of the IPCC guidelines agreed upon by CMA.
 - Flexibilities are specified with respect to key category analysis, uncertainty assessment, assessment of completeness and quality assurance/quality control. (see Annex I)
 - Parties are required to use the 100-year Global Warming Potential (GWP) values from the IPCC Fifth Assessment Report (AR5). Parties may in addition use other metrics.
 - Reporting:
 - Methods and cross-cutting elements.
 - Sectors and gases: seven gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) for all

Parties, with flexibility of at least three gases (CO₂, CH₄, N₂O) for developing country Parties; five sectors (energy, industrial processes and product use, agriculture, LULUF and waste) for all Parties.

- Time series: annual time series starting from 1990, with flexibility for developing country Parties annual time series starting from at least 2020, covering the reference year for NDC; latest reporting year no more than two years prior to the submission of NIR, with flexibility for developing country Parties three years prior to submission.
2. Tracking progress in implementing and achieving NDCs - mandatory for all countries
- National circumstances and institutional arrangements
 - Description of NDCs (para 64)
 - Targets, references and baselines, time frames, scope and coverage, intention to use Art. 6, updates or clarifications.
 - Consistency with NDC information under Art. 4.
 - Report indicators of progress/achievement against NDC target: a structured summary to track progress (para 77), including:
 - Indicators to track progress, comparing over time, an assessment of whether the targets for NDC is achieved in the first BTR that contains the end year of NDC (para 65-70)
 - Accounting/methodology approaches for each indicator (para 71-74), including: key parameters, assumptions, data sources, models, IPCC Guidelines, metrics used, the relevance of each indicator chosen, methodological information related with mitigation co-benefits and with any cooperative approaches, etc. (para 75, 76)
 - Methodological consistency and double-counting (para 76)
 - the tabular format will be decided in the following negotiations (pending).
 - Detailed description of climate actions related to NDC implementation (para 80-90)
 - actions, policies, measures implemented by each Party for its NDC
 - estimates of expected and achieved GHG emission reductions for these actions, policies and measures; developing country Parties are encouraged to provide this information (para 85).
 - Summary of GHG emissions and removals
 - only if the NIR is submitted as a stand-alone report.
 - Projections of GHG emissions and removals.
 - Each Party is required while developing country Parties are encouraged to report projections.
 - Projections shall extend at least 15 years beyond the next year ending in zero or five; flexibility for developing country Parties (encouraged) to extend at least to the end point of their NDC under Article 4 of the Paris Agreement.

3. Climate change impacts and adaptation - optional for all countries
 - the guidelines are in detail for adaptation
 4. Support provided/mobilized and received - mandatory for developed countries, optional for developing countries.
- II. Technical Expert Review
1. Scope of review:
 - the consistency of submission in national inventory report, information on tracking progress in implementing and achieving NDCs, and information on financial technology transfer and capacity-building support provided;
 - identification of areas of improvement;
 - assistance in identifying capacity-building needs for developing country Parties.
 2. Format of review:
 - centralized review: the technical expert review (TER) team conducts the review for several Parties from a single, centralized location.
 - in-country review: the TER team conducts the review in the country of the relevant Party, mandatory for the first BTR, at least two BTRs in a 10-year period including one with achievement in NDCs, the BTR recommended by the TER of the Party's previous BTR, and a BTR upon request of Party; flexibility for developing country Parties to choose to undergo a centralized instead of an in-country review.
 - desk review: the TER team conducts the review remotely from their respective countries.
 - simplified review of a Party's NIR: the secretariat undertaking an initial assessment of completeness and consistency with the MPGs. This will form part of the consequent TER of the Party's NIR.
- III. Facilitative, Multilateral Consideration of Progress
1. Information to be considered:
 - A Party's submission in national inventory report, information on tracking progress in implementing and achieving NDCs, and information on financial technology transfer and capacity-building support provided;
 - A Party's technical review report;
 - any other information provided.
 2. Two phases: a written question and answer phase, a working group session phase.
- d. Pending Issues**
- MPGs for implementing Article 6;
 - Common reporting tables and tabular formats (to be decided in 2020 COP26);

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- Outlines of the BTR, NIR and TER report;
 - Training Programme for technical experts participating in the TER.
- e. **Submission due for the first BTR and NIR, if submitted as a stand-alone report: 31 December 2024**

Annex I Built-in Flexibility

[Draft decision -/CMA.1] *recognizing* that flexibility for those developing country Parties that need it in the light of their capacities is reflected in the modalities, procedures and guidelines for the transparency of action and support, ...

Annex: Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement

The overall definition for built-in flexibility:

- I. C. 5. These MPGs specify the flexibility that is available to those developing country Parties that need it in the light of their capacities pursuant to Article 13, paragraph 2, reflecting flexibility, including in the **scope, frequency and level of detail of reporting, and in the scope of the review**, as referred to decision 1/CP.21, paragraph 89.
- I. C. 6. The application of flexibility provided for in the provisions of these MPGs for those developing country Parties that need it in the light of their capacities is to be **self-determined**. The developing country Party shall clearly indicate the provision to which flexibility is applied, concisely clarify capacity constraints, noting that some constraints may be relevant to several provisions, and provide **self-determined estimated time frames for improvements** in relation to those capacity constraints. When a developing country Party applies flexibility provided for in these MPGs, the **technical expert review teams shall not review the Party's determination** to apply such flexibility or whether the Party possesses the capacity to implement that specific provision without flexibility.

Detailed specifications for built-in flexibility:

II. National inventory report of anthropogenic emissions by sources and removals by sinks of GHGs

(in line with *the 2006 IPCC Guidelines* and any subsequent version or refinement)

A. Definition	No explicitly stated flexibility	
B. National circumstances and institutional arrangements	No explicitly stated flexibility	
C. Methods	Methodology	A Party may use a tier 1 approach for a key category if lack of resources.
	Key Category Analysis	Flexibility to identify key categories using a threshold $\geq 85\%$, in place of the 95% threshold defined in the IPCC guidelines.
	Uncertainty Assessment	Flexibility to provide, at a minimum, a qualitative discussion of uncertainty for key categories where quantitative input data are unavailable to quantitatively estimate uncertainties
	Assessment of	Flexibility to consider emissions insignificant if the likely level of emissions is below 0.1% of the national total GHG emissions, excluding LULUF, and 1,000 kt CO₂ eq , whichever is lower,

	Completeness	instead of 0.05% and 500 kt CO ₂ eq.
		The total national aggregate of estimated emissions for all gases from categories considered insignificant remain below 0.2% of the national GHG emissions, excluding LULUCF, instead of 0.1% .
	Quality Assurance/ Quality Control	Developing country Parties are encouraged to elaborate and inventory QA/QC plan in accordance with the IPCC guidelines rather than required to do so.
		Developing country Parties are encouraged to implement and provide information on general inventory QC procedures in accordance with its QA/QC plan and the IPCC guidelines rather than required to do so.
D. Metrics	Apply to all	
E. Reporting Guidance	Gases	Each Party shall report seven gases (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ and NF ₃); flexibility for developing country Parties to report at least three gases (CO ₂ , CH ₄ and N ₂ O)
	Time Series	Each Party shall report a consistent annual time series starting from 1990 ; flexibility for developing country Parties to report instead data covering, at a minimum, the reference year/period for its NDC under Article 4 of the Paris Agreement and, in addition, a consistent annual time series from at least 2020 onwards .
		For each Party, the latest reporting year shall be no more than two years prior to the submission of its national inventory report; flexibility for developing country Parties to have their latest reporting year as three years prior to the submission of their national inventory report.

III Information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement

A. National circumstances and institutional arrangements	No explicitly stated flexibility
B. Description of a Party's NDC, including updates	No explicitly stated flexibility
C. Information necessary to track progress made in implementing and achieving NDC	No explicitly stated flexibility

D. Mitigation policies and measures, actions and plans, including those with mitigation co-benefits resulting from adaptation actions and economic diversification plans	Each Party shall provide estimates of expected and achieved GHG emissions reductions for its actions, policies and measures in the tabular format referred; developing country Parties are instead encouraged to report this information.
E. Summary of GHG emissions and removals	No explicitly stated flexibility
F. Projections of GHG emissions and removals	Each Party shall report projections listed; developing country Parties are instead encouraged to report these projections.
	Projections shall extend at least 15 years beyond the next year ending in zero or five; flexibility for developing country Parties (encouraged) to extend at least to the end point of their NDC under Article 4 of the Paris Agreement

IV Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement

No explicitly stated flexibility

V Information on financial, technology development and transfer and capacity-building support provided and mobilized under Articles 9-11 of the Paris Agreement

Developed country Parties shall provide the information in accordance with the MPGs; other Parties that provide support should provide such information and are encouraged to use the MPGs.

VI Information on financial, technology development and transfer and capacity-building support needed and received under Articles 9-11 of the Paris Agreement

No explicitly stated flexibility

VII Technical expert review

A. Scope	Technical expert review teams shall no review the Party’s determination to apply flexibility that has been provided for in the MPGs, including the self-determined estimated time frames for improvements in relation to those capacity constraints, or whether the Party possesses the capacity to implement that specific provision without flexibility.
B. Information to be reviewed	No explicitly stated flexibility
C. Format of a technical expert review	A Party shall undergo an in-country review; flexibility for developing country Parties to choose to undergo instead a centralized review but are encouraged to undergo an in-country review.
D. Procedures	Flexibility for developing country Parties to provide requested information with

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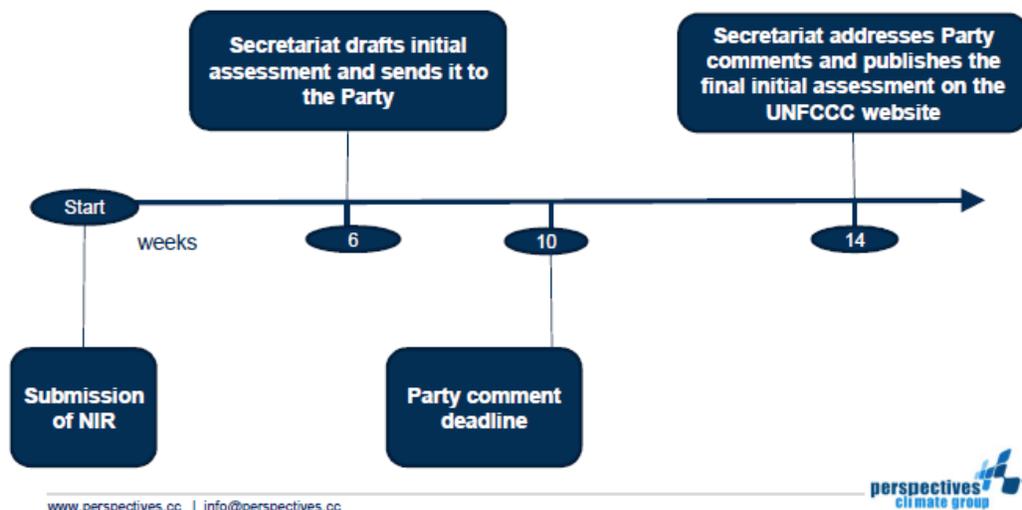
	relatively less stringent time limit.
	Communication in improvements and capacity-building needs for developing country Parties that need flexibility.
	Flexibility for developing country Parties to provide comments with relatively less stringent time limit.

VIII Facilitative, multilateral consideration of progress

C. Format and steps	Flexibility for developing country Parties to respond in writing to the questions with relatively less stringent time limit.
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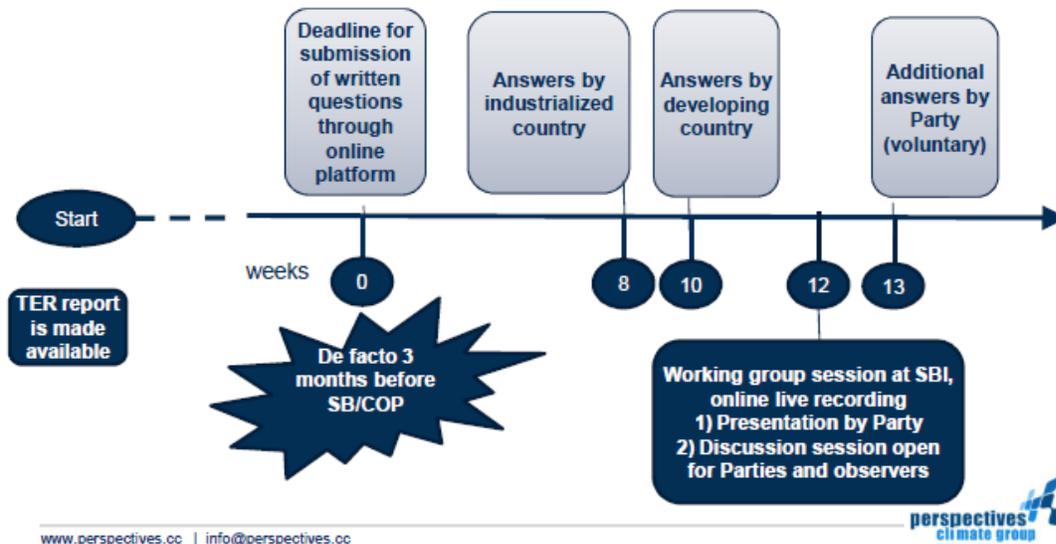
Annex II Procedures

Procedure of the Technical Expert Review:



(source: Perspectives)

Procedure of the Facilitative, Multilateral Consideration of Progress:



(source: Perspectives)

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