The 16th Workshop on Greenhouse Gas Inventories in Asia (WGIA16)



# Current Status of Negotiations and Prospects for the Transparency Framework under the Paris Agreement



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#### **Outline**

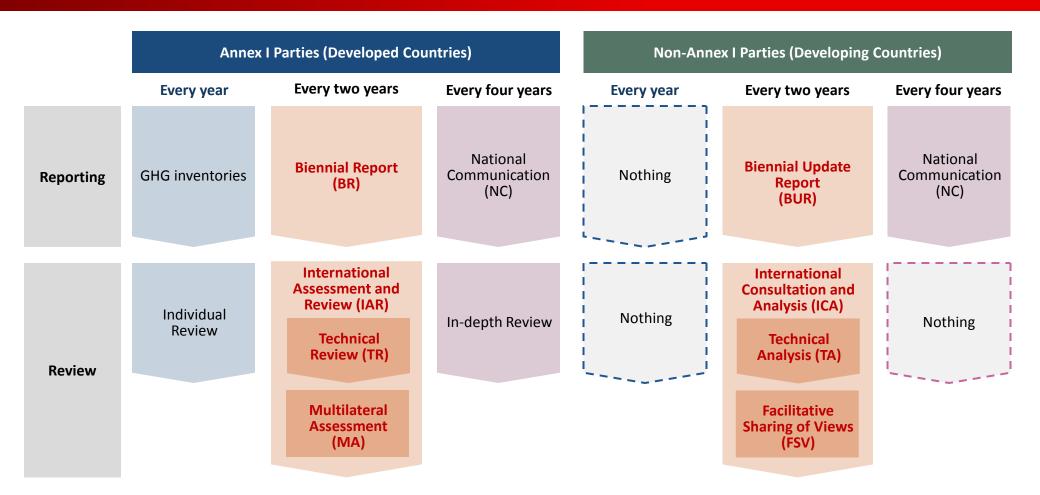
- Existing arrangements/requirements for national reports under the UNFCCC
- II. Overview of the requirements of the Enhanced Transparency Framework under the Paris Agreement
- III. Current status of negotiation for the Enhanced Transparency Framework
- IV. Prospects for the Enhanced Transparency Framework
- V. Summary



I. Existing arrangements/requirements for national reports under the UNFCCC



## Overall picture of current transparency arrangements under the UNFCCC



- ✓ The BR and BUR have been introduced in the Cancun agreement (Decision 1/CP.16) to enhance the reporting contents and frequency of the NC.
- ✓ The transparency arrangement under the Cancun agreement will be superseded by the enhanced transparency framework (ETF) under Article 13 of the Paris Agreement.



# **Reporting requirements of GHG inventories**

Components	Annex I Parties	Non-Annex I Parties
Reporting obligation	Shall report annually	Need not to report GHG inventories in itself.  Need to include GHG inventories in a section of the BUR and NC.
Reporting form	Should report two reporting forms;  ✓ Common Reporting Format (CRF)  ✓ National Inventory Report (NIR)	No CRF table NIR needs to be included in the BUR
Guidelines for methodology	Shall use: 2006 IPCC guidelines	Shall use: Revised 1996 IPCC guidelines Encouraged to use: IPCC good practice guidance (GPG 2000), GPG-LULUCF(2003)
Year	Consistent time series from the base year (1990) to X-2 year (X=submission year)	NC1:1994 or 1990, NC2:2000, After NC3: No prescription BUR: X-4 year (X=submission year) (* consistent time series are not mandatory)
Gas	Shall report: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> Should report: CO, NOx, NMVOCs, SO <sub>2</sub>	Shall report: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O Encouraged to report: HFCs, PFCs, SF <sub>6</sub> , CO, NOx, NMVOCs, SO <sub>2</sub> (* No NF <sub>3</sub> )
GWP	Shall estimate total GHG emissions using 100 year GWP values of IPCC 4th assessment report (AR4)	No prescription



# Reporting requirements of Mitigation related information in BR/BUR

Components	Annex I Parties (BR)	Non-Annex I Parties (BUR)
Quantified Economy- wide Emission Reduction Targets	✓ Information on the targets, conditions and assumptions (Base year, gases and sectors covered, GWPs, approach to counting emissions and removals from LULUCF, use of market mechanisms, etc.)	✓ Not included
Mitigation actions	<ul> <li>✓ Information on mitigation actions by sector and gas, including:         <ul> <li>Name</li> <li>Gas affected</li> <li>Objective</li> <li>Type of instrument</li> <li>Status of implementation</li> <li>Description</li> <li>Start year</li> <li>Implementation entity</li> <li>Estimate of mitigation impact</li> </ul> </li> <li>✓ Information on changes to domestic institutional arrangements for evaluating the progress towards the target</li> <li>✓ Detailed information on the assessment of the economic and social consequences of response measures</li> </ul>	<ul> <li>✓ Information on mitigation actions, including:         <ul> <li>Name</li> <li>Description of the mitigation action (Nature of the action, coverage, quantitative goals, progress indicators)</li> <li>Objective</li> <li>Progress of implementation</li> <li>Results achieved (estimated outcomes, estimated emission reductions)</li> </ul> </li> <li>✓ Information on domestic MRV arrangements</li> </ul>
Reporting on progress	<ul> <li>✓ Total GHG emissions (including and excluding emissions/removals from LULUCF)</li> <li>✓ Emissions and removals from the LULUCF</li> <li>✓ Information on the use of units from market mechanisms</li> </ul>	✓ Information on international market mechanisms
Projections	<ul> <li>✓ Projections for 2020 and 2030</li> <li>✓ Information on the model and methodological changes used for projections</li> </ul>	✓ Not included

Reference: Decision 2/CP.17 (UNFCCC)



II. Overview of the requirements of the Enhanced Transparency Framework under the Paris Agreement



## Structure of the ETF under Article 13 of the Paris Agreement

#### Establishment of enhanced transparency framework for action and support (Art 13.1) Flexibility to those developing countries that need it in the light of their capacities (Art. 13.2) **Overarching** Characteristics of the ETF and special considerations for LDCs and SIDS (Art. 13.3) elements Characteristics of the modalities, procedures and guidelines (MPGs) for the ETF (Art. 13.4) Purpose of the framework for transparency of action (Art. 13.5) **Purpose** Purpose of the framework for transparency of support (Art. 13.6) Information Climate change **National inventory** Support needed necessary to track impacts and Support provided Reporting report and received progress adaptation (Art. 13.9) (Art. 13.7(a)) (Art. 13.10) (Art. 13.7(b)) (Art. 13.8) Facilitative, multilateral consideration of progress Review **Technical expert review (TER)** (FMCP) (Art. 13.11&12) Consideration (Art. 13.11) **Capacity building** Support for the implementation of Article 13 (Art. 13.14) Support for the building of transparency-related capacity (Art. 13.15) **Support**



# The development of MPGs for the ETF

- ✓ The COP requests the Ad Hoc Working Group on the Paris Agreement (APA) to develop the modalities, procedures, and guidelines (MPGs) for the enhanced transparency framework (ETF) under the Paris Agreement by COP24 (in 2018). The work on the development of the MPGs is on-going under the agenda 5 of the APA.
- ✓ The ETF under the Paris Agreement will build on and enhance the existing transparency arrangements (PA Art.13.3).
- ✓ The crucial viewpoints to develop the MPGs are:
  - Continuous improvement (The MPGs facilitate improved reporting and transparency over time)
  - Flexibility to developing country Parties that need it in the light of their capacities
  - Promote TACCC (Transparency, Accuracy, Completeness, Consistency, Comparability)
  - No backsliding (maintain at least frequency and quality of current reporting)
  - Avoid double counting

How can the MPGs accommodating the above viewpoints be developed?

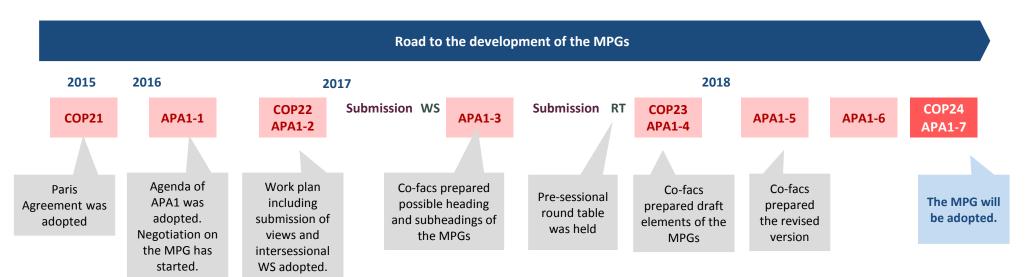


III. Current status of negotiation for the Enhanced Transparency Framework



## Progress of negotiation to develop the MPGs

- ✓ The negotiation to develop the MPG started from the APA1-1 in 2016.
- ✓ So far, Five times of formal sessions, one intersessional workshop (WS), one pre-sessional roundtable (RT) and two submissions of views from Parties were conducted under the APA. Most of the main views, possible options and ideas from Parties have been on the table for consideration through these processes. The common understanding that the MPGs must take into account "different national circumstances and capacities", "different starting points", "importance of flexibility" and "need for capacity-building support" have been already fostered among Parties.
- ✓ The significant issue is how the MPGs can achieve an appropriate balance between the robustness to enable accurate assessment of achievement of NDCs and applicability to Parties with diverse capacities and starting points.
- ✓ The co-facilitators on agenda 5 of the APA prepared "informal note" for the draft elements of MPGs at APA1-4 (November 2017) and revised it at APA 1-5 (May 2018).





## Structure of Informal note on the MPGs by co-facilitators

Cooperation, good practices, experiences, and

lessons learned

#### **Main Contents Main Contents** Underlying assumptions, definitions, and Objectives, Guiding principles methodologies Structure/design of the MPGs **Overarching** Information on financial support provided and Interlinkages with other items considerations and mobilized under Article 9 ■ Flexibility guiding principles **Information support** Information on technology development and Procedural aspects provided and mobilized transfer support provided under Article 10 Information on capacity-building support Objectives and principles, Definitions provided under Article 11 National circumstances and institutional Reporting format arrangements ■ Methods, Metrics Underlying assumptions, definitions, and **National inventory** Reporting guidance methodologies report Constraints and capacity-building needs Information on financial support needed and ■ Improvement plans received under Article 9 Submission process, and reporting formats Information on technology development and **Information support** and tables transfer support needed and received under needed and received Article 10 Description of a Party's NDC under Article 4 Information on capacity-building support Progress made in implementing and achieving needed and received under Article 11 its NDC under Article 4 Reporting format Mitigation policies and measures Information necessary Projections ■ Objectives, functions and purposes, Principles to track progress of ■ Information on Parties' accounting **NDCs under Article 4** Scope, Information to be reviewed Information related to Article 6 Format and steps Capacity-building needs, Improvement plan, **Technical expert review** Technical expert review Reporting format, Other Frequency and timing ■ Technical expert review report ■ Vulnerabilities, risks and impacts Adaptation policies, strategies, plans Objectives, functions and purposes Progress on implementation of adaptation Information related to Scope, Information to be considered Facilitative, multilateral Monitoring and evaluation of adaptation climate change impacts Format and steps consideration of actions and processes and adaptation



Frequency and timing

Summary report content and format

progress

**Prospects for the Enhanced Transparency Framework** 



#### Substantive issues on the development of the MPGs

- ✓ **Structure of the MPGs**: single/common MPGs applicable to all Parties? Or the MPGs with two separate parts for developed and developing countries?
- ✓ **Operationalization of "flexibility"**: How can "flexibility" be specifically described in the guidelines text? Is flexibility provided to whom? When? How?
- ✓ **Timing of superseding**: When is the submission date for the final BR/BUR? When is the submission date for the first transparency reports under the ETF?
- ✓ Relationship between the ETF under the Paris Agreement and reporting and review under the UNFCCC: How can the duplication between two transparency arrangements be avoided? How can two transparency arrangement be operationalized without imposing an undue burden on Parties and the secretariat?
- ✓ Linkages with other related items under the APA:
  - ✓ Mitigation (Guidance on the feature of the NDCs, ICTU, Accounting)
  - ✓ Adaptation (Guidance on the adaptation communication)
  - ✓ Finance (Accounting modalities of finance provided and mobilized)

More in-depth discussions and negotiations from both technical and conceptual aspects are necessary.



#### **Prospects for GHG inventories in the MPGs**

#### **Existing requirement for BUR**

#### Possible approaches (\*Non-exhaustive)

Use of IPCC guidelines

- ✓ Revised 1996 IPCC GLs (should)
- ✓ IPCC good practice guidance (encourage)

#1: 2006 IPCC GLs, 2013 IPCC Supplements and any further IPCC GLs adopted by the CMA

- #2: Older sets of IPCC GLs
- #3: Encouragement to apply most recent IPCC GLs to the extent possible
- #4: A combination of all available IPCC GLs, as appropriate
- **#5: Continue to apply existing UNFCCC reporting GLs**

The latest IPCC GLs are preferable from the perspective of scientific validity, user-friendliness and existing technical support tools, but capacity building support should be enhanced.

**Frequency** 

- ✓ Biennial (depending on support)
- ✓ LDCs and SIDS may submit at their discretion

#1: Annual

#2: Move to annual over time

#3: Biennial

#4: Continue to apply existing UNFCCC reporting GLs

#5: Report at least as often as done under UNFCCC

Annual reporting is better to strengthen and maintain domestic capacity, and harmonize the timing of GST.

Gases

- ✓ CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O are mandatory
- √ F-gases are not mandatory

#1: 7 gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>)

#2: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O at a minimum; and HFCs, PFCs, SF<sub>6</sub> and NF<sub>2</sub> subject to certain conditions

#3: Gases that are contained in Parties' NDCs

#4: Gases according to national circumstances

#5: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O at a minimum, as appropriate and to the extent possible

#6: Continue to apply existing UNFCCC reporting GLs

7 gases are the best, taking into account the completeness. Keep in mind that Parties can use the notation keys (NE) even if those emissions cannot be estimated due to the lack of data.



#### Prospects for GHG inventories in the MPGs (-cont.)

#### **Existing requirement for BUR** Possible approaches (\*Non-exhaustive) #1: 1990 #2: Other base years, if reported in the past #3: 2010 #4: Earliest year as allowed by data availability Start year of √ 1990 or 1994 **#5: Self-determined start year based on NDCs** time series **√** 2000 #6: No later than the NDC reference year or reported previously in other reports #7: Full time series from 2020, and to report back as far as national circumstances/data allows #1: X-2 **End** year of √ X-4 #2: X-4 time series (X = submission year)#3: X-4/X-3 in transition X-2 #1: Start year to end year #2: Initial year, the most recent 10 years and any previous years ending with 0 or 5 **Coverage of** ✓ Previously reported years #3: Base year, NDC reference year and other available years time series #4: Time series consistent with the national capacities and available data #5: Any years reported in the past, and NDC base year **#1: Stand-alone report** #2: Move to stand-alone report over time #3: Alongside biennial transparency report **NIR submission** ✓ One section in the BUR #4: Alongside report under Convention/Kyoto Protocol vehicle/format #5: As summary or update to the national GHG inventories in the annex to decision 17/CP.8 #6: Continue to apply existing UNFCCC reporting GLs

Although the older is better, it may be practically difficult to go back to very old years. At least NDC reference year should be included.

The recent emission data are beneficial for the GST as well as domestic progress management, but it is necessary to keep in mind that the end year of time series depends on the national statistics system.

Long-term and consistent time series data are helpful to understand the factors of the emission trend, which can contribute to the more accurate projections.

Stand-alone report may be more useful for the expert review team and the report preparation process.



#### **Prospects for tracking progress in NDC in the MPGs**

**Progress** made in implementing ✓ Not included and achieving **NDC** 

**Existing requirement for BUR** 

#### Possible approaches (\*Non-exhaustive)

- #1: Placeholder for relevant outputs of the APA agenda item 3, to be incorporated into the MPGs
- #2: Description of progress of implementation of NDC
- #3: Qualitative / quantitative information on the progress of implementation of NDC, as appropriate, using self-defined indicators
- #4: Qualitative and quantitative information on the progress of implementation of NDC, using indicators defined in the MPGs, taking into account the outcome of APA item 3 on accounting guidance for NDCs
- **#5: Comprehensive tables on Party's accounting balance**
- #6: Summary tables on quantified progress of implementation of NDC
- #7: Three layer account/accounting system:
- #8: Multi-step process to track progress, including summary tables and additional info.
- #9: Information for first, subsequent, and last biennial transparency reports of the NDC cycle

**Projections** 

✓ Not included

- **#1: Not necessary**
- #2: Projections with specification of scope and coverage, and information on assumptions and methodologies
- #3: Not necessary for all types of the NDCs
- #4: Use existing approach under the Convention, with no backsliding

Both qualitative and quantitative information should be reported so that the progress and achievement of the NDC can be assessed objectively and definitely.

Projections data from all Parties are useful to assess the collective progress towards the long-term goals at the GST.



#### **Prospects for TER/FMCP in the MPGs**

(TER)	Existing requirement for ICA	Possible approaches (*Non-exhaustive)	
Format	✓ Centralized	#1: Desk #2: Centralized #3: In-country #4: Simplified #5: Peer review in regional groups #6: Similar to current arrangements	A
Frequency and timing	✓ Each BUR submission	#1: linked to submission of Article 13 transparency report #2: linked with NDC time period #3: Based on criteria #4: Self-determined #5: Similar to current arrangements	
(FMCP)	Existing requirement for ICA	Possible approaches (*Non-exhaustive)	
Format	✓ In-person during the SBI session	#1: In-person during the SBI session #2: Either during the SBI session, or as an online conference #3: Back-to-back with UNFCCC sessions	4
Actors	✓ Parties only	#1: All Parties #2: All Parties, relevant stakeholders, and registered observers	4
		#1: At regular intervals based on submission of reports (Every XX years, Once in every two transparency reports, every 2	

New review formats proposed (#4 and #5) are worthy of consideration to develop costeffective and sustainable review system.

Some kind of idea to reduce overall workload of review system may be necessary, but need to keep in mind that the frequent reviews would be helpful as capacity building opportunities.

Online conference is worthy of consideration so that more domestic experts can participate.

Participation of stakeholders and observers would be beneficial to share useful knowledge.

Every two years may be too many, but once in the NDC implementation period may be too few. It depends on the objective and scope of the FMCP.

MUFG

**Frequency** 

✓ Each BUR submission

discretion

✓ LDCs and SIDS are at their

years, Every 5 years to take place proximate to GST, etc.)

#2: Linked with NDC cycle (Once at the end of the NDC cycle,

At least once during NDC implementation, Twice during

each NDC implementation cycle, etc.)

#3: Self-determined

# **Summary**



## **Summary**

- ✓ The ETF under the Paris Agreement will build on the existing transparency arrangements under the
  Convention while integrating the differentiated arrangements between developed and developing
  countries. The general structure of transparency and reporting contents would not change so
  drastically from the existing arrangements, but the details would be enhanced and elaborated.
- ✓ The crucial viewpoints of the development of the MPGs for the ETF are "continuous improvements" and "flexibility". Parties are required to continue to improve their quality of reporting over time under the ETF with flexibility. A significant issue is how the MPGs can achieve an appropriate balance between the robustness and the applicability to all Parties by incorporating these viewpoints.
- ✓ The co-facilitators of the APA agenda item 5 (Transparency) have prepared "informal note" for the MPGs including possible approaches on substantive issues. The more in-depth discussions and negotiations from both technical and conceptual aspects are expected at the next and subsequent the APA sessions to explore the most appropriate option for each component and to finalize the MPGs at the COP24.
- ✓ It would be helpful for national reports compilers to follow the negotiations and the outcomes on the development of the MPGs to prepare for the future reporting and review activities under the ETF of the Paris Agreement.



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