

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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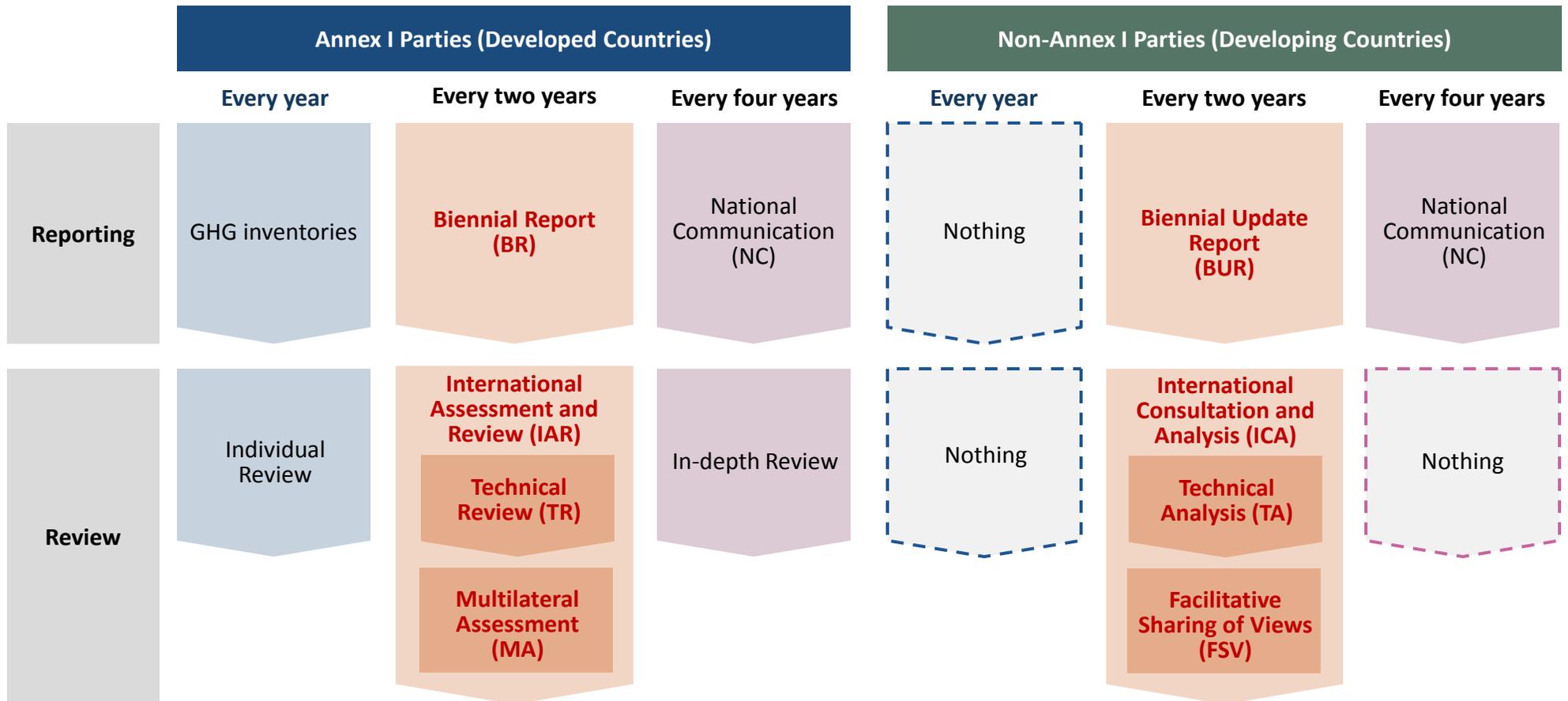
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Outline

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- II. Overview of the requirements of the Enhanced Transparency Framework under the Paris Agreement
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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- ✓ **The transparency arrangement under the Cancun agreement will be superseded by the enhanced transparency framework (ETF)** under Article 13 of the Paris Agreement.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

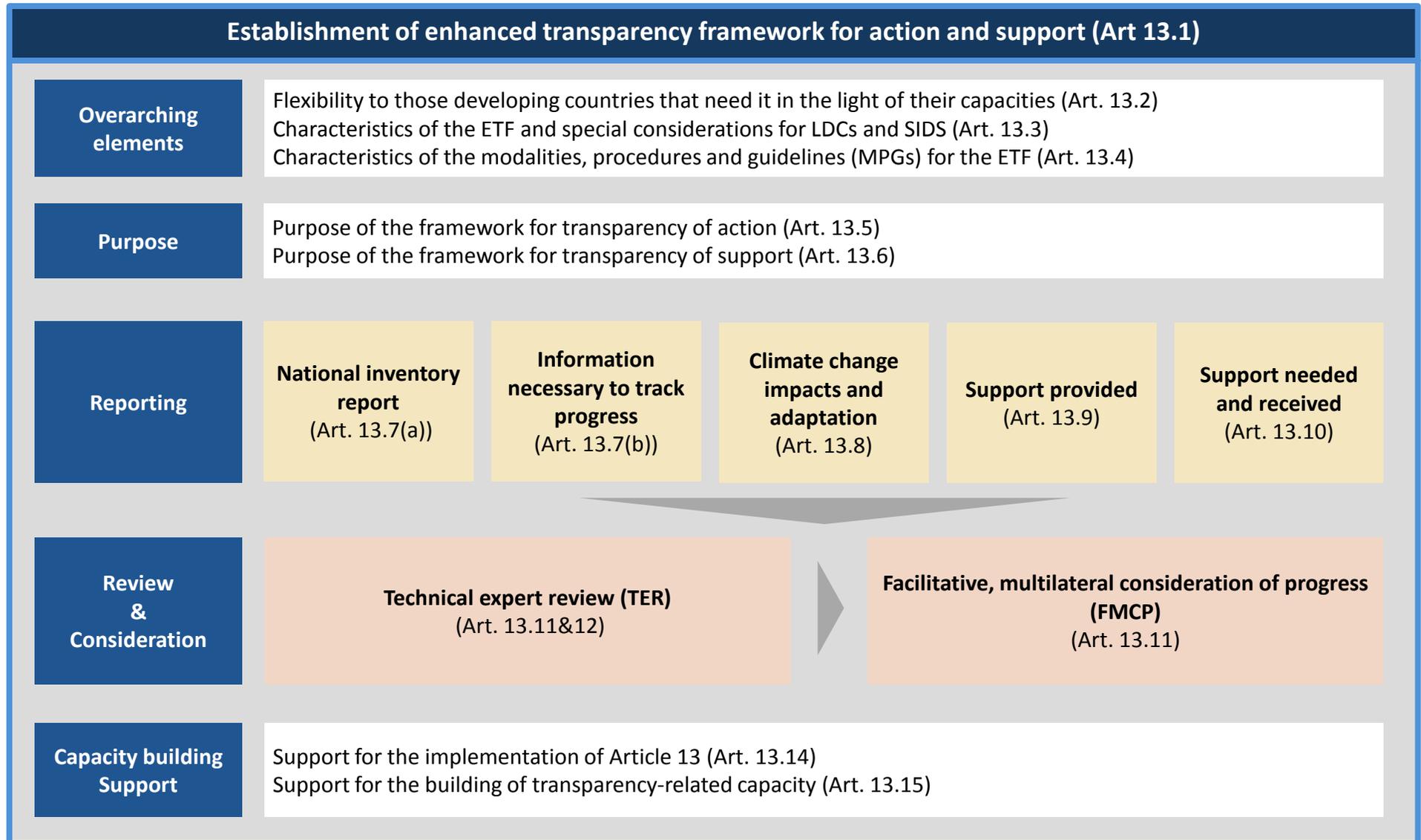
Components	Annex I Parties	Non-Annex I Parties
Reporting obligation	Shall report annually	Need not to report GHG inventories in itself. Need to include GHG inventories in a section of the BUR and NC.
Reporting form	Should report two reporting forms; ✓ Common Reporting Format (CRF) ✓ National Inventory 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: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ Should report: CO, NO _x , NMVOCs, SO ₂	Shall report: CO₂, CH₄, N₂O Encouraged to report: HFCs, PFCs, SF ₆ , CO, NO _x , NMVOCs, SO ₂ (* No NF ₃)
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	<ul style="list-style-type: none"> ✓ 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.) 	<ul style="list-style-type: none"> ✓ Not included
Mitigation actions	<ul style="list-style-type: none"> ✓ Information on mitigation actions by sector and gas, including: <ul style="list-style-type: none"> ◆ Name ◆ Gas affected ◆ Objective ◆ Type of instrument ◆ Status of implementation ◆ Description ◆ Start year ◆ Implementation entity ◆ Estimate of mitigation impact ✓ Information on changes to domestic institutional arrangements for evaluating the progress towards the target ✓ Detailed information on the assessment of the economic and social consequences of response measures 	<ul style="list-style-type: none"> ✓ Information on mitigation actions, including: <ul style="list-style-type: none"> ◆ Name ◆ Description of the mitigation action (Nature of the action, coverage, quantitative goals, progress indicators) ◆ Objective ◆ Progress of implementation ◆ Results achieved (estimated outcomes, estimated emission reductions) ✓ Information on domestic MRV arrangements
Reporting on progress	<ul style="list-style-type: none"> ✓ Total GHG emissions (including and excluding emissions/removals from LULUCF) ✓ Emissions and removals from the LULUCF ✓ Information on the use of units from market mechanisms 	<ul style="list-style-type: none"> ✓ Information on international market mechanisms
Projections	<ul style="list-style-type: none"> ✓ Projections for 2020 and 2030 ✓ Information on the model and methodological changes used for projections 	<ul style="list-style-type: none"> ✓ Not included

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



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**



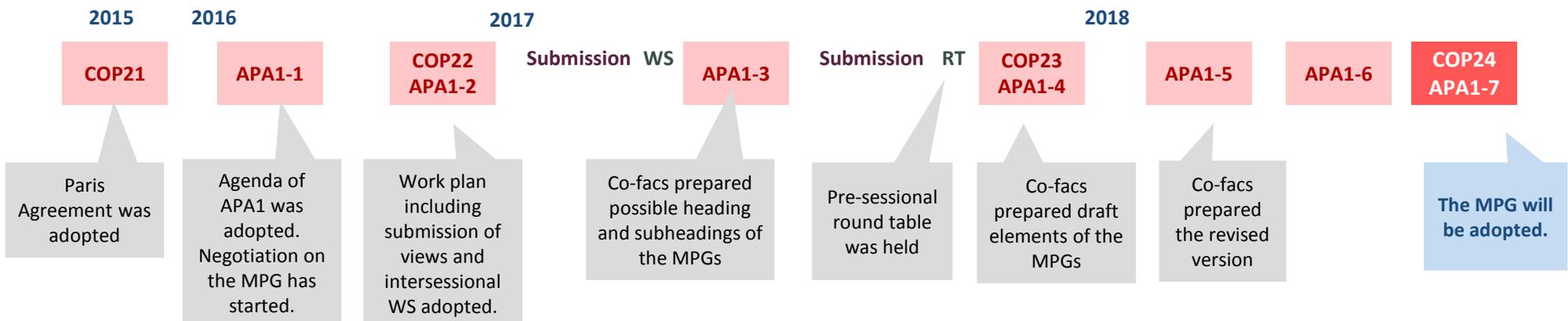
How can the MPGs accommodating the above viewpoints be developed?

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).**

Road to the development of the MPGs



Structure of Informal note on the MPGs by co-facilitators

	Main Contents		Main Contents
A. Overarching considerations and guiding principles	<ul style="list-style-type: none"> Objectives, Guiding principles Structure/design of the MPGs Interlinkages with other items Flexibility Procedural aspects 	E. Information support provided and mobilized	<ul style="list-style-type: none"> Underlying assumptions, definitions, and methodologies Information on financial support provided and mobilized under Article 9 Information on technology development and transfer support provided under Article 10 Information on capacity-building support provided under Article 11 Reporting format
B. National inventory report	<ul style="list-style-type: none"> Objectives and principles, Definitions National circumstances and institutional arrangements Methods, Metrics Reporting guidance Constraints and capacity-building needs Improvement plans Submission process, and reporting formats and tables 	F. Information support needed and received	<ul style="list-style-type: none"> Underlying assumptions, definitions, and methodologies Information on financial support needed and received under Article 9 Information on technology development and transfer support needed and received under Article 10 Information on capacity-building support needed and received under Article 11 Reporting format
C. Information necessary to track progress of NDCs under Article 4	<ul style="list-style-type: none"> Description of a Party's NDC under Article 4 Progress made in implementing and achieving its NDC under Article 4 Mitigation policies and measures Projections Information on Parties' accounting Information related to Article 6 Capacity-building needs, Improvement plan, Reporting format, Other 	G. Technical expert review	<ul style="list-style-type: none"> Objectives, functions and purposes, Principles Scope, Information to be reviewed Format and steps Technical expert review Frequency and timing Technical expert review report
D. Information related to climate change impacts and adaptation	<ul style="list-style-type: none"> Vulnerabilities, risks and impacts Adaptation policies, strategies, plans Progress on implementation of adaptation Monitoring and evaluation of adaptation actions and processes Cooperation, good practices, experiences, and lessons learned 	H. Facilitative, multilateral consideration of progress	<ul style="list-style-type: none"> Objectives, functions and purposes Scope, Information to be considered Format and steps Frequency and timing Summary report content and format

IV. Prospects for the Enhanced Transparency Framework

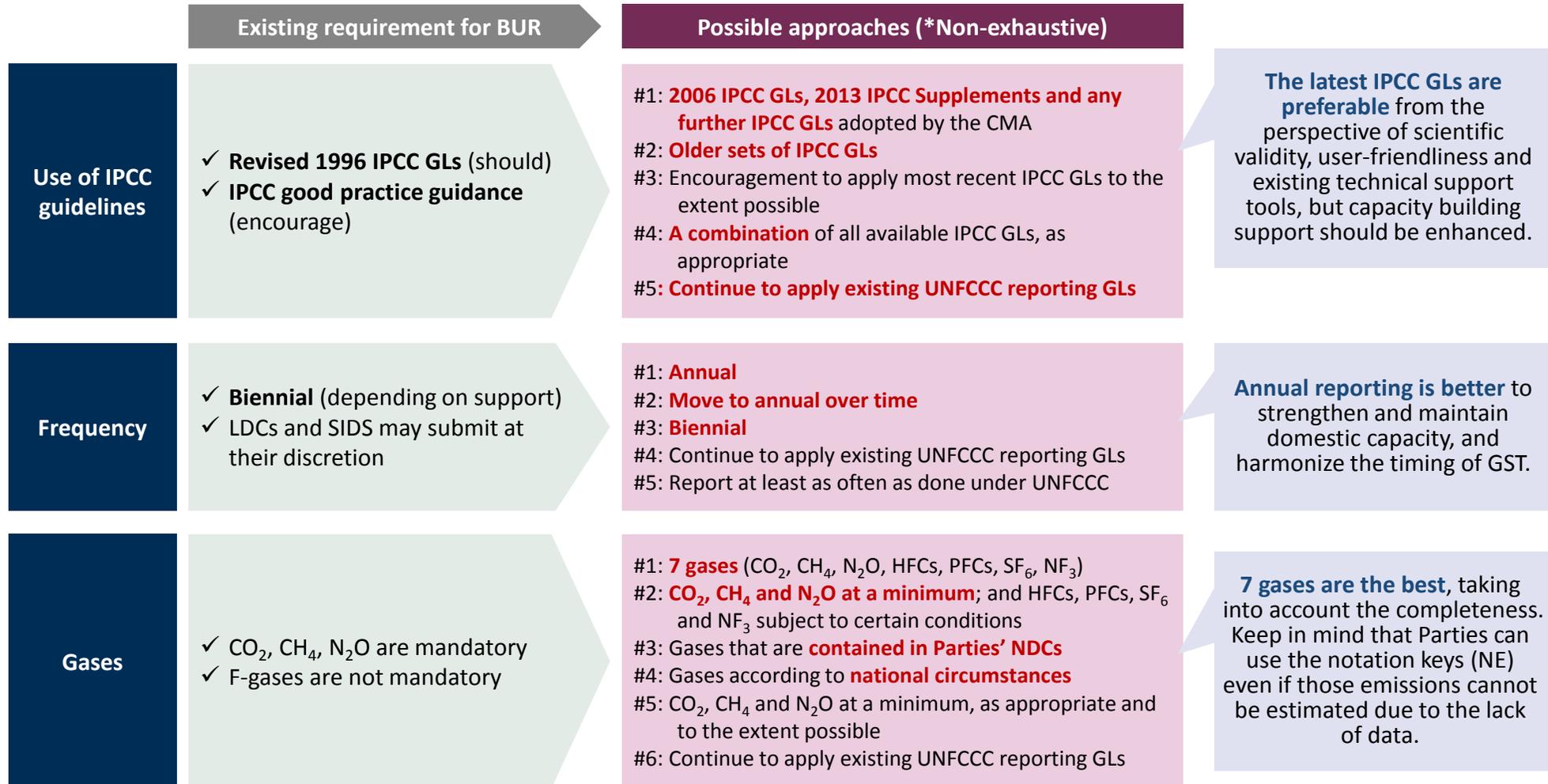
Substantive issues on the development of the MPGs

- ✓ **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.

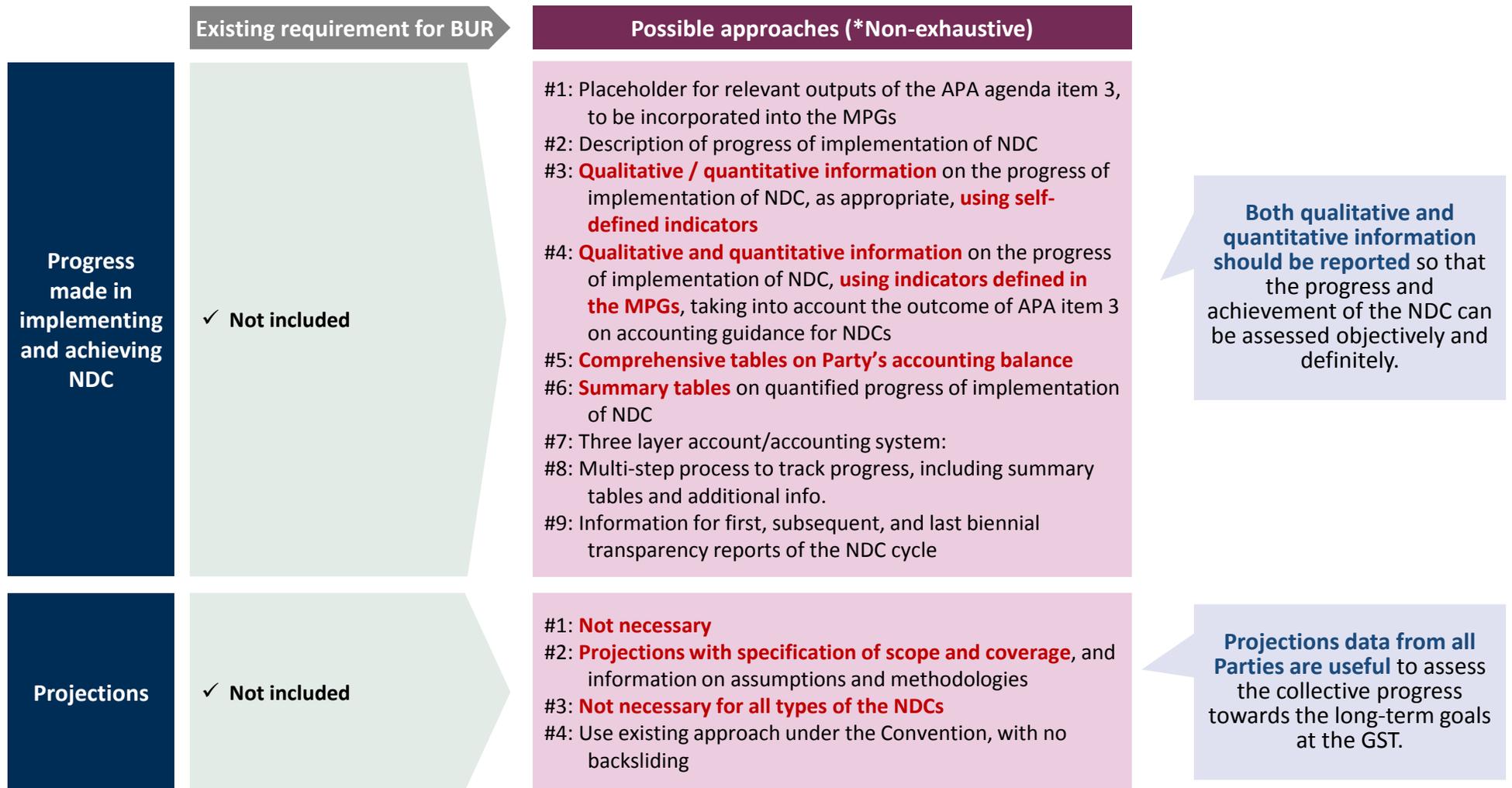
Prospects for GHG inventories in the MPGs



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

	Existing requirement for BUR	Possible approaches (*Non-exhaustive)	
Start year of time series	<ul style="list-style-type: none"> ✓ 1990 or 1994 ✓ 2000 	<ul style="list-style-type: none"> #1: 1990 #2: Other base years, if reported in the past #3: 2010 #4: Earliest year as allowed by data availability #5: Self-determined start year based on NDCs #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 	<p>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.</p>
End year of time series	<ul style="list-style-type: none"> ✓ X-4 (X = submission year) 	<ul style="list-style-type: none"> #1: X-2 #2: X-4 #3: X-4/X-3 in transition X-2 	<p>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.</p>
Coverage of time series	<ul style="list-style-type: none"> ✓ Previously reported years 	<ul style="list-style-type: none"> #1: Start year to end year #2: Initial year, the most recent 10 years and any previous years ending with 0 or 5 #3: Base year, NDC reference year and other available years #4: Time series consistent with the national capacities and available data #5: Any years reported in the past, and NDC base year 	<p>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.</p>
NIR submission vehicle/format	<ul style="list-style-type: none"> ✓ One section in the BUR 	<ul style="list-style-type: none"> #1: Stand-alone report #2: Move to stand-alone report over time #3: Alongside biennial transparency report #4: Alongside report under Convention/Kyoto Protocol #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 	<p>Stand-alone report may be more useful for the expert review team and the report preparation process.</p>

Prospects for tracking progress in NDC in the MPGs



Prospects for TER/FMCP in the MPGs

(TER)		Possible approaches (*Non-exhaustive)		
	Existing requirement for ICA			
Format	✓ Centralized	#1: Desk #2: Centralized #3: In-country #4: Simplified #5: Peer review in regional groups #6: Similar to current arrangements		New review formats proposed (#4 and #5) are worthy of consideration to develop cost-effective and sustainable review system.
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		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.
(FMCP)		Possible approaches (*Non-exhaustive)		
	Existing requirement for ICA			
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		Online conference is worthy of consideration so that more domestic experts can participate.
Actors	✓ Parties only	#1: All Parties #2: All Parties, relevant stakeholders, and registered observers		Participation of stakeholders and observers would be beneficial to share useful knowledge.
Frequency	✓ Each BUR submission ✓ LDCs and SIDS are at their discretion	#1: At regular intervals based on submission of reports (Every XX years, Once in every two transparency reports, every 2 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		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.

V. 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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