

2018 EDITION
**POCKET
GUIDE TO
TRANSPARENCY**

POCKET
GUIDE TO
TRANSPARENCY
UNDER THE
UNFCCC



ecbi

2018 EDITION

POCKET GUIDE TO TRANSPARENCY

POCKET
GUIDE TO
TRANSPARENCY
UNDER THE
UNECCC

The contents of this report do not necessarily represent the views of the European Capacity Building Initiative (ecbi), any of its members, or its supporting partners.

Copyright © ecbi 2017

First published May 2017. Updated January 2018

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior permission of the ecbi.

Series Editor: Anju Sharma

anju.sharma@iied.org

This guide is written by Harro van Asselt, Romain Weikmans, and J. Timmons Roberts.

The authors are grateful to Rafael Da Soler, Ministry of Foreign Affairs of Brazil, for his comments and suggestions.

Designed by DamageControl

This project is part of the International Climate Initiative (IKI). The German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) supports this initiative on the basis of a decision adopted by the German Bundestag. For more information on IKI, see www.international-climate-initiative.com. It is also supported by SIDA.

Funding Partners



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety



Sida

based on a decision of the German Bundestag

Member Organisations

oxford
climate
policy



iied

FOREWORD

For over a decade, the European Capacity Building Initiative (ecbi) has adopted a two-pronged strategy to create a more level playing field for developing country in the UN Framework Convention on Climate Change (UNFCCC): training for new negotiators; and opportunities for senior negotiators from developing countries and Europe to interact, understand each other's positions, and build mutual trust.

The first part of the strategy focuses on providing training and support to new developing country negotiators, particularly from least developed countries. The climate change negotiations are often technical and complex, and difficult for new negotiators to fully grasp even over a period of two or three years. We hold regional training workshops to bring them up to speed on the negotiations. We also organise workshops before the Conference of Parties (COPs) to the UNFCCC, covering topics specific to that COP. To ensure continuity in our capacity building efforts, we offer a few negotiators, particularly women, bursaries to attend the negotiations and represent their country and region/grouping. Finally, we help negotiators build their analytical capacity through our publications, by teaming them up with global experts to author policy briefs and background papers.

This strategy has proven effective over time. "New" negotiators who trained in our early regional and pre-COP workshops have risen not only to become senior negotiators in the process, but also leaders of regional groups and of UNFCCC bodies and committees, and ministers and envoys of their countries. These individuals are still part of our growing alumni, now capacity builders themselves, aiding our efforts

to train and mentor the next generation of negotiators. Their insights from being “new” negotiators themselves have helped us improve our training programmes.

The second ecbi strategy relies on bringing senior negotiators from developing countries and from Europe together, at the annual Oxford Fellowship and Seminar and the Bonn Seminar. These meetings provide an informal space for negotiators to discuss their differences, and try to arrive at compromises. They have played a vital role in resolving some difficult issues in the negotiations.

Following the adoption of the Paris Agreement in 2015, ecbi produced Guides to the Agreement in English and in French. These proved popular with both new and senior negotiators. We therefore decided to develop a series of thematic guides, to provide negotiators with a brief history of the negotiations on the topic; a ready reference to the key decisions that have already been adopted; and a brief analysis of the outstanding issues from a developing country perspective.

As the threat of climate change grows rather than diminishes, developing countries will need an army of negotiators to make the case for global action to protect their threatened populations. These Guides are a small contribution to the armory of information that they will need to be successful. We hope they will prove as useful as the Paris Guide, and that we will continue to receive your feedback on how to continuously improve their usefulness – please write to the Series Editor, whose email address is provided on the title page.

Benito Müller,
Director, ecbi
on behalf of the ecbi Advisory and Executive Committees

CONTENTS

Why does transparency matter?	1
What has been done under the UNFCCC and Kyoto Protocol?	3
<i>Reporting and review under UNFCCC</i>	3
<i>Reporting and review under Kyoto</i>	6
<i>Reporting and review under the Cancun Agreements</i>	
<i>Lessons learned</i>	9
What is the Enhanced Framework for Transparency?	14
How do the Paris and UNFCCC transparency agreements compare and relate?	17
How does the transparency framework relate to other parts of the Paris Agreement?	20
What are the information needs for transparency of action?	24
What improvements are necessary in developed countries on transparency of support?	25
What improvements are necessary in developing countries on transparency of support?	26
How do the UNFCCC and Paris transparency agreements on support compare?	27
What can developing countries do to improve transparency of support?	30
What is the Capacity Building Initiative for Transparency?	31
What are the key gaps in current efforts?	33
<i>General</i>	33
<i>Transparency of support</i>	35
<i>Support for transparency</i>	36
What next for transparency?	37
References	42
ANNEX I	45
ANNEX 2	47

WHY DOES TRANSPARENCY MATTER?

Are we doing enough to address climate change? Are countries living up to their promises? Are some doing better than they pledged? Transparency is key for answering these questions.

The 2015 Paris Agreement put forward a new “enhanced transparency framework” to monitor, report and review information relevant to the implementation of the United Nations Framework Convention on Climate Change (UNFCCC) and the series of other agreements that followed it. This includes information related to Parties’ greenhouse gas (GHG) emissions, actions taken to reduce those emissions and to adapt to the impacts of climate change, as well as the financial, technological and capacity-building support provided and received by some Parties.

The regular provision of this information, and a subsequent review by experts to ensure that information is reliable, has become one of the backbones of international climate agreements. By making clear what Parties are doing to implement their commitments under international agreements like these, transparency helps to build trust and confidence. Transparency can indicate whether the level of collective efforts undertaken by countries is adequate to address climate change, by shining a light on what they do individually.

By generating information on Parties' efforts, transparency can also help mobilise domestic support for stronger climate action, and uncover new opportunities for countries to increase the ambition of their actions. For example non-governmental organisations can utilise public information to encourage their governments to follow through on their Paris commitments. Since Paris' success rests on each country following through on their Nationally Determined Contributions (NDCs) – the achievement of which is not legally binding – transparency is one of the few mechanisms relied upon to secure that success. And given how diverse all the NDCs are, the enhanced transparency framework can help clarify the information that underlies them.

WHAT HAS BEEN DONE UNDER THE UNFCCC AND KYOTO PROTOCOL?

The Paris Agreement's enhanced transparency framework is the latest stage in the development of transparency arrangements under the UNFCCC that goes all the way back to its drafting in 1992. Some things are new with Paris, but much has precedent and should not be very surprising to some Parties. The major change is that reporting requirements have increased for developing nations. Below, we outline the transparency arrangements preceding Paris.

► REPORTING AND REVIEW UNDER UNFCCC

The UNFCCC (Article 12) requires all Parties to submit regular **national reports**, in the form of National Communications (NCs). **Table 1** lists the information required for Annex I and **non-Annex I Parties**. Revised guidelines for Annex I Parties are currently **under consideration**.

Parties agreed to make the National Communications submitted by Annex I Parties every four years subject to regular **in-depth reviews**. These reviews are organised by the **UNFCCC Secretariat** and are carried out by Expert Review Teams (ERTs), which comprise **experts** nominated by Parties and, at times, from intergovernmental organisations. National Communications submitted by non-Annex I Parties are not subject to review.

ERTs play an important part by reviewing the information provided and assessing progress made. While the experts are more often than not government officials, the review process is intended to be non-political, and experts are to serve in their personal capacity. The reviews can be:

- (i) desk-based, with experts reviewing the information at home;
- (ii) centralised, with experts meeting up to review the information; and
- (iii) in-country, with experts visiting the country under review.

TABLE I. INFORMATION FOR NATIONAL COMMUNICATIONS	
NATIONAL COMMUNICATIONS (ANNEX I)	NATIONAL COMMUNICATIONS (NON-ANNEX I)
National circumstances	National circumstances
GHG inventory, including information on national systems and national registry for Kyoto Parties	GHG inventory
Policies and measures and their effects, including domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures for Kyoto Parties	General description of steps taken or envisaged to implement the UNFCCC, including adaptation/mitigation measures
Projections of the total effect	Other information relevant to achieving the objective of the UNFCCC, including technology transfer, research and systematic observation, education, training and public awareness, capacity building, and information and networking
Vulnerability assessment, climate change impacts and adaptation measures	Constraints and gaps, and related financial, technical and capacity needs
Financial resources and transfer of technology	
Research and systematic observation	
Education, training and public awareness	

Sources: Decisions 4/CP.5, 22/CP.7, 17/CP.8, *Annotated Outline for the Fifth National Communication*.

The review reports are made public, though the process allows Parties to respond to the reports before their release.

In addition to National Communications, all Parties need to submit regular GHG inventories, with Annex I Parties required to do so on an **annual basis**. These reports consist of a National Inventory Report and a Common Reporting Format, which provides the main information in table form. The **reporting guidelines** specify the main criteria – also known as “TACCC” – to which the reports should adhere:

- **Transparency:** assumptions and methodologies need to be clearly explained.
- **Accuracy:** estimates of emissions or removals should be as exact as possible, and uncertainties reduced as much as possible.
- **Consistency:** inventories should be internally consistent with previous inventories (by applying the same methodologies).
- **Comparability:** inventories should be comparable across Annex I Parties.
- **Completeness:** inventories should cover all sources and sinks; all gases; and the entire territory of a Party.

To meet these criteria, Annex I Parties are encouraged to follow the Intergovernmental Panel on Climate Change’s (IPCC) **2006 Guidelines** in preparing their inventories.

Since 2003, each inventory has been subject to a technical expert review. Like the in-depth reviews of National Communications, these reviews include desk-based reviews, centralised reviews and in-country visits (the latter at least once in every five years), and review reports are made publicly available.

Non-Annex I Parties are not required to submit separate national inventory reports, but need to include the results of

their GHG inventories in their National Communications.

► REPORTING AND REVIEW UNDER KYOTO

Expanding the reporting and review requirements of the UNFCCC, the Kyoto Protocol introduced further transparency arrangements for developed countries, requiring them to report annually on (and demonstrate compliance with) their Kyoto emission reduction targets (see Table 1). Given the crucial role of emissions accounting for the environmental integrity of the treaty, the information in these reports is more detailed than that contained in the National Communications under the UNFCCC. These reports are also reviewed by ERTs. In this process, the reviews of National Communications and GHG inventories of Annex I Parties that are also Kyoto Parties are combined.

A key difference between the review under Kyoto and the UNFCCC is that, under the former, ERTs can raise so-called “questions of implementation”. If these questions cannot be resolved by the Party in question, an ERT can refer the matter to the Kyoto Protocol’s Compliance Committee, which can adopt various measures to promote compliance. While ERTs are to refrain from political judgements, they can still play an important role in facilitating compliance.

► REPORTING AND REVIEW UNDER THE CANCUN AGREEMENTS

The Copenhagen Accord, which was taken note of at the 15th Conference of the Parties (COP15) in 2009, offered a blueprint for future international climate policy, not only by introducing new, voluntary climate pledges for both developed and developing countries for the period leading up to 2020, but also by signalling a new direction for transparency

arrangements under the UNFCCC. These arrangements were fleshed out and formally decided in the [Cancún Agreements](#) adopted one year later.

The Agreements specify that Annex I Parties need to submit new [Biennial Reports](#) (BRs) every two years, either independently or together with their National Communications. [Table 2](#) lists the information to be included in the Biennial Reports. Following [Decision 19/CP.18](#), such reports also need to include a new Common Tabular Format (CTF), offering a detailed and organised overview of part of the information reported.

The Biennial Reports are subject to [International Assessment and Review](#) (IAR), a process that combines a technical expert review with a new peer-to-peer process called [Multilateral Assessment](#) (MA). The technical review of Biennial Reviews resembles the review of National Communications and GHG inventories. Experts can ask questions and request information from the Party, and can also offer suggestions and advice. The Multilateral Assessment draws on the technical review, the Party's reports, and supplementary information. Other Parties can submit written questions, or raise questions in a session of the Subsidiary Body for Implementation (SBI). The Secretariat maintains a record of the questions and answers, and the SBI can forward conclusions to the COP.

The first round of multilateral assessments took place at UNFCCC SBI sessions in 2014 and 2015, resulting in a review of 43 developed country Parties. The second round took place in 2016 and 2017, and resulted in a review of 42 Parties.

Cancún also introduced new obligations and processes for developing country Parties, who agreed to submit [Biennial Update Reports](#) (BURs) every two years from 2014 onwards – with the exception of Least Developed Countries (LDCs)

and Small Island Developing States (SIDS), who can so at their discretion. The BURs should include information on, among other things, national circumstances and institutional arrangements, mitigation actions, and financial, technical and capacity needs (Table 2).

TABLE 2. INFORMATION FOR BIENNIAL (UPDATE) REPORTS	
BIENNIAL REPORTS (DEVELOPED COUNTRIES)	BIENNIAL UPDATE REPORTS (DEVELOPING COUNTRIES)
GHG emissions and trends, including summary of inventory	National circumstances and institutional arrangements
Quantified economy-wide emission reduction target, including assumptions and conditions	National inventory report
Progress in achieving quantified economy-wide targets, including mitigation actions and effects, including estimates from use of market mechanisms and land use, land-use change and forestry activities	Mitigation actions and effects, including methodologies and assumptions
Emissions projections	Constraints and gaps, and related financial, technical and capacity needs, including support needed and received
Provision of financial, technological and capacity-building support to developing countries	Support received to prepare and submit Biennial Update Report
Any other relevant information	Domestic measurement, reporting and verification
	Any other relevant information

Sources: Decisions 2/CP.17

These reports are subject to International Consultation and Analysis (ICA) under the SBI. The aim of the International Consultation and Analysis is to enhance transparency through

a process that is to be non-confrontational and non-intrusive, and that respects national sovereignty. The process mirrors the two steps of the IAR that developed countries go through, by starting with an analysis of BURs by a team of technical experts, in consultation with a Party. Based on the experts' report, a **Facilitative Sharing of Views (FSV)** will take place, which can include questions and answers between Parties. The first such sessions took place during four SBI workshops in 2016 and 2017, covering a total of 35 developing country parties (including Brazil, India, Mexico, South Africa, and South Korea). For the purposes of the ICA, LDCs and SIDS can be analysed in groups, rather than individually.

► **LESSONS LEARNED**

The experience with the existing review processes shows a gradual convergence of review arrangements for developed and developing countries, with flexibilities for developing countries, particularly for LDCs and SIDS. Differentiation of the transparency arrangements was most pronounced under the UNFCCC's initial reporting and review process and the Kyoto Protocol, with the latter's reporting and review requirements only applying to developed countries. Before Copenhagen, developing countries such as China and India resisted a move towards enhanced transparency for developing countries' climate actions, insisting that domestic verification would be sufficient (Dubash, 2010). However, as part of a tradeoff to strengthen the transparency of support provided, developing countries agreed to the system embedded in the Cancún Agreements (Morgan et al., 2010).

In terms of reporting, the record of mitigation-related reporting by developed country parties is generally seen as adequate, albeit with some variation (Ellis and Moarif, 2015).

For developing countries, the challenge of ever more regular and comprehensive reporting can be discerned from the fact that, by the end of 2017, *only 39 developing countries* had submitted their first Biennial Update Reports (which were due by the end of 2014). Although reporting requirements for developing countries are less stringent than those for developed countries, this suggests that developing countries are experiencing difficulties with aspects of reporting. This may be related, among others reasons, to a lack of financial resources, data, or established domestic reporting infrastructures (*Ellis and Moarif, 2015*). In other words, reporting challenges are associated with capacity constraints.

The existing arrangements have also shown that technical reviews can place a significant burden on Parties, expert reviewers and the UNFCCC Secretariat, and that it requires significant financial and human resources. According to *one estimate*, the average amount of working days for carrying out one Party's review is 153 days if it involves an in-country review, or 83 days if it involves a centralised review (*Pulles, 2016*). This has been problematic, as the number of technical experts available for carrying out reviews is still limited. Specifically, there is a greater need for experts from developing countries.

The jury on the outcomes and usefulness of state-to-state multilateral review processes established under the Cancún Agreements is still out. The multilateral assessments thus far involved many Party-to-Party questions, for instance related to individual Parties' use of market-based mechanisms and the progress made in achieving climate pledges (*Kong, 2015*). The process has been said to create greater clout at the domestic level for ministries involved in implementation; contribute to policy exchange and learning; clarify technical issues in

reporting; and offer space for asking political questions (Deprez et al., 2015; Briner and Moarif, 2016). The Facilitative Sharing of Views offers a similar forum for information exchange. However, both processes are hampered by limited participation by states. This reflects resource limitations: for smaller countries, it is not always possible to engage in detail with the lengthy reports and their reviews (Briner and Moarif, 2016).

TIMELINE

1992 1995 1997 2000 2002 2006

COP1 adopts procedures for in-depth review of National Communications. Establishes an expert review process.

Kyoto Protocol adopted. Article 7 requires Annex I Parties to provide more detailed information to demonstrate compliance. Article 8 establishes an expert review process.

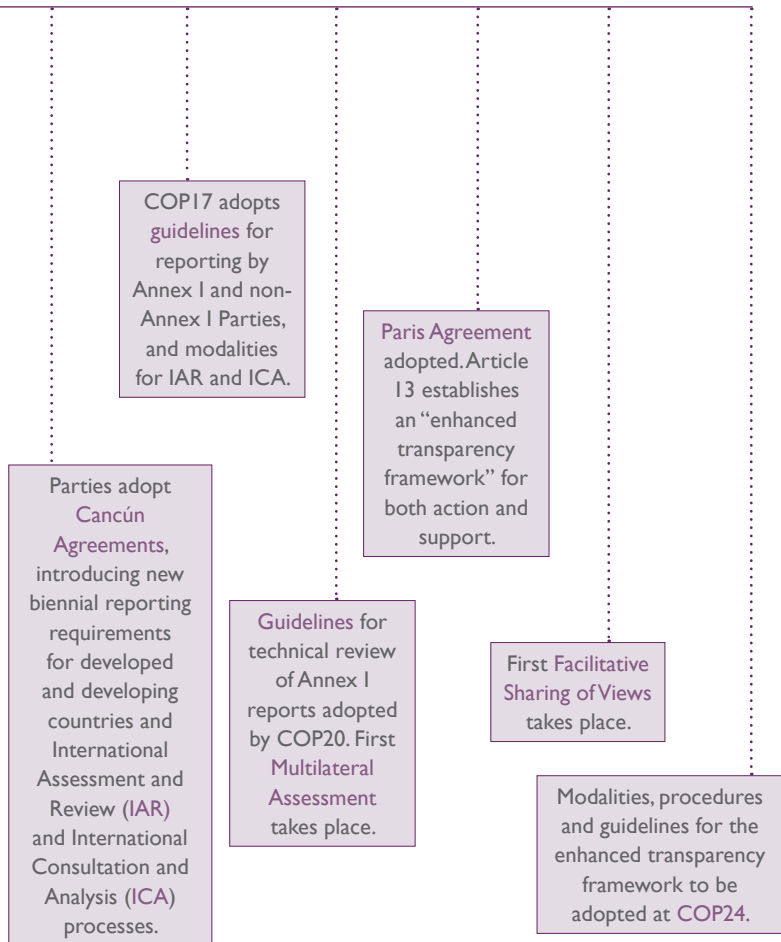
COP8 launches a technical review process for annual GHG inventories.

UNFCCC adopted. Article 12 requires all Parties to communicate information, including annual GHG inventories and information on implementation.

COP5 adopts reporting guidelines for Annex I GHG inventories and National Communications.

IPCC establishes guidelines for GHG inventories.

2010 2011 2014 2015 2016 2018



Parties adopt Cancún Agreements, introducing new biennial reporting requirements for developed and developing countries and International Assessment and Review (IAR) and International Consultation and Analysis (ICA) processes.

COP17 adopts guidelines for reporting by Annex I and non-Annex I Parties, and modalities for IAR and ICA.

Guidelines for technical review of Annex I reports adopted by COP20. First Multilateral Assessment takes place.

Paris Agreement adopted. Article 13 establishes an “enhanced transparency framework” for both action and support.

First Facilitative Sharing of Views takes place.

Modalities, procedures and guidelines for the enhanced transparency framework to be adopted at COP24.

WHAT IS THE ENHANCED FRAMEWORK FOR TRANSPARENCY?

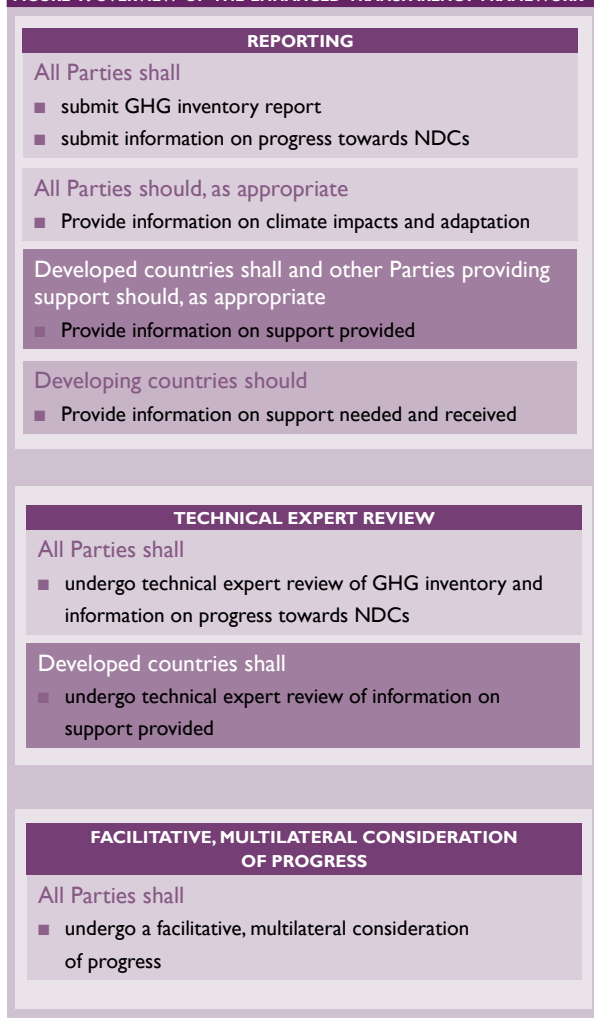
The Paris Agreement puts in place a new “enhanced transparency framework”, which will be the main system for reporting and review for Parties to the Agreement, superseding over time the existing transparency arrangements.

The framework for transparency of action ([Article 13.5](#)) aims to provide clarity on the climate actions taken by Parties, including progress made towards achieving NDCs, their adaptation actions, and priorities, needs and gaps, to inform the global stocktake under Article 14. The framework can thus offer much-needed insights into how Parties are implementing their mitigation and adaptation commitments under the Paris Agreement.

The framework for transparency of support ([Article 13.6](#)) aims to provide clarity on support provided and/or received by individual countries in the context of climate actions (mitigation, adaptation, finance, technology transfer and capacity building), and to provide a full overview of aggregate financial support to inform the global stocktake. The framework, if developed well, might therefore provide a much improved view of what is happening on whether promises on climate finance are being met.

The enhanced framework for transparency consists of two main elements: reporting and review. In terms of reporting, [Article 13.7](#) requires each Party to submit annual inventory reports as well as biennial reports with information necessary to track progress made in implementing and achieving its NDC (except for LDCs and SIDS, who can submit reports at their discretion). Like the arrangements established

FIGURE 1. OVERVIEW OF THE ENHANCED TRANSPARENCY FRAMEWORK



Sources: adapted from UNFCCC, 2017c

by the Cancún Agreements, the review process will include two main elements: a technical expert review (TER) and a process of “facilitative, multilateral consideration of progress”. The expert reviewers can identify “areas of improvement” for the Party under review, and examine the consistency of the reported information with multilateral guidelines. The facilitative, multilateral consideration of progress focuses on the implementation and achievement of NDCs as well as the obligations related to providing climate finance.

Importantly, the transparency framework provides for “built-in flexibility” that takes into account Parties’ different capacities ([Article 13.1](#)), meaning that not all requirements for reporting and review will be the same for all Parties.

HOW DO THE PARIS AND UNFCCC TRANSPARENCY ARRANGEMENTS COMPARE AND RELATE?

The enhanced transparency framework needs to build on the existing transparency arrangements under the UNFCCC (Article 13.4). Indeed, for reasons of both political feasibility and practicality, the design of the new transparency framework is likely to draw on experiences with existing transparency arrangements. Table 3 provides a comparison of the transparency arrangements established by the UNFCCC and the enhanced transparency framework of the Paris Agreement (adapted from Briner and Moarif, 2016).

The table shows that most elements from existing transparency arrangements will be transposed in some form. This includes biennial reporting; technical expert reviews; multilateral party-to-party review; and flexibilities for LDCs and SIDS. For other elements it is less clear whether – and, if so, to what extent – they will be maintained. For instance, it is unclear whether existing reporting and review guidelines will be used or updated, or whether new guidelines will be developed from scratch.

This uncertainty is inherently related to the question of how to implement flexibility in the transparency framework,

TABLE 3. COMPARISON OF TRANSPARENCY ARRANGEMENTS IN UNFCCC AND PARIS AGREEMENT		
	UNFCCC	PARIS AGREEMENT
REPORTING		
GHG inventories	<p>Who: all Parties</p> <p>Frequency: every year for developed countries; every 2 years for developing countries; flexibility for LDCs and SIDS</p>	<p>Who: all Parties</p> <p>Frequency: every year for developed countries; every 2 years for developing countries; flexibility for LDCs and SIDS</p>
National Communications	<p>Who: all Parties</p> <p>Frequency: every 4 years for developed countries; developing countries encouraged to do the same, depending on support</p> <p>Scope: information on support only mandatory for developed countries</p> <p>Guidelines: different guidelines for developed and developing countries</p>	<p>No new provisions; UNFCCC continues to apply</p>
Biennial reports	<p>Who: all Parties</p> <p>Frequency: every 2 years</p> <p>Scope: information on support only mandatory for developed countries</p> <p>Guidelines: different guidelines for developed and developing countries</p>	<p>Who: all Parties</p> <p>Frequency: at least every 2 years; flexibility for LDCs and SIDS and countries that need it in light of their capacities</p> <p>Scope/level of detail: flexibility for countries that need it in light of their capacities</p>

	UNFCCC	PARIS AGREEMENT
REVIEW		
Review of GHG inventories	Who: developed countries; review of developing country inventories part of technical review of BUR	No new provisions; UNFCCC continues to apply
In-depth review of National Communications	Who: developed countries	No new provisions; UNFCCC continues to apply
Technical expert analysis/review of biennial reports	Who: all Parties Guidelines: different guidelines for review of developed and developing country reports	Who: all Parties Scope: flexibility for countries that need it in light of their capacities
Multilateral review/consideration	Who: all Parties Guidelines: different guidelines for review processes of developed and developing countries; review voluntary for LDCs and SIDS, who can also be reviewed as group	Who: all Parties Scope: flexibility for countries that need it in light of their capacities

given that the existing system differentiates between developed and developing countries. However, increased flexibility cannot lead to less frequent or detailed reporting.

Regarding the timing of a transition, the new system of the enhanced transparency framework would supersede existing transparency arrangements immediately following the submission of the final Biennial Reports and Biennial Update Reports.

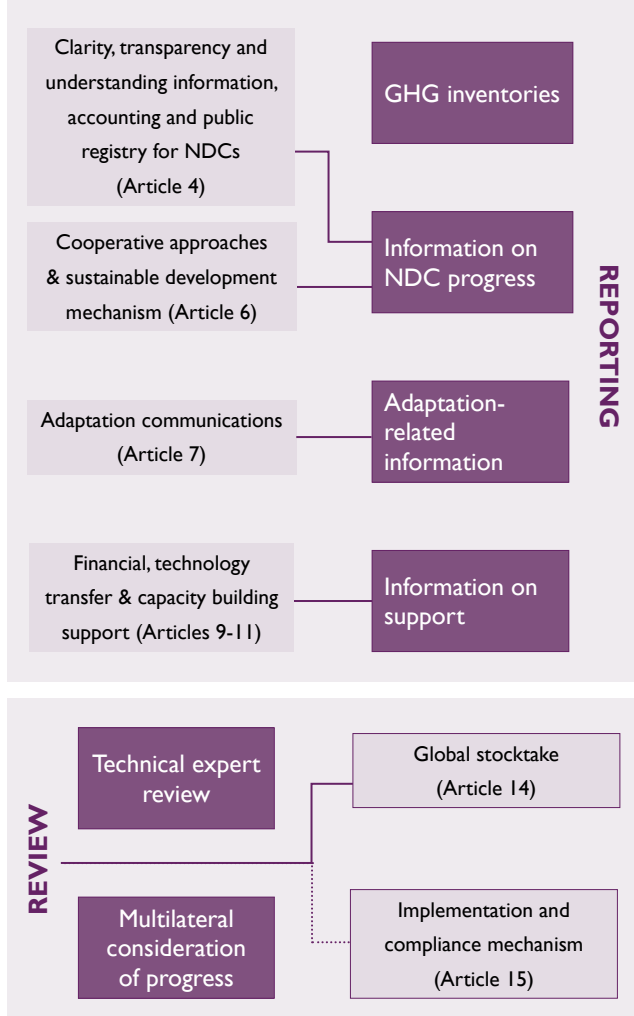
HOW DOES THE TRANSPARENCY FRAMEWORK RELATE TO OTHER PARTS OF THE PARIS AGREEMENT?

The enhanced transparency framework is *closely interlinked* with various other parts of the Paris Agreement (see [Figure 2](#)).

Given that national reports need to provide information necessary to track progress towards NDCs, information requirements related to NDCs under Article 4 are important. One of these requirements is to provide information to facilitate the clarity, transparency and understanding (CTU) of the NDCs (Article 4.8). This may include, for example, information on reference points, time frames, scope and coverage, assumptions and methodological approaches, and information on how a Party considers its NDC to be fair and ambitious. Other requirements are to list NDCs in a public registry (Article 4.12) and to account for NDCs (Article 4.13). Each of these items is still under negotiation. In these negotiations, the information requirements need to be aligned with the information to be reported under the enhanced transparency framework.

The transparency framework is also connected to Article 7 on adaptation. Adaptation-related information has been communicated by Parties to the COP in the past as part of their National Communications, National Adaptation Plans (NAPs) and National Adaptation Programmes of Action (NAPAs), and some developing countries have included adaptation-related information in their NDCs. The Paris Agreement introduces a new, voluntary “Adaptation Communication”, which can be submitted together with an NDC, a National Adaptation

FIGURE 2. LINKAGES BETWEEN THE TRANSPARENCY FRAMEWORK AND OTHER ELEMENTS OF THE PARIS AGREEMENT



Source: adapted from Dagnet et al., 2017

Plan, a National Communication and/or the new biennial transparency report. Coordination between negotiations on adaptation and transparency is needed to ensure that the adaptation-related transparency guidance is aligned across Articles 13 and 7.

Reporting adaptation-related information may have certain advantages. For instance, reporting adaptation needs can help attract adaptation finance, understand whether international adaptation finance is effective, and clarify whether the temperature goals of the Paris Agreement are appropriate, especially for LDCs and SIDS. Furthermore, reporting on adaptation needs and efforts could help Parties learn from each other and from themselves (Dagnet et al., 2016). However, reporting on adaptation may entail a risk of further shifting the burden to adapt to developing countries, if efforts to reduce vulnerabilities are seen as their responsibility. Moreover, to the extent the Adaptation Communication establishes a new reporting and planning process, it may be burdensome for developing countries with limited capacities. It may be useful for developing countries, particularly LDCs and SIDS, to begin with reporting on the impacts, costs and needs related to adaptation, rather than on adaptation policies and measures. Nevertheless, developing countries that wish to have their adaptation efforts recognised may still want to highlight their adaptation actions.

The transparency provisions are also inter-related to the provisions on financial (Article 9), technology transfer (Article 10) and capacity building (Article 11) support provided by developed countries (Article 13.9), and needed and received by developing countries (Article 13.10). Information generated under these specific provisions on support may offer useful input into the reporting under the transparency framework.

The links with financial support are discussed in more detail below, but how these parts interact is still being worked out.

The transparency framework is explicitly linked to the global stocktake under Article 14. As the inputs of the stocktake are not defined exhaustively in [Decision 1/CP.21](#), Parties can include several types of outputs from the transparency framework ([Holz and Ngwadla, 2016](#)). These can include, for instance, reports related to: adaptation; national inventories; progress made in implementing and achieving NDCs; support provided; support received; technical expert reviews; summaries of the multilateral consideration of progress; syntheses of some or all these reports by the UNFCCC Secretariat; and reports by the Secretariat on the functioning of the transparency framework. As the first stocktake takes place in 2023, any of the above reports would need to be generated well before then to serve as input to the stocktake, but need not be all generated at the same time.

While the link with the global stocktake has been made explicit, this has not been the case for any potential link with the implementation and compliance mechanism under Article 15. However, the technical expert review is to lead to an identification of “areas of improvement”, and the outcome of the review process may be linked to the mechanism to facilitate implementation and promote compliance under Article 15 ([Dagnet et al., 2017](#)).

WHAT ARE THE INFORMATION NEEDS FOR TRANSPARENCY OF ACTION?

Annual inventory reporting is already a common practice for developed countries; for developing countries (taking into account the discretion given to LDCs and SIDS), inventory reporting will need to take place on a biennial basis. As is common practice, inventory reporting would follow IPCC good practice methodologies – although these methodologies would first need to be accepted by the COP serving as the Meeting of the Parties to the Paris Agreement (CMA). The IPCC methodologies offer flexibility to Parties, specifying three tiers of reporting GHG emissions, with increasing levels of information.

The diversity of NDCs may make it challenging to track progress. Most NDCs specify GHG-emissions related goals. Progress for such NDCs can be tracked by the information commonly captured in GHG inventories, although some additional information may be needed if the NDC is relative to non-GHG data (e.g. goals formulated in terms of per capita emissions or finance received). Some NDCs include goals related to non-GHGs, such as black carbon, for which no reporting guidance is available under the UNFCCC. Other NDCs include qualitative goals such as the implementation of policies. Yet other NDCs are either partly or wholly conditional on the provision of support. Although the reporting of support received can be accommodated in the enhanced transparency framework, it is unclear whether and how progress towards NDCs can (or should) be reviewed. Information needs will therefore vary according to the NDC in question (Briner and Moarif, 2016).

WHAT IMPROVEMENTS ARE NECESSARY IN DEVELOPED COUNTRIES ON TRANSPARENCY OF SUPPORT?

In the past, it has not been possible to understand whether developed countries have met their climate finance pledges using the data they provided in their National Communications and Biennial Reports. Nor has it been possible to assess whether the support provided has been effective in assisting developing countries green their economies or prepare for climate impacts (Roberts and Weikmans, 2017).

The introduction and revision of a **Common Tabular Format** as part of Biennial Reports has recently improved reporting, but as project-level reporting is still not required, it is mostly impossible to understand what is included in these tables.

The lack of common accounting and reporting methodologies for financial support has resulted in many inconsistent practices: it is impossible to compare data between countries, or even compare one country's contributions from year to year (Weikmans et al., 2016). Moreover, very little information has been provided on private financial flows mobilised in developing countries through public interventions by developed countries. With developed countries being required to report on private finance mobilised under the Paris Agreement, this is an area in need of further improvement.

WHAT IMPROVEMENTS ARE NECESSARY IN DEVELOPING COUNTRIES ON TRANSPARENCY OF SUPPORT?

Developing countries are currently encouraged to report information on financial support needed and received in their National Communications and Biennial Update Reports. While most developing countries have provided some information on their needs within these and in their NDCs, few of them have reported on support received.

In addition, there is no common format (similar to the Common Tabular Format) for reporting information on financial support needed and received (Weikmans & Roberts, 2017), nor is there a common methodology to assess the financial support needed and received. Practices in these regards vary widely between developing countries. As a result of the inconsistency and incompleteness of this information, no global picture can be assembled of whether and where climate finance promises are or are not being met.

HOW DO UNFCCC AND PARIS TRANSPARENCY ARRANGEMENTS ON SUPPORT COMPARE?

Some of the key differences between the approach to transparency of support before and after Paris are summarised in [Table 4](#) below. A key change brought about by the Paris Agreement's enhanced transparency framework is that developing countries that provide financial, technology transfer and capacity-building support to other developing countries in the context of climate actions should report information on such support on a biennial basis ([Article 13.9](#)).

Another key difference with the pre-Paris approach is that developing countries should now provide information on financial, technology transfer and capacity-building support received every two years – except for LDCs and SIDS, which may submit this information at their discretion ([Article 13.10](#)). A crucial task was also delegated to the [Subsidiary Body for Scientific and Technological Advice](#) (SBSTA) during the Paris COP to develop modalities for accounting of financial resources provided and mobilised through public interventions. Developed countries were expected to report earlier on how they were going to scale up finance to meet the 2020 pledge of jointly mobilising US\$100 billion per year (see [Decision 3/CP.19](#)). The text of [Article 9.5](#) of the Paris Agreement is much broader, and turns this into an obligation under the Paris Agreement. The voluntary nature of reporting for developing country contributors is emphasised – it will therefore be important to identify incentives and build capacity for countries to provide this important information.

TABLE 4. TRANSPARENCY OF SUPPORT BEFORE AND AFTER PARIS	
BEFORE PARIS	AFTER PARIS
INFORMATION ON SUPPORT PROVIDED TO DEVELOPING COUNTRIES	
<p>Developed countries were required to provide information on financial, technology transfer and capacity-building support provided on a biennial basis (in their National Communications and Biennial Reports), but there were no common accounting methodologies.</p>	<ul style="list-style-type: none"> ■ Developed countries shall continue to provide information on financial, technology transfer and capacity building support provided on a biennial basis (Article 13.9). ■ Other countries that provide financial, technology transfer and capacity-building support to developing countries in the context of climate actions should now report information on such support on a biennial basis (Article 13.9). ■ SBSTA to develop modalities for the accounting of financial resources provided.
INFORMATION ON FINANCIAL SUPPORT MOBILISED THROUGH PUBLIC INTERVENTIONS	
<p>Developed countries were required to provide information on financial support mobilised in their Biennial Reports, but there were no common accounting methodologies.</p>	<p>SBSTA to develop modalities for the accounting of financial resources mobilised through public interventions.</p>
INFORMATION ON PROJECTED LEVELS OF PUBLIC FINANCIAL RESOURCES TO BE PROVIDED TO DEVELOPING COUNTRIES	
<p>Developed countries were expected to report on how they were going to scale up finance to meet the 2020 pledge of jointly mobilising US\$100 billion per year (Decision 3/CP.19), but there was no guidance on how to report such information.</p>	<ul style="list-style-type: none"> ■ Developed countries shall biennially communicate indicative quantitative and qualitative information on financial support, including as available on projected levels of public financial resources to be provided to developing countries (Article 9.5). ■ Other Parties providing financial resources are encouraged to communicate biennially such information on a voluntary basis (Article 9.5). ■ A process to identify the information to be communicated was initiated at COP22.

BEFORE PARIS	AFTER PARIS
INFORMATION ON SUPPORT NEEDED AND RECEIVED	
<p>Developing countries were encouraged to report this information in their National Communications and Biennial Update Reports.</p>	<p>Developing countries should provide information on financial, technology transfer and capacity-building support received on a biennial basis – except for LDCs and SIDS, which may submit this information at their discretion (Article 13.10).</p>
TECHNICAL EXPERT REVIEW ON THE INFORMATION SUBMITTED ON SUPPORT PROVIDED	
<p>Information on support provided that developed countries reported in their National Communications and Biennial Reports was subject to technical expert review.</p>	<p>The information submitted by developed countries and other countries that provide financial, technology transfer and capacity-building support shall undergo a technical expert review (Article 13.11).</p>
MULTILATERAL CONSIDERATION OF PROGRESS WITH RESPECT TO EFFORTS ON FINANCIAL SUPPORT PROVIDED	
<p>No multilateral consideration of progress.</p>	<p>Developed countries and other Parties that provide financial, technology transfer and capacity-building support shall participate in a multilateral consideration of progress with respect to efforts on financial support provided (Article 13.11).</p>
GLOBAL STOCKTAKE	
<p>No global stocktake, although the Standing Committee on Finance produced Biennial Assessment and Overview of Climate Finance in 2014 and 2016.</p>	<p>The transparency of support is to provide clarity on support provided and received in the context of climate change actions (mitigation, adaptation, finance, technology transfer and capacity building), and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake (Article 13.6).</p>

WHAT CAN DEVELOPING COUNTRIES DO TO IMPROVE TRANSPARENCY OF SUPPORT?

Access to information about the financial support received for mitigation and adaptation is severely limited in many developing countries, making it difficult to assess where it is distributed and how effectively it is being used. A possible way to overcome these limitations would be to put in place standing arrangements at the government level through which climate finance received could be tracked over time. One example would be to create national dashboards of mitigation and adaptation efforts (supported by financial support), such as those that exist for development aid in several developing countries (for instance, the [Aid Management Platforms](#) that exist in 25 countries). The set-up of such national dashboards involves collecting and displaying in one place (for instance, on an online platform) data from bilateral and multilateral donors, national and local governments in developing countries, and possibly from private philanthropic agencies, non-governmental organisations and private actors. Combining all these types of information will allow major advances in coordination between these actors, improving effectiveness and collaboration, and will lead to improved national strategic planning in the face of climate change. The systematic presentation of climate finance received also could highlight topical areas and geographic regions of nations where vulnerability and green energy needs have not been addressed with international funding.

WHAT IS THE CAPACITY-BUILDING INITIATIVE FOR TRANSPARENCY?

The UNFCCC and subsequent climate agreements call on developed countries to provide support to developing countries to help the latter comply with their reporting duties (e.g. UNFCCC Article 4.3). Several initiatives have supported non-Annex I Parties in the preparation of their National Communications and Biennial Update Reports to the UNFCCC. These include the [Global Support Programme](#) (jointly administered by the United Nations Development Programme and the United Nations Environment Programme, with funding from the Global Environment Facility (GEF)), a five-year (2014-2019) initiative aiming at providing logistical and technical support in order to facilitate the preparation of these and their (intended) NDCs.

In Paris, developing countries called upon developed countries to provide additional support to help them meet the enhanced transparency requirements of the Paris Agreement. To do so, Parties decided to establish the [Capacity-building Initiative for Transparency \(CBIT\)](#). The CBIT is a new trust fund (hosted by the GEF) that aims to build institutional and technical capacity, both pre- and post-2020. Pledges to the CBIT currently amount to approximately [US\\$55 million](#). The [first projects](#) have been approved for implementation in 13 countries but are just getting underway at this writing. A [global coordination platform](#) has also been put in place to share lessons learned and engage with partners to help

deliver more country projects. Another [global platform](#) aims to strengthen developing country technical and institutional capacity, through coordinated dissemination of knowledge to meet enhanced transparency framework requirements in the Agriculture, Forestry and Other Land Use sector.

WHAT ARE THE KEY GAPS IN CURRENT EFFORTS?

► GENERAL

Several gaps can be identified in the emerging design of the enhanced transparency framework under the Paris Agreement.

First, although the Paris Agreement specifies that the new transparency framework will build on the old one, it does not specify when or how. No indication is given of what parts of the old arrangements will be kept – and in what form – and which will be discarded. A closely related question is how the enhanced transparency framework will differentiate between developed and developing countries. Reporting and review requirements may be very different, depending on how country differentiation will be put in practice. Although it is clear that LDCs and SIDS will be treated differently, and developed countries will have the most stringent reporting requirements, we still lack clarity on the edges of the middle group.

Second, with regard to reporting, a major gap is that there is still no agreement on several aspects that are of immediate relevance for reporting the progress made towards achieving NDCs. This includes guidance on the features of the NDCs, guidance on information to facilitate the “clarity, transparency and understanding” (or **CTU**) of NDCs, and guidance on accounting rules for NDCs. Without such guidance, there is a risk of inconsistent reporting by Parties. The lack of standardised guidance was a serious defect in the development of intended NDCs, and the Paris Agreement does not resolve this for future NDCs.

A third gap is that there is no explicit linkage between the transparency framework and several key parts of the Paris Agreement. Article 13 does not include references to reducing emissions from deforestation and forest degradation (REDD+; Article 5), cooperative approaches (Article 6), loss and damage (Article 8), and the implementation and compliance mechanism (Article 15). These linkages and expectations need to be clarified urgently.

With respect to REDD+, it is sensible to link the transparency framework to the modalities for measurement, reporting and verification agreed as part of the Warsaw Framework for REDD+ (Decision 14/CP.19). For cooperative mechanisms it will be important to align guidance for the mechanisms developed under Article 6 with the emerging transparency framework, to establish clear rules about what counts and what is being claimed on emissions reductions and funding exchanged. And for the implementation and compliance mechanism, a key unanswered question is whether there is or should be a direct relationship between the review under Article 13 and the newly established committee under Article 15.

Such a relationship existed in the case of the Kyoto Protocol's compliance mechanism, but without clarity about the scope, functions and mandate of the Article 15 committee, this relationship remains ambiguous under the Paris Agreement.

But even in the cases where there is an explicit link – notably with the global stocktake – further guidance is needed on how the link will work in practice. Such guidance could identify the sources of inputs into the stocktake, and specify that such sources can include national reports and outputs from the review process under Article 13.

► **TRANSPARENCY OF SUPPORT**

In addition, at least four gaps related to transparency of support require urgent attention.

First, in the absence of any explicit provisions in the Paris Agreement, information on support needed may not be considered at all in the global stocktake or the 2018 Facilitative Dialogue. Given the importance of support for developing nations to meet their emissions reduction goals and reduce vulnerability, this is a significant transparency gap that needs to be addressed.

Second, the provision that LDCs and SIDS will be able to report financial support needed and received “at their discretion” is necessary to protect those countries from heavy reporting duties. However, discretionary reporting might be a double-edged sword if it impedes the emergence of a clear picture of the international climate finance landscape for many of the world’s most vulnerable nations. Robust and frequent reporting by LDCs and SIDS could help corroborate the information from Parties providing support. That is why significant support should be given to LDCs and SIDS to help them report information on financial support needed and received on a biennial basis, as is expected from other developing countries.

Third, the development of modalities for financial resources provided and mobilised through public interventions represents an important opportunity for developing countries to offer input on this crucial question, as there is still no common definition of climate finance. However, these modalities will not apply to the financial support received. Making definitions and ways of reporting consistent will be necessary for a comprehensive transparency framework.

Lastly, information on how developing countries

can report on the use, impact and estimated results of the support received could inform better climate funding efforts in the future, and improve the likelihood of continuing and increasing funding levels. However, there is no clear mandate for work on measuring or evaluating what is working in climate finance, so a group of Parties would need to champion such an effort.

► **SUPPORT FOR TRANSPARENCY**

Initial pledges for the CBIT are likely to be quickly exhausted. Capacity-building for transparency is an ongoing need, meaning that an ongoing, adequate and stable source of funding needs to be identified to support it. In addition, the support programme for transparency at present seems to be strongly focused on mitigation action. Much capacity building will also be needed in developing countries to track adaptation needs and action, and for in-country information systems tracking the support they receive and how it is used.

WHAT IS NEXT FOR TRANSPARENCY?

Negotiations on the enhanced transparency framework are ongoing in the Ad Hoc Working Group on the Paris Agreement (APA). A key aspect of the negotiations is the development of modalities, procedures and guidelines (MPGs) for the transparency framework.

Several key questions have emerged in these negotiations, as highlighted in a [report](#) by the UNFCCC Secretariat on a workshop held in March 2016:

- **Should the MPGs be common to all Parties, or be differentiated between developed and developing countries, and, if so, to what extent?** Some developed countries have argued for the MPGs for reporting, technical expert review and the facilitative, multilateral consideration of progress to be the same for all Parties. Meanwhile some developing countries have argued that the MPGs should be differentiated, with more elaborate requirements applying to only developed countries, in line with existing transparency arrangements. A third group of Parties suggests that some of the MPGs (e.g. on reporting and technical review) could be common for all, with others (e.g. the facilitative, multilateral consideration of progress) being different for developing countries ([Prasad et al., 2017](#)).
- **Which Parties are granted flexibility in light of their**

capacities? Related to the previous question, the Paris Agreement does not specify which countries – other than LDCs and SIDS – are granted flexibility. This question may be negotiated on the basis of capacity-related criteria such as the criteria for the **identification and graduation of LDCs**, **World Bank** criteria for classifying countries by income level, or the United Nations’ **Human Development Index**. The alternative to negotiating a criterion is self-determination by developing countries of their capacity. However, this may lead to an unpredictable system in which some countries choose the most flexible or lenient requirements (*van Asselt et al., 2016*).

- **How should flexibility be put in practice?** Beyond the question of which countries should be granted flexibility, it remains to be determined what that flexibility would look like. For reporting, flexibility could be applied to the scope and level of detail of reporting (e.g. linked to IPCC methodological tiers or the type of NDC adopted by a Party), as well as to the frequency of reporting. For review, flexibility could be applied, for instance, to the scope, format and frequency of review, or by exempting some Parties from review, or allowing group reviews (e.g. of Parties with low emissions). Finally, flexibility could take into account that the legal nature of the various obligations in Article 13 varies from “shall” to “should” (*van Asselt et al., 2016; UNFCCC, 2017d*).
- **How should the enhanced transparency framework build on existing arrangements?** Related to the various questions above, Parties still hold diverging positions on which elements of the Cancún Agreements’ transparency arrangements should be kept in place, and which elements should be added to.

- **How should linkages be established between the negotiations on the MPGs for the transparency framework and other, related negotiations?** As mentioned above, the transparency negotiations are closely connected to various other parts of the Paris Agreement. As many of those other parts are the subject of **parallel negotiations**, Parties need to coordinate to avoid a duplication of work or conflicting expectations, and establish which negotiation item is best placed to deal with the transparency-related aspects that overlap with other negotiations.

The talks in Bonn in May 2017 showed some convergence on the possible structure of the MPGs, with several possible headings of the MPGs identified by the co-facilitators in an **informal note** (UNFCCC, 2017e). These headings concern: (1) overarching considerations and guiding principles; (2) national inventory reports; (3) information necessary to track progress made in implementing and achieving NDCs; (4) information related to climate impacts and adaptation; (5) information on financial, technology transfer and capacity-building support provided; (6) information on financial, technology transfer and capacity-building support needed and received; (7) technical expert review; and (8) facilitative, multilateral consideration of progress.

However, at COP23 in November 2017, diverging views emerged on the structure of the MPGs, as reported by the co-facilitators in an **informal note** (UNFCCC, 2017f). The co-facilitators noted that there were two proposals for the structure of the MPGs: (1) single/common MPGs applicable to all Parties, with built-in flexibility to those developing country Parties that need it in the light of their capacities, containing three main sections: common reporting MPGs with annexed common tabular formats; common technical expert review

MPGs; and common facilitative, multilateral consideration of progress MPGs; and (2) build on the existing system under the Convention, with two separate parts for developed and developing country Parties.

In addition to the negotiations under Article 13, transparency-related negotiations take place on the modalities for accounting for climate finance. These negotiations offer an important opportunity for developing countries to provide input on this crucial question. In April 2017, the UNFCCC Secretariat published a [technical paper](#) summarising views on the modalities for the accounting of financial resources provided and mobilised through public interventions, drawing on relevant developments under and outside the Convention related to the mandate, including the summary and recommendations by the Standing Committee on Finance in the [2016 Biennial Assessment and Overview of Climate Finance Flows Report](#) (UNFCCC, 2017b). Progress was made on the development of these modalities during the COP23 negotiations in November 2017, as reflected in the [informal note](#) by the co-facilitators on this agenda item (UNFCCC, 2017a). The SBSTA will continue its work on this matter in 2018, taking into account this informal note and building on the recommendations made by the Standing Committee on Finance in its 2016 Report. However, the final outcome of those discussions on accounting modalities is still highly uncertain, and there will likely be pressure to minimise extra reporting effort by developed countries.

At the domestic level, and in preparation for the upcoming transparency-related negotiations, it may be useful for developing countries to identify the types of information – including information related to mitigation, adaptation and climate impacts, and financial, technology transfer and

capacity-building support received and needed – that are part of the negotiations on reporting, and identify to what extent such information is already available. This will likely require a joint effort from different government agencies and ministries, but it could offer much-needed clarity on how much of a burden various options on reporting would pose in practice. Related to this, it may be useful to reflect on existing experiences with the Cancún Agreements’ technical and multilateral review processes – for both developed and developing countries – with a view to identifying how such processes could be improved under the Paris Agreement.

REFERENCES

AdaptationWatch (2015). *Towards Mutual Accountability: The 2015 Adaptation Finance Transparency Gap Report*. A partnership of Adaptify, Brown University's Climate and Development Lab, the International Centre for Climate Change and Development, the Institute for Social and Environmental Transition, Nur University, the Stockholm Environment Institute, and the University of Colorado-Boulder.

Briner, G. & Moarif, S. (2016). *Enhancing Transparency of Climate Change Mitigation under the Paris Agreement: Lessons from Experience*. Paris: OECD.

Dagnet, Y., Waskow, D., Elliott, C., Northrop, E., Thwaites, J., Mogelgaard, K., Krnjaic, M., Levin, K. & McGray, H. (2016). *Staying on Track from Paris: Advancing the Key Elements of the Paris Agreement*. Washington, D.C.: World Resources Institute.

Dagnet, Y., Rocha, M.T., Fei, T., Elliott, C. & Krnjaic, M. (2017). *Mapping the Linkages between the Transparency Framework and Other Provisions of the Paris Agreement*. Washington, D.C.: World Resources Institute.

Deprez, A., Colombier, M. & Spencer, T. (2015) *Transparency and the Paris Agreement: Driving Ambitious Action in the New Climate Regime*. Paris: IDDRI.

Dubash, N.K. (2010). *Copenhagen: Climate of Mistrust*. Economic and Political Weekly 44(52), 8–11.

Ellis, J. & Moarif, S. (2015). *Identifying and Addressing Gaps in the UNFCCC Reporting Framework*. Paris: OECD.

Holz, C. & Ngwadla, X. (2016). *The Global Stocktake under the Paris Agreement: Opportunities and Challenges*. Oxford: ECBI.

Kong, X. (2015). *Achieving Accountability in Climate Negotiations: Past Practices and Implications for the Post-2020 Agreement*. Chinese Journal of International Law 14(3), 545–565.

Morgan, J., Ballesteros, A., McGray, H., Levin, K., Daviet, F., Stolle, F. & McMahon, H. (2010). *Reflections on the Cancun Agreements*. Washington, DC: WRI.

Pulles, T. (2016). *Did the UNFCCC Review Process Improve the National GHG Inventory Submissions?* GHG Management Institute.

Prasad, S., Ganesan, K. & Gupta, V. (2017). *Enhanced Transparency Framework in the Paris Agreement: Perspective of Parties*. New Delhi: Council on Energy, Environment and Water.

Roberts, J.T. & Weikmans, R. (2017). *Postface: Fragmentation, Failing Trust and Enduring Tensions over What Counts as Climate Finance*. International Environmental Agreements: Politics, Law and Economics, 17(1), 129–137.

UNFCCC (2017a). *Informal note by the co-facilitators: Draft elements for SBSTA agenda item 12 Modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement*. Bonn: UNFCCC.

UNFCCC (2017b). *Modalities for the Accounting of Financial Resources Provided and Mobilized through Public Interventions in Accordance with Article 9, Paragraph 7, of the Paris Agreement. Technical Paper by the Secretariat*. Bonn: UNFCCC.

UNFCCC (2017c). *Reflections Note on the Second Part of the First Session of the Ad Hoc Working Group on the Paris Agreement Note by the Co-Chairs*. Bonn: UNFCCC.

UNFCCC (2017d). *Workshop on the Development of Modalities, Procedures and Guidelines for the Transparency Framework for Action and Support Referred to in Article 13 of the Paris Agreement Report by the Co-Chairs of the Ad Hoc Working Group on the Paris Agreement*. Bonn: UNFCCC.

UNFCCC (2017e). *Agenda Item 5 – Modalities, Procedures and Guidelines for the Transparency Framework for Action and Support Referred to in Article 13 of the Paris Agreement. Informal Note by the Co-Facilitators – final version*. Bonn: UNFCCC.

UNFCCC (2017f). *Draft elements for APA agenda item 5 Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement Informal note by the co-facilitators – final version 14 November 2017*. Bonn: UNFCCC.

UNFCCC (2017f). *Draft elements for APA agenda item 5 Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement Informal note by the co-facilitators – final version 14 November 2017*. Bonn: UNFCCC.

van Asselt, H., Weikmans, R., Roberts, J.T. & Abeyasinghe, A. (2016). *Transparency of Action and Support under the Paris Agreement*. Oxford: ECBI.

Weikmans, R., Roberts, J.T., Holler, J., Guzmán, S., Tellam, I., Ciplet, D., Iwanciw, J.G. & Huq, S. (2016). *Submission by Brown University's Climate and Development Lab on behalf of AdaptationWatch to the UNFCCC Subsidiary Body for Scientific and Technological Advice on the Development of Accounting Modalities for Climate Finance*. Providence, RI: Brown University

Weikmans, R. & Roberts, J.T. (2017). *The International Climate Finance Accounting Muddle: Is There Hope on the Horizon? Climate and Development*. doi: 10.1080/17565529.2017.1410087

ANNEX I

LIST OF COMMONLY USED ABBREVIATIONS

APA	Ad Hoc Working Group on the Paris Agreement
BR	Biennial Report
BTR	Biennial Transparency Report
BUR	Biennial Update Report
CBIT	Capacity Building Initiative for Transparency
CGE	Consultative Group of Experts
CMA	Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement
COP	Conference of the Parties (to the UNFCCC)
CRF	Common Reporting Format
CTF	Common Tabular Format
CTU	Clarity, transparency and understanding
ERT	Expert review team
FMCP	Facilitative, multilateral consideration of progress
FSV	Facilitative sharing of views (under ICA)
GEF	Global Environment Facility
GHG	Greenhouse gas
GST	Global stocktake
ICA	International Consultations and Analysis
IAR	International Assessment and Review
ICAT	Initiative for Climate Action Transparency
IDR	In-depth review
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
ITMO	Internationally Transferred Mitigation Outcome
LDCs	Least Developed Countries

MA	Multilateral Assessment (under IAR)
MOI	Means of implementation
MPGs	Modalities, procedures and guidelines
MRV	Monitoring, reporting and verification
NC	National Communication
NDC	Nationally Determined Contribution
NIR	National Inventory Report
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
TACCC	Transparency, accuracy, completeness, consistency and comparability
TER	Technical expert review
TRR	Technical review of biennial report
TTE	Team of technical experts
UNFCCC	United Nations Framework Convention on Climate Change

ANNEX 2

UNFCCC, KYOTO PROTOCOL AND PARIS AGREEMENT TEXT ON TRANSPARENCY

UNFCCC

ARTICLE 4

COMMITMENTS

1. All Parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, shall:

(...)

(j) Communicate to the Conference of the Parties information related to implementation, in accordance with Article 12.

(...)

ARTICLE 7

CONFERENCE OF THE PARTIES

(...)

2. The Conference of the Parties, as the supreme body of this Convention, shall keep under regular review the implementation of the Convention and any related legal instruments that the Conference of the Parties may adopt, and shall make, within its mandate, the decisions necessary to promote the effective implementation of the Convention. To this end, it shall:

(...)

(e) Assess, on the basis of all information made available to it in accordance with the provisions of the Convention, the implementation of the Convention by the Parties, the overall

effects of the measures taken pursuant to the Convention, in particular environmental, economic and social effects as well as their cumulative impacts and the extent to which progress towards the objective of the Convention is being achieved;

(...)

ARTICLE 12

COMMUNICATION OF INFORMATION RELATED TO IMPLEMENTATION

1. In accordance with Article 4, paragraph 1, each Party shall communicate to the Conference of the Parties, through the secretariat, the following elements of information:

(a) A national inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, to the extent its capacities permit, using comparable methodologies to be promoted and agreed upon by the Conference of the Parties;

(b) A general description of steps taken or envisaged by the Party to implement the Convention; and

(c) Any other information that the Party considers relevant to the achievement of the objective of the Convention and suitable for inclusion in its communication, including, if feasible, material relevant for calculations of global emission trends.

2. Each developed country Party and each other Party included in Annex I shall incorporate in its communication the following elements of information:

(a) A detailed description of the policies and measures that it has adopted to implement its commitment under Article 4, paragraphs 2(a) and 2(b); and

(b) A specific estimate of the effects that the policies and measures referred to in subparagraph (a) immediately above

will have on anthropogenic emissions by its sources and removals by its sinks of greenhouse gases during the period referred to in Article 4, paragraph 2(a).

3. In addition, each developed country Party and each other developed Party included in Annex II shall incorporate details of measures taken in accordance with Article 4, paragraphs 3, 4 and 5.

(...)

5. Each developed country Party and each other Party included in Annex I shall make its initial communication within six months of the entry into force of the Convention for that Party. Each Party not so listed shall make its initial communication within three years of the entry into force of the Convention for that Party, or of the availability of financial resources in accordance with Article 4, paragraph 3. Parties that are least developed countries may make their initial communication at their discretion. The frequency of subsequent communications by all Parties shall be determined by the Conference of the Parties, taking into account the differentiated timetable set by this paragraph.

(...)

7. From its first session, the Conference of the Parties shall arrange for the provision to developing country Parties of technical and financial support, on request, in compiling and communicating information under this Article, as well as in identifying the technical and financial needs associated with proposed projects and response measures under Article 4. Such support may be provided by other Parties, by competent international organizations and by the secretariat, as appropriate.

(...)

KYOTO PROTOCOL

ARTICLE 7

1. Each Party included in Annex I shall incorporate in its annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, submitted in accordance with the relevant decisions of the Conference of the Parties, the necessary supplementary information for the purposes of ensuring compliance with Article 3, to be determined in accordance with paragraph 4 below.
2. Each Party included in Annex I shall incorporate in its national communication, submitted under Article 12 of the Convention, the supplementary information necessary to demonstrate compliance with its commitments under this Protocol, to be determined in accordance with paragraph 4 below.
3. Each Party included in Annex I shall submit the information required under paragraph 1 above annually, beginning with the first inventory due under the Convention for the first year of the commitment period after this Protocol has entered into force for that Party. Each such Party shall submit the information required under paragraph 2 above as part of the first national communication due under the Convention after this Protocol has entered into force for it and after the adoption of guidelines as provided for in paragraph 4 below. The frequency of subsequent submission of information required under this Article shall be determined by the Conference of the Parties serving as the meeting of the Parties to this Protocol, taking into account any timetable for the submission of national communications decided upon by the Conference of the Parties.

4. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall adopt at its first session, and review periodically thereafter, guidelines for the preparation of the information required under this Article, taking into account guidelines for the preparation of national communications by Parties included in Annex I adopted by the Conference of the Parties. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall also, prior to the first commitment period, decide upon modalities for the accounting of assigned amounts.

ARTICLE 8

1. The information submitted under Article 7 by each Party included in Annex I shall be reviewed by expert review teams pursuant to the relevant decisions of the Conference of the Parties and in accordance with guidelines adopted for this purpose by the Conference of the Parties serving as the meeting of the Parties to this Protocol under paragraph 4 below. The information submitted under Article 7, paragraph 1, by each Party included in Annex I shall be reviewed as part of the annual compilation and accounting of emissions inventories and assigned amounts. Additionally, the information submitted under Article 7, paragraph 2, by each Party included in Annex I shall be reviewed as part of the review of communications.

2. Expert review teams shall be coordinated by the secretariat and shall be composed of experts selected from those nominated by Parties to the Convention and, as appropriate, by intergovernmental organizations, in accordance with guidance provided for this purpose by the Conference of the Parties.

3. The review process shall provide a thorough and comprehensive technical assessment of all aspects of the

implementation by a Party of this Protocol. The expert review teams shall prepare a report to the Conference of the Parties serving as the meeting of the Parties to this Protocol, assessing the implementation of the commitments of the Party and identifying any potential problems in, and factors influencing, the fulfilment of commitments. Such reports shall be circulated by the secretariat to all Parties to the Convention. The secretariat shall list those questions of implementation indicated in such reports for further consideration by the Conference of the Parties serving as the meeting of the Parties to this Protocol.

4. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall adopt at its first session, and review periodically thereafter, guidelines for the review of implementation of this Protocol by expert review teams taking into account the relevant decisions of the Conference of the Parties.

5. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall, with the assistance of the Subsidiary Body for Implementation and, as appropriate, the Subsidiary Body for Scientific and Technological Advice, consider:

(a) The information submitted by Parties under Article 7 and the reports of the expert reviews thereon conducted under this Article; and

(b) Those questions of implementation listed by the secretariat under paragraph 3 above, as well as any questions raised by Parties.

6. Pursuant to its consideration of the information referred to in paragraph 5 above, the Conference of the Parties serving as the meeting of the Parties to this Protocol shall take decisions on any matter required for the implementation of this Protocol.

PARIS AGREEMENT

ARTICLE 7

(...)

10. Each Party should, as appropriate, submit and update periodically an adaptation communication, which may include its priorities, implementation and support needs, plans and actions, without creating any additional burden for developing country Parties.

11. The adaptation communication referred to in paragraph 10 of this Article shall be, as appropriate, submitted and updated periodically, as a component of or in conjunction with other communications or documents, including a national adaptation plan, a nationally determined contribution as referred to in Article 4, paragraph 2, and/or a national communication.

12. The adaptation communications referred to in paragraph 10 of this Article shall be recorded in a public registry maintained by the secretariat.

ARTICLE 9

(...)

5. Developed country Parties shall biennially communicate indicative quantitative and qualitative information related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.

(...)

7. Developed country Parties shall provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions

biennially in accordance with the modalities, procedures and guidelines to be adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement, at its first session, as stipulated in Article 13, paragraph 13. Other Parties are encouraged to do so.

ARTICLE 11

(...)

4. All Parties enhancing the capacity of developing country Parties to implement this Agreement, including through regional, bilateral and multilateral approaches, shall regularly communicate on these actions or measures on capacity-building. Developing country Parties should regularly communicate progress made on implementing capacity-building plans, policies, actions or measures to implement this Agreement.

(...)

ARTICLE 13

1. In order to build mutual trust and confidence and to promote effective implementation, an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience is hereby established.

2. The transparency framework shall provide flexibility in the implementation of the provisions of this Article to those developing country Parties that need it in the light of their capacities. The modalities, procedures and guidelines referred to in paragraph 13 of this Article shall reflect such flexibility.

3. The transparency framework shall build on and 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, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties.

4. The transparency arrangements under the Convention, including national communications, biennial reports and biennial update reports, international assessment and review and international consultation and analysis, shall form part of the experience drawn upon for the development of the modalities, procedures and guidelines under paragraph 13 of this Article.

5. The purpose of the framework for transparency of action is to 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 nationally determined contributions under Article 4, and Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14.

6. The purpose of the framework for transparency of support is to 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.

7. Each Party shall regularly provide the following information:

- (a) A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties serving as the meeting

of the Parties to this Agreement; and

(b) Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4.

8. Each Party should also provide information related to climate change impacts and adaptation under Article 7, as appropriate.

9. Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer and capacity-building support provided to developing country Parties under Articles 9, 10 and 11.

10. Developing country Parties should provide information on financial, technology transfer and capacity-building support needed and received under Articles 9, 10 and 11.

11. Information submitted by each Party under paragraphs 7 and 9 of this Article shall undergo a technical expert review, in accordance with decision 1/CP.21. For those developing country Parties that need it in the light of their capacities, the review process shall include assistance in identifying capacity-building needs. In addition, each Party shall participate in a facilitative, multilateral consideration of progress with respect to efforts under Article 9, and its respective implementation and achievement of its nationally determined contribution.

12. The technical expert review under this paragraph shall consist of a consideration of the Party's support provided, as relevant, and its implementation and achievement of its nationally determined contribution. The review shall also identify areas of improvement for the Party, and include a review of the consistency of the information with the modalities, procedures and guidelines referred to in paragraph 13 of this Article, taking into account the flexibility accorded to the Party under paragraph 2 of this Article. The review shall

pay particular attention to the respective national capabilities and circumstances of developing country Parties.

13. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall, at its first session, building on experience from the arrangements related to transparency under the Convention, and elaborating on the provisions in this Article, adopt common modalities, procedures and guidelines, as appropriate, for the transparency of action and support.

14. Support shall be provided to developing countries for the implementation of this Article.

15. Support shall also be provided for the building of transparency-related capacity of developing country Parties on a continuous basis.

oxford
climate
policy

iied



Supported by:



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety

based on a decision of the German Bundestag

