



Transparency of Action and Support under the Paris Agreement

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LIST OF ABBREVIATIONS

APA	Ad Hoc Working Group on the Paris Agreement
BR	Biennial report
BUR	Biennial update report
CBIT	Capacity Building Initiative for Transparency
CMA	Conference of the Parties serving as the meeting of the Parties (to the Paris Agreement)
COP	Conference of the Parties (to the UNFCCC)
CTF	Common tabular format
ERT	Expert review team
GEF	Global Environment Facility
ICA	International consultations and analysis
IAR	International assessment and review
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
LDCs	Least developed countries
MRV	Monitoring, reporting and verification
NC	National Communication
NDC	Nationally Determined Contribution
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SDGs	Sustainable Development Goals
SIDS	Small island developing states
UNFCCC	United Nations Framework Convention on Climate Change

EXECUTIVE SUMMARY

One of the key elements of the Paris Agreement is its “*enhanced transparency framework*”, set out in Article 13. Transparency of action and support is of crucial importance for the functioning of the Paris Agreement, as it can: help build trust and confidence among Parties; foster shared understandings by clarifying the information underlying Parties’ Nationally Determined Contributions (NDCs); help mobilise domestic support for stronger climate action and further support; improve efficacy of action through enhanced learning; and hold Parties accountable for implementing their actions and maintaining and increasing their levels of ambition.

This paper offers an analysis of some of the major questions raised by the Paris Agreement with regard to transparency, in the form of a commentary on Article 13 as well as other provisions of the Paris Agreement and Decision 1/CP.21 that pertain to the issue. On the basis of our analysis, we identify several areas where the Paris Agreement has left gaps in building a comprehensive and coherent transparency system, and offer recommendations (summarised in *Table 1*).

Table 1: Summary of Recommendations		
	Gaps	Recommendations
Crosscutting Elements		
Flexibility	Lack of clarity on key terms, such as “built-in flexibility” and “capacities”.	Parties to discuss practical options for flexibility in reporting and review in the development of modalities, procedures and guidelines (MPGs) for the transparency framework.
Relation with global stocktake	<ul style="list-style-type: none"> Unclear how transparency framework outputs will serve as inputs into the global stocktake (Article 14). Unclear whether support needed will be considered in global stocktake. 	<ul style="list-style-type: none"> Parties to specify what types of reports under Article 13 could serve as inputs into the global stocktake. Parties also to identify information on support needed as input into the global stocktake.
Relation with implementation and compliance mechanism	No explicit linkage between outputs of transparency framework and the functioning of the implementation and compliance mechanism (Article 15).	Parties to clarify in development of Article 15 modalities and procedures whether (and, if so, how) outputs of, and activities under, Article 13 would inform the implementation and compliance mechanism.
Relation with other elements of Paris Agreement	Unclear how transparency framework relates to REDD+ (Article 5), the mechanisms under Article 6, and loss and damage (Article 8).	In development of MPGs, Parties to identify linkages with elements of Paris Agreement not mentioned in Article 13, and align guidance where needed.
Transition from existing transparency system	Lack of clarity on the transition from existing systems of transparency to Paris systems.	<ul style="list-style-type: none"> Parties to task the UNFCCC Secretariat to prepare a technical report on lessons learned from existing transparency processes so that Parties can identify what elements of existing processes could be maintained and what elements are no longer relevant. Parties to develop a roadmap to clarify the timing of the transition from existing transparency systems.
Transparency of action		
NDC guidance	Without further UNFCCC guidance for NDCs and accompanying information, tracking progress with implementing NDCs, and aggregating and comparing them, is very challenging.	Parties to provide further guidance for NDCs and accompanying information (under paragraphs 26 and 28 of Decision 1/CP.21) as soon as possible, to facilitate the development of the MPGs for the transparency framework.
Transparency of adaptation	Unclear what transparency of adaptation actions entails, especially if not supported by international finance. Which actions should be reported? How should they be measured?	Parties to develop further guidance for monitoring and evaluating adaptation actions (including guidelines for National Adaptation Plans).

Transparency of support		
Accounting for financial support received	Accounting modalities for financial support received are not contemplated.	Parties to consider developing accounting modalities for financial support received, for example under the Subsidiary Body for Scientific and Technological Advice.
Support to least developed countries (LDCs) and small island developing states (SIDS)	Discretionary reporting for LDCs and SIDS on support needed and received might impede the emergence of a clear picture of the international climate finance landscape.	Donors to provide significant support to LDCs and SIDS to help them increase the frequency and quality of their reporting on support needed and received.
Non-financial support	Lack of clarity on how to report on non-financial support (i.e. technology transfer and capacity building).	Parties to develop further guidance on how to report on non-financial support needed, provided and received to document fulfilment of Articles 10 and 11.
Use, impact and estimated results of support received	No specific mandate for work on how to report on the use, impact and estimated results of support received.	Parties to provide mandate to develop guidance on how developing countries can report on the use, impact and estimated results of the support received.
Capacity building for transparency		
Capacity building for transparency	Risk that the Capacity Building Initiative for Transparency primarily focuses only on capacity building for transparency of mitigation action.	Parties and the Global Environment Facility to ensure that the Capacity Building Initiative for Transparency also builds capacity for transparency of support and adaptation action.
Funding for the transparency framework	Unclear whether funding for the effective and sustainable functioning of the transparency framework is available.	Parties (with support from the Secretariat) to calculate possible (financial and human) resource requirements of functioning of the framework, and to guarantee sustainable funding.

Negotiations on the specifics of the Paris Agreement's transparency framework have only just begun. It would therefore be unrealistic to expect all of the above recommendations to be taken up at the 22nd Conference of the Parties (COP 22) to the UN Framework Convention on Climate Change (UNFCCC) in Marrakech in November 2016. Nonetheless, Parties need to lay a foundation in Marrakech by agreeing a work plan and schedule, to meet or beat the COP 24 (2018) deadline for developing a robust transparency framework. This is crucial for providing consistent and complete data for the first biennial reporting cycle, which is to feed into the first global stocktake in 2023. Linkages with other mandates and processes need to be identified, to avoid duplication of work and ensure coordination.

It will make sense to first focus on reporting guidelines, followed by the review modalities. The UNFCCC Secretariat could prepare a technical paper on the lessons learned from existing transparency processes under the UNFCCC and the Kyoto Protocol, as well as from other international regimes. Parties could include workshops on concrete issues in the work plan, such as on the relationship between the transparency framework and the global stocktake, transparency of adaptation, and accounting for climate finance. Finally, it may be sensible to establish parallel but closely coordinated forums for discussing the modalities, procedures and guidelines for transparency of mitigation, adaptation and of support.

I. INTRODUCTION

One of the key elements of the Paris Agreement is its enhanced transparency framework, set out in Article 13. Transparency of the actions undertaken by Parties – as well as the financial, technological and capacity-building support provided and received by some Parties – is of crucial importance for several reasons.

First, transparency can help build trust and confidence among Parties, by making clear the level of implementation efforts made to achieve Parties' various commitments in the Agreement. This, in turn, can help clarify the level of collective efforts by Parties. Second, transparency can foster shared understandings by clarifying the information underlying Parties' Nationally Determined Contributions (NDCs). Third, the information generated through the transparency framework can help mobilise domestic support for stronger climate action and further support, and point to future opportunities for Parties to enhance action. Transparency can improve efficacy of climate action through enhanced learning. Finally, a transparency framework may help to hold Parties accountable for their actions and their level of ambition.

The enhanced transparency framework departs from previous reporting and review processes under the UN Framework Convention on Climate Change (UNFCCC) in that it establishes one framework applicable to all Parties to the Agreement. Nonetheless, it provides for "*built-in flexibility which takes into account Parties' different capacities*" (Article 13.1). This means that the design of the transparency framework will raise important questions concerning the differentiation between Parties.

Although the approach to reporting and review may be different under the Paris Agreement, the existing system does not become irrelevant. Various reporting and review processes have yielded many years of important experience with reporting on climate action – and more recently also support – and has led to an evolving system for the review of those reports (van Asselt *et al.*, 2015).

The Agreement, along with its accompanying Decision 1/CP.21, contains a fair amount of detail on the design and operation of the transparency framework, but it also leaves many important details to future negotiations under the Ad Hoc Working Group on the Paris Agreement (APA) as well as other bodies, and Article 13 contains wording that will likely be heavily contested.

Against this background, this paper offers an outline of some of the major questions raised by the Paris Agreement with regard to transparency, in the form of a commentary on Article 13 as well as other provisions of the Paris Agreement and Decision 1/CP.21 that pertain to the issue.

We begin with an introduction to the crosscutting elements of the transparency framework that matter for both action and support (Section 2), and then take up the areas of transparency of action and support in turn (Sections 3 and 4). We then discuss the provisions related to the support to be provided to some developing country Parties to build their capacity to meet the enhanced transparency requirements (Section 5). Finally, we highlight several areas where the Paris Agreement has left gaps in building a transparency system (Section 6), and offer recommendations in this regard, including priorities for the Conference of the Parties (COP) in Marrakech in November 2016 (Section 7).

2. CROSSCUTTING ELEMENTS OF THE TRANSPARENCY FRAMEWORK

Article 13.1 establishes the transparency framework for both action and support, with a view to building mutual trust and promoting effective implementation. It also states that the framework will have “*built-in flexibility which takes into account Parties’ different capacities*”, and suggests the framework will build upon collective experience.

Commentary: The enhanced transparency framework is the new name for a system of reporting and review. Such systems are an indispensable and common feature of any multilateral environmental agreement (Raustiala, 2001). What sets the transparency framework apart from existing reporting systems under the UNFCCC (see Box 1) is that it is common to all Parties, with flexibility in the implementation. A key challenge will be to put the framework’s “*built-in flexibility*” – a term that helped facilitate agreement on a common transparency framework in Paris – into practice (see also Dagnet *et al.*, 2016). In other words, what will it mean to “*take into account*” Parties’ different capacities, and how will such capacities be determined? The reference to “*collective experience*” can be taken as a reference to existing reporting and review systems under the Convention (see also below).

Article 13.2 states that the 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*” and that the modalities, procedures and guidelines (MPGs) to be developed by the APA will reflect this flexibility.

Commentary 1: This provision elaborates on the built-in flexibility noted above. It suggests that “*those developing country Parties that need it in the light of their capacities*” will need to be treated with flexibility. However, it is silent about how this key criterion will be judged. Negotiating this will likely be very challenging, and there may not even be an objective measure of capacity (e.g. should it be based on total income, income per capita or another measure of capacity?). Nevertheless, existing classifications may inform the determination, such as the [criteria for the identification and graduation of LDCs](#), the [World Bank’s criteria for classifying countries by income level](#), or the [United Nations’ Human Development Index](#). The alternative to negotiating a criterion – self-determination by developing country Parties of their capacity – may lead to an unpredictable system in which some developing country Parties can choose the most flexible or lenient requirements, following the argument that they need it in light of their capacities. This may undermine the very purpose of the transparency system. The one exception where the Paris Agreement is already clear about differential treatment is that of least developed countries (LDCs) and small island developing states (SIDS), which are mentioned specifically (see below).

Commentary 2: Related to the question of *which countries* should receive flexibility is the question of *how* flexibility could be incorporated in the MPGs. There are several options, including those highlighted in paragraph 89 of Decision 1/CP.21:

- *Scope of reporting:* The scope of reporting could be linked to the type of NDC (and accompanying information). This could entail different types of reporting requirements according to the type of mitigation goal included in the NDC (Briner and Moarif, 2016; Dagnet *et al.*, 2014). It could further mean different reporting requirements for countries whose NDC includes an adaptation component, or for countries whose NDC is partly conditional on support. Differentiating reporting requirements according to the type of NDC would need to be carefully designed so as to avoid the possible perverse incentive that countries submit intentionally vague and short NDCs to avoid having to report in detail.
- *Level of detail of reporting:* The level of detail of reporting is related to the scope of reporting. One suggestion to allow for variation in the level of detail in reporting is the introduction of different tiers of reporting, depending on the type of NDC, obligations taken on by Parties, data availability and/

or capacity (Briner and Moarif, 2016; see also Dagnet *et al.*, 2014; Deprez *et al.*, 2015).¹ Under a tiered system, developed country Parties would be subject to the highest level of reporting; LDCs and SIDS would be subject to the least stringent tier; one or several other tiers could be introduced for other developing countries, with voluntary reporting according to more stringent tiers always an option. Flexibility could be introduced by allowing some Parties to only submit summary reports, providing the minimum amount of information needed (e.g. emissions trends rather than detailed overviews), with a reference to where original data can be found.

- *Frequency of reporting:* Decision 1/CP.21, paragraph 90 requires all Parties to submit the information required by Article 13.7-13.10 “no less frequently than on a biennial basis”; and allows LDCs and SIDS to do so at their discretion. Flexibility does not mean that Parties can report less frequently under the Paris Agreement than under the Convention (Decision 1/CP.21, paragraph 92(e)). Although more frequent reporting can be viewed as burdensome (especially for smaller developing countries), it can also help build capacity by strengthening experience with the reporting system of the UNFCCC and engaging with international experts. The “no less frequently” wording in paragraph 90 implies that reporting can be more frequent (e.g. annually) for some Parties, notably developed country Parties.
- *Scope of review:* Flexibility can be applied to the scope of technical reviews in various ways. First, as mentioned by Decision 1/CP.21, paragraph 89, in-country reviews could be made optional for some Parties, who would then be subject to only a centralized review. This would be appropriate for LDCs and SIDS, which may not have the capacity to organise in-country visits by technical expert review (TER) teams (van Asselt *et al.*, 2016). Second, the scope of the review can vary according to the contents of the NDC and, related to this, the scope of reporting (e.g. a review could cover black carbon if a Party’s NDC includes black carbon and the Party reports its emissions). Third, the scope of review can vary for groups of countries, with optional group reviews for some groups of countries (e.g. LDCs; SIDS; African LDCs; Pacific island SIDS; etc.). A key consideration in determining the scope of review is the available time (e.g. for carrying out the multilateral consideration for all Parties during UNFCCC sessions with already busy schedules), as well as the financial and human resources necessary to conduct the review. In particular, further capacity to cover the provision of information on support and adaptation may be necessary. Part of this capacity could be provided through systematic training of expert reviewers (Dagnet *et al.*, 2014). Moreover, if no group reviews would be carried out, the number of countries under review would increase significantly compared to existing review processes, which already push available resources to their limit (Herold, 2012). Increasing financial support and capacity for review is therefore key, but it should be kept in mind that – as is already the case – expert reviewers should not only come from developed countries. Finally, in addition to differentiating the scope of the TER, the scope of the multilateral consideration could also vary. For instance, although expert reviews could be carried out for all Parties, multilateral consideration could allow for group reviews (van Asselt *et al.*, 2016).
- *Frequency of review:* The Paris Agreement and Decision 1/CP.21 are silent about the frequency of review. Reviewing each Party at least once during each five-year NDC cycle would seem to be a minimal prerequisite for an effective transparency framework. Reports can be reviewed whenever they have been submitted, meaning that any flexibility applied to the frequency of reporting would be extended to the frequency of review. Given that the frequency of reporting for all Parties (except LDCs and SIDS) is at least every two years, this would mean that reviews for all those Parties would take place biennially as well.

1 The tiers approach draws inspiration from the IPCC’s tiers specifying methodologies for calculating emissions for greenhouse gas inventories, with increasing levels of detail. But, as Briner and Moarif (2016: 18) note, the concept could be extended to other parts of the reporting guidelines.

Box 1: Transparency arrangements under the UNFCCC

The UNFCCC contains various obligations for Annex I Parties to report on their progress with implementation. They do so through national communications (NCs). These are subject to regular in-depth reviews by expert review teams (ERTs), which comprise experts nominated by Parties and, at times, from intergovernmental organisations. ERTs review the information provided, and assess progress made. The process is intended to be non-political, facilitative and transparent. The reviews generally include in-country visits in addition to desk-based studies, although centralised reviews are possible for economies in transition with low emission levels. The process allows for Parties to respond to the review reports before their release. The reports are forwarded to the UNFCCC's Subsidiary Body for Implementation (SBI); however, political consideration of these reports is minimal. NCs by non-Annex I Parties are not subject to review, although a Consultative Group of Experts provides technical assistance and advice to non-Annex I Parties in the preparation of their reports.

In addition to NCs, all Annex I Parties need to communicate national greenhouse gas inventories. These reports follow a common format and guidelines, and need to be transparent, accurate, complete, consistent and comparable. Since 2003, inventory reports have been subject to a technical review process by ERTs. Such reviews include desk-based reviews, centralised reviews, as well as in-country visits. Non-Annex I Parties are not required to submit separate inventory reports, but they have to include the results of inventories in their NCs.

The Cancún Agreements introduced new reporting and review processes. Parties agreed that in addition to NCs and inventory reports, developed countries will submit biennial reports (BRs) on their progress in achieving emission reductions and providing support to developing countries. BRs are subject to international assessment and review (IAR) every two years, either independently or together with NCs. IAR includes two separate steps: a technical review and a multilateral assessment. When submitted simultaneously, BRs and NCs are subject to a joint in-country review; otherwise, a centralised review will be carried out. Technical reviews examine in-depth issues not covered in the inventory review, including information related to emission reduction pledges and the provision of support. The review focuses on transparency, completeness, timeliness, and adherence to reporting guidelines. ERTs 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 on the achievement of the Party's emission reduction target, the role of land use, land-use change and forestry activities, and carbon credits from market-based mechanisms. Other Parties can submit written questions, or raise questions in a session of the SBI. The Secretariat maintains a record of the questions and answers, and the SBI can forward conclusions to the COP. The first multilateral assessments took place at sessions in 2014 and 2015, resulting in a review of 43 developed country Parties.

The Cancún Agreements also specify that developing countries – except LDCs and SIDS – should submit new biennial update reports (BURs) every two years from 2014 onwards, either in conjunction with NCs or separately. BURs should include information on, among others, national circumstances and institutional arrangements, mitigation actions, and financial, technical and capacity needs. These reports are subject to international consultation and analysis (ICA) under the SBI. The aim of ICA is to enhance transparency through a process that is to be non-confrontational and non-intrusive, and that respects national sovereignty. For the purposes of ICA, LDCs and SIDS can be discussed in groups. The process starts 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 will take place, which can include questions and answers between Parties. The first workshop as part of this process was held in May 2016.

The experience with the existing reporting and review processes shows a gradual convergence of reporting and review for developed and developing countries, with flexibilities for developing countries (particularly for LDCs and SIDS). The existing processes have also shown that reporting and review can place a significant burden on Parties, expert reviewers and the UNFCCC Secretariat, and that it requires significant financial and human resources. Nevertheless, reporting has generally improved, as has the quality of information (Briner and Moarif, 2016).

Source: Drawing on van Asselt *et al.*, 2015

Article 13.3 addresses the relationship with the existing reporting and review systems of the UNFCCC, suggesting that the transparency framework “shall build on and enhance” those arrangements. **Article 13.4** elaborates on this by suggesting that UNFCCC transparency arrangements, “shall form part of the experience drawn upon” for developing MPGs. Similarly, paragraph 93 of Decision 1/CP.21 suggests that the MPGs should “draw on the experiences from and take into account other ongoing relevant processes under the Convention”. Article 13.3 further specifies that the transparency framework will recognise the special circumstances of LDCs and SIDS. Finally, it offers several guiding principles for its implementation, providing that this will need to happen in a “facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties”.

Commentary 1: For reasons of both political feasibility and practicality, the design of the new transparency framework is likely to draw on experiences with existing review processes (see Box 1). Two questions arise in this context: (i) What parts of the existing review processes will be drawn upon and what parts of the existing processes will be abandoned? And (ii) how will the transition from the existing to the new system take place? Regarding the first question, what is clear from Decision 1/CP.21 is that the following elements will be transposed in some form:² biennial reporting; technical reviews, including in-country reviews for some Parties; multilateral consideration; and flexibilities for LDCs and SIDS. But 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 question is inherently related to the question of how to implement flexibility in the transparency framework, given that the existing system differentiates between developed and developing countries. However, given “*that Parties [should] maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention*”, increased flexibility cannot lead to less stringent or detailed reporting requirements than under the existing system. Concerning the second question, Decision 1/CP.21, paragraph 98, further suggests that the new system would supersede the system of the Cancún Agreements “*immediately*” following the submission of the final biennial reports (BRs) and biennial update reports (BURs). However, the timing of the submissions of the final BRs/BURs is still to be determined. The fact that the NDCs under the Paris Agreement cover the period from 2020 onwards suggests that the transition should take place in or around the year 2020 (see also Briner and Moarif, 2016).

Commentary 2: The reference to LDCs and SIDS in this provision makes clear that flexibility will be applied to these groups of countries (although it may also extend to other developing countries). As discussed above, paragraph 90 of Decision 1/CP.21 clarifies that this includes flexibility in the frequency of reporting, but this provision suggests that flexibility can and should also be applied to other elements of the transparency framework, including review.

Commentary 3: The principles “*facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties*” underline the non-confrontational nature of the transparency framework. More specifically, and in line with existing practices (see Box 1), it could be understood to mean that the review will not question the appropriateness of policies and measures. It could also be understood to mean that any outcome of the framework (e.g. TER reports or summaries of the multilateral consideration) would need to avoid placing demands on the Party under review. Still, the TER is to lead to an identification of “*areas of improvement*” (see below), and the outcome of the review process may be linked to the mechanism to facilitate implementation and promote compliance under Article 15. The notion of avoiding placing undue burdens on Parties suggests that the framework needs to operate efficiently, with MPGs being cognisant of different Parties’ national circumstances.

Article 13.5 and **Article 13.6**, specifying the purpose of the framework of transparency of action and of support respectively, both suggest that the transparency framework will “*inform the global stocktake under Article 14*”.

Commentary 1: By specifying distinct purposes for the framework for transparency of action and the framework for transparency of support, the Paris Agreement may seem to suggest that there are two frameworks rather than one. However, Article 13.1 clearly establishes one “*enhanced transparency framework for action and support*”. Within this framework, the purposes for providing transparency of

² This does not mean that the modalities and procedures will be the same as those for existing review processes.

action and of support may differ, as Article 13.5-13.6 indicates.

Commentary 2: What Article 13.5 and 13.6 suggest is that some kind of output of the transparency framework will serve as a source of input into the stocktake. As the inputs of the stocktake are not defined exhaustively under paragraph 99 of Decision 1/CP.21, Parties can include several types of outputs from the transparency framework (Holz and Ngwadla, 2016). The only type of output explicitly mentioned already in paragraph 99(a)(ii) are adaptation-related reports pursuant to Article 13.8 (see Section 3). In addition, the stocktake could consider: (i) national inventory reports by individual³ Parties; (ii) reports including information necessary to track progress made in implementing and achieving NDCs by individual Parties; (iii) reports on support provided by individual Parties; (iv) reports on support received by individual Parties. Moreover, should the MPGs mandate them, the following reports could be considered: (v) synthesis reports of any or all of the abovementioned Party reports by the Secretariat; (vi) TER reports on individual Parties; (vi) synthesis reports by the Secretariat of TER reports; (vii) summaries of the multilateral consideration for each Party; (viii) synthesis reports on the multilateral consideration of all Parties; and (ix) a regular (e.g. annual) report by the Secretariat on the functioning of the 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 (UNFCCC, 2016c: 58).

Article 13.11 sketches the review process of reports on action and support. It contains two elements: a technical expert review and a multilateral consideration. For the TER, it suggests that developing country Parties that need it in light of their capacities should receive assistance as part of the review process. The multilateral consideration process is limited to Article 9 (finance) and a Party's NDC. **Article 13.12** offers further information on the TER, also suggesting a focus on the support provided by a Party (where relevant) and the implementation and achievement of the NDC. The TER should also lead to an identification of “*areas of improvement for the Party*”. Finally, the TER is explicitly aimed at assessing consistency between the reports and the MPGs.

Commentary 1: The elements of the review mirror those of international assessment and review (IAR) and international consultation and analysis (ICA) under the existing system. Following this practice would mean that the two elements would be implemented consecutively, although in principle the multilateral consideration process could take place independently of the TER. The main open questions relate to the organization of the TER and the multilateral consideration processes. Relevant questions include: (i) How and on the basis of what criteria should expert reviewers be selected (e.g. in a personal capacity; relevant competence; geographical diversity; etc.)?; (ii) Against what criteria should reports be reviewed (paragraph 92 of Decision 1/CP.21 suggests “*transparency, accuracy, completeness, consistency and comparability*”)?; (iii) What should be the time frame for reviews?; (iv) Should space be made for the participation of non-Party stakeholders (e.g. as expert reviewers; or providing input into the TER and/or multilateral consideration; see van Asselt *et al.*, 2016)?; (v) How should the multilateral consideration be organised (e.g. including questions and answers before and during the in-session considerations)? For each of these questions, it will be possible to draw upon, or adapt, existing guidelines.

Commentary 2: Article 13.11 explicitly leaves out adaptation-related reports under Article 13.8. However, to the extent NDCs include adaptation-related information, reviewing such information may be required.

Commentary 3: The identification of “*areas of improvement*” for developing countries is a new

3 Although reports on individual Parties may thus form inputs into the stocktake (see also Holz and Ngwadla, 2016), the stocktake itself is an assessment of collective efforts.

instruction (Briner and Moarif, 2016). Although these areas of improvement cannot require Parties to take certain actions (given the principles guiding the transparency framework outlined above), they may be in the form of recommendations that are drafted in a clearly non-punitive fashion, for instance outlining possible steps Parties can take to improve their reporting. An open question in this regard is to what extent guidelines will build on the recently adopted review practice guidance for the review of BRs and NCs (UNFCCC, 2016b), which distinguishes between “recommendations” (with respect to “shall” requirements in the reporting guidelines) and “encouragements” (with respect to “should” provisions). For developing countries, the identification of areas of improvement could also include pointing out barriers to implementation, such as specific gaps in funding, capacity, technology, national regulation or other policies and measures (van Asselt *et al.*, 2016).

Article 13.13 contains a mandate for the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its first session, to adopt common MPGs for the transparency of action and support. Decision 1/CP.21, paragraph 92, also provides some general guidance for the development of the MPGs. This includes the need for improved reporting and transparency over time; flexibility for developing country Parties that need it in the light of their capacities (see above); the need to promote transparency, accuracy, completeness, consistency and comparability; the need to avoid duplication as well as undue burden on Parties and the Secretariat; the need to ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention; avoiding double counting; and ensuring environmental integrity.

Commentary 1: The MPGs will need to specify how the transparency framework will work in practice. They will need to be developed by the APA by COP 24 (2018) for adoption by CMA1 (which is likely to be suspended at COP 22 to allow the APA to fulfil its tasks). The APA also needs to specify when and how often (“*at regular intervals*”) they need to be revised and updated (Decision 1/CP.21, paragraph 91). Updating the MPGs will be important to allow for changing conditions (such as increased capacities of some Parties).

Commentary 2: The reference to improved reporting and transparency over time expresses a statement of intent to move towards a universal system in due course, and implies that Parties’ capacities to participate in the transparency framework are expected to improve.

Commentary 3: The references to transparency, accuracy, completeness, consistency and comparability, avoiding double counting and ensuring environmental integrity in paragraph 92 underscore the close relationship between the development of accounting rules for NDCs under Article 4.13 (for which MPGs are also under negotiation; see Decision 1/CP.21, paragraph 31). In addition, the reference to the criteria of transparency, accuracy, completeness, consistency and comparability suggests that these criteria will be used in the review of national greenhouse gas inventories (as they have been in the past for Annex I Parties).

3. TRANSPARENCY OF ACTION

Article 13.5 sets out the purpose of the framework for transparency of action as “*provid[ing] 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 [NDCs] under Article 4, and Parties’ adaptation actions under Article 7, including good practices, priorities, needs and gaps*”.

Commentary: The framework for action seeks to provide clarity on how much progress Parties have made towards achieving their individual NDCs. This is of major importance for understanding to what extent Parties have pursued domestic mitigation measures with a view to achieving their NDCs. The main question with the framework for action is whether it covers all elements of an NDC. The intended NDCs (INDCs) are very heterogeneous, and guidance on the features of NDCs (and their accompanying information) is still under negotiation. As long as more detailed guidance is not yet agreed, reporting on progress towards achieving NDCs as well as reviewing this progress will remain challenging (see Box 2). Moreover, the heterogeneity of NDCs will also pose challenges for comparing and aggregating the effects of NDCs.

Box 2: Challenges for the reporting and review of NDCs under the Paris Agreement

The INDCs as communicated before the Paris Agreement highlight a few challenges for the framework for action, as the following examples show:

- Non-greenhouse gases: [Mexico’s INDC](#) contains an unconditional reduction of 51% of black carbon – which is a short-lived climate pollutant but not a greenhouse gas – by 2030. Under existing UNFCCC review processes, no guidance is available on how to report on black carbon emissions; and there are no methodologies by the Intergovernmental Panel on Climate Change (IPCC) that can be drawn upon to measure and report black carbon emissions (and reductions thereof). Similarly, black carbon emissions are not being reviewed as part of the review of greenhouse gas inventories. This will require new methodologies, reporting guidelines, and possibly also additional expertise among reviewers.
- Qualitative NDCs: Pakistan’s INDC is framed in qualitative terms given the lack of available data. This will make it very challenging to track progress in the implementation and achievement of the NDCs (Briner and Moarif, 2016).
- Conditional NDCs: Many developing countries have submitted INDCs that are either partly (e.g. [Chile](#)) or wholly (e.g. [Philippines](#)) 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 under the expert review and/or multilateral consideration.

Article 13.7 specifies the minimum that each Party is required to report in relation to mitigation action, namely: (i) a national inventory report of greenhouse gas emissions and removals, following IPCC good practice methodologies accepted by the CMA; and (ii) “[i]nformation necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4”.

Commentary 1: Annual inventory reporting is already 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. From when this will need to take place remains to be determined (see the discussion above on the transition from the existing reporting system). As is common practice, inventory reporting would follow IPCC good practice methodologies – although these methodologies would first need to be accepted by the CMA. The [IPCC methodologies](#) offer flexibility to Parties, specifying three tiers of reporting greenhouse gas emissions, with increasing levels of information.

Commentary 2: As noted above, the variety of NDCs may make it challenging to track progress. Moreover, there is no clear guidance on the information accompanying NDCs, with paragraph 27 of

Decision 1/CP.21 offering significant leeway to Parties. However, paragraph 28 mandates the APA to develop further guidance on the information accompanying NDCs. It will be important to ensure that this guidance is aligned with the guidance for tracking progress with NDCs. In this regard, the APA is mandated to consider, in the development of MPGs, “[t]he consistency between the methodology communicated in the [NDC] and the methodology for reporting on progress made towards achieving individual Parties’ respective [NDC]” (Decision 1/CP.21, paragraph 94(b)).

In addition to what is stated in Article 13, there are other provisions that can help enhance transparency of mitigation action. These include:

- **Article 4.2** (with **Article 4.9**), requiring Parties to communicate NDCs every five years. The APA is invited to develop further guidance on the features of NDCs for adoption by CMA1 (Decision 1/CP.21, paragraph 26).
- **Article 4.6**, inviting LDC and SIDS to “prepare and communicate strategies, plans and actions for low greenhouse gas emissions development reflecting their special circumstances”.
- **Article 4.8**, requiring Parties to “provide the information necessary for clarity, transparency and understanding” when communicating NDCs.
- **Article 4.13**, requiring Parties to account for their NDCs. Guidance on accounting is to be developed by CMA1 (Decision 1/CP.21, paragraph 31).
- **Article 4.19**, suggesting that Parties “should strive to formulate and communicate long-term low greenhouse gas emission development strategies”, with Parties being invited to submit such strategies for the year 2050 by 2020 (Decision 1/CP.21, paragraph 35).

In addition to the information related to mitigation action, **Article 13.8** specifies that each Party “should” give information related to the impacts of climate change and on adaptation (conform Article 7).

Commentary 1: The provision of adaptation-related information is recommended but not obligatory (as suggested by the words “should” and “as appropriate”). It is somewhat unclear whether this provision extends to the adaptation components of NDCs, as providing information on progress towards implementing and achieving NDCs is obligatory. However, it can be assumed that the explicit inclusion of Article 13.8, combined with the reference to Article 4 in Article 13.7(b), means that there is discretion in the provision of information on adaptation actions (including those contained in NDCs). Related to this, although paragraph 90 of Decision 1/CP.21 refers specifically to Article 13.8 – thus suggesting that adaptation-related reporting also needs to be “no less frequently than on a biennial basis”, the discretion offered in Article 13.8 means that biennial adaptation reporting is not mandatory (cf. Kato and Ellis, 2016: 9). However, as adaptation reporting is already part of NCs under the UNFCCC, the minimum frequency can be considered to be every four years.

Commentary 2: Article 13.8 refers to providing information “under Article 7”. Article 7, in turn, specifies that Parties should, as appropriate, submit and update periodically adaptation communications, in conjunction with an NDC, a National Adaptation Plan, and/or an National Communication (Article 7.10-7.11). Reporting adaptation-related information may have certain advantages. For instance, reporting adaptation needs can help attract adaptation finance, and can help understand whether international adaptation finance is effective. Moreover, reporting on adaptation could help 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 (over time) (Dagnet *et al.*, 2016). The latter point is acknowledged in the instructions to the APA for developing MPGs, with the APA being instructed to consider that Parties report on adaptation “with a view to collectively exchanging information and sharing lessons learned” (Decision 1/CP.21, paragraph 94(c)). At the same time, reporting on adaptation may entail a risk of

further shifting the burden to adapt to developing country Parties, if efforts to reduce vulnerabilities are seen as their (local) responsibility. Moreover, to the extent the adaptation communication establishes a new reporting and planning process, it may be burdensome for developing country Parties with limited capacity. It may be useful for developing country Parties, and in particular 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 country Parties that wish to have their adaptation efforts recognised (in accordance with Article 7.3) may still wish to highlight their adaptation actions.

4. TRANSPARENCY OF SUPPORT

Support under the Paris Agreement is discussed explicitly in Article 13, and transparency is also mentioned in Article 8 about finance, as well as a few other places, including in Decision 1/CP.21. Together, these provisions add up to an opportunity for the global community to finally develop an adequate system to monitor, report and verify who is paying what to whom as they deal with climate change. In *Box 3*, we review shortcomings of the pre-Paris approach to transparency of support, and then we systematically review each provision of the Paris outcomes.

BOX 3: Transparency of support under the UNFCCC

The quality and level of detail of information reported by developed country Parties (in their NCs and BRs) on financial support provided to developing countries has so far been inadequate to the task of understanding whether climate finance pledges have been met, and whether support has been effective in assisting developing country Parties green their economies or prepare for climate impacts (Roberts and Weikmans, forthcoming). Reporting has recently improved somewhat with the introduction and revision of common tabular formats (CTFs) as part of biennial reports. However, there is no required project-level reporting, so users of this information are largely unable to understand what is included in the summary information reported in the CTF tables. More fundamentally, the lack of common accounting and reporting methodologies for financial support has resulted in a plethora of inconsistent practices between developed country Parties and through time for a given developed country Party (Weikmans et al., 2016). To date there has been limited reporting of information on private financial support to developing country Parties mobilised through public interventions.

Developing countries are currently encouraged to report information on financial support needed and received in their NCs and BURs. While most developing country Parties have provided some information on their needs within their NCs, BURs, and in their INDCs, few of them have reported on support received. In addition, there is no common format (similar to the CTF) for reporting information on financial support needed and received (AdaptationWatch, 2015), nor is there a common methodology to assess the financial support needed and received. Practices in these regards vary widely between developing country Parties. In addition, there has been very limited voluntary reporting of information by developing country Parties that provide financial resources to other developing countries.

Article 13.6 sets out that the purpose of the framework for transparency of support is to provide clarity – in order to inform the global stocktake under Article 14 – on support provided and received by relevant individual Parties in the context of climate actions (mitigation, adaptation, finance, technology transfer and capacity building), and to provide a full overview of aggregate financial support.

Commentary: This provision implies that both the support provided and/or received by Parties and the “*aggregate financial support provided*” will be considered in the global stocktake. However, it seems that information on support needed will not be considered in the global stocktake.

Article 13.9 differentiates the obligations of countries relative to the submission of information on the transparency of support provided and received. First, while developed country Parties shall provide information on financial, technology transfer and capacity building provided, other Parties that provide such

support should submit this information. These Parties shall submit this information no less frequently than on a biennial basis (Decision 1/CP.21, paragraph 90).

Commentary: Reporting biennially is not new for developed country Parties. What is new is encouragement for other Parties to report on support provided. Whether China, the United Arab Emirates, Singapore and other “emerging donors” will do so is uncertain, although some emerging donors may consider this encouragement as an opportunity to increase their visibility as donors at the international level.

Developing country Parties, meanwhile, “*should*” provide information on financial, technology transfer and capacity-building “*received*” (**Article 13.10**). These Parties “*shall*” submit this information no less frequently than on a biennial basis, except for LDCs and SIDS, which may submit this information at their discretion (Decision 1/CP.21, paragraph 90).

Commentary: In the recent past, few developing country Parties have reported on what support they received (and the timing was at their discretion), so doing this biennially will require significant work and probably support and capacity building. LDCs and SIDS – perhaps the countries most needing adaptation support – will still be able to report “*at their discretion*”, so a clear picture may not emerge from reporting systems that will be developed as a result of the Paris Agreement. Again, substantial support will be needed to make this a comprehensive reporting system, but information on support received is a crucial check on the validity of claims made by funding nations.

Importantly, only the information submitted by developed country Parties and other Parties that provide financial, technology transfer and capacity-building support “*shall*” undergo a technical expert review (**Article 13.11**). Each of these Parties shall participate in a facilitative, multilateral consideration of progress with respect to efforts on financial support provided.

Commentary: This language is an improvement over existing practice, especially on creating the expectation that developed country Parties will be subject to a “multilateral consideration”, in which other Parties can ostensibly ask questions and raise issues concerning the support provided. However, it is uncertain whether expert reviews and the multilateral consideration will lead to better reporting and/or more support. Both might provide an opportunity for civil society to “name and shame” Parties based on their performance on transparency and providing their “fair share”. However, the Agreement states that these reviews are to be “*non-intrusive*”, “*non-punitive*”, “*respectful of national sovereignty*”, and “*avoid undue burdens*”. This may provide an out to countries with poor records on transparency and support.

Article 13.13 indicates that CMA1 shall adopt common MPGs for the transparency of support, building on experience from the arrangements related to transparency under the Convention. The APA is tasked to develop recommendations for these MPGs, and to define the year of their first and subsequent review and update (Decision 1/CP.21, paragraph 91). In doing so, the APA is requested in paragraphs 94(d) and (e) of Decision 1/CP.21 to consider, among others:

- Support provided, enhancing delivery of support for both adaptation and mitigation through, *inter alia*, the common tabular formats for reporting support, and taking into account issues considered by the Subsidiary Body for Scientific and Technological Advice (SBSTA) on methodologies for reporting on financial information (Decision 1/CP.21, paragraph 94(d));
- Enhancing the reporting by developing country Parties on support received, including the use, impact and estimated results thereof (Decision 1/CP.21, paragraph 94(d));
- Information in the biennial assessments and other reports of the Standing Committee on Finance and

other relevant bodies under the Convention (Decision 1/CP.21, paragraph 94(e)).

Commentary: The “*methodologies for reporting on financial information*” referred to in paragraph 94(d) of Decision 1/CP.21 points to a crucial task delegated to the SBSTA: the development of modalities for the accounting of financial resources provided and mobilised through public interventions (Decision 1/CP.21, paragraph 57). These modalities are to be considered at COP 24 in November 2018 with a view to making a recommendation for consideration and adoption at CMA1. The 2018 window for elaborating accounting modalities for climate finance is an important opportunity for developing countries to provide input on this crucial question. But the outcome of those decisions is highly uncertain, and there will be pressure to minimise extra reporting effort by developed countries and to not exclude much of the kinds of support they are currently claiming. The risk is that we have at the end of this process a system that is as problematic as we have seen in the past.

According to **Article 9.7**, developed country Parties “*shall*” provide information on financial support for developing country Parties provided and mobilised through public interventions biennially in accordance with the common MPGs for the transparency of support referred to in Article 13.13. Other Parties are “*encouraged*” to do so.

Commentary: This article strengthens similar provisions in other parts of the Paris Agreement (notably Article 13).

In addition, developed country Parties “*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 country Parties (**Article 9.5**). Other Parties providing resources are “*encouraged*” to communicate biennially such information on a “*voluntary*” basis. A process to identify the quantitative and qualitative information referred to in Article 9.5 will be initiated at COP 22 with a view to providing a recommendation for adoption at CMA 1 (Decision 1/CP.21, paragraph 55).

Commentary 1: Developed country Parties 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 treaty. Article 9.5 can be seen as the result of a very long negotiation process (going back to COP 17) on the “pathways” or “roadmap” for scaling up climate finance towards the US\$100 billion goal.

Commentary 2: Article 9.5 can be considered as one of the cornerstones of the Paris package on transparency. The fact that the provision of information on forward-looking finance became an obligation (“*shall*”) is to be seen in the context of the request by developing countries to include information about means of implementation in the NDCs of developed countries. This request was unsuccessful, but the equivalent vehicle for providing nationally determined information on what support a given developed country will provide in the future is now contained in Article 9.5.

Commentary 3: Pointing to COP 22 as a key date to begin deciding what should be reported is important. However, it is unclear what qualitative information is envisioned. Again, the voluntary nature of reporting for developing country contributors is emphasised – it will be important to identify incentives for countries to provide this important information.

On capacity-building support, **Article 11.4** reaffirms that 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.

Commentary: Building the capacity of developing country research institutes, non-governmental organisations and state agencies to understand and address climate change will be an area needing substantial clarification in the coming years. This provision does not require funding for this important work, just reporting on funding for it. On technology development and transfer, there is no reaffirmation on the need for reporting in the Paris Agreement outside of Article 13. However, Decision 1/CP.21, paragraph 69 states that a periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism will be undertaken on matters relating to technology development and transfer. The scope of and modalities for this periodic assessment are to be elaborated by the SBI for consideration and adoption by COP 25 in November 2019 (Decision 1/CP.21, paragraph 70).

5. CAPACITY BUILDING FOR TRANSPARENCY

Developed countries have longstanding obligations in terms of supporting developing countries to comply with reporting duties under the UNFCCC (e.g. UNFCCC, Article 4.3). Three existing initiatives are worth mentioning in this regard. First, the United Nations Development Programme and the United Nations Environment Programme have provided support for developing countries in the [National Communications Support Programme](#), with funding from the Global Environment Facility (GEF). Second, the German government led the creation of the [International Partnership for Mitigation and MRV](#), which focuses on the exchange of ideas and best practices for national climate planning, especially increasing ambition on mitigation. Third, the [Initiative for Climate Action Transparency](#) (founded in 2015 and supported by the German and Italian governments, the Children’s Investment Fund Foundation and the ClimateWorks Foundation) aims to help developing countries build capacity to measure and assess the impacts of their climate actions.⁴ Other initiatives exist as well: as part of national [Climate Public Expenditure and Institutional Reviews](#), seven developing countries – supported by international organizations and research institutes – have been elaborating tracking systems for international and national climate finance.

In light of the additional support needed by some developing country Parties in meeting the enhanced transparency requirements of the Paris Agreement, Parties decided to establish a Capacity-building Initiative for Transparency (CBIT) to build institutional and technical capacity, both pre- and post-2020 (Decision 1/CP.21, paragraph 84). The CBIT will aim: (i) to strengthen national institutions for transparency-related activities in line with national priorities; (ii) to provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement; and (iii) to assist in the improvement of transparency over time (Decision 1/CP.21, paragraph 85). This will be particularly important given that developing countries will have to report on support needed and received on a biennial basis – except for LDCs and SIDS (see Section 4). The biggest challenge will probably lie in reporting on the support received, since it is rare to have centralised information on the climate finance flows that enter a particular country.⁵

⁴ See also Dagnet *et al.* (2016).

⁵ For development finance, 25 countries have instituted Aid Management Platforms, with the assistance of the non-profit [Development Gateway](#). It is not clear if these include all flows of climate finance.

In Paris, Parties requested the GEF to make arrangements to support the establishment and operation of the CBIT (Decision 1/CP.21, paragraph 86). The implementation of the CBIT will be assessed in the context of the seventh review of the Financial Mechanism of the Convention (Decision 1/CP.21, paragraph 87). Parties also requested that the GEF include in its annual report (starting in 2016) to the COP the progress of work in the design, development and implementation of the CBIT (Decision 1/CP.21, paragraph 88).

In June 2016, the GEF Council approved the establishment and programming directions of the CBIT trust fund (GEF, 2016). The first set of projects financed by the CBIT might be approved prior to COP 22. Project proposals will be prioritised based on demonstrated responsiveness to Paris Agreement transparency requirements under Article 13, and will also be prioritised for those countries that are in most need of capacity-building assistance for transparency-related activities, in particular SIDS and LDCs (GEF, 2016: 6-7) – which is a positive development given the acute needs of these Parties in terms of capacity building for transparency.

The transparency framework is one of the few legally binding elements of the Paris Agreement, and serves several important purposes. Significant time and financial resources will be needed to train the experts and to cover their participation in the review of national reports. For example, 150 experts participated in the review of the first BRs and sixth NCs of 44 Parties in 2014 and 2015 (UNFCCC, 2016a: 1). Particular challenges arose from the insufficient number of experts available to conduct the reviews, due partly to a lack of funding to cover the costs of their participation in cases where experts were funded by the governments that nominated them (UNFCCC, 2016a). Therefore, sustainable funding for the Paris transparency framework is essential. Initial pledges for the CBIT totalled approximately US\$35 million, which may 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.

6. GAPS IN THE TRANSPARENCY FRAMEWORK

On the basis of the preceding analysis, this section highlights the gaps left by the Paris Agreement in building a robust and comprehensive transparency system. Political guidance on how to address these gaps in the near future will be crucial to create a functioning transparency framework.

Crosscutting elements

1. **There remains a significant lack of clarity of the precise requirements for developing country Parties, as they are related to countries' capacities.** 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 country Parties will have the most stringent reporting requirements, we still lack clarity on the edges of the middle group.
2. There is a **knowledge gap on whether providing more information is helpful or harmful for nations.** For example, for countries with very low emission levels, reporting could be burdensome, both for low-income nations and for the reviewers and the UNFCCC Secretariat involved in the review. However, reporting and review may also help such countries, by showcasing their efforts (which may put pressure on other countries to do the same), and by identifying mitigation and adaptation actions that could attract climate finance. At present, we still know very little about the positive and negative implications of reporting and review for such countries in practice.
3. There is **no explicit mention of transparency regarding 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 mechanisms (Article 6), and loss and damage (Article 8). Actions under

Article 5 and 6 can be implemented as part of a Party's NDC (bringing it back within the scope of the transparency framework), whereas any actions and support for loss and damage are likely to require clear transparency rules to build confidence in an emerging system. Still, further clarity would be useful here. For instance, for REDD+, it is unclear how the transparency framework would relate to the modalities for measurement, reporting and verification agreed as part of the Warsaw Framework for REDD+ (Decision 14/CP.19), and with respect to cooperative mechanisms it will be important to align guidance for the mechanisms developed under Article 6 (Decision 1/CP.21, paragraphs 36-37) with the emerging transparency framework, with a view to establishing clear rules about what counts and what is being claimed on emissions reductions and funding exchanged.

4. It is **unclear how the transparency mechanism will feed into the global stocktake** mandated under the Paris Agreement. It is simply declared in the Paris Agreement but it is not clarified how it will work and what will be required. This omission could be addressed by clarifying the sources of inputs into the stocktake in the development of the modalities for the global stocktake.
5. Likewise, the **relationship between the transparency framework and the implementation and compliance mechanism** of Article 15 remains unclear. Under the Kyoto Protocol, there was a direct relationship between the expert reviews of national reports and the Compliance Committee, but given the lack of clarity about the scope, functions and mandate of the committee under Article 15, this relationship merits further attention.
6. There is a major **lack of clarity of how we will transition from of the old system for transparency to the next/new system**. When will this happen and how? What parts of the old systems will be kept – and in what form – and which will be jettisoned? Relatedly, will older information have to be re-calculated based on new clarifications and definitions? This may be necessary if NDCs promise actions or support above baselines that were calculated using outdated methods.
7. Finally, although not discussed further in this paper, **it is unclear how the transparency framework of the Paris Agreement relates to the follow-up and review process of the Sustainable Development Goals (SDGs)**. Elements that may be reported under the Paris Agreement may also be reported in other areas of international cooperation, such as the SDGs (e.g. through voluntary national reporting); conversely, some sustainable development benefits of non-climate actions may be relevant for reporting under the Paris Agreement. An [initial set of indicators](#) to monitor progress towards the SDGs was agreed by the UN Statistical Division in March 2016, and aligning those indicators with reporting under the Paris Agreement may prevent the creation of two different sets of reporting guidelines that fail to inform each other. The relationship between the transparency frameworks of these two different processes (with only one being based on a treaty) remains to be explored in more detail.

Transparency of action

1. In their intended NDCs, countries listed mitigation pledges and actions in very different ways. Without further guidance on the features of NDCs and their accompanying information, this is likely to lead to **major gaps in the clarity of reporting**. 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. These gaps will not go away until there is further guidance about the features of NDCs and the accompanying information.
2. While tracking adaptation finance will help us understand what adaptation actions are taking place, at this point it **remains unclear what exactly is meant by transparency of adaptation**. There is a separate set of actions that often take place without any transfer of financial support. Metrics and indicators are needed to assess the level of implementation of adaptation and national and global levels of resilience and preparation. There is an important gap in determining what should be reported in adaptation communications. A (flexible) template is needed for any useful aggregation of information

to obtain a global vision of the need for adaptation and our progress in addressing vulnerability. This is a long-standing gap that has been raised in the past but which has never received adequate attention. The efforts to develop National Adaptation Plan guidelines will be a helpful start in addressing this gap.

Transparency of support

1. In the absence of any explicit provisions on this matter in the Paris Agreement, **information on support needed may not be considered at all in the global stocktake**. This is a critical gap requiring attention.
2. 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.
3. What will happen if and when **the information on support received and information on support provided does not match?** This remains an unanswered question in the Paris Agreement.
4. The development of modalities for the accounting of 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 accounting modalities will not apply to the financial support received**. For a comprehensive transparency framework to emerge, it will be necessary to also develop accounting modalities for financial support received.
5. There is a **lack of clarity on how to report on non-financial support** (i.e. technology transfer and capacity building) needed, provided and received.
6. There is **no specific mandate for work on how developing countries can report on the use, impact and estimated results of the support received**, which could inform better climate funding efforts in the future, and improve the likelihood of continuing and increasing funding levels.

Capacity building for transparency

1. Although the emphasis on capacity building for transparency in the Paris Agreement is an important step forward, it is unclear if Parties fully acknowledge **the resource requirements necessary for an effectively functioning transparency framework** (see also Dagnet *et al.*, 2014).
2. **The support programme for transparency at present seems to be more strongly focused on mitigation action**. The CBIT is so far not envisioned to strengthen transparency of support, despite the fact that much capacity building will be needed in developing country Parties for in-country information systems tracking the support they receive and how it is used.

7. RECOMMENDATIONS AND PRIORITIES FOR COP 22 AND BEYOND

We offer the following recommendations to address some of these critical gaps in the transparency system proposed under the Paris Agreement:

Crosscutting elements

1. **Parties should seek to clarify or otherwise operationalise key terms of the Paris Agreement and decision on flexibility in the transparency framework.** In particular, Parties need to address how they approach the “built-in flexibility” of Article 13.1. This includes the sensitive issue of whether and how the key criterion of “capacities” will be further specified, but it also includes the discussion of options of implementing flexibility in the scope and frequency of both reporting and review.
2. **Parties should specify what types of outputs from the transparency framework will serve as sources of inputs into the global stocktake.** Although Article 13.6 establishes a link between the two processes, Parties should offer clarity on what types of outputs – related to both action and support – will inform the five-yearly stocktake. Related to this, **information on support needed should be considered in the global stocktake.** The Paris Agreement suggests that only information on the aggregate financial support provided and received will be considered in the global stocktake.
3. **Parties should clarify in the development of modalities and procedures of Article 15 whether – and, if so, how – the transparency framework will be related to the Paris Agreement’s implementation and compliance mechanism.** Specifically, Parties should indicate whether the outcomes of the reviews could serve as a trigger for this mechanism, and how duplication of work under the transparency framework and the implementation and compliance mechanism could be avoided.
4. **Parties need to clarify how the transparency framework will relate to elements not mentioned in Article 13,** notably REDD+ (Article 5), cooperative approaches (Article 6), and loss and damage (Article 8). This could include clarifying that REDD+ and cooperative approaches would be covered by the transparency framework through tracking progress in implementing NDCs. In addition, if so required, Parties should seek to align the MPGs of the transparency framework with the guidance for the mechanisms under Article 6, and the measurement, reporting and verification rules for REDD+.
5. **Parties should offer clarity on the transition from the existing transparency system to the enhanced transparency framework.** They could do so by identifying elements of the existing system they wish to maintain, and by developing a roadmap signposting the transition (see also priorities for COP 22 below).

Transparency of action

6. **Further guidance for NDCs and their accompanying information is a prerequisite for the MPGs for the transparency framework.** The varying nature and scope of NDCs can be understood in light of the time pressure to submit them ahead of the Paris conference. However, the transparency framework now needs to confront this diversity as Parties need to report on progress made in achieving NDCs – an essential requirement under the Paris Agreement. Without further guidance for NDCs and their accompanying information, the development of MPGs will be challenging, and it may hence be difficult to track progress.
7. **Transparency of adaptation has lagged behind.** Efforts should be made to provide more guidelines to monitor and evaluate adaptation efforts. For instance, reporting adaptation needs can help attract

adaptation finance, and can help understand whether international adaptation finance is effective.

Transparency of support

8. **Parties should consider developing accounting modalities for financial support received**, for instance through the SBSTA. At present, accounting modalities are only being developed for the accounting of financial resources provided and mobilised through public interventions (Decision 1/CP.21, paragraph 57).
9. **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.** To hold all Parties accountable, it is necessary that information on international climate finance flows be provided both by the providers as well as the beneficiaries of climate finance. Robust and frequent reporting by LDCs and SIDS could help corroborate the information from Parties providing support.
10. **It is necessary to define a specific mandate for work on how Parties should report on non-financial support (i.e. technology transfer and capacity building) needed, provided and received.** The Paris Agreement and Decision 1/CP.21 emphasise mainly transparency of action and financial support; however, it will also be important to shed light on the actions taken to transfer environmentally sound technologies to, and build capacity in, developing countries.
11. **The development of a specific mandate for work should be considered on how developing countries can report on the use, impact and estimated results of the support received.** This could inform better climate funding efforts in the future, and improve the likelihood of continuing and increasing funding levels.

Capacity building for transparency

12. **Parties need to ensure that the funding base for the transparency framework is strengthened and made sustainable.** CBIT is a good start, but pledged funds will quickly be exhausted.
13. **The support programme for transparency should not only focus on transparency of action but also on transparency of support.** This is particularly important because the Paris Agreement now encourages developing country Parties (except LDCs and SIDS) to biennially report information on support needed and received. This will require significant extra work and probably support and capacity building.

Priorities for COP 22

Negotiations on the MPGs of the transparency framework have only just begun, with Parties starting to outline their views (e.g. UNFCCC, 2016c). It would therefore be unrealistic to expect the above recommendations to all be taken up at COP 22. Nonetheless, it will be important for Parties to lay the foundation for implementing these recommendations at COP 22. In this regard, the following priorities for COP 22 can be identified:

- **Agree on a work plan and schedule**, with a view to meeting the COP 24 (2018) deadline for developing the MPGs for the transparency framework. Meeting this deadline will be important, since the transparency framework will need to provide input into the first global stocktake in 2023 (meaning that the outputs of the framework will need to be ready well before then), and because implementation of NDCs will start in 2020 (if not before). The MPGs can be updated if and when needed.

- **Identify the linkages with other mandates and processes**, to avoid duplication of work and ensure coordination. As a starting point, *Table 2* offers a (non-exhaustive) overview of mandates relevant to the transparency framework.
- In the development of MPGs for the transparency framework, it is sensible to **first focus on reporting guidelines, followed by the review modalities**. How Parties will report should inform the design of the review.
- To inform the development of MPGs, the UNFCCC Secretariat could **prepare a technical paper on the lessons learned from existing processes under the Convention and the Kyoto Protocol, as well as other regimes**. The technical paper could help identify what elements of existing processes could be maintained, and what elements are no longer relevant under the Paris Agreement. It could also seek to draw lessons from the functioning of these processes. At the same time, looking at reporting and review processes outside of the UNFCCC context could offer ideas on developing the MPGs for the transparency framework under the Paris Agreement.
- As some of the aspects of the transparency framework may benefit from a more informal, technical discussion, Parties could include **workshops on concrete issues in the work plan** (e.g. the relation between the transparency framework and the global stocktake; transparency of adaptation; accounting for climate finance).
- Finally, although the frameworks for transparency of action and of support should be closely linked, it may be sensible to **establish parallel but closely coordinated forums for discussing the MPGs for transparency of mitigation, adaptation and of support**.

Table 2: Relevant ongoing mandates for developing the transparency framework under Article 13*				
Mandate	Relevance for Article 13	Provision	Timeline	Body/ Actor
Mitigation				
Develop guidance on feature for NDCs	Facilitate guidance on tracking progress of NDC implementation	Decision 1/CP.21, paragraph 26	CMA I**	APA
Develop guidance for information accompanying NDCs	Facilitate guidance on tracking progress of NDC implementation	Decision 1/CP.21, paragraph 26	CMA I	APA
Develop guidance on accounting NDCs	Ensuring avoidance of double counting and maintaining environmental integrity	Article 4.13; Decision 1/CP.21, paragraph 31	CMA I	APA
Publish low-emissions development strategies	Offers further information on Parties' mitigation plans	Article 4.19; Decision 1/CP.21, paragraph 35	Ongoing	Secretariat
Develop accounting guidance for cooperative approaches	Ensuring avoidance of double counting and maintaining environmental integrity	Article 6.2; Decision 1/CP.21, paragraph 36	CMA I	SBSTA
Develop modalities and procedures for sustainable development mechanism	Ensuring avoidance of double counting and maintaining environmental integrity	Article 6.4; Decision 1/CP.21, paragraph 38	CMA I	SBSTA
Adaptation				
Develop guidance for adaptation communication	Informs transparency of adaptation action	Article 7.10-7.11	CMA I	APA
Develop modalities and procedures for public registry for adaptation communications	Informs transparency of adaptation action	Article 7.12	CMA I	SBI
Support				
<ul style="list-style-type: none"> • Develop recommendations for the common MPGs for the transparency of support • Define the year of their first and subsequent review and update 	Informs transparency of support	Article 13.13; Decision 1/CP.21, paragraph 91	CMA I	APA
Develop modalities for accounting financial resources provided and mobilised through public interventions	Informs reporting on financial support provided and mobilised through public interventions	Article 9.7; Decision 1/CP.21, paragraph 57	CMA I	SBSTA
Identify the quantitative and qualitative information to be reported on financial support	Informs reporting on financial support, including on projected levels of public financial resources to be provided to developing country Parties	Article 9.5; Decision 1/CP.21, paragraph 55	CMA I	COP
Elaborate the scope of and modalities for the periodic assessment of the support provided to the Technology Mechanism	Assesses the effectiveness and adequacy of the support provided to the Technology Mechanism on matters relating to technology development and transfer	Decision 1/CP.21, paragraphs 69-70	COP25	SBI
Transparency				
Develop MPGs for transparency framework	--	Article 13.13; Decision 1/CP.21, paragraph 91	COP 24; CMA I	APA
Global stocktake				
Identify sources of input for global stocktake	Transparency framework outputs can be inputs into stocktake	Decision 1/CP.21, paragraph 99	CMA I	APA
Develop modalities for global stocktake	Modalities can specify how transparency framework is to inform the global stocktake	Decision 1/CP.21, paragraph 101	CMA I	APA
Implementation and compliance mechanism				
Develop modalities for operation of Article 15 committee	Modalities can indicate how transparency framework can feed into Article 15 mechanism	Decision 1/CP.21, paragraph 103	CMA I	APA

* Adapted from UNFCCC, 2016d. **The timing of CMA I is still unclear – it will open at COP 22 in November 2016, but may be suspended.

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