

Panama on behalf of the Coalition for Rainforest Nations

Inputs to ADP

I. Transparency of action and support

'Geneva text'	Proposal for streamlining
<p><i>Rules and modalities</i>]</p> <p>152.[Option 1: The governing body shall elaborate the rules related to transparency of action and support, including MRV, as well as related to accounting, in particular the rules on the use of market mechanisms, and to the land sector in relation to mitigation commitments / contributions, which:</p> <p>a. After gathering experience with the agreed transparency system and assessing whether improvement is needed, adjust / enhance / ensure the development of the existing MRV arrangements and accounting rules, building on the experience of existing MRV arrangements, to fit the objectives and purposes of the agreement;</p> <p>b. Ensure harmonization and coordination of existing data systems as well as methodological consistency and commonality in defining and tracking the commitments / contributions;</p> <p>c. Option (a): Apply IPCC greenhouse gas inventory guidelines and common metrics agreed under the Convention;</p> <p>Option (b): Use common metrics and methodologies adopted by the IPCC and agreed by the COP for the estimation of GHG emissions and removals;</p> <p>d. Use common guidelines related to reference levels elaborating the modalities of how methodological consistency should be ensured and under which circumstances changes to reference levels may occur;</p> <p>e. Use common guidelines on national MRV arrangements taking into account the respective capabilities and different national circumstances of Parties;</p> <p>f. Recognize the importance of greenhouse gas emissions by sources and removals by sinks resulting from land-use change and forestry activities for understanding mitigation contributions and progress in achieving targets, commitments and implementing actions;</p> <p>g. Option (a): Recognize the use of market mechanisms in relation to mitigation commitments / contributions;</p> <p>Option (b): Recognize the use of the mechanisms defined in Articles 6 and 12 of the Kyoto Protocol and mechanisms defined in the Convention in relation to mitigation commitments.</p> <p>Recognize the use of market activities in relation to mitigation commitments if they meet standards, to be defined, that deliver real, permanent, additional and verified mitigation outcomes, avoid double accounting of effort, achieve a net decrease and/or avoidance of greenhouse gas emissions and are in conformity with these standards;</p> <p>h. Elaborate when Parties may change their baselines and related accounting approaches or methodologies;</p> <p>i. Recognize the importance of accounting of support for adaptation and means of implementation;</p> <p>j. Use comparable accounting mechanisms for support on the</p>	<p><i>Rules and modalities</i>]</p> <p>152.[Option 1: The governing body shall elaborate the rules related to transparency of action and support, including MRV, as well as related to accounting, in particular the rules on the use of market mechanisms, and to the land sector in relation to mitigation commitments / contributions, which:</p> <p>a. After gathering experience with the agreed transparency system and assessing whether improvement is needed, adjust / enhance / ensure the development of the existing MRV arrangements and accounting rules, building on the experience of existing MRV arrangements, to fit the objectives and purposes of the agreement;</p> <p>b. Ensure harmonization and coordination of existing data systems as well as methodological consistency and commonality in defining and tracking the commitments / contributions;</p> <p>e. 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basis of common templates / methodologies and common methodology for MRV for [developed countries][Parties included in annex X] / [Annex II Parties][Parties included in annex Y][all countries in a position to do so];

k. Place greater emphasis on effectiveness of support and include better provisions for reporting on the use of international support and results achieved with support;

l. With respect to the provision and receipt of finance:

i. Include / enhance information, in accordance with previous decisions of the COP, on support provided and received, including on: delivery, use and impact, sources, scale, channels, instruments, and on South-South cooperation;

ii. Provide transparency on the levels of financing, on what financing is used for, which countries are benefiting, and whether funds are new and additional and outcomes achieved through:

- **Option (i):** Accounting rules for: mitigation and adaptation actions and for financial support, as well as public and private resources invested;

- **Option (ii):** Accounting rules for [Annex II Parties][Parties included in annex Y][all countries in a position to do so] with regard to support.

iii. Be enhanced on the basis of annual reporting on delivery of climate finance by [developed country Parties][Parties included in annex X];

iv. Address the need for a common agreed definition of climate finance and inconsistencies on climate finance data:
- Providing clarity on what type is most appropriate for what action;

- Building on the work done by the Organisation for Economic Co-operation and Development Research Collaborative and the SCF on methods for measuring and tracking private climate finance / Building on the work of the SBSTA;

As outlined in the MRV proposal from Ecuador.⁷

⁷ FCCC/AWGLCA/2012/CRP.1.

m. With respect to the monitoring and reporting of support from [[developed country Parties][Parties included in annex X]] [Annex II Parties][Parties included in annex Y][all countries in a position to do so] to [developing country Parties][Parties not included in annex X] on enhanced action on technology development and transfer:

i. Overseen by the TEC / Facilitated by the TEC / Technology Mechanism;

ii. Develop common format and methodologies for technology support reporting.

n. With respect to the effectiveness of capacity-building support:

i. On the basis of the impact and knowledge created in [developing country Parties][Parties not included in annex X] against performance indicators at the national level and/or by a committee on capacity-building;

ii. Be conducted against needs identified by developing country Parties;

iii. Include an assessment of the effectiveness of capacity-building activities on the basis of performance indicators at the international level;

iv. Supported by the Durban Forum on capacity-building and

~~j. Use comparable accounting mechanisms for support on the basis of common templates / methodologies and common methodology for MRV for [developed countries][Parties included in annex X] / [Annex II Parties][Parties included in annex Y][all countries in a position to do so];~~

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the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

Option 2: The governing body shall elaborate the rules related to transparency of action and support, including MRV and accounting, which:

a. Develop methodologies on the accounting of support on finance, technology development and transfer and capacity-building provided by [developed country Parties][Parties included in annex X][all countries in a position to do so] to [developing country Parties][Parties not included in annex X], including common metrics on climate finance and quantifiable progress indicators on technology transfer and capacity-building support provided by [developed countries][Parties included in annex X][all countries in a position to do so];

b. Revise and improve [and further elaborate] the common reporting format for reporting on financial support available and provided by [developed countries][Parties included in annex X][all countries in a position to do so] to developing countries;

c. Develop a common reporting format for reporting on the support for technology development and transfer and capacity-building provided by [developed country Parties][Parties included in annex X][all countries in a position to do so] to [developing country Parties][Parties not included in annex X];

d. Revise the modalities and procedures of IAR in order to strengthen the review of the progress in provision of financial, technological and capacity-building support by [developed country Parties] [Parties included in annex X][all countries in a position to do so] to [developing country Parties][Parties not included in annex X];

e. Establish a long-term finance channel under the GCF or the Global Environment Facility to build MRV capacity of [developing country Parties][Parties not included in annex X] on a continuous basis.

f. A mechanism for the measurement, reporting and verification of support from developed country Parties to developing country Parties shall be established. The objective of this mechanism shall be to address the need for the accurate accounting of the provision of funds from developed country Parties to developing country Parties in order to assess compliance with finance obligations for mitigation, adaptation, technology transfer and capacity-building, with a view to ensuring the robustness and transparency of the Financial Mechanism of the Convention. This mechanism shall be guided by the following:

i. Measurement shall address those funds exclusively aimed at enabling and supporting enhanced action on mitigation, adaptation, technology development and transfer, report drafting, and capacity-building of developing country Parties, from public, private, bilateral, multilateral and alternative sources;

ii. In the case of funds provided for multiple purposes, only the share provided solely for climate change shall be counted towards climate change finance;

iii. Mobilization of funds through leverage and/or official development aid shall be considered complementary and will not be counted as a part of climate finance;

iv. Mobilization of funds in developed countries for

~~iv. Supported by the Durban Forum on capacity building and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.~~

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administrative purposes that is indirectly related to the provision of climate change funds to developing countries will not be considered climate finance;

v. A Financial Support Registry shall be established and will be universally accessible in order to ensure inclusiveness and transparency for all Parties;

vi. The origin, intermediaries and characteristics of funds, including funds from private, public, bilateral, multilateral and alternative sources, technology transfer and capacity-building, shall be reported by Parties to the COP through Annex I national communications, additional information submitted from developed and developing countries, including through their national communications, and the annual reports of the operating entities of the Financial Mechanism, among others;

vii. Reporting of climate-related support must follow a common, internationally agreed format and be approved by the COP in order to allow for comparability, assessment and analysis by the Standing Committee on Finance and by all non-Annex I and Annex I Parties. The format must include information on funded actions, amount effectively disbursed against obligations under the Convention, amount of new and additional funds, sector, financial channels, time frame and instruments (including, inter alia, grants, concessional loans and capital);

viii. The source and character of funds shall allow for traceability on the part of non-Annex I Parties;

ix. Developing country Parties that receive funding shall be able to certify the funds received and report on the effective use of funds.

Option 3: The governing body shall elaborate the guidelines related to transparency of action and support, by:

a. Tailoring the post-2020 transparency arrangements to promote its objective;

b. Developing guidelines for biennial communications regarding;

c. National circumstances:

i. The national inventory report of emissions and removals;

ii. A description of nationally determined contribution;

iii. Progress in achievement of the NDC, including mitigation actions and their effects, estimates of emissions from the land sector, and the use of units from international market-based mechanisms;

iv. Projections;

v. Provision of support, including on the provision of finance, technology transfer and capacity-building;

vi. Progress in assessing climate risks and vulnerabilities, and in enhancing adaptation action, including through national adaptation planning processes.

d. Using common reporting templates wherever applicable and beneficial for enhancing transparency;

e. Parties may exclude, or otherwise manage, the effect of non-anthropogenic factors.

f. Elaborating on the following:

i. Parties to include all major emission sources and sinks, pools and gases in their contribution;

~~iv. Mobilization of funds in developed countries for administrative purposes that is indirectly related to the provision of climate change funds to developing countries will not be considered climate finance;~~

~~v. A Financial Support Registry shall be established and will be universally accessible in order to ensure inclusiveness and transparency for all Parties;~~

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~~f. Elaborating on the following:~~

~~i. Parties to include all major emission sources and sinks,~~

- ii. For major sources and sinks, pools and gases that are not included, Parties to include an explanation for their exclusion, and to strive to include these over time;
 - iii. Parties to use the most relevant IPCC guidance and guidelines, as determined by the COP;
 - iv. Parties not to change their accounting approach or methodologies or baseline during the time frame, except in the case of technical corrections;
 - v. Parties to have projected baselines transparently assessed;
 - vi. Parties that use market-based approaches to meet standards that deliver real, additional, verifiable and permanent emission reductions, avoid double counting of effort and result in a net mitigation benefit;
 - vii. Once a gas, sector, category, activity, area of land or pool is accounted towards a commitment, it shall continue to be accounted for in the future;
 - viii. Parties shall define transparently the methodologies, rules and assumptions used to frame their commitments, in particular those used to calculate the ‘business as usual’ projections and work towards common methodologies and rules over time;
 - ix. Parties should be allowed to make corrections to their reference levels if they were higher than what occurred, to ensure that sink credits are only earned for climate performance directly related to anthropogenic measures and not to unexpected macroeconomic circumstances.
- g. Recognizing the importance of greenhouse gas emissions by sources and removals by sinks resulting from land-use change and forestry activities;
- h. Developing guidelines to assist Parties in assessing national climate change impacts, vulnerability and adaptation options;
- i. Developing guidelines for the technical expert review of Parties’ biennial communications;
- j. Developing guidelines for a facilitative examination of Parties’ progress towards their nationally determined contributions;
- k. With respect to the provision and receipt of support and international cooperation, develop guidelines that:
- i. Elicit information on support provided and received, including on: delivery, use and impact, sources, scale, channels, and instruments;
 - ii. Provide transparency on the levels of financing, what financing is used for, which countries are benefiting, and whether funds are new and additional;
 - iii. Place greater emphasis on effectiveness of support and reporting on the use of international support and results achieved with support;
 - iv. Recognize that a variety of types may be appropriate;
 - v. Consider the ongoing work under the SCF and the work of relevant bodies outside the Convention.

Option 4: No new arrangements for elaborating guidelines related to transparency of action and support and MRV for market measures within this agreement.

Option 5: The establishment and implementation of mitigation commitments shall be guided by the following accounting rules, applicable to all Parties:

- a. Parties shall account for all their significant anthropogenic

- ~~pools and gases in their contribution;~~
- ~~ii. For major sources and sinks, pools and gases that are not included, Parties to include an explanation for their exclusion, and to strive to include these over time;~~
 - ~~iii. Parties to use the most relevant IPCC guidance and guidelines, as determined by the COP;~~
 - ~~iv. Parties not to change their accounting approach or methodologies or baseline during the time frame, except in the case of technical corrections;~~
 - ~~v. Parties to have projected baselines transparently assessed;~~
 - ~~vi. Parties that use market based approaches to meet standards that deliver real, additional, verifiable and permanent emission reductions, avoid double counting of effort and result in a net mitigation benefit;~~
 - ~~vii. Once a gas, sector, category, activity, area of land or pool is accounted towards a commitment, it shall continue to be accounted for in the future;~~
 - ~~viii. Parties shall define transparently the methodologies, rules and assumptions used to frame their commitments, in particular those used to calculate the ‘business as usual’ projections and work towards common methodologies and rules over time;~~
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- ~~g. Recognizing the importance of greenhouse gas emissions by sources and removals by sinks resulting from land use change and forestry activities;~~
- ~~h. Developing guidelines to assist Parties in assessing national climate change impacts, vulnerability and adaptation options;~~
- ~~i. Developing guidelines for the technical expert review of Parties’ biennial communications;~~
- ~~j. Developing guidelines for a facilitative examination of Parties’ progress towards their nationally determined contributions;~~
- ~~k. With respect to the provision and receipt of support and international cooperation, develop guidelines that:~~
- ~~i. Elicit information on support provided and received, including on: delivery, use and impact, sources, scale, channels, and instruments;~~
 - ~~ii. Provide transparency on the levels of financing, what financing is used for, which countries are benefiting, and whether funds are new and additional;~~
 - ~~iii. Place greater emphasis on effectiveness of support and reporting on the use of international support and results achieved with support;~~
 - ~~iv. Recognize that a variety of types may be appropriate;~~
 - ~~v. Consider the ongoing work under the SCF and the work of relevant bodies outside the Convention.~~

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~~**Option 5:** The establishment and implementation of mitigation commitments shall be guided by the following~~

emissions by sources and removals by sinks of greenhouse gases and the accounting shall be increasingly comprehensive over time;

b. Once a gas, sector, category, activity, area of land or pool is accounted towards a commitment, it shall continue to be accounted for in the future;

c. Parties shall define and report the methodologies, rules and assumptions used to frame their commitments, in particular those used to calculate 'business as usual' projections and work towards common methodologies and rules over time;

d. Parties shall ensure methodological consistency between baselines and 'business as usual' projections and the emission estimation used during the implementation of the commitments.

The following accounting principles shall apply for the land-use sector:

a. Parties shall include both anthropogenic emissions by sources and removals by sinks for any land-use category or activity included in its commitment;

b. Accounting of land-use shall use carbon stock changes over time and exclude carbon stocks, and enable the impact of natural disturbances to be addressed;

c. Parties shall base their accounting for the land-use sector on realistic and meaningful reference levels building on existing guidance under the Convention and its instruments.]

accounting rules, applicable to all Parties:

a. Parties shall:

- [i. specify whether NDCs are accounted on the basis of full coverage of IPCC categories, or specify which activities, categories pools and gases are included](#)
- [ii. report on how displaced emissions as leakage, if any, are monitored, reported and accounted](#)
- [iii. be transparent in the use of reference levels, either by use of existing decisions under the Convention and the Kyoto Protocol or by providing comparable information](#)

~~account for all their significant anthropogenic emissions by sources and removals by sinks of greenhouse gases and the accounting shall be increasingly comprehensive over time;~~

~~b. Once a gas, sector, category, activity, area of land or pool is accounted towards a commitment, it shall continue to be accounted for in the future;~~

~~c. Parties shall define and report the methodologies, rules and assumptions used to frame their commitments, in particular those used to calculate 'business as usual' projections and work towards common methodologies and rules over time;~~

~~d. Parties shall ensure methodological consistency between baselines and 'business as usual' projections and the emission estimation used during the implementation of the commitments.~~

The following accounting principles shall apply for the land-use sector:

a. Parties shall include both anthropogenic emissions by sources and removals by sinks for any land-use category or activity included in its commitment;

[b. Parties shall be transparent on the approach used to address natural disturbance emissions and removals, either as consistent with available IPCC guidance or by providing comparable information](#)

~~b. Accounting of land use shall use carbon stock changes over time and exclude carbon stocks, and enable the impact of natural disturbances to be addressed;~~

~~c. Parties shall base their accounting for the land use sector on realistic and meaningful reference levels building on existing guidance under the Convention and its instruments.]~~