



## **Revised additional tool under item 5 of the agenda: Section A**

### **Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement**

#### **Informal document by the co-facilitators**

##### *First iteration*

1. This note captures the progress of Parties' work under agenda item 5, "Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement" at the sixth part of the first session of the Ad Hoc Working Group on the Paris Agreement. The note was prepared, under the responsibility and guidance of the APA Co-Chairs, by the co-facilitators of the negotiations on this item, Mr. Xiang Gao (China) and Mr. Andrew Rakestraw (United States of America).
2. The content of the note is without prejudice to the further negotiations by Parties on these matters. It is understood that Parties may express their views thereon at any time, including through submissions to be considered in the further deliberations under this agenda item.

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## COP decision

*The Conference of the Parties,*

*Recalling* the Paris Agreement, adopted under the Convention (hereinafter referred to as “the Agreement”),

*Recalling* decision 1/CP.21,

*Recalling* decision 1/CP.21, paragraph 98, that for Parties to the Paris Agreement, the modalities, procedures and guidelines for the enhanced transparency framework under the Paris Agreement shall build upon and eventually supersede the measurement, reporting and verification (MRV) system established by decision 1/CP.16, paragraphs 40 to 47 and 60 to 64, and decision 2/CP.17, paragraphs 12 to 62, immediately following the submission of the final biennial reports and biennial update reports;

.....

1. *Decides*, pursuant to 1/CP.21, paragraph 91, to forward a draft decision containing, *inter alia*, recommendations for the modalities, procedures and guidelines in accordance with Article 13, paragraph 13, of the Agreement (MPGs), to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), for its consideration and adoption at the third part of its first session;
2. [Placeholder for how to operationalize paragraph 98];
3. The technical annex referred to in paragraph 7 of decision 14/CP.19 shall be submitted as an annex to the biennial transparency report referred to in the annex to the draft decision;
4. The technical analysis referred to in paragraph 11 of 14/CP.19 will be carried out concurrent with the technical expert review process referred to in the annex to the draft decision;
5. [Guidance to CBIT;]
6. **[Option 1:** No text on CGE;]

**[Option 2:** *Decides* that the Consultative Group of Experts, building on the arrangements and relevant processes under the Convention, shall continue its important role by serving the enhanced transparency framework under the Paris Agreement, including by, *inter alia*:

- a. Facilitating technical advice and support to developing country Parties, as applicable, including in preparation and submission of BTRs;
- b. Training of technical expert review teams;
- c. Composition of technical expert review teams;
- d. Placeholder for additional items;]

**[Option 3:** *Requests* the SBI to consider the possible role the Consultative Group of Experts could play under the Paris Agreement, and to consider revisions to its functions and terms of reference to that end, with a view to forwarding a recommendation to the CMA by its [XX] session.]

7. **[Option 1:** No text on guidance to the GEF]

### **[Option 2**

- a. *Urges and requests* the operating entities of the [Financial Mechanism of the Convention][Global Environment Facility] serving the Paris Agreement to support developing country Parties in preparing their first and subsequent transparency reports, including for capacity building, through voluntary contributions and elements of their replenishment cycle;
- b. *Reaffirms* the GEF will provide support for developing country Parties to fulfill their obligation under Article 13 of the Paris Agreement;<sup>1</sup>

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<sup>1</sup> Language to be incorporated into the agenda item that provides guidance to the GEF at COP24.

- c. [Encourages][Requests][Urges] the GEF to consider, in particular, options to improve the efficiency of the process for providing support for reporting under Article 13 of the Paris Agreement, including potentially providing an avenue for Parties to apply for funding for more than one [biennial transparency report] [and national inventory report] through a single application<sup>2</sup>].

## CMA decision

*The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,*

*Recalling* the Paris Agreement, adopted under the Convention (hereinafter referred to as “the Agreement”),

*Recalling* decision 1/CP.21,

*Recalling* Article 2 of the Agreement,

*Recalling* Article 13 of the Agreement,

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

*Recalling* Article 13, paragraphs 14 and 15 that support shall be provided to developing countries for the implementation of Article 13 and the building of transparency-related capacity of developing country Parties on a continuous basis, and recognizing that the Capacity-Building Initiative for Transparency will continue to contribute to building developing countries' institutional and technical capacity, both pre- and post-2020,

*Recognizing* that flexibility for those developing country Parties that need it in the light of their capacities is built into the MPGs,

.....

1. *Adopts*, pursuant to paragraph 13 of Article 13 of the Agreement, the modalities, procedures and guidelines (MPGs) for the transparency of action and support contained in the annex to this decision;
2. *Decides* that [the first review and update, as appropriate, of the MPGs will be undertaken on the basis of the experience gained in the first round of technical expert review and facilitative, multilateral consideration of progress, no later than [XX], and subsequent reviews and updates will be undertaken [every [XX] years thereafter][as the CMA determines appropriate]];
3. *Invites* Parties and, as appropriate, [intergovernmental organizations] to nominate technical experts with relevant qualifications to the UNFCCC roster of experts;
4. *Decides* that Parties [shall] submit information referenced in the MPGs in one of the official languages of the United Nations;
5. *Decides* that Parties [shall][should] submit, where relevant, a translation into English;
6. [*Requests* the secretariat, subject to the availability of resources, and in addition to the actions specified in the MPGs, to:
  - a. Produce an [annual][biennial] synthesis report of Parties' report[s];
  - b. Produce an [annual][biennial] report on the technical expert review;
  - c. Develop tabular formats for technical experts review reports;
  - d. Develop a proposed outline of the biennial transparency report;
  - e. Develop and implement a training programme on the technical expert review [under the guidance of the lead reviewers];
  - f. Publish reports submitted by Parties and technical experts review reports on the UNFCCC website];
7. *Decides* that Parties [shall] submit their first [national inventory report and] biennial transparency report consistent with the MPGs by [XX] and every [XX] years thereafter; [Those developing country Parties that need flexibility in the light of their

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<sup>2</sup> Language to be incorporated into the agenda item that provides guidance to the GEF at COP24.

capacities [should] submit their first [national inventory report and] biennial transparency report consistent with the MPGs by [XX] and every [XX] years thereafter];

8. *Decides* that the first rounds of technical expert review and facilitative multilateral consideration of progress will commence within [XX] months of the submission of the first round of [XX] reports by Parties;
9. [Placeholder for further decisions on the form and/or periodicity of reporting];
10. *Decides* that least developed country Parties and small island developing States may submit the information referred to in paragraphs 7, 8, 9, and 10 of Article 13 of the Agreement at their discretion;
11. [IPCC guidelines and metrics used in reporting];
12. [Placeholder for further decisions on the procedural relationship, if any, between UNFCCC and Paris Agreement reporting and review processes];
13. *Urges and requests* the Global Environment Facility to continue to support the operation of the Capacity-building Initiative for Transparency as a priority reporting-related need;
14. [**Option 1:** No text on guidance to the GEF;]  
**[Option 2:** *Urges and requests* the operating entities of the [Financial Mechanism of the Convention][Global Environment Facility] serving the Paris Agreement to support developing country Parties in preparing their first and subsequent transparency reports, including for capacity building, through voluntary contributions and elements of their replenishment cycle;]
15. [**Option 1:** No text on CGE;]  
**[Option 2:** *Decides* that the Consultative Group of Experts, building on the arrangements and relevant processes under the Convention, shall continue its important role by serving the enhanced transparency framework under the Paris Agreement, including by, inter alia:
  - a. Facilitating technical advice and support to developing countries, as applicable, including in preparation and submission of BTRs;
  - b. Training of technical expert review teams;
  - c. Composition of technical expert review teams;
  - d. Placeholder for additional items;]**[Option 3:** *Requests* the SBI to consider the possible role the CGE could play under the Paris Agreement, and to consider revisions to its functions and terms of reference to that end, with a view to forwarding a recommendation to the CMA by its [XX] session;]
16. *Requests* the [Subsidiary Body for Scientific and Technological Advice][Subsidiary Body for Implementation] to develop common tabular formats for the electronic reporting of information according to the MPGs and develop an outline of technical expert review report for adoption by the CMA at its [XX] session;
17. [Elements related to the Biennial Assessment of the Standing Committee on Finance];
18. [Elements related to the Paris Committee on Capacity-building and Technology Framework];
19. [General principles for the provision of flexibility in the enhanced transparency framework, including a transition process].

## A. Overarching considerations and guiding principles

### [PART I *Elements that could be drafted as MPGs*]

[**Option 1:** A section entitled overarching considerations and guiding principles is not necessary in the MPGs.]

[**Option 2:**

#### A.1.1. Objectives

**[Option 1.1:** Objectives section only under each section of the MPGs and not in section A.]

**[Option 1.2:**

1. Pursuant to paragraph 5 of Article 13 of the Agreement, the purpose of the framework for transparency of action is to provide a clear understanding of climate change action in the light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties' individual nationally determined contributions under Article 4, and Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14;
2. Pursuant to paragraph 6 of Article 13 of the Agreement, the purpose of the framework for transparency of support is to provide clarity on support provided and received by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11, and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake under Article 14.

**[Option 1.2.1:** No further text]

**[Option 1.2.2:**

1. The MPGs for the transparency of action and support also have as their objectives:
  - a. Facilitate improved reporting and transparency over time;
  - b. Provide flexibility to those developing country Parties that need it in the light of their capacities;
  - c. Promote transparency, accuracy, completeness, consistency and comparability;
  - d. Avoid duplication as well as undue burden on Parties and the secretariat;
  - e. Ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention;
  - f. [Ensure][facilitate] that double counting is avoided;
  - g. [Ensure][facilitate] environmental integrity;
  - h. Provide policy guidance to the operating entity of the financial mechanism for the timely provision of financial support to developing country Parties to implement Article 13 and build their transparency-related capacity on a continuous basis;
  - i. Enhance the implementation of the UN Framework Convention on Climate Change and strengthen the global response to climate change;
  - j. Facilitate sharing of best practices on low-carbon development;
  - k. Generate information that can inform the Article 15 mechanism;
  - l. Promote mutual understanding, trust, and confidence, and promote effective implementation of the Paris Agreement;
  - m. Generate clear and credible information related to loss and damage associated with climate change impacts to inform the global stocktake;
  - n. Building on the current arrangements for response measures.]]

#### **A.1.2 Guiding principles**

**[Option 2.1:** Principles sections only under each section of the MPGs and not in section A.]

**[Option 2.2:** A section on guiding principles is not necessary in the MPGs.]

**[Option 2.3:**

1. The principles guiding the MPGs for the transparency of action and support are:
  - a. Build on and enhance the transparency arrangements under the Convention, recognizing the special circumstances of the least developed countries and small island developing States, and be implemented in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties;
  - b. Facilitate improved reporting and transparency over time;

- c. Provide flexibility to those developing country Parties that need it in the light of their capacities;
- d. Promote transparency, accuracy, completeness, consistency and comparability;
- e. Avoid duplication as well as undue burden on Parties and the secretariat;
- f. Ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention;
- g. [Ensure][facilitate] that double counting is avoided;
- h. [Ensure][facilitate] environmental integrity;
- i. Respect the nationally determined nature of nationally determined contributions;
- j. Ensure accountability by Parties for actions to address climate change and its impacts;
- k. Enhance on the basis of existing differentiated arrangements under the Convention;
- l. Ensure that the content and frequency of reporting and communications by developing country Parties shall not be more onerous than that for developed country Parties;
- m. Common but differentiated responsibilities and respective capabilities, in the light of different national circumstances;
- n. Encourage maximum participation by all Parties by recognizing Parties' different starting points, number of reporting cycles to date, experiences, and learning curves;
- o. Effective, pragmatic, and feasible;
- p. Provide a direction of travel for the overall improvement of the level of transparency;
- q. Result in indication of best practice;
- r. Recognize that improvement in reporting by developing country Parties will take time depending on their capacity and new, additional, and adequate financial support to meet agreed full costs;
- s. [Strengthen, not replace, existing arrangements under the Convention contained in decisions 1/CP.16, 2/CP.17 and 1/CP.18 to accommodate the Paris Agreement, but also draw on all relevant arrangements under the Paris Agreement, including the global stocktake, NDC cycles, reporting on adaptation, reporting on support needed and received, and flexibility.]]

### **A.1.3 Structure/design of the MPGs**

**[Option 3.1:** A section on structure/design of the MPGs is not necessary in the MPGs.]

**[Option 3.2:** Single/common MPGs applicable to all Parties, with built-in flexibility to those developing country Parties that need it in the light of their capacities, containing three main sections: common reporting MPGs with annexed common tabular formats; common TER MPGs; and common FMCP MPGs.]

**[Option 3.3:** Build on the existing system under the Convention, with two separate parts for developed and developing country Parties, respectively.]

**[Option 3.4:** One set of MPGs with a section for common elements for both developed country Parties and developing country Parties. For other issues where requirements are different, two separate tracks, one for developed country Parties and another for developing country Parties.]

### **A.1.4 Flexibility to those developing country Parties that need it in the light of their capacities**

**[Option 4.1:** A section on flexibility to those developing country Parties that need it in the light of their capacities is not necessary in the MPGs.]

**[Option 4.2:**

1. Per paragraph 2 of Article 13, the enhanced transparency framework shall provide flexibility in the implementation of the provisions of Article 13 to those developing country Parties that need it in the light of their capacities, and that the modalities, procedures and guidelines referred to in Article 13.13 shall reflect such flexibility.

2. These modalities, procedures and guidelines specify the flexibility that is available to those developing country Parties that need it in the light of their capacities, pursuant to paragraph 2 of Article 13.
3. [Unless otherwise provided in the modalities, procedures and guidelines, such flexibility shall be available to those developing country Parties that need it in light of their capacities for the first [XX] biennial transparency reports and national inventory reports, unless otherwise noted.]
4. [Those developing country Parties that need flexibility in the light of their capacities are limited to LDCs and SIDS].
5. [Least developed country Parties and small island developing states may continue to use flexibility in subsequent reports should they need it in the light of their capacities.]
6. Those developing country Parties that need a flexibility provision in light of their capacity should clearly indicate when it is using such a provision.
7. [If a developing country Party has sufficient capacity to follow a provision without using a flexibility available in the MPGs, it shall follow the provision without using flexibility.]

**[Option 4.3:**

1. Recognizing Parties' different capacities and different accumulated experience, these MPGs shall reflect flexibility in the implementation of Article 13 for those developing country parties that need it in light of their capacities.
2. As per Article 13, paragraph 2 and decision 1 CP/21, paragraph 89, these MPGs shall reflect the types of flexibility in the implementation of Article 13 for those developing parties that need it in light of their capacities, including in:
  - a. Scope;
  - b. Frequency;
  - c. Level of detail in reporting;
  - d. Scope of the review.
3. These MPGs recognize that capacity and national circumstances are self-identified by developing country parties, and the use of the types of flexibility by developing country Parties that need it in light of their capacity shall be nationally determined and not subject to review.]

**A.1.5 Facilitating improved reporting and transparency over time**

**[Option 5.1:** A section on facilitating improved reporting and transparency over time is not necessary in the MPGs.]

**[Option 5.2:**

1. All Parties should be working toward continuous improvement over time.
2. Each Party [shall][should] prepare and submit alongside their reports planned improvements to address gaps in reporting, including related capacity-building needs. Such information [shall][should] include [XX].]

**PART II *[Elements that could guide Parties' development of the MPGs]***

**A.2.1 Interlinkages with other transparency related items**

1. Identified linkages include:
  - a. SBSTA agenda item on matters relating to Article 6 of the Paris Agreement;
  - b. SBSTA agenda item on modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement;
  - c. SBSTA and SBI items related to the technology framework;
  - d. SBI agenda item on common timeframes;
  - e. APA agenda item on further guidance in relation to the mitigation section of decision 1/CP.21;
  - f. APA agenda item on further guidance in relation to the adaptation communication, including, inter alia, as a component of nationally determined contributions, referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement;

- g. APA agenda item on matters relating to the global stocktake referred to in Article 14 of the Paris Agreement;
  - h. APA agenda item on modalities and procedures for the effective operation of the committee to facilitate implementation and promote compliance referred to in Article 15, paragraph 2, of the Paris Agreement;
  - i. Additional linkages to other parts of the Paris Agreement, including linkages to Articles 8, 9.3, 9.5, 10, 11, 14 and 15;
  - j. Interlinkages with all relevant issues under Articles 2, 3, 4, 7, 9, 10, 11 and 14 of the Paris Agreement;
  - k. COP agenda item on process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement. COP agenda item and discussions under APA Item 8 on provision of information by developed countries in terms of Article 9.5;
  - l. Adaptation Committee and the Least Developed Countries Expert Group mandate to jointly develop modalities to recognize the adaptation efforts of developing country Parties, as referred to in Article 7, paragraph 3, of the Paris Agreement;
  - m. AC/LEG work in terms of paragraphs 41, 42 (b), and 45 (a) of 1/CP.21, as well as the relevant processes under the SBs considering the report of the AC/LEG on recognition of adaptation efforts by developing countries, on methodologies for assessing adaptation needs of developing countries, and on taking steps to mobilize support for adaptation in developing countries.
2. Key considerations with respect to linkages include:
- a. Reflect the outputs from interlinked work streams;
  - b. Be coordinated to ensure coherence, consistency, and avoid duplication of work with the progress of related work being undertaken;
  - c. Avoid placing an additional burden on Parties, especially developing country Parties;
  - d. Parties' reports, TER and FMCP serve as input to GST;
  - e. Parties will use their Article 13 reporting to demonstrate they are meeting other provisions of the Paris Agreement, including Articles 4.13, 4.2, 4.3, 6.2, and 6.4;
  - f. TER will provide a technical expert review report to Article 15;
  - g. Provision for a synthesis report of information submitted in terms of Article 13, to serve as an input to the global stocktake, depending on work under the relevant APA agenda item;
  - h. Provision of information to the compliance committee, depending on work under the relevant APA agenda item.

#### **A.2.2 Building on and enhancing the transparency arrangements under the Convention, recognizing that the transparency arrangements under the Convention shall form part of the experience drawn upon for the development of the MPGs**

1. The transparency arrangements under the Convention, including NC, BR and BUR, IAR and ICA shall form part of the experience drawn upon for the development of the MPGs for the transparency framework. Draw on lessons learned from implementing current transparency arrangements.
2. Build upon and eventually supersede the existing MRV system under the Convention established by decision 1/CP.16, paragraphs 40-47 and 60-64 and decision 2/CP.17, paragraphs 12-62, immediately following the submission of the final BRs and BURs.

#### **A.2.3 Flexibility to those developing countries that need it in the light of their capacities**

1. Provide flexibility to those developing country Parties that need it in the light of their capacities.
2. Recognize the different capabilities and capacities of developing country Parties, and in particular the special circumstances of LDCs and SIDS.
3. Flexibility must also recognize the special circumstances of countries in areas of conflict.
4. Operationalize flexibility by providing differentiated obligations for developed and developing country Parties.
5. Self-select and clearly indicate their use of flexibility on the basis of their capacities.

6. Demonstrate they meet agreed criteria to use flexibility.
7. Self-identification of capacity and national circumstances is essential to developing country Parties. Developing country Parties' use of flexibility will be nationally-determined.
8. Use of flexibility will be reported, but the choice of flexibility provisions by developing country Parties will not be subject to review.
9. As capacities improve, the extent of flexibilities will reduce over time.
10. Use a three-step analysis to determine whether to incorporate flexibility into a provision. Step 1: Does fulfilling the provision depend on a country's technical or institutional capacity? Step 2: Do Parties have sufficient discretion with respect to fulfilling the provision? Step 3: What specific flexibility is required for this provision?
11. Those developing countries that use flexibility explain their use and how they will meet the common MPGs and improve TACCC over time.
12. Developing country Parties are not subject to reporting or subject to review, in addition, on certain elements.
13. Specific proposals on how to operationalize built-in flexibility for those developing country Parties that need it in the light of their capacities include:
  - a. Reflected in the scope of reporting, and frequency, level and detail of reporting, as well as the stringency of the review;
  - b. Using "shall", "should", "may", "be encouraged to", "to the extent possible", "as appropriate", "if applicable", etc.;
  - c. Determining at its discretion which option or tier to apply;
  - d. Already built into the IPCC inventory guidelines in the form of tiers;
  - e. Including provisions/formats designed to facilitate improved reporting and transparency over time;
  - f. Reflecting the discretion accorded to SIDS and LDCs;
  - g. Establishing a transition period for developing country Parties;
  - h. Recognizing the different starting points between developed and developing country Parties;
  - i. Providing a "layered approach" or a menu of options on methodologies, detailed reporting items (or levels of detail), approaches of review, etc. to choose (opt-in or opt-out) from;
  - j. Flexible arrangements for the timing and frequency of the delivery of report;
  - k. Applying flexibility at the level of individual provisions in the MPGs;
  - l. Flexibility in the threshold percentage used to identify which source/sink categories are "key" provides a systematic mechanism to address additional capacity constraints throughout the GHG inventory MPGs;
  - m. Use of notation keys for tabular formats such as "NE" (for not estimated), "NA" (not applicable) or "NR" (no reporting);
  - n. An option not to report and/or be subject to review on certain elements, with an explanation of the reasons;
  - o. By establishing a transition period during which developing countries who need it in light of their capacities will be provided with flexibility, by making available to them a menu of options for each element of the MPGs (e.g. inventories, etc.). This transition period will be governed by the principle of no-backsliding from current transparency arrangements, and each country will be encouraged to move as quickly as possible through this transition period;
  - p. Need to be flexible on reporting of adaptation efforts.

#### **A.2.4 Facilitating improved reporting and transparency over time**

1. Improvement in reporting by developing country Parties will take time, and longer for those with limited capacities, and depend on support, and in particular for LDCs and SIDS.
2. Prioritizing improvements or identifying capacity needs; the review process will be a catalyst for improved reporting and transparency over time.
3. Identification of capacity building needs and any improvement required must be initiated by the Party concerned.

4. Overcoming barriers to reporting is contingent upon provision of new, additional and adequate financial and technical resources to meet agreed full costs.
5. The MPGs should result in indication of best practice, and encourage Parties and technical expert review teams to identify areas for improvement.
6. LDCs and SIDS should not be disadvantaged in accessing finance, technical or capacity-building support on the account of discretion afforded to LDCs and SIDS.
7. Provide support for transitioning to the 2006 IPCC Guidelines.
8. Capacity building is critical for Parties, especially LDCs and SIDS, to improve their GHG inventories with increasing accuracy and coverage over time; focus on challenges for data collection and continuity due to lack of institutional capacity, lack of institutional structures and absence of frameworks for collection of data.

#### **A.2.5 Avoiding duplication as well as undue burden on Parties and the secretariat**

1. Parties should not be required to report the same information across several reports, and the same information should not be reviewed twice.
2. Design a practical and efficient system for transparency of action and support.
3. Existing communications and procedures should be adapted to accommodate the different types of contributions under the Paris Agreement.

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